



Baltimore
Development Corporation

Annual Report 2016





MISSION STATEMENT



The Baltimore Development Corporation (BDC) is a non-profit organization, which serves as the economic development agency for the City of Baltimore. Our mission is to retain and expand existing businesses, support cultural resources, and attract new opportunities that spur economic growth and help create jobs. BDC serves as a one-stop shop for anyone interested in opening, expanding or relocating a business in Baltimore City.

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BDC BOARD OF DIRECTORS



Arnold Williams, CPA

Chairman, BDC
Managing Director, Abrams, Foster, Nole & Williams, P.A.

Christine Bivens

Director, Mayor's Office of Minority and Women-Owned Business Development

Greg Cangialosi

Chairman, Co-Founder, Betamore Inc.
Co-Chairman, Baltimore Angels
CEO, Mission Tix

Augie Chiasera

President, M&T Bank

Armentha Cruise

President & CEO, The Aspen Group Inc.

Clinton R. Daly

Head of Sales, Brown Advisory

Gilberto de Jesus, Esquire

Vice Chair, Maryland Hispanic Chamber of Commerce

Deborah Hunt Devan

Attorney, Neuberger, Quinn, Gielen, Rubin & Gibber, P.A.

Jeffrey Fraley

Vice President of Operations, Fraley Corporation

Paul Graziano

Commissioner, Baltimore City Department of Housing & Community Development
Executive Director, Housing Authority of Baltimore City

Kenneth V. Moreland

Vice President & CFO, T. Rowe Price

Henry Raymond

Director, Baltimore City Department of Finance

Kurt Schmoke

President, University of Baltimore

Colin Talbert

Deputy Mayor, Office of Neighborhood Development
Office of Mayor Stephanie Rawlings-Blake

Brian Tracey

Senior Vice President, Bank of America
Merrill Lynch

Michael Walton

Founding Principal, Tower Hill Atlantic Enterprises, LLC



The Baltimore Development Corporation (BDC) assists with the retention, expansion and attraction of businesses in a number of ways -- through financial assistance, tax incentives and technical assistance. BDC staff works with a variety of businesses to find out their challenges and programs the City and State offers, which could help businesses to expand or encourage them to relocate to Baltimore.

BUSINESS RETENTION, EXPANSION & ATTRACTION



LOAN PROGRAMS

The Baltimore Development Corporation administers a variety of loan programs to help businesses grow and thrive. These loans funds include EDA Revolving Loan Fund (Economic Development Administration), MILA Revolving Loan Fund (Maryland Industrial Land Act), VLT Revolving Loan Program, BaltimoreMicro Loan Program, Innovation Fund, and Industrial & Commercial Financing Loan Program. These loans can be used for a variety of purposes, including acquisition & improvement of land, facilities and equipment; working capital; gap financing; business acquisition; and capital projects.

In 2016, the BDC awarded 29 loans, which resulted in the retention of 354 jobs and creation of 3469 new jobs. The disbursement of \$3,164,677 public dollars resulted in \$32,474,924 in private investment.

OPEN WORKS



Open Works is a maker space for hobbyists, craftsman, artists and anyone who wants to create. The Baltimore Development Corporation provided a \$600,000 loan (Confirm that we want to include the amount) to purchase equipment, which will enable anyone to take their ideas and turn it into reality. Maker spaces, such as Open Works will allow people with vision to manufacture products and enable them to start their own small manufacturing businesses, which will grow to create jobs.

HOLLY POULTRY

Holly Poultry Inc. is a family-owned processor of poultry products and a wholesale distributor of poultry, pork, beef and other refrigerated products. The Baltimore Development Corporation provided a \$400,000 loan for equipment purchase for their new expanded facility. The expansion will enable the company to hire 150 people over the next three to five years, doubling the size of its production staff. Eighty percent of Holly Poultry's current employees reside in Baltimore City.



BUSINESS RETENTION, EXPANSION & ATTRACTION



FACADE IMPROVEMENT GRANTS

In 2016, BDC streamlined the application process for its Façade Improvement Grants (FIG) program and made it city-wide. Façade Improvement Grants are for enhancing the exterior appearance of individual buildings. They can be used for signs and awnings, and other exterior improvements. The goal of this program is to leverage public dollars to encourage private investment to spur continued revitalization efforts in our neighborhoods.

