Online Open House

Small Business Grants, Loans and Access to Capital

November 16, 2022

# Small Business Access to Capital (Grant$ and Loan$)

## Montgomery County, Maryland

## Business Advancement Team (BAT)

### November 16th, 2022

# Small Businesses Access to Capital in Montgomery County

The Business Advancement Team (BAT), along with the county's resource partners, provides resources to aspiring entrepreneurs and existing small businesses to:

1. Start Business
2. Grow/Expand
3. Move to the county

# Grant$ and Loan$

## Montgomery County
## Grant$

- ✓ SBIR/STTR – Small Business Innovation Research/Small Business Technology Transfer

- ✓ MOVE – Make Office Vacancy Extinct

- ✓ Biotechnology Investor Incentive

- ✓ Cybersecurity Tax Credits Supplemental Program

Targeted Assistance Programs

- ✓ Small Business Assistance Program (SBAP)

- ✓ Impact Assistance Fund (IAF)

# SBIR/STTR

✓ Launched in July 2018 and runs through July 1, 2025

✓ A matching conditional grant that will later change to a permanent grant

✓ Applies to Businesses involved in R&D in Medicine, Biotechnology, and Life Science

✓ Can be applied via https://www.montgomerycountymd.gov/Biz-Resources/sbir-sttr-grant-application-form.html

✓ Involves Phase-0, Phase-I, and Phase-II

✓ Phase-0 – Qualifies for up to $5,000 in award

✓ Phase-I – Up to 25% matching grant with a maximum of $25,000

✓ Phase-II – Up to 25% matching grant with a maximum of $50,000

✓ Criteria include

    1. Company conducts at least 51% of its R&D operations at a physical location in the county

    2. Company has been awarded an SBIR/STTR phase-I or II during the current year from fed

# MOVE

- ✓ Way to encourage new business creation and to attract from other jurisdictions

- ✓ Application goes to MCEDC via https://thinkmoco.com/move-application-form

- ✓ Business must be new to the county (relocation, new, home-based moving to first commercial office space,…)

- ✓ Qualifying businesses get $8/SF up to 20,000 SF or a maximum of $80,000

- ✓ Excludes retail, restaurants, and independent financial or insurance agent/broker establishments that sell products underwritten by a third-party

- ✓ Should have a class A or B commercial lease with a minimum of 36 months

- ✓ Application should be received within 90 days of the lease signing

# Biotechnology Investor and Cyber security Tax Credit Incentives

✓ One is for cyber security and the other one is for biotechnology companies

✓ The state tax credit applies to the investors (which may be individuals/entities) not the companies

✓ The individual/entity should be designated as an investor under State law and has received a final tax credit certificate for the Maryland cybersecurity investment tax credit and/or biotechnology for the preceding calendar year

✓ Should be based in Montgomery county

✓ The program pays up to 50% of the State tax credit that the individual/entity receives from the Maryland cybersecurity investment tax credit/biotechnology program in the preceding calendar year

# Montgomery County Loan$

## Montgomery County
## Micro-Loans$

- ✓ LEDC offers micro-loan of $500 - $250,000 https://www.ledcmetro.org/smallbusiness/

- ✓ Life Asset, Inc. also offers micro-loan starting from $500 https://lifeasset.org/

# Overview of Montgomery County Office of Grants Management

**November 16, 2022**

# Office of Grants Management

- **Bill 36-19 Contracts and Procurement – Office of Grants Management – Established passed by Council on July 13, 2021 and signed by County Executive on July 19, 2021**
- **Creates an Office of Grants Management within the Executive branch of County Government starting July 1, 2022 (FY23)**
- **County Executive's FY23 Approved budget includes $341,309 for a new Office of Grants Management**
  - **Director**
  - **Grant Distribution Program Manger II (in hiring process)**
  - **Grant Seeking Program Manger II (in hiring process)**
  - **Operating expenses**

# Difference between a Contract and Grant

## Procurement Contract

- Contemplate the County getting a good or service in return for the funds provided
- Subject to our Procurement Regulations and Policies
- Overseen by the Office of Procurement

## Grant Agreement

- For the public good and do not anticipate a return of some good or service in exchange
- Subject to the County's Administrative Procedure 2-4
- Overseen by the Office of Grants Management

