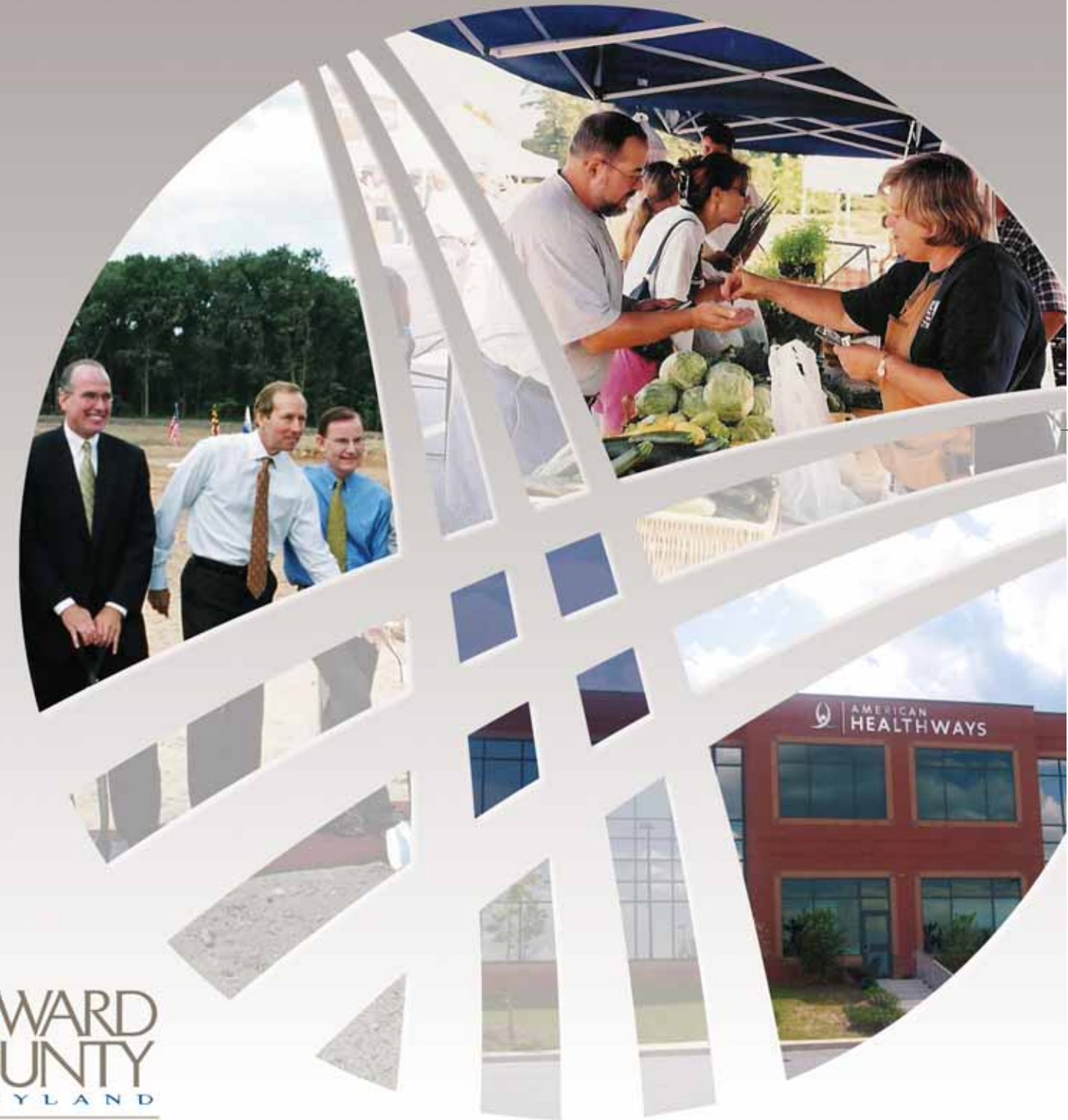


ECONOMIC DEVELOPMENT
A N N U A L R E P O R T

2004



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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

Anne H. Stuart

Clearview Capital Management, LLC
Chair

William H. Munn

BGE Home Products and Services, Inc.
Vice Chair

Michael T. Galeone

The Columbia Bank
Secretary / Treasurer

Directors

Steven H. Adler

Historic Savage Mill/Big & Tall Men's Apparel

Cathy J. Bell

Brdancat Enterprise (McDonald's)

Judith A. Britz, PhD

Cylex Inc.

