

2001 annual report



vision

Howard County is a dynamic, diverse, civilized and rich community, in perpetual renewal and fueled by education, innovation and involvement.

mission

The primary goal of the Howard County Economic Development Authority is to foster a strong economic environment which supports businesses and nurtures growth, while promoting stability in the marketplace.

Our mission is:

to support existing businesses, attract targeted new businesses, and attract corporate and regional headquarters; to serve as liaison between public and private economic development and planning organizations; and to recommend policies to County government that support the achievement of planned economic goals.

OFFICERS

Shirley D. Collier
*Paragon Smart Technologies, LLC
Chair*

Steven H. Adler
*Historic Savage Mill/
Big & Tall Men's Apparel
Vice Chair*

Robert T. Manfuso
*Chanceland Farm
Secretary/Treasurer*

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Constellation Energy Group

Cathy J. Bell
McDonald's

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Cylex Incorporated

Victor A. Broccolino
*Howard County General
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Reese & Carney

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*HRD, Affiliate of
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Columbia National, Inc.

Patrick L. Huddle, Ph.D.
*Anderson, Huddle &
Associates, LLC*

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Corvis Corporation

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BB&T

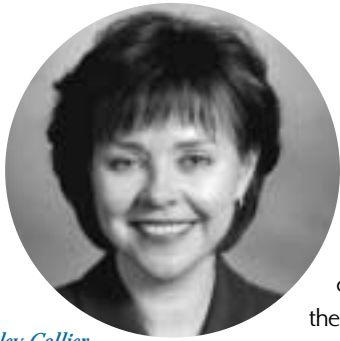
EX OFFICIO

Michael T. Galeone
The Columbia Bank

CHIEF EXECUTIVE OFFICER

Richard W. Story, CED





Shirley Collier

from the chair

Fiscal Year 2001 was an excellent one for the economy of Howard County. This annual report outlines the achievements and the initiatives of the Howard County Economic Development Authority. While many areas of the country were affected by an economic slow down, Howard County was able to "stay the course" and even prosper during the year. As Chair of the Economic Development Authority Board of Directors, I am proud to present this annual report.

During Fiscal Year 2001, jobs grew by more than 7,000, the second highest number in Howard County's history. Wages experienced similar growth and the commercial portion of the county's tax base continued to rise. The NeoTech Incubator expanded by an additional 10,000 square feet and added four companies during the year. As the year ended, eight companies resided in the incubator, employing more than sixty people. The Business Resource Center assisted sixty first-time clients per month on average, particularly from small and minority companies. To expand and develop the workforce, the Authority partners with other organizations on programs that reach out to high school students, technology entrepreneurs and displaced workers.

The Authority has the responsibility of promoting the county's business and lifestyle assets. To bring this message to the world and our target markets, we employ the latest new media, such as a mini-disk CD-rom and a comprehensive Web site, as well as print advertising, public relations and special events. In addition, we collaborate on programs and initiatives with our regional partners.

On behalf of the Board of Directors, I would like to extend our thanks to all of the volunteers, community partners, the Howard County government, and Authority staff for working so diligently with us to make Howard County a premier place to live and work.

from the county executive



A strong economy generates the revenue necessary for county government to provide public services to its citizens. In Howard County, we are fortunate that our economy continues to fuel an unparalleled quality of life.

During the past year, Howard County has experienced positive growth in job opportunities for our citizens, household income has continued to rise and the commercial portion of the county's tax base is expanding. Our economic success is a major factor in the Triple-A rating we have been awarded from all three New York bond-rating agencies.

Undoubtedly, Howard County is a wonderful place to live and work thanks in part to the strong partnership we have forged with our Economic Development Authority. I recognize and applaud the Authority and its members for the role they play in both our economic and social success.

I am proud of our excellent public/private partnership with the Economic Development Authority as well as the other collaborative relationships that make Howard County such a unique place. In fact, such community partnerships helped distinguish Howard County as one of only ten jurisdictions nationwide to earn the coveted designation of "All-America County" from the National Civic League earlier this year.

