

## Prince George's County Council Agenda Item Summary

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**Meeting Date:** 11/20/2012  
**Reference No.:** CR-086-2012  
**Draft No.:** 1  
**Proposer(s):** County Executive  
**Sponsor(s):** Harrison, Davis, Franklin, Lehman, Olson, Turner  
**Item Title:** A Resolution endorsing a loan not to exceed \$500,000 to Vocus, Inc. ("Vocus") from the Maryland Economic Development Assistance Authority and Fund ("MEDAAF") and authorizing a loan by the County to Vocus not to exceed \$100,000 for eligible project costs associated with leasing a facility in the County for expansion and capital expenditures

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**Drafter:** Joseph R. Hamlin, Office of Law  
**Resource Personnel:** Diana Jackson, Economic Development Corporation

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### LEGISLATIVE HISTORY:

<b>Date Presented:</b>		<b>Executive Action:</b>	12/6/2012 S
<b>Committee Referral:</b>	10/23/2012 - PSFM	<b>Effective Date:</b>	11/20/2012
<b>Committee Action:</b>	11/8/2012 - FAV		
<b>Date Introduced:</b>	10/23/2012		
<b>Public Hearing:</b>			
<b>Council Action (1)</b>	11/20/2012 - ADOPTED		
<b>Council Votes:</b>	WC:A, DLD:A, MRF:A, AH:A, ML:A, EO:A, OP:A, IT:A, KT:A		
<b>Pass/Fail:</b>	P		
<b>Remarks:</b>			

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### AFFECTED CODE SECTIONS:

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### COMMITTEE REPORTS:

#### Public Safety and Fiscal Management

**Date 11/8/2012**

REPORT: COMMITTEE VOTE: Favorable 4-0 (Councilmembers: Campos, Davis, Harrison, and Lehman)

This resolution will endorse and authorize the financial assistance from the State of Maryland Economic Development Assistance Authority and Fund (MEDAAF) to Vocus, Inc. for cost associated with leasing approximately 25,000 square feet of space at 12101 Indian Creek Court, Beltsville, Maryland 20705 for the term of 20 months.

The Maryland Department of Business and Economic Development (DBED) supports the existing expansion project (known as Phase I) for Vocus, Inc. and the new expansion project of the Vocus operations and headquarters (known as Phase II) in Prince George's County.

The State of Maryland through MEDAAF has offered \$500,000 of additional MEDAAF loan in support of the Phase II expansion at the new facility. Vocus, Inc. will increase its workforce to 600 full-time permanent positions by December 31, 2015 (Phase II). The cost associated with the new facility will range from \$650,000 to

\$850,000. DBED will modify the terms of the loan documents executed in connection with the original loan for Phase I of \$400,000. (CR-77-2010)

The County will offer a separate \$100,000 conditional loan to enable the Vocus, Inc. Company to complete projects in Phase II, subject to terms, conditions, and performance criteria that are consistent with the DBED's conditional loan. The county's funding will come from the Economic Development Incentive Fund (EDIF) contingent upon the County Council authorization.

The Vocus, Inc. Company is currently headquartered and conducts its operation at its "Existing Facility" under a long term lease covering 80,000 square feet of space at 12051 Indian Creek Court, Beltsville, Maryland, 20705. In 2011, DBED provided a \$400,000 MEDAAF loan to assist Vocus, Inc. with the establishment of the existing facility. The Company agreed to retain 285 full-time permanent employees by December 2014 and maintain that level of employment through December 31, 2020. Under the previous loan agreement, Vocus, Inc. was required to expend at least \$6,500,000 at the existing facility through the term of the loan. The County provided a \$40,000 conditional loan on consistent terms for the Existing Facility (Phase I).

The Office of Law has reviewed this resolution and finds it to be in proper legislative form with no legal impediments to its adoption.

There will not be an adverse fiscal impact on the County as a result of adopting CR-86-2012. The \$100,000 conditional loan from the County (EDIF) fund will not require a new appropriation of County funds.

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#### **BACKGROUND INFORMATION/FISCAL IMPACT:**

(Includes reason for proposal, as well as any unique statutory requirements)

This resolution will endorse a loan to Vocus, Inc. from MEDAAF not to exceed \$500,000 and authorize a County loan, not to exceed \$100,000 from the Economic Development Incentive Fund, managed by the Prince George's County Economic Development Corporation. Vocus is an internet software and services company that specializes in on-demand web-based public relations and marketing software.

Vocus plans to expand its headquarters and operations in the County. The company is currently headquartered and conducts its operations at its "Existing Facility" under a long term lease covering 80,000 square feet of space at 12051 Indian Creek Court, Beltsville, Maryland. In 2011 the Maryland Department of Business and Economic Development ("DBED") provided a \$400,000 MEDAAF loan (the "Loan") to assist the company with the establishment of the Existing Facility. The County provided a \$40,000 Conditional Loan on consistent terms for the Existing Facility (Phase I). As of December 31, 2011, Vocus reported that it has more than satisfied the original terms of the Loan and employed 410 full-time permanent employees and caused in excess of \$11,300,000 of Capital Expenditures at the Existing Facility.

At this time, the company plans to expand at a "New Facility" under a short term lease of approximately 20 months consisting of a minimum of 25,000 square feet at neighboring 12101 Indian Creek Court, Beltsville, Maryland and increase its workforce to 600 full-time permanent positions by December 31, 2015 (Phase II). The costs associated with the New Facility are estimated to range from \$650,000 to \$850,000. In support of the Phase II expansion at the New Facility, DBED proposes to provide \$500,000 of additional MEDAAF loan proceeds and modify the terms of the loan documents executed in connection with the Loan.

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#### **CODE INDEX TOPICS:**

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#### **INCLUSION FILES:**

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