Victor A. Broccolino

Howard County General Hospital
A Member of Johns Hopkins Medicine

Shirley D. Collier

Optamax, LLC

J. Allen Cornell

The Michael Companies, Inc.

Charles C. Feaga

Feaga Agriculture

Dennis W. Miller

The Rouse Company

Peter J. Rogers

MICROS Systems, Inc.

Ronald S. Schimel

Miles & Stockbridge, P.C.

Chief Executive Officer

Richard W. Story, CEcD, FM

From the Chair | Anne Stuart

The Howard County Economic Development Authority is committed to a dynamic, diverse, civilized and rich community where economic development efforts focus on building a healthy economy while maintaining and improving the overall quality of life. This Annual Report for Fiscal Year 2004 highlights milestones of success on the journey to that vision.

Howard County continues to experience economic growth. Key sectors leading the way include defense, health and financial services. From national and regional headquarters to manufacturing facilities, a variety of companies are growing and increasing their number of employees.

The Economic Development Authority has proven itself to be not just the leader in fostering economic growth, but a leading innovator, developing programs and initiatives that provide exponential growth for all stakeholders. This year, the Authority announces the formation of a Howard County Technology Leadership Consortium. This Leadership Consortium will better coordinate the various local and regional technology



organizations, federal laboratories and agencies, creating a seamless support and promotional network and making Howard County the "portal" for technology transfer and tech-savvy entrepreneurs.

The Authority focuses on the business of "doing business" in Howard County. To that end, the Authority's Advocacy Committee is pursuing additional opportunities to communicate the Authority's mission to the public leaders as well as monitoring legislative action that directly affects the business climate in Howard County.

On behalf of the Board of Directors, I would like to thank the Authority's private sector investors, community partners, the Howard County government, and the Authority staff for a very successful year. With this Annual Meeting, the Authority kicks-off its new investor-member campaign. I sincerely invite your company to become an investor in the Authority and to help us keep Howard County a great place to live and work.

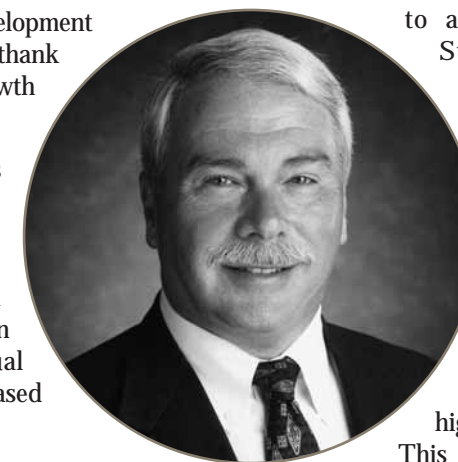
From the County Executive | James Robey

Congratulations to the Economic Development Authority on another great year and thank you for contributing to the economic growth and well being of Howard County.

Howard County's job and wage growth is impressive. Over the past five years, we have experienced a net increase of over 14,300 jobs – a 12% jump. This increase accounts for almost one-fifth of the total number of jobs created in the State in that period. At the same time, the annual average wages in Howard County increased by \$6,760 – or 19%.

Especially noteworthy this year was the Authority's coordination of an exceptional European Trade Mission. During competitive economic times, it makes good business sense to explore new markets. In support of developing those new markets, the Authority hosted its second Ghana Day event and conducted an international agricultural marketing seminar.

I applaud the Authority's entrepreneurial initiatives. Now in its fourth year, our NeoTech Incubator has eleven companies and more than 100 employees. I was pleased to travel to Atlanta

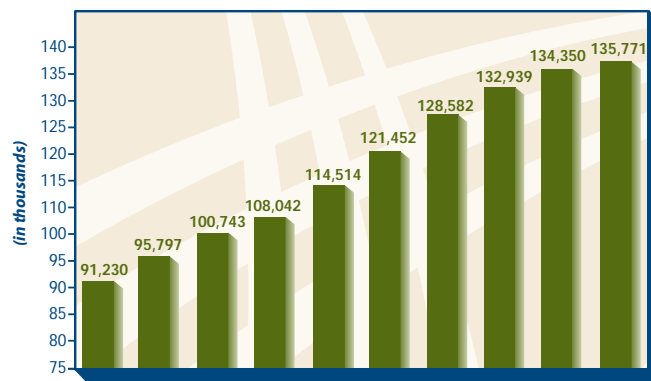


to accept a national award for NeoTech's Sustainable Business Excellence (SBE) Program. This new program was recognized for its innovative support to small businesses and entrepreneurs.

