



# Economic Development Incentive Fund Presentation



# **Economic Development Incentive Fund**

**Unprecedented \$50 million multi-year  
commitment to economic development**

**Allows the County to compete with  
neighboring jurisdictions for job growth  
and retention**

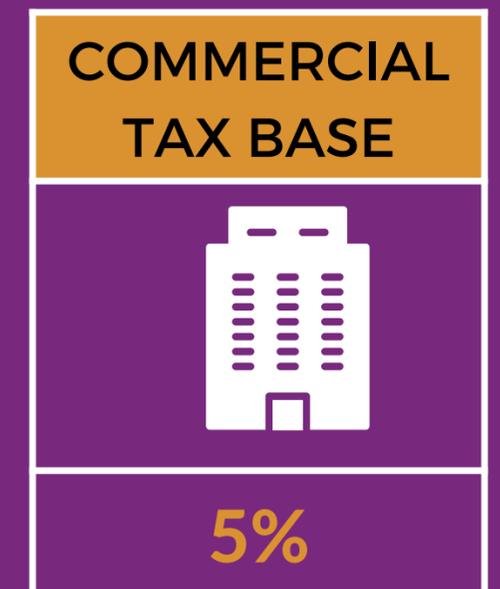
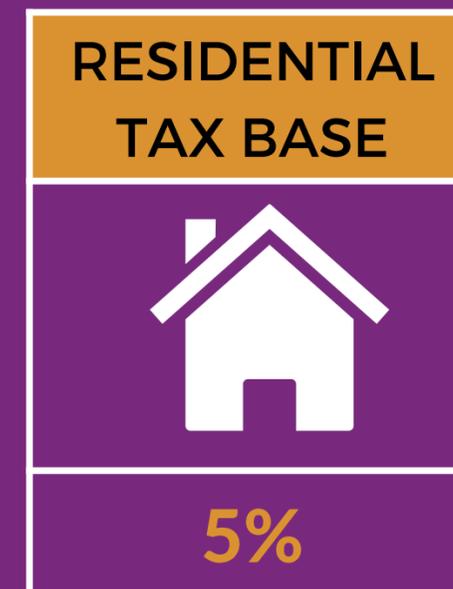
**One time investment from unappropriated  
surplus from end of FY2011**

