

Montgomery County

Department of Economic Development

Annual Report 2013

A Word of Welcome



We have much to be proud of in Montgomery County during 2013. I signed the Partnership Intermediary Agreement with NIST and Governor Martin O'Malley, assuring the location of the National Cybersecurity Center of Excellence in the county, and initiated a cybersecurity investor tax credit to spur local industry growth. We distributed \$500,000 in county biotech investor tax credits to 46 investors who put more than \$7 million into 10 local companies. I led a successful mission to China to encourage foreign investment in the county and win business for local companies. We continued support for BioHealth Innovation, Inc., the Montgomery Business Development Corporation and other partner organizations that support our efforts to grow, retain and attract businesses. These are but a few of the many accomplishments and initiatives we will continue to build upon during 2014 and beyond.

—Isiah Leggett, County Executive

We proudly share with you our 2013 Annual Report which outlines DED's accomplishments in support of the continued growth of our economy. Our new Small Business Navigator provides a single point of contact between small businesses and county departments and agencies, and we launched our annual Montgomery County Small Business Awards to recognize outstanding small businesses that contribute so much to our local economy. We celebrated openings or expansions of headquarters for Choice Hotels International, Digital Management Inc., Emergent Biosolutions, EMMES Corporation, Infosys Public Services and WeddingWire. We welcome your suggestions and engagement as we continue our work on behalf of the county's economy.



—Steve Silverman, Executive Director

Vision: Establish Montgomery County as a globally competitive, highly diversified knowledge-based economy that encourages company retention and growth, new job created and new company formation.

2013 was a great year!

Montgomery County businesses continued to put the recession behind them. Unemployment fell to 5.1 percent, the lowest level since 2009 and one of the lowest among Maryland counties. The number of private sector jobs increased to 414,000, and the number of private sector county companies grew to 33,000.

Health IT and cybersecurity sectors gained traction, further adding to the county's economic diversity. The NIST National Cybersecurity Center of Excellence opened two "use cases" with private sector partners and continued to refine plans for the build-out of the space needed for their full program of work. The Health IT breakfast series produced in partnership with the Montgomery County Chamber of Commerce, Johns Hopkins University and the Technology Council of Maryland consistently drew large audiences, and new companies emerged weekly to join this burgeoning sector.

Several life sciences companies did IPOs this year. Supernus led with the area's first IPO in 2012, followed in 2013 by MacroGenics and Sequella.

The County's Top 50 Private Sector Employers

Marriott International	Affiliated Associates Inc
Adventist Healthcare	FINRA Regulation
Lockheed Martin Corporation	BAE Systems
Holy Cross Health (of Silver Spring)	Sears Roebuck & Company
Giant Food Stores	Children's National Medical
Kaiser Permanente Of The Mid-Atlantic States	Clark Construction Group
MedImmune	LEMEK LLC/Panera Bread
GEICO	Costco Wholesale Corp
Henry M Jackson Foundation	CHI Centers
Safeway Stores	McDonalds Restaurants
Red Coats	Foulger Pratt Companies
Discovery Communications	Community Services for Autistic Children
IBM Corporation	Sodexo
Kelly Services	Community Pool Mgmnt
Riderwood Village	Nordstrom
Hughes Network Systems	Qiagen
Montgomery General Hospital	Gali Service Industries
Booz Allen & Hamilton	Glaxosmithkline
Maryland CVS Pharmacy	Miller & Long Co
Home Depot	Hewlett Packard Company
Chevy Chase Savings & Loan	Comcast Cablevision Corp
Hebrew Home Of Greater Washington	SAIC (Science Applications Int'l Corporation)
DARCARS	ABT Associates
Macy's Department Store	Insperty People Services
Heartland Employment Services	Harris Teeter

Employers sorted by number of full-time employees in descending order. Source: Compiled by Department of Economic Development staff.