*Grants are not limited to nonprofits. The County has and may continue to offer grant opportunities to private businesses.*

# OGM Goals
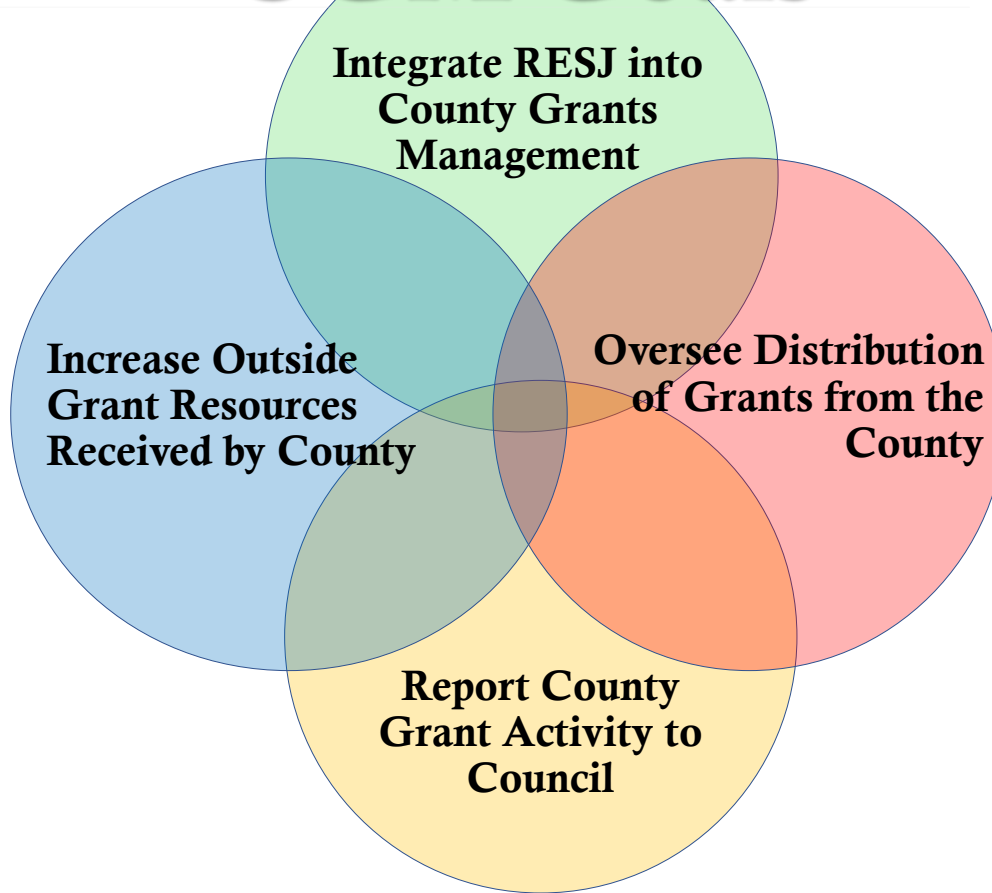
# OGM Services to Outside Stakeholders

## Grant Seeking

- Coordinates County joint applications with outside partners
- Provides documentation support for outside partner applications
- Liaises with and advocates for the County's communities on grant related issues

## Grant Distribution

- POC for the County on all competitive grant programs
- Manage and provide tech support for the online grants application platform and the OGM internet site
- Develop training resources and events for County grant applicants
- Liaises with and advocates for the County's communities on grant related issues

# What to expect…

- A single website and grants application platform for all County grant opportunities to increase access and transparency
- Multiple smaller, targeted competitive grants programs throughout the year, instead of just two broad programs
- A more standardized grant application format across all County grants programs with a focus on accessibility and inclusion
- Grant awards given out as real grants, like other jurisdictions, with a focus outcomes and impacts of programs over receipts
- Training and support resources for outside stakeholders on County grants competitions and grant agreements
- An inclusive process to collect nonprofit feedback from across the County on reforms to the Community Grants and Capital Cost Sharing Grants programs for FY24 and going forward

# Questions?

**Rafael Pumarejo Murphy**
**Director**
**Office of Grants Management**
**240-777-2775**
**Rafael.murphy@montgomerycountymd.gov**
**OGM County Grant Application Platform**
**https://mcmdgrants.fluidreview.com/**