**\$7-\$11 million available for lending annually**

# Why Is It **Needed?**

*\*Rates as shown from the start of program*

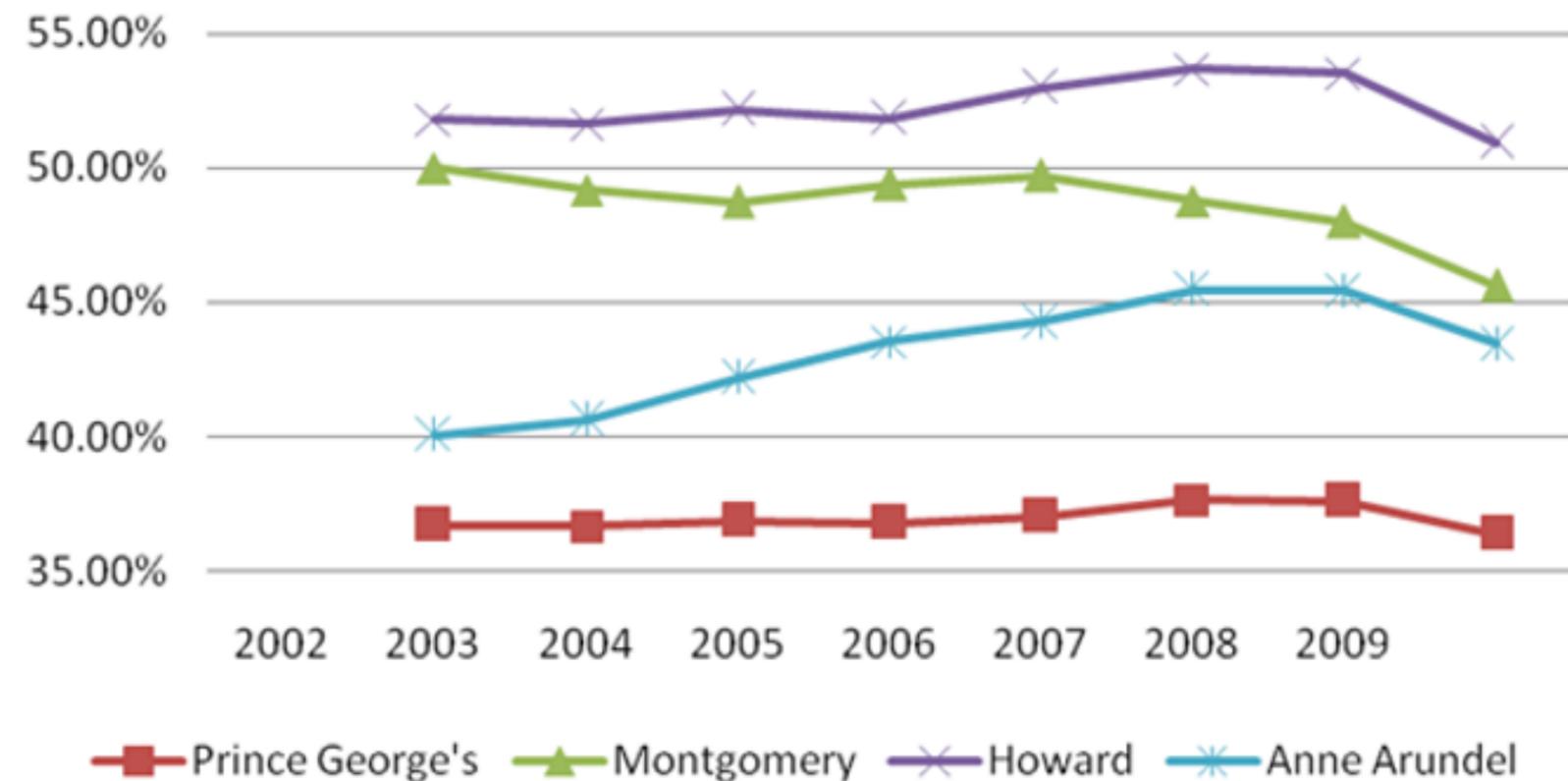
- Over reliance on residential tax base, with little prospect for short term improvement
- Only commercial tax base offers growth potential for revenues to finance government services
- Since the Great Recession, many small businesses had difficulty accessing capital and struggled to find financing for expansion
- Competing with neighboring jurisdictions
- No investment or participation from State



