

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

SUMMARY

The Department of Business and Economic Development's (DBED) mission is to stimulate and strengthen the Maryland economy. To this end, the Department develops policies and implements programs that facilitate the creation and retention of jobs, the formation and expansion of businesses, the development of export trade, and the growth of tourism.

DBED has consolidated its capital funded programs into the Maryland Economic Development Assistance Authority Fund (MEDAAF). Within MEDAAF there are five funding capabilities:

1. Significant Strategic Economic Development Opportunities – These are projects that will provide a significant economic development opportunity on a statewide or regional level. An example would be an expansion by the Black and Decker Corporation.
2. Local Economic Development Opportunities – These are projects that provide a valuable economic opportunity to the jurisdiction and are a priority of that jurisdiction. An example would be to attract an out-of-state company to relocate to the jurisdiction.
3. Direct Assistance to Local Jurisdictions or MEDCO – This is financial assistance to a local jurisdiction for improvements, acquisitions, roads, and utilities.
4. Regional or Local Revolving Loan Fund – This fund provides grants to local jurisdictions to help capitalize local revolving loan funds.
5. Special Purpose Loans – These are loans to target specific funding initiatives deemed critical to the State's economic health and development. An example would be the Brownfield Revitalization Incentive Program.

In addition to these capabilities, for fiscal years 2008 and 2009, the 2006 General Assembly mandated that the Department of Business and Economic Development allot at least \$2,000,000 in MEDAAF to the Rural Broadband Assistance Fund to assist in the provision of broadband communication services in rural and underserved areas of the State.

CHANGES TO FY 2007 - FY 2011 CAPITAL IMPROVEMENT PROGRAM

Changes to FY 2008

Additions:

Rural Broadband Assistance Fund: This fund was added to the Capital Improvement Program due to the passage of Chapter 269 of the Acts of the General Assembly of 2006, which stated that in fiscal years 2008 and 2009 the Governor shall include at least \$4,000,000 in the budget for the Rural Broadband Assistance Fund, of which at least \$2,000,000 will come from MEDAAF.

Deletions:

None

Changes to FY 2009 - FY 2011

None

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FY 2008 - FY 2012 Capital Improvement Program

Grants and Loans

RURAL BROADBAND ASSISTANCE FUND

Budget Code: TF0010

Rural Broadband Assistance Fund (Statewide) FY 2008 Total \$2,000

The Rural Broadband Assistance Fund was established by the General Assembly in 2006 for the purpose of assisting in the establishment of broadband communication services in rural and underserved areas of the State. Disbursements from the fund can only be used for planning, construction, and maintenance of broadband communication services and equipment. The FY 2008 budget includes funding to provide broadband communication services on the Eastern Shore.

<u>Source</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>TOTAL</u>
General Funds	2,000	2,000	-	-	-	4,000
TOTAL	2,000	2,000	-	-	-	4,000

Subtotals for Rural Broadband Assistance Fund

<u>Source</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>TOTAL</u>
General Funds	2,000	2,000	-	-	-	4,000
TOTAL	2,000	2,000	-	-	-	4,000

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MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY FUND

Budget Code: TF0023

**Maryland Economic Development Assistance Authority Fund
(Statewide)**

FY 2008 Total \$2,000

The Maryland Economic Development Assistance Fund provides loans, grants, conditional loans, conditional grants, and direct investment to subdivisions and specific growth industry sector businesses locating or expanding in a priority funding area. Funds may be used for current business needs including property acquisition, construction or renovation of buildings, including leasehold improvements, and capital equipment. This program may also provide financial assistance to economically distressed jurisdictions for infrastructure and real estate development projects. The FY 2008 budget will provide funds to the Rural Broadband Assistance Fund for infrastructure improvements.

<u>Source</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>TOTAL</u>
General Funds	2,000	15,000	15,000	15,000	15,000	62,000
TOTAL	2,000	15,000	15,000	15,000	15,000	62,000

Subtotals for Maryland Economic Development Assistance Authority Fund

<u>Source</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>TOTAL</u>
General Funds	2,000	15,000	15,000	15,000	15,000	62,000
TOTAL	2,000	15,000	15,000	15,000	15,000	62,000

Subtotals for Grants and Loans

<u>Source</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>TOTAL</u>
General Funds	4,000	17,000	15,000	15,000	15,000	66,000
TOTAL	4,000	17,000	15,000	15,000	15,000	66,000

Total Program - Department of Business and Economic Development

<u>Source</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>TOTAL</u>
General Funds	4,000	17,000	15,000	15,000	15,000	66,000