While achieving success in new initiatives, I congratulate the Authority for maintaining its focus on established programs. The Agricultural Marketing Program is expanding. There is a strong demand for "Howard County Grown" as evidenced by three thriving farmers' markets and four highly successful produce subscription services. This year's Commercial Real Estate Tour was booked to capacity, and Business Appreciation Week was bigger and better than ever.

Our success is the result of a true public/private partnership. I commend the Authority's Board of Directors, investors, and staff for giving so much of their time to help us achieve a quality of life that is the envy of jurisdictions around the country.

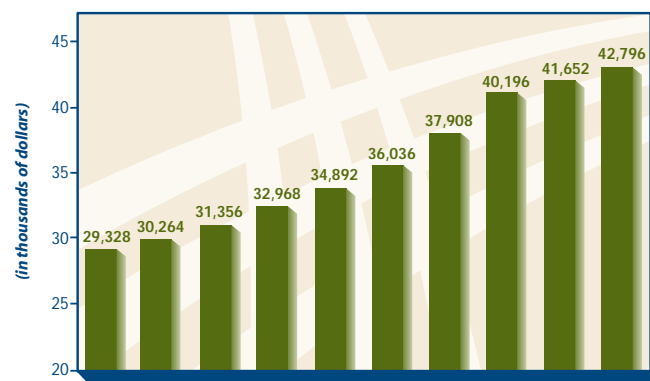
Job Growth



Source: Maryland Department of Labor, Licensing and Regulation

At a time when the national economy was down, Howard County maintained positive job growth in 2003 with over 1,400 new jobs. Over a five year period, the net increase was in excess of 14,300 new jobs — a 12% increase.

Average Wage Growth



Source: Maryland Department of Labor, Licensing and Regulation

The Authority has successfully attracted quality businesses. The 2003 average annual wage for Howard County employees was \$42,796, representing a 3% increase from the previous year.

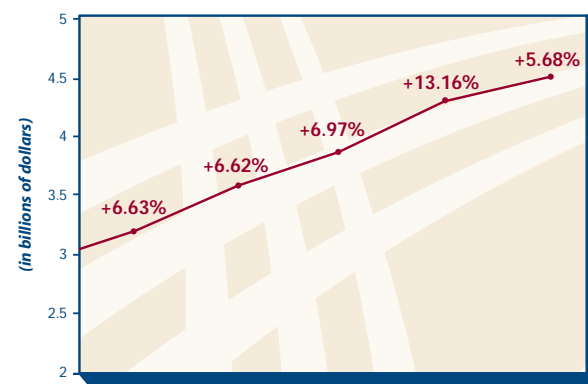
Targeted Industries

	Prospects FY04
Headquarters	17
Information Technology	18
Technology Driven Manufacturing	6
Information Processing	1
Life Sciences	9
Distribution	21
Healthcare Support	3
Non-Profit/Association HQ	0
TOTALS:	75

Source: Howard County Economic Development Authority

Through a targeted marketing and outreach program, the Authority deploys its resources to retain and attract business sectors that have the greatest impact on Howard County's economy and quality of life. In Fiscal Year 2004, the Authority worked with 107 new prospects and 75 of these were in the targeted industry sectors.

Commercial Tax Base

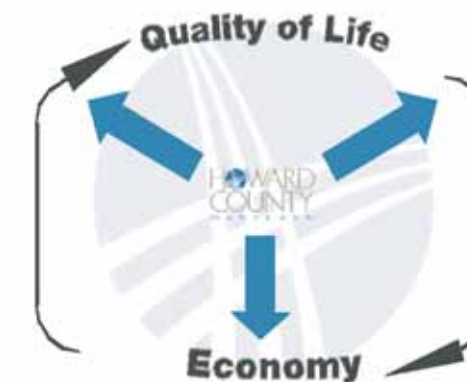


Source: Howard County Budget Office

By increasing the County's commercial tax base, revenue is generated to provide valuable services to its citizens and enhance the high quality of life. In Fiscal Year '04 the commercial tax base continued to grow to \$4.6 billion – a \$246 million (5.68%) increase over the previous year.