Companies Headquartered in the County

A. Morton Thomas and Associates, Inc.	Concrete General, Inc	Holy Cross Health (of Silver Spring)	Wine and More)
ABT Associates	Coventry Health Care	Host Hotels & Resorts, Inc	Ridgewell's, Inc.
Access Intelligence LLC	Criswell Chevrolet	Howard Hughes Medical Institute	Roberts Oxygen
Adventist Healthcare, Inc.	Cystic Fibrosis Foundation	HP Enterprise Services	Ruppert Landscape
AERAS	Danya International	Hughes Communications	Sandy Spring Bank
American Capital Strategies, Inc.	Dataprise, Inc.	ICF International	SEEC
American Nurses Association	Development Alternatives Inc. (DAI)	IMSG	Sequella
American Society of Health-System Pharmacists	Digital Management (DMI)	Intelligent Automation	Shapiro and Duncan
American Speech Language Hearing Association	Discovery Communications	Iq Solutions, Inc.	Shulman Rogers
Aronson & Company	Eagle Bancorp, Inc.	JBG Companies	Smokey Glen Farms
Athena Consulting	Emergent Biosolutions	JBS International	Social & Scientific Systems, Inc.
Avendra, LLC	Envelopes Unlimited, Inc.	J Craig Venter Institute	Sodexo (N. Am. HQ)
B.F Saul company Hotel Division	Federal Realty Investment Trust	Kaiser Permanente of the Mid-Atlantic States	Supernus
Bioqual	Financial Industry Regulatory Authority	Kirlin Group	Synergy Enterprises
BioReliance	First-Potomac Realty Trust	Lerch, Early & Brewer	Technical Resources International, Inc.
Boland Trane Services, Inc.	Forrester Construction Company	Lerner Companies	Thales Defense & Security, Inc.
Broadsoft, Inc.	Foulger-Pratt Management	Linowes and Blocher	The ARC of Montgomery County
Capital Bank	Francis O Day Co	Lockheed Martin	The Brickman Group Ltd
Century Distributors	Gali Service Industries	Macrogenics	The Calvert Group
Challenger Transportation d/b/a Regency Taxi	GEICO	DARCARS	The Emmes Corporation
Choice Hotels International, Inc.	Global Exchange Services (GXS)	Marriott International	The RitzCarlton Hotel Co.
Clark Construction Group	GlobalNet Services, Inc.	McFall and Berry Landscape Mgt	Tower Co.
CNSI	Grunley Construction Co., Inc.	Meso Scale Diagnostics	TV One
Coakley and Williams Construction	Henry M Jackson Foundation for the Advancement of Military Medicine	Miller and Long	Ultra Electronics 3eTI
CohnReznick Group	Highway and Safety Services, Inc.	Novavax	United Therapeutics
Community Pool Management		Pleasants Construction (Core Commerical)	US Pharmacopeia
		Potomac Minute Maids	Wedding Wire
		QIAGEN (N. Am. HQ)	Westat
		Red Coats, Inc.	Zenimax Media
		Retail Services and Systems (d/b/a Total	

Employers with 100 or more employees as of March, 2014. Source: Compiled by Department of Economic Development staff.

The Entrepreneurial Spirit

An interview with WeddingWire's Tim Chi

An old, well-worn maxim suggests that necessity is the mother of invention. WeddingWire founder and CEO Timothy Chi might well add that a painfully difficult experience can be just as great a motivator.

In 2005, Chi and his fiancée found the logistics of planning a multi-city wedding overwhelming. No stranger to technology, having been a founding member of Blackboard Inc., Chi looked for an online tool to help with his logistical dilemma. He was shocked to find there was none.

So, with a handful of partners and four desks in the living room of his Chevy Chase apartment, he began WeddingWire in 2006. They set up a test market in Washington, D.C., to determine if the plan would work. It did, and they started looking for funding to launch the start-up into a broader market.

One of the first sources of funding was a \$25,000 Montgomery County Economic Development Fund loan, which converted to a grant after employment goals were met. In addition to the initial financial support, the department established a relationship with the start-up and has followed—and supported—its growth ever since.

“Folks at the county have always been good about being proactive,” Chi says. “That’s always a nice experience. When you need something, you don’t have to go looking for it because someone has already asked you what your company needs.”

Eight years later, the company employs 330 people and is an international phenomenon. They just announce the addition of three new apps to their online portfolio. WeddingWire generated a revenue of \$34 million last year, and Chi attributes some of the company’s success to its Montgomery County home.

“Montgomery County has always been an easy and good place to grow a business,” he says. “This location [a new 26,180-square-foot headquarters in Chevy Chase, with plans to expand again next year] makes it easy to attract and retain talent. That’s one of the very best features of Montgomery County.”



WeddingWire CEO Tim Chi, right, receives the Technology Company of the Year Award from Montgomery County Executive Isiah Leggett at DED's 2013 Small Business Awards ceremony.

