

Resolution No.:	<u>18-1208</u>
Introduced:	<u>July 17, 2018</u>
Adopted:	<u>July 24, 2018</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Maryland Economic Development Assistance Authority and Fund Loan to assist Applied Biomimetic, Inc's expansion in Montgomery County (\$100,000)

Background

1. The County Executive endorses a conditional loan of \$100,000 to Applied Biomimetic, Inc. (the "Company") from the State of Maryland under the Maryland Economic Development Assistance Authority and Fund ("MEDAAF"), which is codified under Md. Code Ann., Econ. Dev. §§5-301-5-349.
2. MEDAAF provides conditional grants and loans to businesses engaged in eligible industries locating to, or expanding in, a "priority funding area" in the State of Maryland. Proceeds from the grant or loan may be used by the borrower to reimburse it for the acquisition or construction of buildings or real estate, and acquisition, construction and installation of machinery, equipment, furnishings, fixtures, leasehold improvements, site improvements, or infrastructure improvements.
3. The County has approved a conditional grant of \$55,536 from the County's Economic Development Fund ("EDF") to assist the Company's relocation and expansion in the County ("grant") on December 4, 2017. This grant was funded from the EDF fund balance. With the grant, Montgomery County has met the requirement of financing a part of the costs of the Company's relocation and expansion in the County, which is equal to at least 10% of the financial assistance to be provided from MEDAAF, as required by the §5-319(d) of the Economic Development Article.
4. The State will disburse the MEDAAF loan to the Company upon the State entering a MEDAAF Agreement with the Company. The County is not a party to this MEDAAF Agreement with the Company.

5. The Company is a leader in the convergence of polymer and protein membrane technology, developing a high-performance membrane platform for water, life science, enzyme, food, and dairy separation applications. The company holds global patents for the concept of embedding proteins in a proprietary polymeric membrane structure. The privately held company was founded in Denmark, however principal research and operations have been conducted at the University of Cincinnati.
6. The Company will relocate its headquarters and principal research from Cincinnati, Ohio to two sites in Gaithersburg - 940 Clopper Road and 202 Perry Parkway, occupying approximately 10,000 square feet. The company plans to expand from 17 employees to 36 full time employees in 3 years. The availability of strong biotech talent was instrumental in the decision to move to Montgomery County.
7. Section 5-319(d) of the Economic Development Article requires the governing body of the jurisdiction in which the project is located to endorse, by a formal resolution, the State's grant of the MEDAAF loan for the project.
8. The County has determined that granting the MEDAAF loan for the project is in the best interest of the citizens of the County.
9. The County Executive requests that the Council adopt this formal resolution approving the MEDAAF loan to support the Company's expansion in Montgomery County.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The County Council hereby endorses the State's grant of a \$750,000 MEDAAF loan to support Applied Biomimetic, Inc's, expansion in Montgomery County.

This Resolution is effective upon its adoption in accordance with applicable law.

This is a correct copy of Council action.



Megan Davey Limarzi, Esq.
Clerk of the Council