

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

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Chair

Anne H. Stuart

Clearview Capital Management, LLC
Vice Chair

Michael T. Galeone

The Columbia Bank
Secretary / Treasurer

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Howard County General Hospital

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Feaga Agriculture

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Charles E. Weller

BB&T

CHIEF EXECUTIVE OFFICER

Richard W. Story, CED



SHIRLEY COLLIER

The events of 9/11 occurred just three months into Fiscal Year 2002. Combined with a nationwide recession, the attack on America made the year a difficult one both economically and psychologically. However, Howard County pulled through these hard times. The skills and persistence of its businesses, workforce and citizens produced a level of job growth that surpassed most other counties in the region, adding over 4,300 net new jobs. The county continued to attract businesses, and existing companies, particularly in health-care and financial services, expanded their workforce. Howard County's wages convey another success. Quality, high-paying jobs requiring skilled employees increased the average weekly wage by 6%.

The Authority is still a driving force behind the county's economy—last year it assisted 36 companies to locate or expand here. The Authority had many other successes as well—the NeoTech Incubator is full and thriving, and graduated its first two companies. The Business Resource Center continues to create innovative ways to assist



JAMES ROBEY

As the tenth richest county in the nation, we know that our strong and solid economy fuels the quality of life we enjoy in Howard County. And, despite a recession that began in March 2001, Howard County continues to maintain steady economic growth.

We outpaced most other Maryland counties last year in creating new jobs—4,357 to be exact! In fact, our 3.4% increase represents 23% of the State's new jobs and 41% of the net new jobs in the Baltimore region. According to recent data from Maryland's Department of Labor,

FROM THE CHAIR

budding entrepreneurs, adding programs to increase business opportunities for minority firms and international trade. The Agricultural Marketing Program again has won acclaim through several successful ventures.

Fiscal Year 2002 also marks the first full implementation year of the Strategic Economic Development Plan. The plan, which has garnered regional attention, has served us well. We have been bringing the themes of Connected, Knowledge and Revitalized Communities to life through a combination of programs and communications. Accordingly, the model of the interdependence of economy and quality of life is the foundation for the Authority's marketing efforts. Collaboration with our regional partners has supported these themes as well.

As Chair of the Board of Directors of the Economic Development Authority, I am extremely proud to present this annual report. On behalf of the Board of Directors, I would like to extend our thanks to all of the investors, volunteers, community partners, Howard County government and Authority staff for helping our community remain a great place to both live and work.

FROM THE COUNTY EXECUTIVE

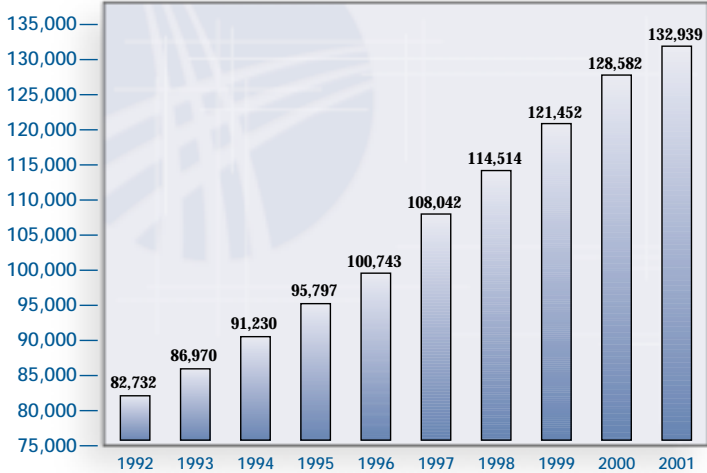
Licensing and Regulation, our wage growth for companies based in Howard County also took a leap—up about 6%.

And although our strategic location certainly plays a part in our success, I also believe we can all take pride in the partnerships we've developed, the sound economic policies we've established, and the positive business-friendly environment we've created with a diverse business base.

I commend the Board of Directors, investors, staff, and all who volunteer their time to serve on committees for the Economic Development Authority. You've made a measurable difference, and it gives me great pleasure to thank you for your part in Howard County's economic success.

In 2001, 4,357 jobs were created in Howard County.
 52,446 new jobs were added since 1991.
 Howard County's 10-year growth rate is the highest
 in the state of Maryland.