The Digital Dairy

Woodbourne Creamery: A high-tech (and happy) free-range herd

Woodbourne Creamery is used to being first. It’s Montgomery County’s first new dairy in sixty years, it’s the first local farm to process its own milk in its on-farm bottling facility, and it’s the first all-pasture robotic dairy in North America.

Agripreneurs John and Mary Fendrick bought the 140 acre property in 2011 and opened the dairy in November, 2013.

As good stewards of the land, they use managed, intensive grazing to feed their cows because it is environmentally and economically sustainable. This method keeps the pastures in the most palatable state, and nutrients are naturally recycled using the roving cows’ manure as a fertilizer.

While old-school grazing techniques are used out in the pasture, inside the milking parlor it’s a different story.

The dairy relies on a robotic Delaval “voluntary milking system.” The robotic milker allows the cows to milk on their own preferred schedules, which can vary widely from the common “early morning/before supper” routine. The cows get water in the field throughout the day, and they seem to enjoy coming and going at their leisure. Since time is money, John will tell you that the best part of the robotic milking system is that it allows him to spend more time running other facets of the farm.

Woodbourne Creamery is licensed by the state of Maryland as a Grade A dairy and a Grade A processing facility. They process Creamline (non-homogenized) pasteurized milk for sale at their on-farm market and they plan to start making cheese and other sweet treats in 2014. Mary holds a cheesemaking certificate from the University of Vermont’s Institute of Artisanal Cheesemaking and is a proud alumni of “Ice Cream College” at Penn State.



The robotic “voluntary milking system” allows the cows to milk on their own preferred schedules—a first in North America.

In Search of the Cure

Sanaria: On a quest to eradicate malaria

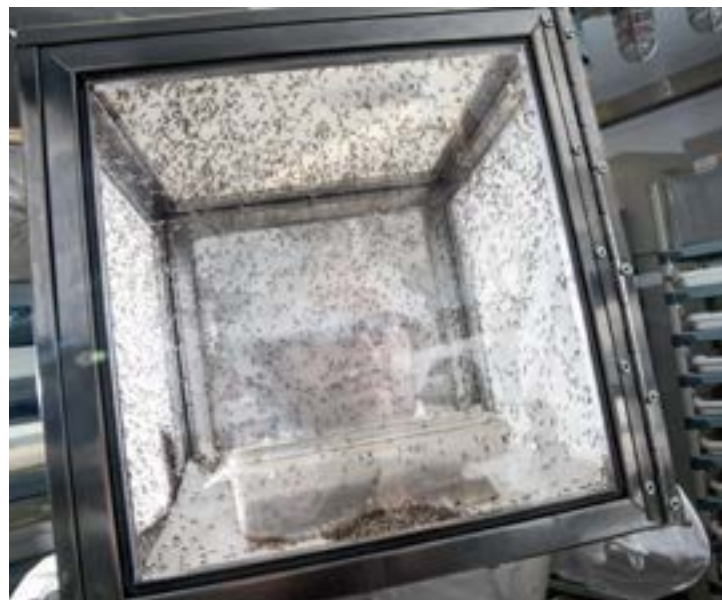
One gets malaria after being bitten by a mosquito infected with a parasite known as *Plasmodium falciparum*. Turns out, if you are Dr. Stephen Hoffman, that is also how you begin the process of discovering a vaccine to guard against this disease that, according to estimates by the World Health Organization, killed 660,000 of the 219 million infected by the disease in 2010—with 65 percent of those who died younger than 15.

Dr. Hoffman, a physician and retired Navy captain who previously ran the U.S. Navy Medical Research Center’s malaria program, subjected himself to the bites of live infected mosquitoes to test his various early attempts to craft a vaccine. Since then, Sanaria has received a number of grants from NIAID and NIH to fund its research. The

firm has become a national leader in the quest to create a vaccine to eradicate malaria.

In 2007, Dr. Hoffman, cut a ribbon to open the company’s new 23,500-square-foot facility in Rockville. Sanaria has become an important part of a recent cohort of life sciences companies crafting vaccines as part of Montgomery County’s I-270 Life Science Corridor.

In addition to its work on the creation of a vaccine, the company sells the parasites, mosquitoes and other biological material for other researchers to use in their quests for vaccines and treatments for malaria. To learn more, visit the company’s website at Sanaria.com.



Malaria-infected mosquitoes await harvesting of the Plasmodium falciparum parasite for use in the production of Sanaria’s vaccine.

Did You Know: Montgomery County is home to over 200 cutting-edge biotech companies and organizations—the most of any single county in the nation and more than 46 entire states.