# Who is Montgomery County Economic Development Corporation (MCEDC)

The **official public-private economic development organization for** Montgomery County, MD

Led by a board of directors, our mission is to **help new businesses start and grow in the county, help existing businesses grow and thrive and attract companies to relocate here**



MONTGOMERY COUNTY
ECONOMIC DEVELOPMENT
CORPORATION MARYLAND

# How MCEDC Can Help

- Location/Site Selection Assistance
- Data / database resources
- Demographics / industry information: market intelligence
- Marketing the County and its Companies
- Referrals/introductions to potential partners
- Explore incentive opportunities
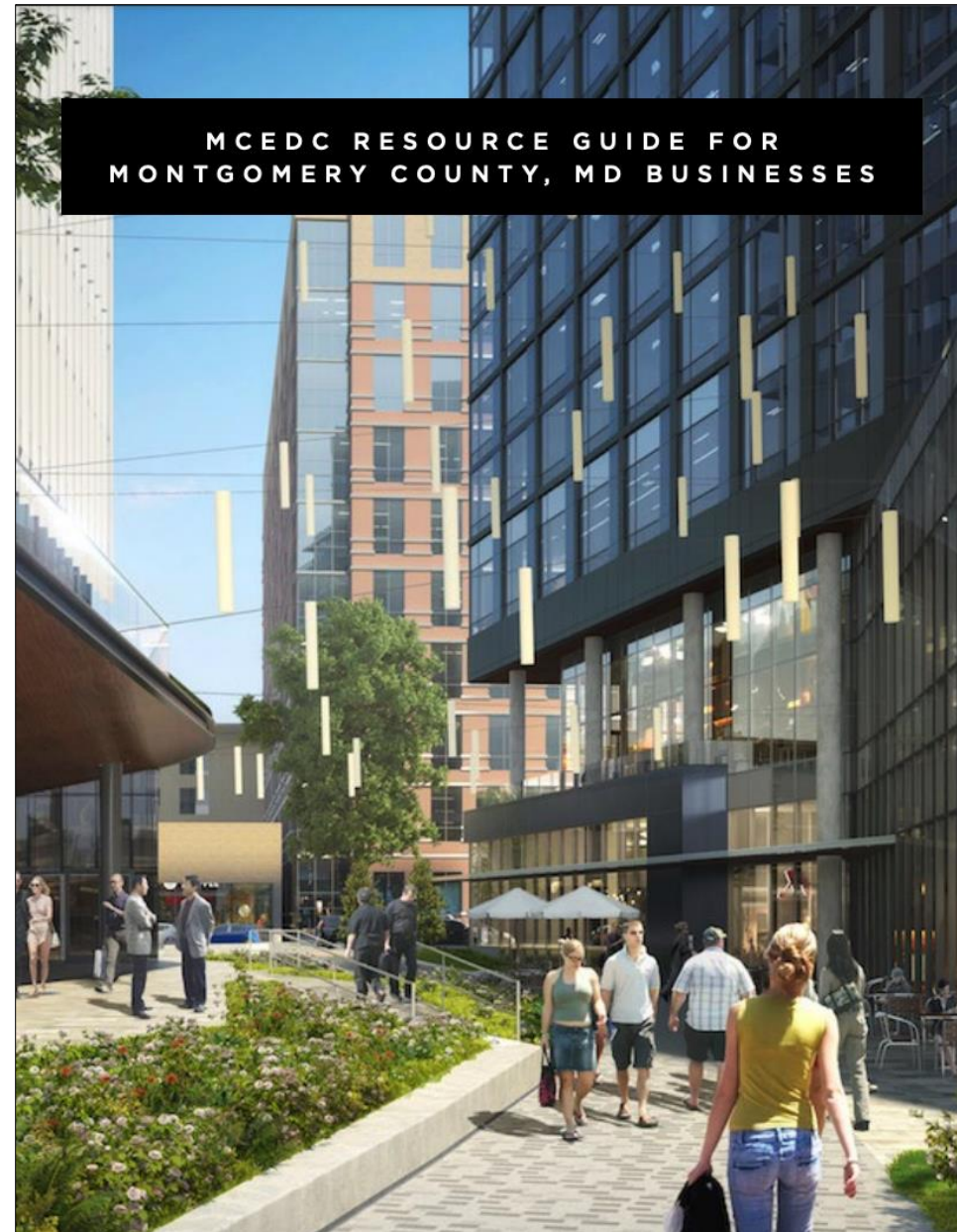- Workforce recruitment assistance/referrals