# Fundamental Need for EDI Fund Program?

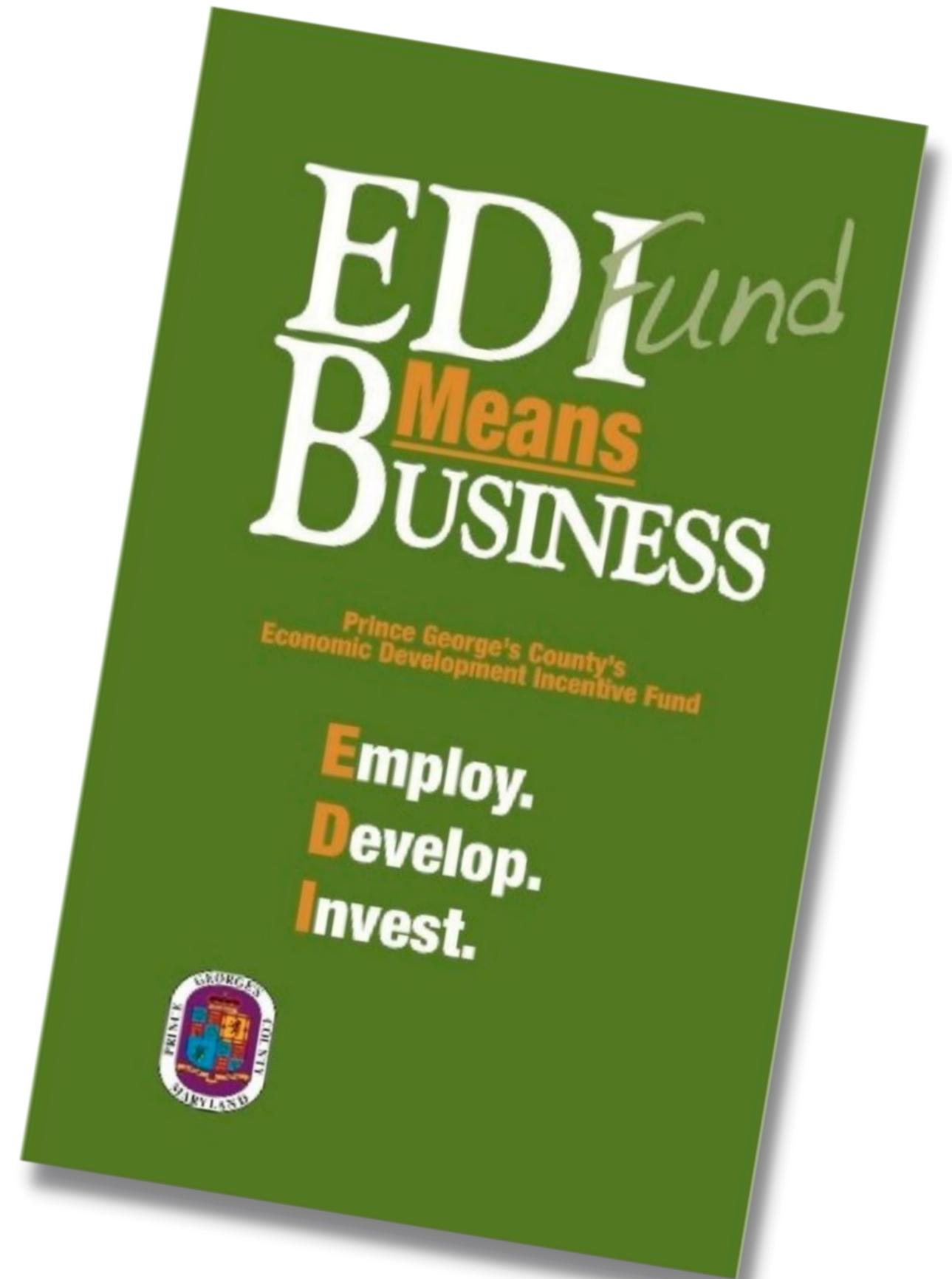
- Ratio of jobs to residents is lowest in region
- Prince George's County fell behind its neighbors in job creation during the economic upturn in the 2000s, and had lost jobs disproportionately in the 2008 Recession

## Industry Job Percentage by County





- **Legislation Enacted**
- **Program Launched**  
**March 2011**



# STATUTORY PURPOSES OF FUND:

## PURPOSE

- Assist in retention of existing and attraction of new businesses in Prince George's County.
- Create new jobs and retain existing jobs for County residents.
- Broaden the commercial tax base.
- Promote economic growth in developed tier and gateway communities that have suffered from lack of investment and where market dynamics not sufficient.

## SPECIAL PRIORITY

- Projects that maximize LMBE
  - Employment opportunities for County Residents
- Other Priorities:**
- Transit Oriented Development
  - Balanced Local Economy
  - International resources and trade

## SPECIAL FOCUS

- The developed tier, Gateway and TNI Communities, Transit Oriented Development (TOD), and Enterprise Zone (EZ)
- Promote local, minority, and small businesses
- Special Assistance for Local Entrepreneurship (51% ownership - County residency)





# **EDI Fund** **Highlights**

**By dollar amount, most awards from EDI Fund are loans to small and medium businesses located in the County**

**Transactions involving significant number of jobs in competitive industry sectors may be considered for conditional loans**

**Grow commercial tax base, add or retain jobs, consistent with statutory purposes and priorities of EDI Fund.**

# FINANCIAL TERMS AND CONDITIONS:

- EDI Fund Application largely consistent with requirements of private sector lenders.
- Market interest rates and terms, subject to case by case evaluation.
- All loans collateralized or security provided for taxpayers' protection
- Application Fee

**Preferred Minimum  
loan amount:**

**\$250,000**

**Maximum loan  
amount:**

**Negotiable**

**Term:**

**Negotiable**

**Base Rate:  
Prince George's County:**

**Prime Rate of 4-5%**

A woman with dreadlocks is smiling and holding a white sign that says "OPEN" in large, bold, black letters. She is wearing a white top with a ruffled collar. The background is a blurred outdoor setting with a building and a street lamp.