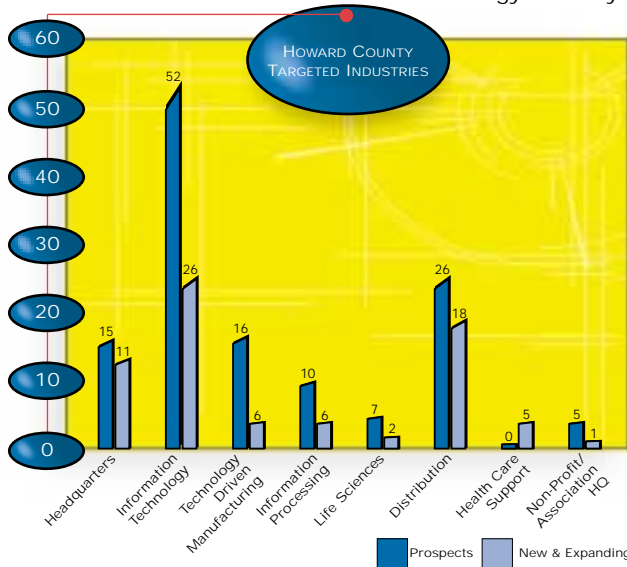
To the Board of Directors, Investors, staff and all who volunteer on the various Economic Development Authority committees, my very best wishes for continued success. You have had an excellent year. I applaud your efforts once again and look forward to the future as the new Strategic Plan continues to sharpen our focus on best practices in economic development.



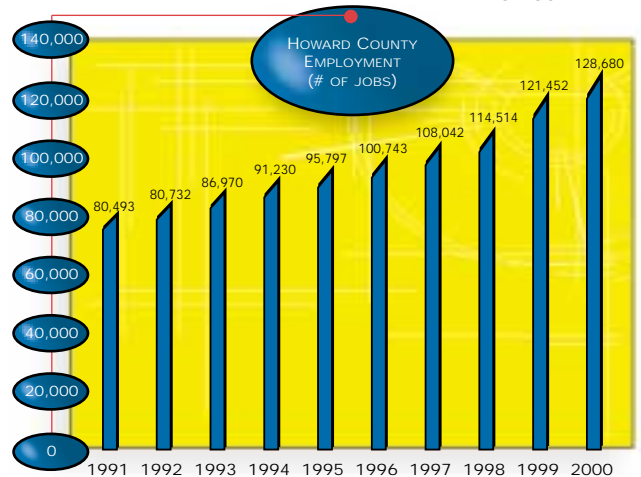
James Robey

economic indicators

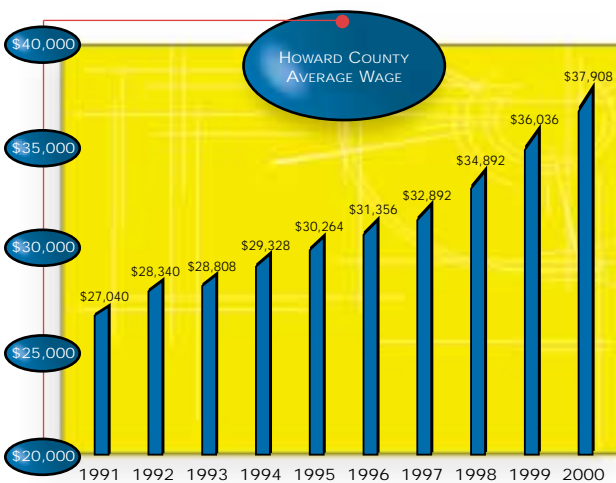
The Authority targets specific industries in its expansion and attraction efforts, and has been doing particularly well in the information technology industry.



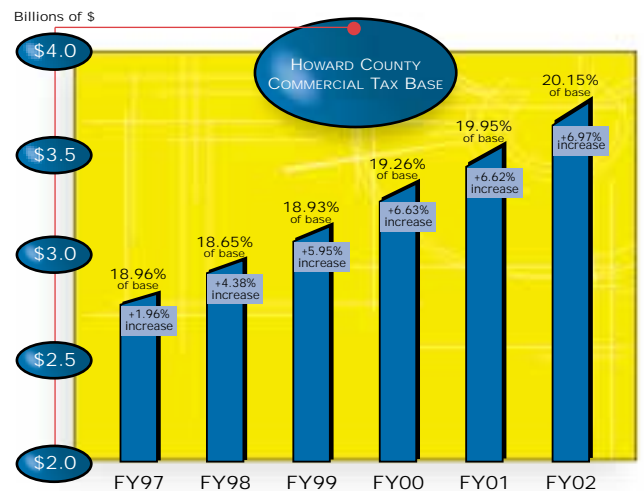
7,228 jobs were created in Howard County last year, and 48,187 new jobs were added since 1991.