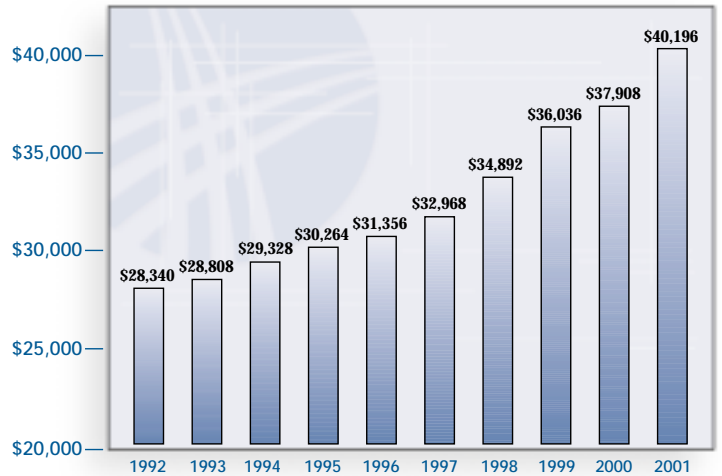
Howard County Employment (number of jobs)



Source: Maryland Department of Labor, Licensing and Regulation

The average annual wage for Howard County employees topped \$40,000 in 2001. Quality, well-paying jobs have resulted in a 6% increase in annual wages over the previous year.

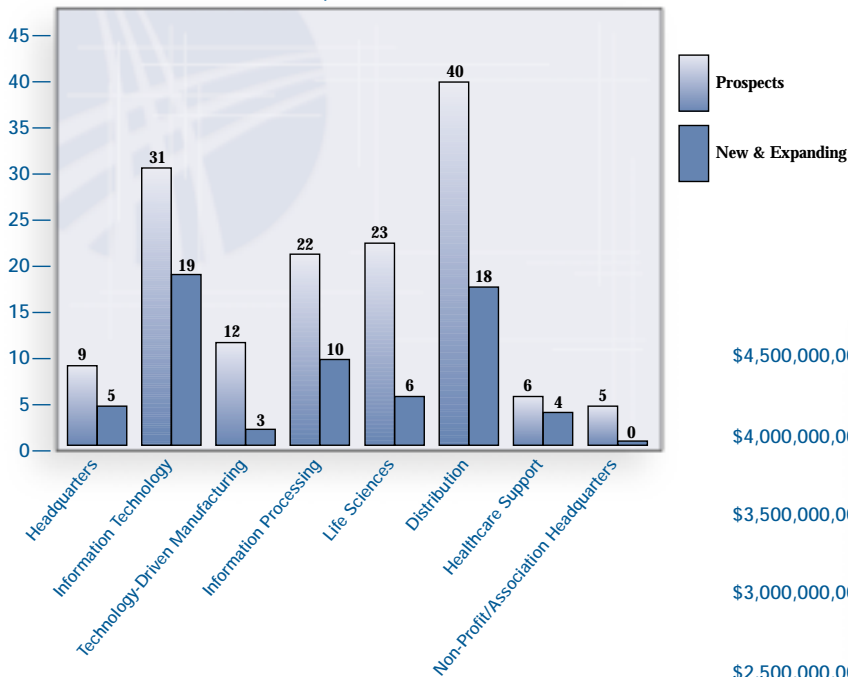
Howard County Annual Average Wage



Source: Maryland Department of Labor, Licensing and Regulation

In expansion and attraction efforts, the Authority targets specific industries.

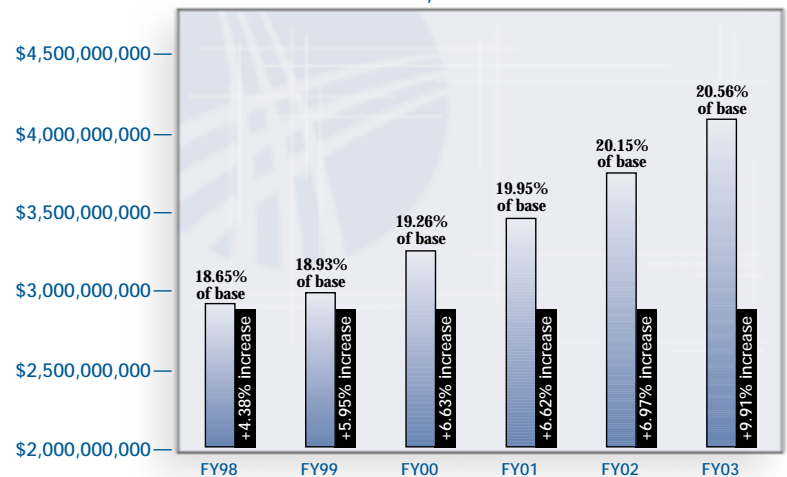
Howard County Targeted Industries



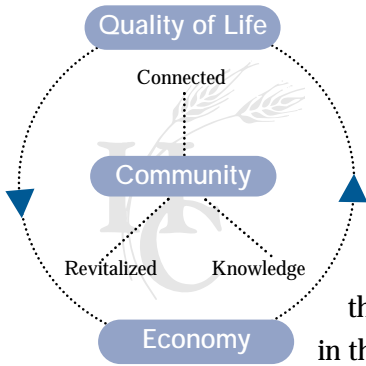
Source: Howard County Economic Development Authority