Keeping Data Safe

National Cybersecurity Center of Excellence comes to Shady Grove

The National Cybersecurity Center of Excellence, a joint partnership between NIST and the federal, state and Montgomery County governments, began its final journey toward a permanent home in the county at the end of 2013.

The center was one of the priority recommendations outlined by Maryland Governor Martin O’Malley in 2010. The center was established to accelerate the broad adoption of integrated cybersecurity tools and technologies. Through the National Cybersecurity Excellence Partnership, 16 companies—including Cisco Systems, McAfee, Microsoft, RSA and Symantec—have agreed to provide hardware, software and expertise to the center’s efforts to advance the rapid adoption of secure technologies.

The National Cybersecurity Center of Excellence has been temporarily housed in the Institute for Bioscience and Biotechnology Research on the campus of the Universities at Shady Grove. It is slated to move to a 65,000 square foot building on Great Seneca Highway in Rockville in 2014. The state and Montgomery County are providing funding to renovate the facility, which is owned by the Maryland Economic Development Corporation.



Montgomery County Executive Isiah Leggett, front row left, joins Acting Undersecretary of Commerce Dr. Patrick Gallagher, U.S. Senator Barbara Mikulski and Maryland Governor Martin O’Malley in signing a Partnership Intermediary Agreement in February, 2014.

Did You Know: The Census Bureau reports that Gaithersburg was eighth on the list of the 15 fastest growing large cities in the U.S., with a total population of 65,690 in 2013. The list ranked cities with populations of 50,000 or more between July 1, 2012, and July 1, 2013.

By the Numbers

400
Companies assisted by DED

787
Jobs created with DED assistance

37,100
Employees in companies assisted by DED

1,188
Jobs retained with DED assistance

\$20 million
Capital investment through business expansions

\$1 million
Capital investment by new business attractions and start-ups

396,245
Net new square footage of commercial space*

*Through business attractions and expansion of existing companies.

National Magazine Rankings

In addition to the stories of the successes enjoyed by the county's business community, rankings published by national magazines tell an impressive story about our business success. It's why so many companies know that Montgomery County is one of the best places in the nation to live, work and play.

2013 Fortune Magazine 500

Rank	Company Name	City	Revenue (\$b)	Employees
59	Lockheed Martin	Bethesda	47.22	4,000
195	Coventry Health Care	Bethesda	14.1	150
230	Marriott International	Bethesda	11.8	5,000
469	Host Hotels & Resorts	Bethesda	5.3	400

2013 Hispanic Business Magazine 500

Rank	Company	City	Revenue (\$b)	Employees
30	Mid-Atlantic Petroleum Properties LLC	Germantown	\$255.38m	93
154	Gali Service Industries Inc	Rockville	\$34.00m	1,725
207	Mayorga Coffee LLC	Rockville	\$20.73m	65
258	Project Enhancement Corp	Germantown	\$14.53m	57
365	The Washington Consulting Group	Bethesda	\$6.38m	40
446	Gemini Tech Services LLC	Silver Spring	\$2.20m	52

2013 Black Enterprise Magazine 100

Rank	Company	City	Revenue (\$m)	Employees
11	Radio One Inc	Silver Spring	293.395	849
23	TV One LLC	Silver Spring	131	112

2013 Accomplishments—by Division

Agricultural Services...

improves the regional food system by:

- Protecting nearly 73,000 acres of farmland through the **Building Lot Termination** program and the **Agricultural Easement** program and drafting farmer-friendly land-use regulations through the **Zoning Rewrite Project**.
- Supporting four start-up farm enterprises through the **New Farmer Pilot Project** and showing 4th graders where their food comes from through **Close Encounters with Agriculture**.
- Coordinating 22 farmers markets and the annual **Farm Tour & Harvest Sale** and elevating public discourse through **Farming at Metro's Edge** and the **Food Policy Council**.

Finance & Administration...

helps grow, attract and retain businesses using a mix of grants, loans and tax incentives. In 2013, we focused on creating a friendly environment for investors:

- The **Biotech Investor** program apportioned \$500,000 among 46 venture capitalists who made combined investments of \$7 million in 10 of our local biotech companies.
- Launched the new **Green Investor Incentive** program and a similar program for **cybersecurity investors**.
- The **Economic Development Fund**, our signature financing program, supported eight businesses totaling \$4,607,150.