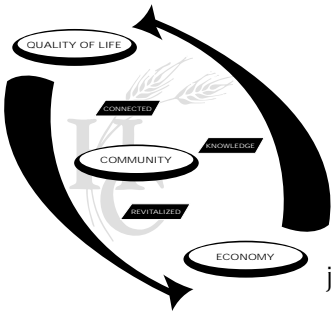


Employees in Howard County enjoy high quality jobs with increasing salaries.



The county's commercial tax base continues to grow, enabling the county to provide service to its citizens and preserve the high quality of life.





2001 Strategic Plan Over 40 Strategic Plan committee members spent six months collaborating with the Authority to produce the 2001 Economic Development Strategic Plan. The plan compares Howard County to 21 benchmark jurisdictions and uses those benchmarks, in part, to define best practices and performance measurements. The document outlines a plan for achieving desired economic growth while maintaining a high quality of life.

The Center Phase II Fiscal Year 2001 marked a successful first year of operation for the Center for Business and Technology Development. The Center houses the Business Resource Center as well as the NeoTech Incubator. Construction on Phase II of the incubator was completed this year, adding an additional 10,000 square feet to the facility, which can now accommodate up to twelve start-up, high technology companies. Eight incubator companies are in residence, with over 60 employees, and total company annual revenues are projected to exceed \$7 million.



Private Investors Eight new investors joined the Authority during the past year. As investors, Abrams Development, The Airport Shuttle, Apple Ford, Atlantic Builders, The Columbia Foundation, Corvis Corporation, Orbital Sciences and Ryan Commercial LLC joined more than 80 of the area's most distinguished firms as well as Howard County government. This public /private partnership is a winning combination and is representative of the supportive and business-friendly environment in Howard County.



Agricultural Marketing The Agricultural Marketing program has had a stellar year. An e-commerce workshop was conducted and, in cooperation with the Maryland Cooperative Extension Howard County Office, a "Beginning Farmers" series was produced, which attracted a full-capacity class and national attention. The Farmers Market, a producer-only market, is enjoying an excellent turnout, with over 500 shoppers per week. A Sustainable Agriculture Research and Education (SARE) grant will be used to conduct a business skills training course for farmers.



business outreach



Business Appreciation Each year the Authority coordinates the County Executive's Business Appreciation Week Program. This year, approximately 60 Authority board members, Chamber of Commerce officials, Community College representatives, State and Regional marketing partners and County Department Heads visited more than 100 companies and organizations. The focus was on companies located along the U.S. Route 1 Corridor.

7th Annual Equal Business Opportunity Awards The EBO Awards Program recognizes outstanding achievements and leadership by members of Howard County's diverse business community. During this year's



event, Yvonne Bush-Minge, owner of three Bright Beginnings Day Care Centers, accepted the Outstanding Individual Achievement Award. EpiTech, a women-owned company and a NeoTech incubator company, won the award for Outstanding Business Achievement. Project Masters, Inc., AllFirst Bank and Gary Hughes of FIRN were also winners. Approximately 200 people attended and Shannon Powell of FOX 45 News was the emcee.

Incubating Companies During FY01, EpiTech, Scientific Data Systems, Sphere Corporation and Votara all became NeoTech tenants. a2z, one of the first NeoTech tenants, won the E-Business category in the Maryland Technology Development Corporation (TEDCO) "Maryland Incubator Company of the Year" Award, while Epitech won the "Outstanding Business Achievement" EBO Award. Wayne Swann, Director of Johns Hopkins Applied Physics Laboratory Office of Technology Transfer, was named chair of the Incubator Advisory Committee.



Economic Development Achievement Awards The Authority's Economic Development Achievement Awards are presented at its Annual Meeting each year. Selected for their contributions to the county's economy, 2000 award winners included Corvis Corporation (represented by Dr. David Huber, President),



Cathy Bell (McDonald's), Paratek Microwave (represented by Luna Chiu, Vice President, Materials Development), Johns Hopkins University Applied Physics Laboratory (represented by John Sommerer, Director of

Research & Technology Development), and Rand Griffin (President of Corporate Office Properties Trust).

Business Resource Center The Business Resource Center, as a central provider of information and referral services to small businesses and entrepreneurs operating in Howard County, has established several new programs during FY01. The Funding Advisory Office enables small firms to consult directly with finance specialists, and the Private Sector Initiative provides a venue for larger companies to share their procurement processes with smaller, more diverse firms.