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

Howard County Commercial Tax Base



Source: Howard County Budget Office



Strategic Economic Development Plan

In the past year, the Authority has begun to implement the themes and initiatives put forth in the Strategic Plan. The themes of Connected, Knowledge and Revitalized Communities have been supported through a focus on government relations, U.S. Route 1 Revitalization, our region's Consolidated

Metropolitan Statistical Area and a Center for Higher Education. The themes have been incorporated in other Authority activities, including Marketing and Communications. Results of the implementation are being measured through a series of metrics, such as job and wage growth, median income growth and Best Places to Live / Best Places for Business rankings.

Private Investors

Seven new investors joined the Authority during the past year. As investors, American Express Tax and Business Services, Amerix Corporation, Buc\$ Federal Bank, CareFirst BlueCross BlueShield/Patuxent Medical Group, Howard County



General Hospital, Nottingham Properties and Venable, Baetjer, Howard & Civiletti, LLP have joined more than 80 of the area's most distinguished firms as well as Howard County government. This public / private partnership supports the Authority's marketing efforts for retaining and attracting businesses. It is representative of the supportive and business-friendly environment in Howard County.

Agricultural Marketing

The Agricultural Marketing Program had a very busy year. The Agriculture Committee assisted with regulatory changes that led to the elimination of the amusement tax on agri-tourism and expanded secondary uses of agricultural land. The program produced seven publications, including *HowardAg*, an inter-agency newsletter, and a *Howard County Farms and Fun* coupon book, which was distributed through the county elementary schools. Five new state and federal grants were obtained to enhance the agriculture program in Howard County.



NeoTech Incubator

Phase II of the NeoTech Incubator quickly became occupied, with eleven incubator companies now in residence. NeoTech Incubator companies now employ 85 people and annual revenues are projected to exceed over \$8 million in 2002. Fifty-five percent of the NeoTech companies are minority-owned businesses. Our incubator companies experienced a successful year with many new contracts, awards and grants.

Sphere Software Corporation was a finalist in the "Maryland Incubator Company of the Year" Award. During FY02, Business Devices, Difference Engines, Netta Systems, Plethora Technology, Recovered Stuff and Syncrodyne became NeoTech tenants. Last September, EpiTech became the first NeoTech graduate, followed by Sphere in March. Both companies located in Howard County.



Economic Development Achievement Awards

The Authority's Economic Development Achievement Awards are presented each year at the Annual Meeting. Selected for their contributions to the county's economy, the 2001 award winners were (from left to right) Anne Pettitt and Suzanne Menard, co-founders of EpiTech (small business category,) Donald Manekin (for his regional contributions,) Malynda Madzel (for her support of women / minority-owned businesses), Jim O'Connor



representing Bookham Technology (large business category), and Mary Ellen Duncan representing Howard Community College (for contributions to workforce development).

Business Resource Center

The Authority's Business Resource Center (BRC) assists Howard County's small businesses and entrepreneurs through counseling, access to information and referral services. The BRC has established several new programs during FY02. The International Trade Center was formed to develop recognition and awareness of global trade opportunities, and to provide assis-

tance with accessing these opportunities. The Franchising Business Advisory Office, Intellectual Property Office and the Proposal Development Office were also established this year.



Equal Business Opportunity

The 8th Annual EBO Awards Program recognized outstanding achievements and leadership by members of Howard County's diverse business community. The



Business Achievement Award was shared this year by Lily A. Liang Brandon (LB&B Associates, Inc.) and Janice Tippet (Millennium Printing and Graphics). The other winners were Robert L. Wallace (BiTH Group, Inc.), Jacquelyn M. Ring (The Arc of Howard County), and Mary-Kathryn Boler (M.K. Boler Associates). Ahmed Raza Habib won the new Rising Star Award for high school students. The Private Sector Initiative (PSI) was formally launched with an event attended by business, government and community leaders. PSI, through a series of industry-specific forums, is connecting the procurement needs of large companies with minority vendors within the county.