Strategic Economic Development Plan

The Strategic Economic Development Plan focuses the efforts of the Authority. Our plan strives to enhance connections with regional partnerships, promotes revitalization of the commercial corridor, and strengthens the knowledge-based community. These activities support our economic and quality-of-life goals.



Technology Leadership Consortium

The Technology Leadership Consortium, a new initiative of the Howard County Economic Development Authority, was formed to better coordinate the various local and regional technology organizations to help position Howard County as the premier location for technology transformation. The Consortium will serve as an "Economic Architect", leveraging Federal Laboratories, Technology Councils, Universities and Corporations in the region to foster greater collaboration and enhance the climate for the growth of technology in Howard County.

Sustainable Business Excellence

Sustainable Business Excellence (SBE), an initiative of the Howard County Economic Development Authority's NeoTech Incubator, received the 2004 Incubator Innovation Award at the National Business Incubation Association's (NBIA) 18th International Conference held in Atlanta. This year marks an unprecedented second year in a row that the Authority has received this prestigious award.



European Marketing Mission

County Executive Jim Robey led an 11-member delegation on Howard County's first international marketing mission. The primary mission was to celebrate the 25th anniversary of the Sister City relationship with Cergy Pontoise, France and to renew the Sister City relationship with Tres Cantos, Spain. The delegation met with foreign companies that have operations in Howard County and shared data on Howard County companies interested in exporting with embassies, consultant, and businesses.



The award-winning Angels and Eggs™ program held its second Investor Forum in October. The program's goal is to connect Maryland incubator companies with Angel investors while offering them the opportunity to refine their messages and presentation skills. The Kossiakoff Center at the Johns Hopkins University Applied Physics Laboratory provided an excellent venue for the "Match Making". This initiative won the NBIA National Business Incubator Association Award for innovation in 2003.



Committee for Business and Economic Diversity Awards

The Authority's Committee for Business and Economic Diversity (CBED) hosted its 10th Annual Awards Breakfast in April. The awards recognize outstanding leaders and achievements in the area of equal business opportunity and honors Howard County's *Rising Business Star*.

International Trade Center Hosts Ghana Day 2004

In April, the Authority's International Trade Center held its second Ghana Day event in two years. The program included discussions on trade incentives to U.S. firms, and the identification of products, services and technologies appropriate for Ghana. The Ambassador, Diplomatic staff and other officials from the Embassy of Ghana were on hand to answer questions concerning economic development in their country.



NeoTech Incubator

Since its creation four years ago, the Authority's award-winning NeoTech Incubator has established goals to aggressively encourage and nurture minority entrepreneurs. The four recent additions – all women-owned businesses – re-enforce the Authority's commitment to diversity. Eleven Incubator companies, employing over 100 people, were in residence there at the end of Fiscal Year '04. NeoTech's penchant for fostering successful, high-tech firms was showcased this year when a graduate Syntonics, LLC was named Graduate Incubator Company at the 4th Annual Maryland Incubator Companies of the Year Awards.

Business Appreciation Week

The Authority coordinated the County Executive's 13th annual Business Appreciation Week program. This year Authority Board Members, local officials, Chamber of Commerce Officials, State and Regional marketing partners, Community College Representatives and County Department Heads visited approximately 100 Howard County companies, gathering valuable feedback on the County's business climate and the needs of the business community.



New and Expanding Activity

Through effective use of Howard County's strengths of location and market assets, the Authority is successful in both retention and attraction efforts. This year Baltimore Aircoil, a leading producer of environmentally friendly heat transfer products, made the commitment to remain in Howard County, constructing a new \$10 million, 100,000 square foot facility. American Healthways, the nation's largest disease and care management company, opened a care enhancement center in Howard County and created over 200 new jobs.



Revitalization

Two additional banks joined the Route 1 Revitalization Program this year. There are now four banks participating in the program – BB&T Bank, Citizens National Bank, M&T Bank and The Columbia Bank. Cumulatively, the loan program now has \$70 million available for revitalization programs in the Route 1 Corridor. Since the inception of the program, 14 projects have been funded totaling over \$18 million in loan program funds.



