



DEPARTMENT OF FINANCE

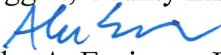
Isiah Leggett
County Executive

Alexandre A. Espinosa
Director

MEMORANDUM

May 3, 2018

TO: Isiah Leggett, County Executive

FROM: 
Alexandre A. Espinosa, Director
Department of Finance

SUBJECT: Transmittal: 2017 Small Business Plus! Annual Report

Attached please find the 2017 Small Business Plus! Annual Report. Since you initiated this program in 2012, the County in partnership with local community banks, has spurred the creation of over 1,700 new jobs. In addition, the County has earned a competitive rate of return on its deposits placed with participating local community banks.

Highlights for 2017 include the addition of a fourth bank, Colombo Bank, to the program and the negotiation of higher deposit rates with the four participating banks enabling the County to bring in additional interest income.

I would like to express my appreciation and support for the engagement and support of the local community banks that are a part of this program including Eagle Bank, Congressional Bank, Capital Bank, and Colombo Bank.

cc: Montgomery County Council
Timothy L. Firestine, Chief Administrative Officer
Jennifer Hughes, Director, Office of Management and Budget
Patrick Lacefield, Director, Office of Public Information
Lily Qi, Assistant Chief Administrative Officer, County Executive's Office
David Petr, President, Montgomery County Economic Development Corporation

Office of the Director

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2017 ANNUAL REPORT

SMALL BUSINESS PLUS! PROGRAM

APRIL 2018

MONTGOMERY COUNTY GOVERNMENT

DEPARTMENT OF FINANCE



www.montgomerycountymd.gov/finance/

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Program Background

The Small Business Plus! Program was launched by County Executive Isiah Leggett in the summer of 2012 as a partnership with local community banks to boost lending to local small businesses and spur job creation in Montgomery County. Through this program, Montgomery County places deposits with community banks to generate jobs for the benefit of County residents, while providing the County with a competitive rate of return on those deposits. Deposits are secured by FDIC insurance, and placed with community banks which are deemed safe and sound.

Program Results

The Small Business Plus! Program began with an initial total deposit of \$10 million with several local community banks in 2012 and has since expanded into deposits of approximately \$50 million as of December 31, 2017 and has generated interest income of over \$983,000 and created an estimated 1,777 jobs.

Tables

Table I:	Total County Deposits		
	Average for 2017	Deposits as of 12/31/17	Interest Income
Capital Bank	\$2,746,511	\$3,508,796	\$19,146
Colombo Bank	\$1,000,000	\$1,000,000	\$1,811
Congressional Bank	\$4,241,038	\$4,502,791	\$33,551
Eagle Bank	\$41,579,595	\$40,973,166	\$320,794
TOTAL	\$49,567,144	\$49,984,753	\$375,302

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Table II:		Small Business Plus Loans from County Deposits 2017		
	Available for SBP Loans	Total Loans Made from Deposits	Loan Balance as of 12/31/17	Total Average Loan Balance
Capital Bank	\$7,017,592	\$11,364,500	\$6,330,815	\$9,444,725
Colombo Bank	\$2,000,000	\$2,622,500	\$1,767,615	\$1,969,571
Congressional Bank	\$9,005,582	\$9,164,847	\$6,237,967	\$6,250,627
Eagle Bank	\$81,946,332	\$78,726,014	\$51,145,859	\$22,160,348
TOTAL	\$99,969,506	\$101,877,861	\$65,482,256	\$39,825,272

Note: Data in "Available for SBP Loans" column indicates the sum of County Deposits and 100% matching Bank amount.

Table III:	Total Estimated 2017 Jobs Created
Capital Bank	24.6
Colombo Bank	8.2
Congressional Bank	39.9
Eagle Bank	350.1
TOTAL	422.7

Note: Job creation estimates were derived using the Department of Commerce's Regional Input-Output Modeling System (RIMS II).

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Table IV:	Total Interest Income Since Inception						
	2012	2013	2014	2015	2016	2017	TOTAL
Capital Bank	\$1,017	\$4,887	\$6,501	\$9,689	\$11,061	\$19,146	\$52,301
Colombo Bank	\$0	\$0	\$0	\$0	\$0	\$1,811	\$1,811
Congressional Bank	\$1,161	\$6,980	\$11,742	\$15,405	\$19,152	\$33,551	\$87,991
Eagle Bank	\$6,952	\$51,664	\$89,588	\$134,979	\$219,052	\$320,793	\$823,028
Monument Bank	\$0	\$598	\$0	\$0	\$0	\$0	\$598
OBA Bank	\$1,941	\$6,919	\$9,193	\$0	\$0	\$0	\$18,052
TOTAL	\$11,070	\$71,048	\$117,023	\$160,072	\$249,265	\$375,301	\$983,782

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Table V:	Total Estimated Jobs Created Since Inception						
	2012	2013	2014	2015	2016	2017	TOTAL
Capital Bank	4.4	10.9	13.9	15.2	18.2	24.6	87.2
Colombo Bank	N/A	N/A	N/A	N/A	N/A	8.1	8.1
Congressional Bank	9.5	31.5	38.0	28.0	20.9	39.9	167.8
Eagle Bank	55.5	200.5	328.3	309.0	246.8	350.0	1,490.2
OBA Bank	13.2	10.9	N/A	N/A	N/A	N/A	24.1
TOTAL	82.6	253.8	380.2	352.2	285.9	422.7	1,777.4

Note(1): Monument Bank elected not to continue participation in the Small Business Plus! Program in 2013

Note(2): Effective September 20, 2014, OBA Bank was acquired by First National Bank Corporation of Pennsylvania and no longer headquartered in Montgomery County, therefore not eligible to participate in the Small Business Plus! Program.

Note(3): Colombo Bank was added to the Small Business Plus! Program in 2017