There are three types of façade improvement grants: city-wide, Main Streets & Casino Impact Funds for Industrial Properties. In 2016, the Baltimore Development Corporation awarded 35 façade improvement grants (FIG), which helped retain and create jobs as well as spur private investment.



Before



After

238

jobs retained

156

jobs created

\$741,704

investment of private
dollars

\$115,681

investment of public
dollars

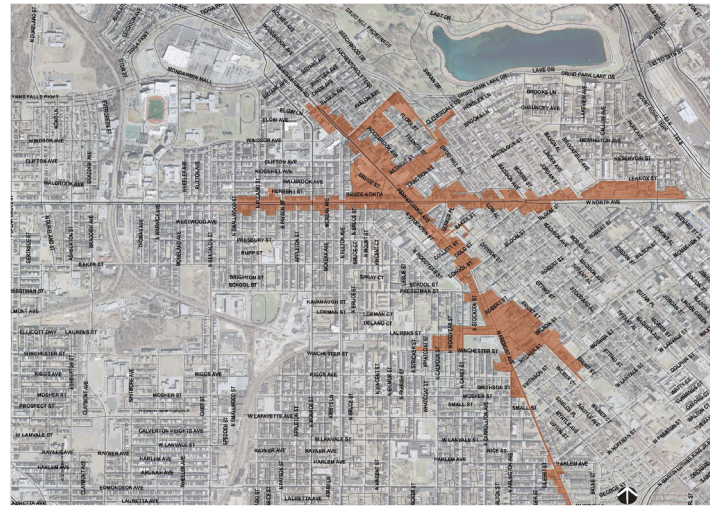


BUSINESS RETENTION, EXPANSION & ATTRACTION

ENTERPRISE ZONE PROGRAM

BDC manages Maryland's Enterprise Zone on behalf of the City of Baltimore. The Enterprise Zone tax credit program is intended to encourage investment in distressed areas by offering incentives to encourage existing businesses to expand and attract new companies to create jobs and spur additional economic activity. Businesses expanding or locating in Enterprise Zones are eligible for real property and income tax credits. Businesses located in Focus Areas are eligible for the same tax credits as well as personal property tax credits. Baltimore City has the largest Enterprise Zone and is one of two jurisdictions with Focus Area(s).

In 2016, BDC assisted with the certification of 51 companies, which have retained or created more than 2,910 jobs. These businesses include HEX Ferments, Urban Green Environmental, Up to Date Laundry, Sagamore Spirits, Berry Plastics and Dietz and Watson Inc. These businesses have or will invest approximately \$700 million in rehabilitation, new construction and equipment purchases.



CENTRAL WEST BALTIMORE ENTERPRISE ZONE FOCUS AREA

In 2016, BDC received approval from the Maryland Department of Commerce for Baltimore City's fifth Enterprise Zone (EZ) Focus Area designation, Central West Baltimore. The 140-acre Focus Area runs along commercial portions of Pennsylvania and W. North Avenues.

Enterprise Zones and Focus Areas encourage investment in distressed neighborhoods by providing tax credits to spur capital investment, including increased income tax credits for hiring disadvantaged workers. Businesses expanding or relocating in EZ Focus Areas are eligible for personal property tax credits in addition to real property and income tax credits.

BDC conducted a thorough evaluation of the Pennsylvania and W. North Avenue corridor to determine the eligibility of the State's Focus Area requirements, as well as drafted the resolution and legislation for the approval of the Baltimore City Council to submit the application to the State for the creation of the Central West Baltimore Focus Area.



MANUFACTURING FORUM

Maryland's 3,680 manufacturing businesses generate \$19.57 billion in gross state product. Slightly over half of Maryland's manufacturing employment is within the Baltimore Metro Area. One out of every five manufacturing jobs within the area is in Baltimore City. As manufacturing jobs provide family sustaining wages for people with all education levels and offer career opportunities, they are also important to expanding economic inclusion.



One of the biggest challenges advanced manufacturers have conveyed has been attraction and retention of semi-skilled and skilled. In understanding how significant finding the right employee is to the growth of the industry and the City, BDC hosted the 2016 Manufacturing Forum entitled Workforce of the Future: Resources to find Talented and Motivated Employees, to connect employers with employees of the manufacturing industry.