Student Entrepreneur Programs

The Authority's NeoTech Incubator coordinated two new programs designed to encourage entrepreneurship in high school students. Assisted by a \$54,000 grant from the Ewing Marion Kauffman Foundation, "EntrePrep" teaches students start-up skills through a summer institute and internships. The TechEntre program gives students an inside view of high-tech entrepreneurship, combining workshops with field experience. The NeoTech Incubator also hosts high school interns. In addition, SmartAccelerator, a

program initially geared to incubator company executives, gives techpreneurs the basic business skills they need to be successful. SmartAccelerator is a co-op initiative with University of Maryland Baltimore County.



Business Appreciation

Each year the Authority coordinates the County Executive's Business Appreciation Week program. During this year's 11th annual event, Authority board members and staff, Chamber of Commerce officials, Community College representatives, state and regional marketing partners and county department heads visited more than 100 companies and organizations. Highlights from this year's visits include 51% of companies visited had plans to expand and/or add new staff, and 48% feel Howard County's central location is beneficial to their businesses. County staff are actively involved with following up on the issues set forth by the companies. This year the visits also included a survey on employment opportunities for people with disabilities.



New & Expanding Activity

Howard County continues to be a premier business location. During FY02, healthcare, financial services and international business sectors were quite active, with locations by such distinguished companies as Chesapeake Appraisal & Settlement Services, a provider of residential appraisals, title and closing services, and Fiducial, Inc., a French professional services company that chose downtown Columbia for its North American operations



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Revitalization

Route 1 Corridor Task Force recently released the Phase II Report of the Route 1 Corridor Revitalization Study. The report contains long-range recommendations and proposes the next steps for moving forward with the corridor's revitalization, such as prioritizing projects, creating partnerships and securing funding. Aside from its traditional role in site selection and permitting assistance, the Authority also has assisted in the U.S. Route 1 revitalization efforts by coordinating a loan program for corridor businesses to refurbish or develop their properties.



Corporate Identity Campaign

The Marketing Committee developed a strategy to establish Howard County Economic Development Authority as a recognizable brand and to distinguish it from other economic development agencies. The campaign included unifying the image of the Authority and its individual programs, such as the Center for Business & Technology Development and Agricultural Marketing. The new logo, colors and fonts were applied to the corporate stationery and used as design elements in creating the Strategic Plan, Annual Report and template for *The Authority* newsletter. As part of the campaign, new advertising and media plans were created. Most recently, a new Howard County Agriculture brochure was produced.



In FY02, the Authority Web site was rebuilt and revamped to incorporate the new look.



Changes were made to improve navigation, including a pull-down menu providing immediate access to lower-tiered pages. Some sections were consolidated while others were expanded, such as “the Center” pages, to accommodate information on new programs. In addition to the design of the site, all content was reviewed, updated and edited. Also, a dynamic editing tool was built into the site, allowing up-to-the-minute changes, and a traffic tracking program, showing weekly statistics on site usage, was implemented.

Business Beat

Business Beat, a cable news show produced by Comcast Cable, continues to be an effective way to showcase the county’s successful businesses. Hosted by Dick Story, CEO of the Authority, the show features two companies each month from industries such as high-tech, biotech, healthcare and minority- and women-owned businesses. Topics of discussion include strategies for the future and the benefits from the county’s business climate. A short list from the year reads like the county’s “Who’s Who in Business”—Corporate Office Properties Trust (COPT), Amerix Corporation and Quantum Photonics were among the companies featured. *Business Beat* is now in its 3rd year of production.



A Selection of New & Expanding Businesses July 2001–June 2002

Company	Net New Employees	New Square Footage	Business Description
Giant Food	550	375,000	Distribution of foods
Chesapeake Appraisal & Settlement Services	440	65,000	Residential mortgage appraisal services
Johns Hopkins University Applied Physics Laboratory	400	240,000	Research and systems engineering
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CareFirst BlueCross BlueShield	175	50,000	Network management operations for health insurance provider
United Health Care Group	170	23,411	Management of healthcare services
Nextel Communications, Inc.	150	33,000	Telecommunications
Greenman-Pedersen, Inc. (GPI)	100	17,500	Engineering
Washington Mutual	100	21,305	Mortgage services
Temp Distribution	90	120,000	Distribution of foods
MetaMorphix, Inc.	70	15,000	Genetics research
Fiducial, Inc.	67	10,000	Business and accounting services
Neschen AG	60	100,000	Manufacturer of laminates for printing and graphics industry
Allstate Insurance Company	50	41,500	Insurance services
AXA Advisors	50	12,000	Investment advisory services
Community First Financial	50	41,500	Financial services
Lurgi Lentjes North America, Inc.	40	16,076	Manufacturer of air pollution controls and equipment for power plants
Health Management Systems	35	7,200	Healthcare system administration
Cadence Design Systems	25	23,000	Computer software design
General Physics	20	26,483	Systems engineering design
Total	2,962	1,318,192	