Advocacy

The Authority's Advocacy Committee met jointly with the Employment Land Use Committee for updates and input on the County's Comprehensive Zoning Process. Committee members also made presentations to the Howard County Delegation and the Howard County Council highlighting the Authority's role in marketing the county and improving the business climate.



Agricultural Marketing Program

The thrust of the Authority's Agricultural Marketing Program this year was to develop and support new marketing models for agricultural products. The highly successful produce subscription service now offered by 15 Howard County farms, serves 203 subscribers. An extensive Direct Agricultural Marketing Trends in Howard County survey confirmed a growing trend towards more direct marketing of locally grown crops and value-added farm products. A third farmers' market, hosted by the Glenwood Library, opened this season in response to the strong demand for "Howard County Grown" goods and services.



2004 CoRE Tour

A capacity crowd of over 130 real estate brokers, bankers and other business development professionals toured Howard County's newest and upcoming commercial real estate projects during the 2004 Commercial Real Estate Tour (CoRE). Participants were given a Resource Directory containing information on sites as well as general information about Howard County.

Anirban Basu, the breakfast speaker and noted economist, stated, "No matter what the economic environment, Howard County businesses seem capable of adapting to economic realities."

Business Beat

Authority CEO Dick Story hosts the Howard County edition of Business Beat, a cable news show broadcast Mondays on CNN Headline News. Each month Comcast Cable, in partnership with the Economic Alliance of Greater Baltimore, produces two shows featuring a variety of Howard County firms. Business Beat offers an effective opportunity to showcase Howard County companies, the business climate and the diversity of the County's business community.



HCEDA e-Newsletter

Positioning itself as a timely resource for newsworthy information, the Authority launched an e-Newsletter to provide quick facts related to economic development. The e-Newsletter joins the Authority's quarterly print newsletter as a tool for on-going communications with local and regional business leaders and public officials.

Selection of New & Expanding Companies

Fiscal Year '04

Company	Square Footage	Net New Jobs	Business Description
Giant Food	375,000	550	Distribution of fresh food and produce
American Healthways	33,000	200	Provider of disease and care management services
Maines Paper & Food Service, Inc.	99,000	190	Distribution of paper goods and frozen food
SAIC	53,000	165	Provider of information technology systems integration and eSolutions
Taylor Farms	80,000	150	Produce processing and distribution
Alliance Material Handling, Inc.	80,000	120	Supplier of material handling systems
Prime Office Products	33,000	120	Distribution and sales of catalog office products
MICROS Systems, Inc.	0	100	Corporate headquarters and provider of hardware and software solutions for the hospitality industry
Advance Polybag, Inc.	81,000	80	Designer and manufacturer of plastic bags for retailers
Comcast Cable Communications	43,000	60	Administration offices and customer service center
Vinnell Corporation	110,000	60	Logistical division of Northrop Grumman
Ahold Federal Credit Union	22,000	50	Corporate headquarters and offices
Sourcefire, Inc.	16,000	50	Network security provider
Boeing Space and Intelligence Systems - Mission Systems	19,000	40	Systems and software engineering
Next Day Blinds	41,000	30	Corporate headquarters and manufacturer of blinds and shutters
Oblicore, Inc.	4,000	15	Software developer
Applied Data Systems	14,000	0	Developer of "application ready" embedded systems
Baltimore Aircoil	96,000	0	Corporate headquarters and research and development laboratories
Coca-Cola Enterprises	30,000	0	Regional corporate headquarters
The Kane Company	90,000	0	Corporate headquarters of moving and storage company

Audited June 30, 2004

Balance Sheet

ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalent	\$469,207.00	
Accounts Receivable	68,000.00	
Total Current Assets		\$537,207.00
PROPERTY AND EQUIPMENT, at cost or fair value if donated		
Furniture and Fixtures	46,994.00	
Equipment	52,621.00	
Vehicle	29,430.00	
Less Accumulated Depreciation	(109,701.00)	
Net Fixed Assets		19,344.00
Total Assets		\$556,551.00
LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES		
Trade Payable	\$39,974.00	
Accrued Salaries & Payroll Taxes	76,874.00	
Accrued Expense	30,780.00	
Deferred Revenue	15,862.00	
Security Deposits	6,636.00	
Total Current Liabilities		170,126.00
FUND BALANCES		
Fund Balance	386,425.00	
Total Fund Balance		386,425.00
Total Liabilities and Fund Balance		\$556,551.00