New & Expanding Activity During FY01, Howard County welcomed many new and expanding companies. The photonics industry was most prominent, with five companies locating or expanding in the county. Bookham Technology, a United Kingdom-based corporation, selected Howard County for its North American headquarters and manufacturing operations. Optinel Systems and Quantum Photonics were the first graduates of the Optical Capital Group high-tech accelerator program. While the gains in the photonics industry have been impressive, all major sectors, including manufacturing, experienced growth in Howard County.



New Construction/Groundbreakings In the past year, construction in the county has included Class A office buildings, flex space and industrial facilities. Howard County led the Baltimore region for office space construction and absorption, with over

775,000 square feet constructed and over 1 million square feet currently under construction.



business outreach (cont.)

Revitalization The Authority Board of Directors Vice Chair, Steve Adler is also Co-chair of the Route 1 Corridor Revitalization Study Task Force. Revitalizing the county's oldest commercial corridor is of paramount importance to the continued economic health of the county. As the final vacant land parcels are developed in Howard County, redevelopment of the Route 1 corridor will allow continuation of growth in employment opportunities and the expansion of the commercial tax base.



marketing



Marketing Brochure and Direct Mail New techniques and technologies are required to compete in today's economic development arena. To maintain its cutting edge, the Authority chose to produce a unique mini-disc CD-ROM as its premier marketing tool, replacing the printed brochure. The mini-disc features a user-friendly format for accessing information on demographics, workforce and the business community and contains useful maps and contact information. The disc also connects prospects to the Authority's Web site and links users to the home pages of our investors and marketing partners. It was mailed in custom-designed packaging to site brokers and consultants in targeted regions of the country, including Boston, Chicago, New York and San Jose / Palo Alto.

CoRE Tour 2001 Over 140 brokers, developers and business people attended the 2001 Commercial Real Estate tour, making this year's tour the most popular ever. The tour began with a breakfast at Historic Savage Mill, where participants were welcomed by



County Executive Jim Robey. As they boarded the tour buses, participants were presented with a Resource Guide Book and CD-ROM containing a wealth of information on the tour properties. The buses visited over 30 of Howard County's premier developments, providing an exclusive, in-depth look at available commercial space.

Business Beat Authority CEO Dick Story is the Howard County host of *Business Beat*, a cable news show broadcast on the CNN Headline News channels throughout Greater Baltimore. Each month Comcast Cable produces two shows featuring Howard County firms from a variety of industries including info-tech, biotech and manufacturing. During the show, company principals discuss their company's challenges and successes and how doing business in Howard County has been beneficial to them. *Business Beat* offers an effective opportunity for showcasing both county businesses and business climate.



A Selection of New & Expanding Businesses July 2000 – June 2001

Company	Net New Employees	New Square Footage	Business Description
Commerce One	250	67,000	Internet consulting
TAI Sophia Institute	243	43,000	Education and training in acupuncture
Mack Trucks, Inc.	120	314,025	Headquarters and distribution
Paratek Microwave, Inc.	115	31,000	Wireless Internet technology
Harkins Builders	100	40,000	Construction firm headquarters
Codeon Corporation	100	13,000	Manufacturer of electronic components
The Humphrey Companies	70	18,250	Real estate management headquarters
Citrix (formerly Sequoia Software Corp.)	70	64,000	XML software development for e-business
Atmel Corporation	50	21,500	Design & manufacture advanced semiconductors
Bookham Technology	50	150,000	Manufacturer of integrated optical circuits
Materials Handling System	50	50,400	Designs and manufactures materials handling systems
Eller Media Company	40	20,000	Regional headquarters for outdoor advertising firm
G1440, Inc.	40	26,000	Electronic business and Internet consulting
Quantum Photonics	35	40,000	Manufactures electric components for photonics industry
Optinel Systems, Inc.	26	32,470	Manufactures components for optical networks
Optical Capital Group	25	73,125	Photonics venture capital firm
Little Optics	11	34,956	Manufacturer of fiber optic components
Dynamic Design Enterprises	10	17,358	Clothing manufacturer and wholesaler
Hemagen Diagnostics	5	n/a	Medical diagnostic test kits
Sun Microsystems	n/a	35,018	Computer education and training
TOTAL	1,410	1,091,102	

Balance Sheet

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$342,659	
Accounts Receivable	8,510	
Total Current Assets		\$351,169