Audited June 30, 2002

Balance Sheet

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$377,912	
Accounts Receivable	9,887	

Total Current Assets **\$387,799**

PROPERTY AND EQUIPMENT, at cost or fair value if donated

Furniture and Fixtures	46,993	
Equipment	52,621	
Vehicle	22,189	
Less Accumulated Depreciation	(106,005)	

Net Fixed Assets **15,798**

Total Assets **\$403,597**

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES

Trade Payables	\$53,808	
Accrued Salaries & Payroll Taxes	72,017	
Accrued Expenses	8,594	
Deferred Revenue	19,854	
Security Deposits	9,320	

Total Current Liabilities **163,593**

FUND BALANCES

Fund Balance	240,004	
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Total Fund Balance **240,004**

Total Liabilities and Fund Balance **\$403,597**

Statement of Revenues, Expenses & Changes in Fund Balance

REVENUES

Howard County Government	\$763,798	
Other Grants	54,157	
Private Sector Investments	289,000	
Incubator Income	158,391	
Special Events	33,623	
Miscellaneous Income	2,176	
Investment Income	6,035	

Total Revenues **\$1,307,180**

OPERATING EXPENSES

Salaries, Wages & Benefits	\$768,080	
Contractual Services	134,290	
Supplies and Materials	100,381	
Business and Education	37,984	
Non-Capital Items	32,449	
Depreciation	9,607	
Program Expenses		
Grants	138,765	
Special Events	48,608	

Total Expenses **\$1,270,164**

Excess of Revenues over Expenses **37,016**

FUND BALANCE, BEGINNING OF YEAR **202,988**

FUND BALANCE, END OF YEAR **\$240,004**

Investors

Abrams Development Group, Inc.
Ahold Financial Services / Giant Food
The Airport Shuttle, Inc.
Allan Homes, Inc.
Allfirst Bank
American Express Tax & Business Services
Amerix Corporation
Anderson, Huddie & Associates, LLC
Antwerpen Toyota - Dodge
Apple Ford
The Arbitron Company
Atlantic Builders Group, Inc.
Baltimore Business Journal
Baxter BioScience
BB&T
BECO Management, Inc.
Boise Cascade Office Products
Bowles Fluidics Corporation
Brdancat Enterprise (McDonald's)
Buc\$ Federal Bank
The Business Monthly
Cardoni Waddell, LLC
CareFirst BCBS / Patuxent Medical Group
Chanceland Farm
Chateau Builders, Inc.
Chevy Chase Bank
Ciena Corporation
The Citizens National Bank
Coldwell Banker Residential Brokerage
Colliers Pinkard
The Columbia Association
The Columbia Bank
Columbia Builders & Brookdale Homes
The Columbia Foundation
Columbia National, Inc.
Comcast Cablevision of Maryland, L.P.
Commercial Insurance Managers, Inc.
CompUSA
Constellation Energy Group
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.
Douglas Homes, Inc.
Duratek, Inc.
Encompass
Farmers & Mechanics National Bank
First Union National Bank
Greatbatch-Hittman, Inc.
Greenebaum and Rose Associates, Inc.
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 Applied Physics Laboratory
Liberty Property Trust
Magellan Behavioral Health
Manekin, LLC
Maryland Food Center Authority
MedStar Health
Merritt Properties, LLC
MICROS Sytems, Inc.
Miles & Stockbridge, P.C.
Nottingham Properties, Inc.
NV Homes
Orbital Sciences Corporation, TMS
Paragon Smart Technologies, LLC
Patuxent Publishing Company
PCA Group
The Penrose Group
ProLogis Management, Inc.
Provident Bank
Reese & Carney
Richard B. Talkin, P.A.
The Rouse Company
Ryan Commercial, LLC
Ryan Homes
The Ryland Group
Sandy Spring National Bank of Maryland
Security Development Corporation
The Sheraton Columbia Hotel
SunTrust Bank
SYSCO Food Services of Baltimore
Trammell Crow Company
Turf Valley Resort & Conference Center
Venable, Baetjer, Howard & Civiletti, LLP
Verizon Communications
Waverly Woods Development Corporation
Win Kelly Chevrolet
WP Commercial, LLC
W.R. Grace & Company



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