Statement of Revenues, Expenses & Changes in Fund Balance

REVENUES		
Howard County Government	\$834,602.00	
Other Grants	22,816.00	
Contributed Office Space	270,000.00	
Private Sector Investments	288,000.00	
Incubator Income	118,281.00	
Special Events	70,466.00	
Equity Options Exercised	37,269.00	
Miscellaneous Income	21,655.00	
Investment Income	33,209.00	
Total Revenues		1,696,298.00
OPERATING EXPENSES		
Salaries, Wages & Benefits	\$817,623.00	
Rent Expense	270,000.00	
Contractual Services	206,574.00	
Supplies & Materials	57,966.00	
Business and Education	51,564.00	
Non-Capitol Item	8,605.00	
Depreciation	12,445.00	
Program Expenses		
Grants	150,960.00	
Special Events	81,660.00	
Total Expenses		\$1,657,397.00
Excess of Revenues over Expenses		38,901.00
FUND BALANCE, BEGINNING OF YEAR		347,524.00
FUND BALANCE, END OF YEAR		\$386,425.00

Abrams Development Group, Inc.
 The Airport Shuttle, Inc.
 Allan Homes, Inc.
 American Express Tax & Business Services
 Apple Ford
 Arbitron, Inc.
 Ascend One Corporation
 Atlantic Builders Group, Inc.
 Baltimore Business Journal
 Baltimore Gas & Electric Company
 BB&T
 BECO Management
 Bowles Fluidics Corporation
 Brdancat Enterprise (McDonald's)
 BUCS Federal Bank
 The Business Monthly
 Cardoni Waddell, LLC
 CareFirst BlueCross BlueShield
 Chanceland Farm
 Chateau Builders, Inc.
 Chevy Chase Bank
 Ciena Corporation
 Citizens National Bank
 Clearview Capital Management
 Coldwell Banker
 Colliers Pinkard
 The Columbia Association
 The Columbia Bank
 Columbia Builders & Brookdale Homes
 The Columbia Foundation
 Comcast Cablevision of Maryland, L.P.
 Commercial Insurance Managers, Inc.
 Corporate Office Properties Trust
 CORRIDOR RF&S Real Estate, LLC
 Corvis Corporation
 The Creaney & Smith Group, LLC
 Crystal Hill Advisors
 The Daily Record
 Dick Pettingill Commercial Real Estate Brokerage, Inc.
 Duratek, Inc.
 Giant Food, Inc.
 Greatbatch-Hittman, Inc.
 Greenebaum & Rose Associates, Inc.
 Greenman-Pedersen, Inc.
 Harkins Builders

Hilton Columbia
 Historic Savage Mill/Steve Adler's Big & Tall Men's Store
 Honeywell Technology Solutions, Inc.
 Howard Community College
 Howard County General Hospital
 Howard County Government
 Johns Hopkins University Applied Physics Laboratory
 Legg Mason Wood Walker, Inc. (The Waldren Group)
 Liberty Property Trust
 M&T Bank
 Magellan Behavioral Health
 Manekin, LLC
 Maryland Food Center Authority
 McLean, Koehler, Sparks & Hammond
 MedStar Health
 Merritt Properties, LLC
 The Michael Companies, Inc.
 MICROS Systems, Inc.
 Miles & Stockbridge, P.C.
 Nottingham Properties, Inc.
 Optemax, LLC
 Patuxent Medical Group
 Patuxent Publishing Company
 PCA Group
 The Penrose Group
 ProLogis Management, Inc.
 Provident Bank
 Reese & Carney
 Richard B. Talkin, P.A.
 The Rouse Company
 Ryan Homes
 The Ryland Group
 Sandy Spring National Bank of Maryland
 Security Development Corporation
 Sheraton Columbia Hotel
 Sun Trust Bank
 SYSCO Food Services of Baltimore
 Trammell Crow Company
 Turf Valley Resort & Conference Center
 Venable, Baetjer and Howard, LLP
 Verizon Communications
 Wachovia Corporation
 Waverly Woods Development Corporation
 Win Kelly Chevrolet
 W.R. Grace & Company