

County Council of Howard County, Maryland

2021 Legislative Session

Legislative Day No. 3

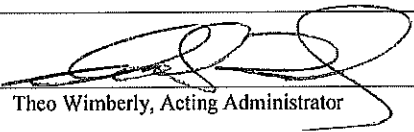
Resolution No. 34-2021

Introduced by: The Chairperson at the request of the County Executive

A RESOLUTION endorsing the provision of financing by the State Department of Commerce for an economic development project in Howard County and certifying that the project is consistent with the County's goals for economic development.

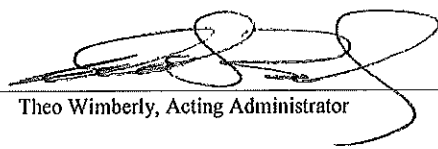
Introduced and read first time February 3, 2021.

By order


Theo Wimberly, Acting Administrator

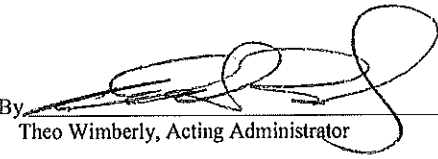
Read for a second time at a public hearing on February 16, 2021.

By order



Theo Wimberly, Acting Administrator

This Resolution was read the third time and was Adopted Adopted with amendments __, Failed __, Withdrawn __, by the County Council on March 1, 2021.

Certified By


Theo Wimberly, Acting Administrator

Approved by the County Executive March 2, 2021


Calvin Ball, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN SMALL CAPITALS indicates additions to existing law; ~~Strike-out~~ indicates material deleted by amendment; Underlining indicates material added by amendment

1 **WHEREAS**, the Department of Commerce of the State of Maryland (the “Department”) has
2 been asked to assist in the financing of a project in Howard County through the Department’s
3 Maryland Economic Development Assistance Authority and Fund (“MEDAAF”); and
4

5 **WHEREAS**, the completion of the project described in this Resolution has strong potential for
6 expanding or retaining employment opportunities within the County; and
7

8 **WHEREAS**, the County Executive and County Council have determined that it is in the
9 best interests of the citizens of the County that the Department provide the MEDAAF financial
10 assistance described in this Resolution; and
11

12 **WHEREAS**, in accordance with the provisions of Title 5, Subtitle 3 of the Economic
13 Development Article of the Annotated Code of Maryland, the Department requires that the
14 governing body approve a resolution endorsing the financial assistance being given by the
15 Department for the project described in this Resolution.
16

17 **NOW, THEREFORE, BE IT RESOLVED** by the County Council of Howard County,
18 Maryland, this 1st day of March, 2021, that Howard County hereby endorses the
19 Department providing the MEDAAF financial assistance described below for the following
20 project:
21

22 A \$500,000 MEDAAF Conditional Loan for KBR Wyle Services LLC for the,
23 equipment, furnishings, fixtures or leasehold improvements to approximately 66,000 sq.
24 ft. of lease space at 8120 Maple Lawn Boulevard, Fulton, Howard County.
25

26 **BE IT FURTHER RESOLVED** by the County Council of Howard County, Maryland, that
27 it hereby certifies that the project is consistent with the County’s goals for economic
28 development.



**HOWARD COUNTY
MARYLAND**
Economic Development Authority

MEMORANDUM

To: Lonnie Robbins
Chief Administrative Officer

From: Lawrence F. Twele
Chief Executive Officer

Re: Testimony Council Resolution – KBR Wyle Services LLC

Date: January 5, 2021

Testimony in support of Council Resolution, endorsing the financing by the State of Maryland Department of Commerce for economic development projects in Howard County and certifying that the project is consistent with the County's plan for economic development,

The Howard County Economic Development Authority supports and urges the passage of Council Resolution CR _____ which is related to assisting businesses as they expand or locate in Howard County, Maryland. The bill is being submitted to the Council pursuant to Title 5, Subtitle 3 of the Economic Development Article of the Annotated Code of Maryland the ("ACT"), which requires that the County approve a resolution endorsing the financial assistance being given by the Department for the project described in the Resolution.

The project is as follows:

1. A \$500,000 MEDAAF Conditional Loan for KBR Wyle Services LLC for the, equipment, furnishings, fixtures or leasehold improvements to approximately 66,000 sq. ft. of lease space at 8120 Maple Lawn Boulevard, Fulton, Howard County.

Fiscal Analysis:

There is no fiscal impact on Howard County. This state funded conditional loan requires a 10% match from the County. This match will be satisfied by a \$50,000 loan from the Howard County Economic Development Authority.



**HOWARD COUNTY
MARYLAND**
Economic Development Authority

Please feel free to contact me or Vernon Thompson, Executive Vice President of the HCEDA should you have any questions.

cc: Dr. Calvin Ball, County Executive
Gary W. Kuc, County Solicitor
Vernon J. Thompson, EVP EDA

Office of the County Auditor
Auditor's Analysis

Council Resolution No. 34-2021

Introduced: February 3, 2021

Auditor: Owen Clark

Fiscal Impact:

The fiscal impact of this legislation is a potential increase in County revenues as a result of a capital investment by KBR Wyle Services, LLC (KBR), in their Howard County facilities. The projected revenue cannot be estimated at this time but may include the following:

- Increased County property taxes resulting from the KBR's capital improvements.
- Increased income tax revenue generated by additional full-time KBR employees.
 - This may be partially offset by the recipient company's anticipated Maryland State Job Creation Tax Credit against their income tax of \$144,000.

The Howard County Economic Development Authority (EDA) will fulfill the State's required 10 percent County match obligation with a \$50,000 loan from their Catalyst Loan Program Fund. This loan will be repaid to the EDA over a three-year term at 2 percent interest.

Purpose:

Council Resolution 34-2021 requests the endorsement of a \$500,000 Maryland Economic Development Assistance Authority and Fund (MEDAAF) conditional loan to KBR to support KBR's expansion project at two facilities in the County.

This endorsement is required by State law. The terms of the financed project are detailed in a proposal that has been signed by EDA, State Department of Commerce, and KBR dated October 21, 2020, and can be made available to the Council upon request. Key terms of this agreement are noted under Other Comments.

Other Comments:

KBR is a public company that provides its public and private clients professional services and technologies in several fields that include aerospace, defense, industrial innovations, intelligence, data science, and federal/civilian infrastructure.

Per the EDA, the \$50,000 loan associated with the 10 percent County match will be subject to approval by the EDA's Board of Directors Incentive Committee.

The project proposal with KBR indicates that KBR's eligibility for the Maryland State Job Creation Tax Credit of up to \$144,000 is derived from the creation of 48 new full-time positions in the County.

Per the signed project proposal, key requirements for KBR to access this financing include:

- Expanding operations at two leased facilities in Howard County.
- Spending at least \$2.6 million in project costs by December 31, 2022.
- Increasing the amount of permanent full-time staff at the project site:
 - From 180 to 320 employees by December 31, 2021.
 - To 368 employees by December 31, 2025.
- Retaining 1,717 permanent full-time staff located in the State, including the project site, and increasing that amount to 1,765 by December 31, 2025.