PROPERTY AND EQUIPMENT, at cost or fair value if donated

Furniture and Fixtures	46,994	
Equipment	52,621	
Vehicle	22,189	
Less Accumulated Depreciation	(96,399)	
Net Fixed Assets		25,405
Total Assets		<u>\$376,574</u>

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Trade Payables	\$68,842	
Accrued Salaries & Payroll Taxes	76,207	
Accrued Expenses	5,100	
Deferred Revenue	13,370	
Security Deposits	10,067	
Total Current Liabilities		173,586

FUND BALANCES

Fund Balance	<u>202,988</u>	
Total Fund Balance		202,988
Total Liabilities and Fund Balance		<u>\$376,574</u>

Statement of Revenues, Expenses & Changes in Fund Balance

REVENUES

Howard County Government	\$864,946	
Other Grants	25,380	
Private Sector Investments	245,400	
Incubator Income	74,883	
Special Events	58,483	
Donated Items	1,210	
Miscellaneous Income	2,256	
Investment Income	15,057	
Total Revenue		<u>\$1,287,615</u>

OPERATING EXPENSES

Salaries, Wages & Benefits	\$702,924	
Contractual Services	185,379	
Supplies and Materials	128,111	
Business and Education	43,910	
Non-Capital Items	31,397	
Depreciation	18,876	
Program Expenses		
Grants	101,880	
Special Events	52,358	
Total Expenses		\$1,264,835

Excess of Revenues over Expenses 22,780

FUND BALANCE, BEGINNING OF YEAR	180,208
FUND BALANCE, END OF YEAR	<u>\$202,988</u>

investors

Abrams Development Group, Inc.
The Airport Shuttle
Allan Homes
AllFirst Bank
Anderson, Huddie & Associates, LLC
Antwerpen Toyota-Dodge
Apple Ford
The Arbitron Company
Atlantic Builders Group, Inc.
Baltimore Business Journal
Baxter Hyland Immuno
BB&T
BECO Management, Inc.
Bowles Fluidics Corporation
The Business Monthly
Cardoni Waddell, LLC
Central Air Conditioning Contractors, Inc.
Chanceland Farm
Chateau Builders, Inc.
Ciena Corporation
Citizens National Bank
Colliers Pinkard
The Columbia Association, Inc.
The Columbia Bank
Columbia Builders & Brookdale Homes
The Columbia Foundation
Columbia National, Inc.
Comcast Cablevision of Maryland, L.P.
Commercial Insurance Managers
CompUSA
Constellation Energy Group
Corporate Office Properties Trust
CORRIDOR RF&S Real Estate, LLC
Corvis Corporation
The Creaney & Smith Group
Crestar Bank
The Daily Record
Dick Pettingill Commercial Real Estate
 Brokerage
Douglas Homes
Duratek, Ink.
Farmers & Mechanics National Bank
First Union National Bank of Maryland
Giant Food, Inc.
Greatbatch-Hittman, Inc.
Greenebaum and Rose Associates, Inc.
Hilton Columbia
Historic Savage Mill
Honeywell Technology Solutions, Inc.
Howard Community College
Howard County Government
Johns Hopkins Applied Physics
 Laboratory
Liberty Property Trust
Magellan Behavioral Health
Manekin Corporation
Maryland Food Center Authority
MedStar Health
Merritt Properties, LLC
MICROS Systems, Inc.
Miles & Stockbridge
NV-Homes
O'Connor, Piper & Flynn
Orbital Sciences Corporation, TMS
Owens-Corning Corporation
Paragon Smart Technologies, LLC
Patriot Homes
Patuxent Publishing Company
PCA Group
The Penrose Group
ProLogis Management, Inc.
Provident Bank of Maryland
Reese & Carney
Richard B. Talkin, Attorney at Law
The Rouse Company
Ryan Commercial, LLC
Ryan Homes
The Ryland Group
Sandy Spring National Bank
Security Development Corporation
Sheraton Columbia Hotel
Shimadzu Scientific Instruments, Inc.
Steve Adler's Big & Tall Men's Apparel
SYSCO Food Services of Baltimore
Trammell Crow Company
Turf Valley Resort & Conference
 Center
Verizon Communications
Waverly Woods Development
 Corporation
Williamsburg Builders
Win Kelly Chevrolet
W.P. Commercial, LLC
W.R. Grace & Company



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