# What can the EDI Fund be used for?

Acquisition of land, buildings, and associated costs

Construction, reconstruction, rehabilitation, repair, and improvement of buildings

Machinery, equipment, furniture & fixtures

Relocation fees, training expenses, and working capital

# Project Requirements & Priorities

- Project significant **job creation or retention** in 3 years
- Broadens the **commercial tax base** through investment in real property
- **Targeted** industry sectors consistent with the adopted Economic Development Strategic Plan
- Promotes **economic development**
- Leverages funding from other sources of financing including **owner's equity**
- Located in a **Strategic Area**
  - Transit Oriented Development (TOD)
  - Transforming Neighborhood Initiative (TNI)
  - Gateway communities
  - Inner Beltway
- **International** resources and trade
- Projects that maximize **CMBE**





# How to Apply

## Initial Application Documents

- Business Plan
- Business Financial Statements
- Cash Flow Projections
- Tax statements
- Resumes of Company Owners
- Debt Summaries
- Collateral description
- Relevant Contracts, Agreements, and Leases

# INTERNAL ADMINISTRATIVE PROCESS:

## 12 STEP PROCESS:

- Intake of Application
- Credit underwriting
- Executive, FAC, and Council Review
- Loan Closing
- Loan Servicing
- Financial Accounting
- Monitoring and Reporting



### Agencies Involved:

EDC  
FSC

Prince Georges County Council  
OCS - Procurement  
County Executive's Office  
Office of Law

# THE PROCESS

1. Outreach and marketing (**EDC & FSC**)
2. Prelim intake and screening (**EDC**)
3. Review for fiscal soundness, project eligibility within program guidelines, and economic impact (**EDC, FSC, OOL, Office of Procurement**)
4. Initial underwriting review & document gathering (**FSC**)
5. In-depth underwriting (**FSC**)
6. Financial Advisory Committee (approval) (**FSC**)
7. Issuance of commitment letter (**OOL & FSC**)
8. CAO Review and Approval (**EDC**)
9. Submission to Council for Comment (Conventional & Conditional <\$250k; or Approval (Conditional \$250k+))(**EDC**)
10. Legal Review & Loan Documentation (**OOL**)
11. Loan Closing (**FSC & OOL**)
12. Project Monitoring & Funding (**FSC**)
13. Loan Servicing, Financial Accounting & File Retention (**FSC**)
14. Reporting (**FSC, Office of Procurement**)

# Disclosure and Reporting

- Approved agreements will be posted on County Website
- Reports to County Council
- Strict ethics and disclosure requirements on all individuals involved in EDI Fund Process

CONDITIONAL



**Giant Food,  
Livingston Square**  
Ft. Washington

**\$2,000,000**  
Retail Redevelopment Grocery

# County Benefits

- Powerful economic development tool
- Creating new opportunities for many small and minority businesses
- Create jobs for residents
- Competitive with neighboring jurisdictions
- Leverage State incentives

Conventional  
Minority  
Owned



## Courtyard by Marriott

Bowie

**\$1,400,000**  
Construction Costs



EDI FUND

# Loan Status

<b>Paid in Full</b>	<b>14</b>
<b>Loans paying as agreed</b>	<b>8</b>
<b>Conditional Loans in compliance</b>	<b>15</b>
<b>Conditional loan forgiven</b>	<b>12</b>
<b>Work Out</b>	<b>7</b>
<b>Complete – Recaptured</b>	<b>18</b>
<b>In disbursement</b>	<b>2</b>
<b>Approved – Not yet funded</b>	<b>0</b>
<b>CAP Program</b>	<b>1</b>



# YEAR-TO-DATE PERFORMANCE

# \$1,330,017,395

## CAPITAL INVESTMENT

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# \$53,783,500

EDI FUND  
COMMITMENTS

# 6,347

JOBS  
RETAINED

# 8,685

JOBS  
CREATED

# 72

PROJECTS

# Loan Status

- **25** Minority Ownership
  - **\$20.6 Million** in EDI Fund
- **15** Special Assistance for Local Entrepreneurship
  - **(51% ownership - County residency)**
  - **\$10,777,500** in EDI Fund

CONVENTIONAL  
Minority  
Owned

\*Woman/Minority Owned



**Leuterio Thomas**

Oxon Hill

**\$450,000**

Leasehold Improvements

# CMBE Goals

45 out of 62 Projects have CMBE goals as of 1/31/23

- 36 Loans with MBE Utilization | \$31,938,500
- 22 Loans with Local Hiring Goal | \$19,235,000

\*This number reflects that most EDIF recipients are required to have an MBE utilization and a local hiring requirement.