Small & Minority Business Services...

provides tools to help strengthen the local small and minority business communities, the backbone of the county's economy:

- The **Small Business Navigator**, a new position in 2013, provided direct services to more than 250 businesses.
- The inaugural **Montgomery County Small Business Awards** luncheon drew more than 300 attendees, with Tammy Darvish, vice president of DARCARS Automotive Group, as keynote speaker.
- More than **700 small businesses and organizations** received weekly information on activities and resources to strengthen their businesses.

Workforce Services...

connects employers with employees:

- Assisted 627 businesses, helping them meet their recruitment, screening and training goals, along with providing consultation and labor market data.
- Assisted 14,640 individuals with workforce development services, including career coaching, job search activities, workshops and resume writing, resulting in 6,335 job placements.
- Facilitated, in conjunction with the county's Workforce Investment Board, two strategic alliances bringing together leaders in business, education and government: the **Allied Health Industry Alliance** and **Cybersecurity Industry Alliance**.



Montgomery County has hosted two highly successful Innovation-2-Commercialization conferences.

Marketing & Business Development...

promotes both the work of the department and the tools the county provides to its business citizens:

- Launched **eBiz Calendar**, a successful online calendar tool that allows partner organizations to post their sponsored business events in one central location.
- Produced a second highly successful annual **Innovation-2-Commercialization** technology transfer conference.
- Published an extensive **FY14-15 Strategic Plan** to serve as a roadmap for the department's efforts to attract and retain businesses to the county.

Special Projects...

uses the built environment to unlock the county's economic development potential, laying the groundwork for critical developments in the future:

- The Maryland Department of the Environment approved the **Site II remediation plan**, which will transform a vacant sewage-sludge facility into the \$3 billion **LifeSci Village**.
- The **Universities at Shady Grove** parking garage moved into the design phase. This project will replace surface lots and allow development of USG's fourth academic building for STEM-related fields.
- White Flint's transformation will create a pedestrian friendly, mixed-use neighborhood, including the **Conference Center** parking garage project, currently in preliminary design.



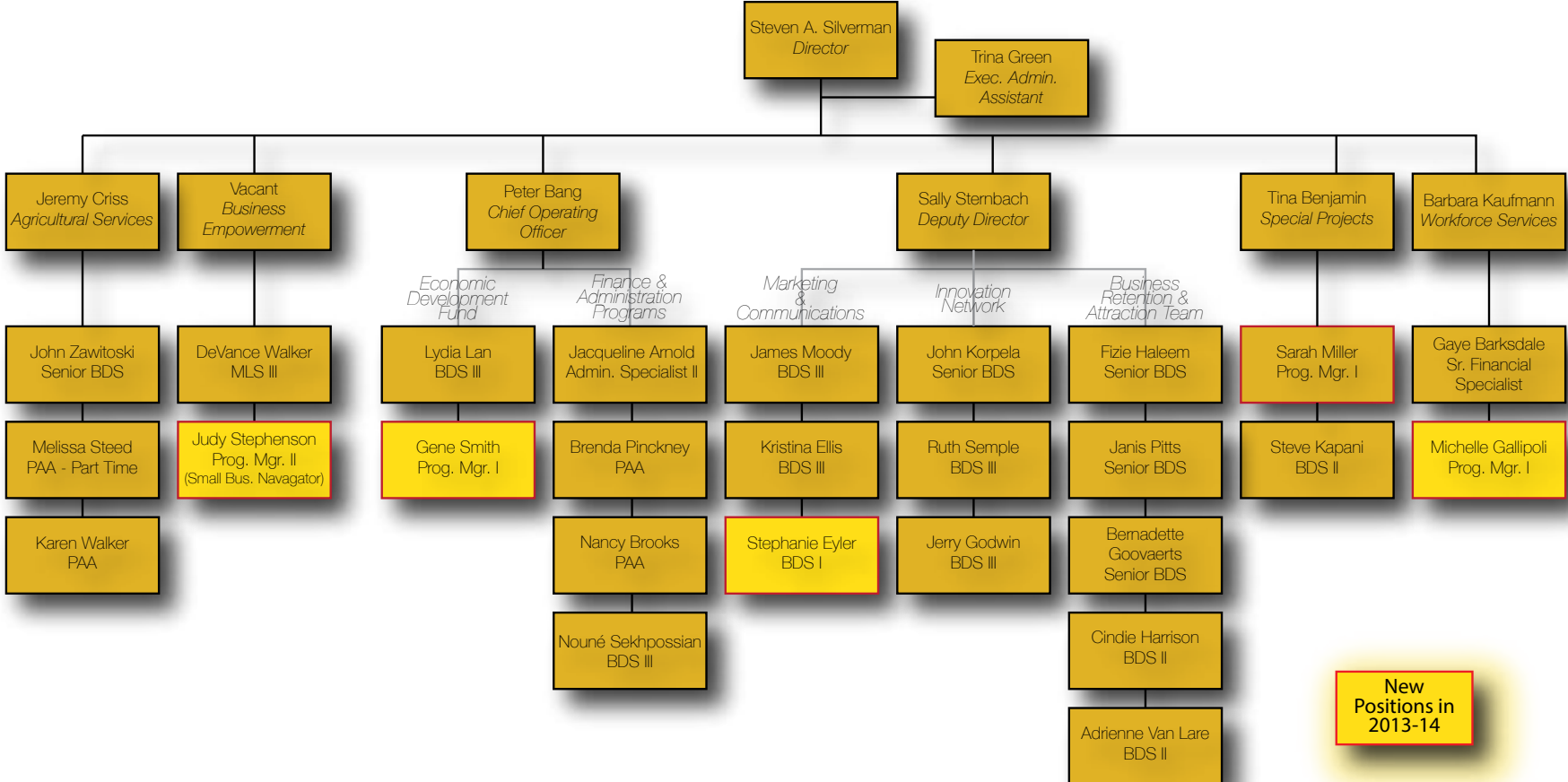
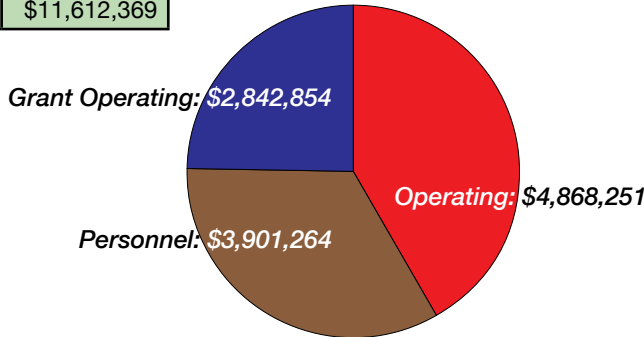
Montgomery County is corporate home to a number of nationally known companies, including Choice Hotels International.