More than 100 people in the manufacturing industry and service providers attended the event, which included a keynote address by Dr. Robert Lerman, an Institute fellow in the Center on Labor, Human Services, and Population at the Urban Institute as well as professor emeritus of economics at American University. Lerman addressed the importance and effectiveness of apprenticeships.

The panel discussions covered topics such as employment recruiting and retention as well as effective training stages for employers. Industrial employers expressed interest in connecting better with training organizations to ensure that the training provided to potential employees provided the necessary skills that manufacturers were seeking. The Manufacturing Forum provided an opportunity for the manufacturers to connect directly with others in the industry as well as training organizations and service providers trying to meet their staffing needs.





FOREIGN TRADE ZONE (FTZ)

The Baltimore Development Corporation (BDC), on behalf of the City of Baltimore, administers Foreign Trade Zone (FTZ) #74, a federally designated area, which is located within the United States yet considered “outside” of U.S. Customs’ territory for the purposes of assessing and collecting import duties and taxes. The FTZ expedites and encourages foreign commerce, promotes domestic employment and assists U.S. firms in competing within the global marketplace.

Foreign Trade Zone #74 showed continued growth and support for Baltimore’s expanding Roll On Roll Off (RORO) shipping industry. The leading port in the United States for RORO, Baltimore’s existing RORO companies are beginning to express more interest in the benefits of an FTZ. Baltimore saw more vehicle, passenger cars, heavy equipment, and farm equipment being stored in our FTZ. Coupled with the expedited service of the ASF, the option of an FTZ is very attractive for RORO companies.

In 2016, \$44 million in merchandise was exported from the FTZ to international markets, and the total value of shipments through Baltimore’s FTZ was nearly \$15 billion.

BUSINESS RETENTION, EXPANSION & ATTRACTION



THE BALTIMORE FOOD POLICY INITIATIVE



In Baltimore, one in four residents and nearly one in three children live in food deserts. Lack of access to healthy food choices contribute to disparities in life expectancy, which can differ up to 18 years.

The Baltimore Development Corporation continues to play an integral part in the

Baltimore Food Policy Initiative (BFPI), a cross-agency collaboration to increase access to healthy affordable food in Baltimore's food deserts. Besides an access point for healthy, staple foods, a quality grocery store serve as "stable anchors" because of the volume of customers they draw and are often a catalyst increased retail activity, greater community engagement and most often, additional private investment in the neighborhood.

In 2016, we saw the Food Desert Incentive Area Personal Property Tax Credit at work. This tax credit offers an 80 percent tax credit for 10 years against the personal property tax imposed on qualified supermarkets, which locate or make significant improvements in food deserts areas. (Personal property typically covers furniture, fixtures and equipment.) In November of 2016, the Save-A-Lot on East Monument opened its doors, making it the first grocery store to receive this tax credit.

BALTIMORE MAIN STREETS

The Baltimore Main Streets program is an approach to neighborhood revitalization by providing customized support and public resources to each district in order to attract new businesses and new jobs to the neighborhood. Baltimore has the third largest urban Main Streets program in the U.S., with nine fully designated communities. Each district's Main Street program has a different strategy for spurring economic activity, but support may include marketing and event planning, financial assistance for design and promotions, architectural services for facade renovations, streetscape improvements, technical support, access to grants, and more.

In 2016, 12 net new businesses opened, resulting in 9 new full-time and 29 new part-time jobs in the city. Baltimore Main Streets completed 29 new facade renovations that helped to spur more than \$343,000 in private investment.



EMERGING TECHNOLOGY CENTERS (ETC)



The Emerging Technology Centers (ETC), a venture of the Baltimore Development Corporation (BDC), is a technology and innovation center focused on growing early-stage companies. A clearinghouse for entrepreneurial business, the ETC promotes economic growth by providing its member companies with the resources they need – seed capital, mentors, potential partners, and a collaborative community – to get where they want to go, as quickly as possible.

