

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 92-2020

Introduced: June 1, 2020

Auditor: Edward Shulder

Fiscal Impact:

This Resolution endorses financial assistance, totaling \$300,000, to be provided by the State to Mosaic Learning, Inc., (the Company) as required by State law. As also required by State law, the County, through the Howard County Economic Development Authority (the Authority), will provide a \$50,000 workforce training grant to the Company. State law requires that local jurisdictions match at least 10 percent of the funding provided by the State.

Adoption of this resolution may increase County revenues from increased property taxes resulting from the Company's capital improvements and expansion. County revenues may also increase due to increased income tax revenue generated by additional full-time employees. The amount of any such increases cannot be determined at this time.

Purpose:

Council Resolution 92-2020 requests the endorsement of a \$300,000 Maryland Economic Development Assistance Authority and Fund (MEDAAF) conditional loan to Mosaic Learning, Inc., to support the Company's expansion and relocation costs. The loan and other financial related assistance are detailed in an agreement between the State Department of Commerce, the Authority, and the Company dated October 3, 2019.

Section 5-319 of the Economic Development Article of the Maryland Annotated Code requires the County to endorse financial assistance to be provided to Howard County businesses from the Fund by resolution and provide certain financial assistance.

Other Comments:

The agreement with Mosaic Learning, Inc., states that the Authority may also provide a \$500,000 loan to Mosaic Learning, Inc., for flexible working capital purposes.

Per the agreement with Maryland Department of Commerce, Mosaic Learning, Inc., has projected the following because of the relocation and expansion to Columbia:

- Capital investment of \$430,000
- Retention of 45 permanent full-time employees
- Increase in staff of 100 permanent full-time employees (total of 145 full-time employees) by 2022