CONVENTIONAL  
Minority  
Owned



**Keller Williams  
Preferred Properties**

Largo

**\$800,000**  
Building Purchase

# EDI Fund Leverages State Funds

State Funds –Pipeline as of November 13, 2025

No **State** Dollars  
Without **County** Dollars

Industry	Loan Type	No. of Projects	Total Project Cost	EDIF Loan Amount	Private, Bank or FSC	Other or Add'l County Participation	State Participation	Borrower Equity	Jobs Retained	Jobs Created
Hospitality	Loan	1	\$ 15,250,000	\$ 1,200,000	\$ 11,517,500		\$ 500,000	\$ 2,032,500	2	20
IT	Conditional	1	\$ 1,250,000	\$ 100,000	\$ -		\$ 500,000	\$ 650,000	415	150
Food Distribution	Conditional	1	\$ 39,100,000	\$ 200,000	\$ -		\$ 200,000	\$ 38,700,000	36	100
Manufacturing	Conditional	1	\$ 30,996,000	\$ 250,000	\$ 16,000,000		\$ 750,000	\$ 13,996,000	330	150
IT	Conditional	1	\$ 1,200,000	\$ 250,000	\$ -	\$ -	\$ 840,000	\$ 110,000	235	75
Food Distribution	Conditional	1	\$ 5,312,000	\$ 85,000			\$ 200,000	\$ 5,027,000	150	15
Technology	Conditional	1	\$ 9,400,000	\$ 250,000	\$ 8,000,000	\$ 850,000	\$ 250,000	\$ 50,000	9	38
Logistics, Distrib & Shippin	Conditional	1	\$ 18,000,000	\$ 100,000	\$ -		\$ 350,000	\$ 17,550,000	1019	15
Education/Tech	Conditional	1	\$ 15,000,000	\$ 1,500,000	\$ -	\$ -	\$ 2,000,000	\$ 11,500,000	650	665
Food Distribution	Conditional	1	\$ 14,467,850	\$ 500,000			\$ 850,000	\$ 13,117,850	625	15
Hospitality	Loan	1	\$ 27,138,866	\$ 1,400,000	\$ 18,090,000		\$ 700,000	\$ 6,948,866	0	88
Food Distribution	Conditional	1	\$ 3,068,000	\$ 155,000			\$ 228,000	\$ 2,685,000	0	135
IT/Cybersecurity	Conditional	1	\$ 1,117,300	\$ 100,000	\$ 515,000	\$ -	\$ 100,000	\$ 402,300	0	25
Cybersecurity	Conditional	1	\$ 2,200,000	\$ 250,000	\$ 1,200,000	\$ -	\$ 750,000	\$ -	36	0
Food Distribution	Conditional	1	\$ 2,431,000	\$ 250,000	\$ 1,931,000	\$ -	\$ 250,000	\$ -	250	70
Wholesaler Electrical Supplies	Conditional	1	\$ 100,000,000	\$ 250,000	\$ 99,500,000	\$ -	\$ 250,000	\$ -	239	10
Perishable Prepared Food	Conditional	1	\$ 4,225,252	\$ 480,000	\$ 1,883,380	\$ 460,000	\$ 480,000	\$ 921,872	56	184
Electric Vehicles Charging	Conditional	1	\$ 4,000,000	\$ 120,000	\$ -	\$ -	\$ 1,000,000	\$ 2,880,000	50	64
Restaurant	Conditional	1	\$ 7,855,000	\$ 375,000	\$ 4,200,000	\$ -	\$ 375,000	\$ 2,905,000	10	90
Restaurant	Conditional /Loan	1	\$ 7,718,980	\$ 3,000,000	\$ 3,600,000	\$ -	\$ 1,118,980		0	45
<b>Totals</b>		<b>20</b>	<b>\$ 309,730,248</b>	<b>\$ 10,815,000</b>	<b>\$ 166,436,880</b>	<b>\$ 1,310,000</b>	<b>\$ 11,691,980</b>	<b>\$ 119,476,388</b>	<b>4112</b>	<b>1954</b>

# Thank **YOU.**

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