In 2016, the ETC admitted 89 new companies to its four programs – Accelerate Baltimore, Pioneer Baltimore, Beehive Baltimore and Incubate Baltimore – and graduated 79 companies. Of ETC's 102 current companies, 45 percent are MBE/WBE and employ more than 2,000 people in the City of Baltimore. ETC's current companies created more than 6,000 jobs and raised \$48 million in outside funding in 2016. Several of those successful ETC companies in 2016 include:

N&C (NOTICE & COMMENT) Inc.

N&C (Notice & Comment) provides advanced analytics solutions, and was one of ten companies selected as partners in IBM's Analytics Solutions Center to develop and commercialize the Watson platform. The company developed a platform, Regendus, which uses the power of IBM Watson to unlock insight from regulatory data using a combination of cognitive technology and advanced analytics.



The Regendus solution was demonstrated and successfully tested with cooperation from the White House and Office of Management and Budget (OMB), along with nearly two dozen federal departments and agencies. N&C has gone to market and closed its first subscription sales for Regendus. N&C has also identified enterprise market for their product, and the company will continue to advance new product development initiatives.



PERFORMANCE HORIZON (PH)



Performance Horizon (PH) is the leading provider of SaaS solutions for partner marketing, enabling large enterprises to drive significant business through their marketing partners. The world's top retail, travel and financial services companies rely on Performance Horizon's highly scalable platform with currently more than 200,000 marketing partners in 215 countries around the world. The benefits include highly flexible partner and affiliate management capabilities; real-time measurement and analysis of performance on the web and on mobile apps; payment processing and settlement in 60 currencies.

PH chose Baltimore as a starting point for its wealth of experienced digital marketers and the city's support of small businesses. Performance Horizon's first offices were located in ETC, where the staff helped PH grow from just one person to a fifteen person team. PH recently graduated from the ETC.

YET ANALYTICS



Yet Analytics builds products that revolutionize learning and talent development. The company's suite of technologies includes the world's most visual learning record store, used by organizations to measure the health of their learning and development initiatives. Customers use Yet's technology to see the impact of learning investment, evaluate the effectiveness of learning resources, and define the enterprise experience graph. Yet Analytics won the Nielsen Data Visionary Award at TechCrunch Disrupt SF.

Yet's growing list of clients include, the National Association of Broadcasters, University of California-Davis School of Nursing, and the McKinsey Social Initiative. In the fall 2016, Yet was pleased to be honored as Baltimore Innovation Week Startup of the Year.

directly assisted

193

businesses

4,078

number of jobs retained

42,973

number of new jobs

BDC BY THE NUMBERS



\$770,033,034

amount of private investment

\$6,751,199,852

amount of public investment

FINANCIAL STATEMENT



City of Baltimore Development Corporation

Statements of Financial Position

June 30, 2016 and 2015

ASSETS	2016	2015
Cash and cash equivalents	11,227,407	14,774,110
Loans receivable, net of allowance for doubtful accounts of \$ 713,780 in 2016 and \$115,128 in 2015	9,151,488	2,365,060
Investment, at fair value	234,048	-
Other receivables	74,495	249,517
Prepaid expenses and deposits	23,574	64,742
Leasehold improvements, net of accumulated accumulated amortization of \$ 19,132	401,772	-
Total assets	21,112,784	17,453,429
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	194,949	346,496
Accrued payroll	659,927	540,958
Deferred rent	208,785	-
Video Lottery Terminal - agency transactions payable	2,455,212	983,166
Deferred revenue and other payables	6,031,893	4,796,706
Note payable - State of Maryland	5,000,000	5,000,000
Total liabilities	14,550,766	11,667,326
Net assets -		
Unrestricted:		
Available for general activities	2,446,354	2,555,552
Leasehold improvements	401,772	-
Loan funds	3,479,844	3,230,551
Investment funds	234,048	-
Total net assets	6,562,018	5,786,103
Total liabilities and net assets	\$ 21,112,784	\$ 17,453,429