**MONTGOMERY COUNTY**
ECONOMIC DEVELOPMENT
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# MCEDC **Resource Guide**
(English and Spanish versions available)

Includes:

- Federal, State & Local Resources
- Funding and Access to Capital
- Training
- Diversity, Equity and Inclusion-Oriented Assistance
- Industry-Specific Support
- Shared Spaces / Incubators
- Workforce Development
- Chambers of Commerce
- Many other additional resources

Find it at: https://thinkmoco.com/start

MCEDC RESOURCE GUIDE FOR
MONTGOMERY COUNTY, MD BUSINESSES

**MONTGOMERY COUNTY**
**ECONOMIC DEVELOPMENT**
**CORPORATION MARYLAND**

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# MCEDC Resource Guide – Funding info
(English and Spanish versions available)

## F. Access to Capital and Resources

### i. Angel Funding
1. **Dingman Center Angels**
2. **Basecamp Fund**
   Early stage venture capital fund.

### ii. Federal
1. **Community Development Financial Institutions (CDFI)**
   Promotes access to capital and local economic growth through mission-driv... banks, credit unions, venture capital fun... and loan funds (from the U.S. Treasury)
   a. **CDFI Banks**
   Click "certified CDFIs" link to downl... the spreadsheet.

2. **SBA Funding Resources Page**
   Links to SBA's different types of funding assistance.
   a. Lending
      i. **504 Program**
      ii. **Lender Match**
      iii. **Lenders in Maryland**
   b. **Natural Resource Sales Assistance Program**
      Program to assist Small Businesses acquire natural resources and surplus property from the Federal Government.
3. **Federal Contracting Opportunities**
   Search contracting opportunities.

### iii. State
1. **Maryland Department of Commerce**
   a. **Financial Incentives**
      Database of funding programs for small businesses and companies in specific industries.
   b. **Maryland Small Business Development Financing Authority (MSBDFA)**
      Loans for economically and socially disadvantaged entrepreneurs for working capital, obtaining bid and performance bonds for contracts, equipment, real estate, and more.
   c. **Small, Minority and Women-Owned Business Account–Video Lottery Terminal Fund (VLT)†**
      Four administrators accept applications from Montgomery County businesses:

2. **TEDCO**
   A variety of advisory services and business and funding resources targeted to technology entrepreneurs.
3. **Maryland Economic Development Corporation (MEDCO)**
   Collaborates with partners and clients to finance and develop qualified public and private infrastructure projects to enhance the quality of life in Maryland.

### iv. Local
1. **Montgomery County Economic Development Grant and Loan Fund (Montgomery County Government)**
   Financial Assistance to private employers who retain large numbers of jobs or stimulate significant new job creation in Montgomery County.
2. **Montgomery County MOVE Program, MCEDC**
   The Make Office Vacancy Extinct (MOVE) Program is designed to assist new business attraction and business formation in the County.
3. **Montgomery County Green Bank**
   Loans to companies for clean energy improvements, including HVAC upgrades that create safer environments for customers and employees.
4. **Debt Funding (Banks and Credit Unions)**
   a. **Latino Economic Development Center**
      Community Development Financial Institution (CDFI) lender.
   b. **FSC First**
      Specialized in engineering, food,

g. **SECU**
h. **M&T Bank**
i. **Sandy Spring Bank**
   Numerous Montgomery County locations.
j. **EagleBank**
   Montgomery County Small Business Plus Lender.
k. **PNC Bank**
   Provides business counseling for entrepreneurs/early-stage businesses to prepare them for financing.
l. **Capital Bank**
   Montgomery County Small Business Plus Lender.
m. **Congressional Bank**
   Montgomery County Small Business Plus Lender.