Our Organization

2013 Operating and Capital Budget

39 Positions (31.3 WY)	
Operating:	\$4,868,251
Personnel:	\$3,901,264
Total:	\$8,769,515
Grant Fund	
Operating	\$2,842,854
Grand Total:	\$11,612,369

Change from FY12 total budget:
-\$428,418 (-4.7%)



New Positions in 2013-14

Director's Office, Administration & Finance	
6 Positions (5.0 WY) ^A	
Operating	Personnel
\$4,052,020	\$449,826
Total:	\$4,501,846
% of budget:	51%

Business Empowerment	
4 Positions (4.0 WY)	
Operating	Personnel
\$136,000	\$512,043
Total:	\$648,043
% of budget:	7%

Agricultural Services	
9 Positions (3.3 WY) ^B	
Operating	Personnel
\$191,721	\$345,308
Total:	\$537,029
% of budget:	6%

Marketing and Business Development	
13 Positions (13.0 WY)	
Operating	Personnel
\$560,002	\$1,593,894
Total:	\$2,153,896
% of budget:	25%

Workforce Investment Services	
3 Positions (3.0 WY)	
Operating	Personnel
\$135,080	\$355,825
Total:	\$490,905
% of budget:	6%

Special Projects	
4 Positions (3.0 WY) ^C	
Operating	Personnel
\$18,200	\$419,595
Total:	\$437,795
% of budget:	5%

A. 1.0 work-year charged to the Economic Development Fund; B. 4.7 work-year charged to the Ag Services CIP; C. 1.0 work-year charged to the Conference Center NDA

Our Contractual Partners

- Bethesda Green
- BioHealth Innovation
- Empowered Women International, Inc.
- Foundation for Asian Pacific American Chamber of Commerce
- Hispanic Chamber of Commerce of Montgomery County
- Latino Economic Development Center
- Montgomery Business Development Corporation
- Maryland Israel Development Corporation
- Montgomery County Chamber Community Foundation
- Rockville Economic Development, Inc.
- Small Business and Technology Development Center
- Technology Council of Maryland



Locate. Innovate. Accelerate.

ChooseMontgomeryMD.com

240-777-2000