FINANCIAL STATEMENT



City of Baltimore Development Corporation

Statements of Unrestricted Revenues and Expenses and Change in Net Assets

Years Ended June 30, 2016 and 2015

	2016	2015
Revenues and gains:		
Baltimore City funds:		
General funds	\$ 6,646,740	\$ 5,659,464
City bond funds	1,875,373	362,473
Total Baltimore City Funds	8,522,113	6,021,937
Federal funds	182,785	214,440
State funds	2,128,912	437,821
Interest and investment income	158,531	111,085
Other fees	878,230	634,163
Private grants	583,324	214,320
	3,931,782	1,611,829
Total revenues and gains	12,453,895	7,633,766
Expenses:		
Payroll and payroll related, including temporary help fees	3,781,391	3,394,290
Contractual services	457,694	488,925
Occupancy	468,736	460,374
Equipment rent and purchases	192,166	69,124
Office Supplies	25,221	31,098
Travel	76,456	74,608
Professional fees	32,563	71,880
Marketing	108,527	111,383
Telephone	61,645	38,487
Repairs and maintenance	11,768	12,879
Subtotal	\$ 5,216,167	\$ 4,753,048

FINANCIAL STATEMENT



City of Baltimore Development Corporation

Statements of Unrestricted Revenues and Expenses and Change in Net Assets

Years Ended June 30, 2016 and 2015

	2016	2015
Subtotal	\$ 5,216,167	\$ 4,753,048
Software support	57,849	63,726
Miscellaneous	32,411	26,543
Staff development	21,909	34,834
Insurance	23,773	19,659
Dues and Subscriptions	36,987	32,064
Sponsorships	32,339	5,957
Bad debt	564,795	49,827
Amortization	19,132	-
Capital expenditures	5,672,618	2,452,129
Total expenses	<u>11,677,980</u>	<u>7,437,787</u>
Change in net assets	775,915	195,979
Net assets - beginning	<u>5,786,103</u>	<u>5,590,124</u>
Net assets - ending	<u><u>\$ 6,562,018</u></u>	<u><u>\$ 5,786,103</u></u>

BDC STAFF LIST



Leadership

William H. Cole
President & CEO

Kimberly A. Clark
Executive Vice President

Nancy S. Jordan-Howard
Chief Operating Officer

Jeffrey P. Pillas
Vice President & Chief Financial Officer

Renee L. West
Executive Assistant to the President & CEO

Beverly A. Lanier
Executive Assistant to Executive Vice President

Administration

Sandra E. Blake
Administrative Director

Business Development

Larysa A. Salamacha
Managing Director

Larry O. Collins
Director of Foreign Trade Zone #74

Nicole C. Davis
Economic Development Officer

Richard L. Escalante
Director of Business Development

T. Odessa Neale
Economic Development Officer

Nadia P. Smith
Administrative Assistant

Neighborhood Development

William L. Beckford
Managing Director

Daniel A. Taylor
Assistant Managing Director

Darron R. Cooper
Central Team Director

Sally E. Costello
East Team Director

Kristin A. Dawson
Economic Development Officer, Food Retail

Gaylord M. Dutton
Economic Development Officer, Central Team

Mica J. Fetz
Economic Development Officer, East Team

David R. Garza
Economic Development Officer, West Team

Brian J. Greenan
Economic Development Officer, Central Team

Benjamin H. Hobbs
Economic Development Officer, West Team

Sean M. Johnson
Administrative Assistant

Ira L. Kowler
Economic Development Officer, South Team

BDC STAFF LIST



Adria Graham Scott
Economic Development Officer, East Team

Michael J. Snidal
West Team Director

Patrick S. Terranova
South Team Director

Raven A. Thompson
Economic Development Officer, South Team

Kristina E. Williams
Economic Development Officer, Retail & Main Streets

Finance & Accounting

David P. Adamski
Controller

Karen L. Bailey-Young
Full Charge Bookkeeper

Marketing & External Relations

Susan H. Yum
Managing Director

Joann T. Logan
Director of Communications

Jennifer L. Reardon
Director of Public Affairs & Special Projects

Strategy & Analytics

Karl E. Bradley
Managing Director

Matthew T. Kachura
Market Analytics Director

Robert A. Williams
GIS/Architecture

Emerging Technology Centers (ETC)

Deborah A. Tillett
President & Executive Director

Jacqueline C. Albright
Assistant Director

Rachel K. Blevins
Marketing & Community Coordinator

Valerie E. Ellis
Facility Manager

SJ Oh
Operations Manager

Small Business Resource Center (SBRC)

Paul E. Taylor
Director

Lisa A. Edwards
Manager

Javier von Westphalen
Outreach Counselor

Analicia Y. Archibald
Receptionist



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