## 2. DIVERSITY, EQUITY, AND INCLUSION ORIENTED RESOURCES

### A. Entrepreneurs of Color
#### i. Resource Guides
1. **Helping Maryland's Minority Business Owners**
   A collection of federal resources.
2. **SBA**
   a. **Resource Page for Federal Contracting Assistance Programs**
      Many programs are targeted towards Entrepreneurs of Color.
   b. **Resource Page for Native American Owned Businesses**

#### ii. Entrepreneurial and Workforce Development and Training

3. **Hispanic Business Center**
   Provides counseling and training to help Hispanic small business owners start, grow, and expand businesses.
4. **InBusiness, LEDC**
   Training and 1:1 coaching to help new and existing enterprises with various business needs.
5. **Welcome Back Center of Suburban Maryland**
   Eliminates barriers for foreign-trained health professionals.
6. **Financing Your Business**
   Assess your financing needs and discover financing options for your business.

#### iii. Funding
1. **Maryland Small Business Development Financing Authority (MSBDFA)**
   Loans for economically and socially disadvantaged entrepreneurs for working capital, obtaining bid and performance bonds for contracts, equipment, real estate, and more
2. **Small, Minority and Women-Owned Business Account–Video Lottery Terminal Fund (VLT)**
   Several loan programs prioritize support... minority owned businesses.
3. **TEDCO Builder Fund**
   A pre-seed fund and mentorship to su... tech enabled businesses created by so... disadvantaged entrepreneurs.
4. **Black Angel Tech Fund**
   Started by successful Black entrepre... providing resources to Black-owned...
5. **DiverseCity Ventures**
   Invests in startups and focused on... economic, environmental, geogra...

- **Montgomery County Economic Development Corporation (MCEDC)** was awarded an initial allocation of $1.5 million from the State's Video Lottery Terminal (VLT) Fund program to serve as a loan fund manager. The program uses proceeds from video lottery terminals (slots) to assist **small, minority, and women owned businesses**.

- We are partnering with the **Latino Economic Development Center (LEDC)** as our loan underwriter and servicing agency. LEDC plans to contribute $500,000 to the loan fund and may participate with funding up to 50% of some of the loan application requests.

## ELIGIBILITY:

- **Small, minority, and woman-owned businesses**
  - At least 50 percent of our allocation is designated for businesses in targeted areas surrounding Maryland's six casinos
  - The other 50 percent will be targeted to small, minority, and woman-owned businesses in Montgomery County
- No minimum credit score is required
- No minimum business revenue is required
- No minimum number of years in business is required

- **Loan Size:** from $2,500 - $250,000
- **Rates/Term:** 4.5% - 12% based on credit risk analysis; 6 months – 10-year terms

**USE of FUNDS:**

•**General business purposes, such as:**

- Startup costs
- Working capital
- Business acquisitions
- Equipment loans
- Commercial real estate acquisitions

•Expansion
•Franchise financing
•Construction
•Inventory financing
•Etc.

Visit ledcmetro.org/ace_loan_program to apply!

# **Additional Resources** to Support Montgomery County Businesses

[Montgomery County Business Center/Business Advancement Team](#)
County government staff to help your business navigate County government, licensing, permitting, procurement, and other processes.

[MD Women's Business Center (MWBC)](#)
Works with entrepreneurs across Maryland's capital region to help women start, sustain and grow their businesses

[Latino Economic Development Center (LEDC)](#) – Drives economic and social advancement to underserved local Latino communities

[MD Small Business Development Center (SBDC)](#)
Offers support to entrepreneurs and small businesses, including training, consulting and research

[The Governor's Office of Small, Minority & Women Business Affairs (GOSBA)](#) – Connects the small business community with greater economic opportunities in both the public and private sectors.

[Montgomery County Regional Services Centers](#)
Liaison between the County and its residents and businesses to provide information, identify issues and recommend solutions.

[The MD Entrepreneur Hub](#) – An interactive portal to find the resources your business needs, from funding to talent. Over 2,000 resources to build your business in MD.

[MD Department of Commerce](#) – Dedicated Montgomery County office to help businesses with retention, relocation and expansion needs and finding opportunities.

[Maryland Business Express (MBE)](#) – Plan, start, manage and grow your business with help from the business express service.

[SCORE](#) – Free confidential business advice and mentoring via a network of 10,000 volunteer business experts through the SBA.

**MONTGOMERY COUNTY**
ECONOMIC DEVELOPMENT
CORPORATION **MARYLAND**

THANK YOU
Visit us at thinkmoco.com

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Sign up for our newsletter for ongoing business news and support
Send us your updates so we can help promote your business — email us at connect@thinkmoco.com