



ANNE ARUNDEL

ECONOMIC DEVELOPMENT CORPORATION



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Next Stage Tech Fund



Next Stage Tech Fund



- Technology companies that support cyber and national defense
- Gross revenues less than \$5M and fewer than 100 employees
- Loan of between \$50,000 to \$250,000 @0 % interest
- Must be creating jobs in Anne Arundel County
- Standard underwriting including personal guaranty's
- Used to supplement bank financing
 - Leasehold improvements for relocation
 - New company with contract in hand
 - Supplement bank financing for mid size companies with high growth





VOLT *Fund*

POWERED BY MARYLAND DEPARTMENT OF COMMERCE



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HISTORY

- 2008 Video Lottery Terminal legislation included a 1.5 percent set aside of revenue for loans for small, minority, veteran and women owned businesses in Maryland
- The Maryland Department of Commerce manages revolving loan fund for the state
- AAEDC approved in April 2013 to be a fund manager and has a total of \$10,000,000 in total funding (\$2,500,000 currently available)
- The VOLT Fund = AAEDC's program
- 8 Fund Managers throughout the State of Maryland with \$48,000,000 in total funding

REQUIREMENTS

- TARGETED AREAS: 50% of the fund to small businesses located within a 10-mile radius of Maryland's six casinos:
 - Maryland Live! (Anne Arundel)
 - Hollywood Casino Perryville (Cecil County)
 - Casino at Ocean Downs (Worcester County)
 - Rocky Gap Casino (Allegany County)
 - Horseshoe Casino (Baltimore City)
 - MGM Casino (Prince Georges County)
- NON-TARGETED AREAS: Remaining funds for loans to small, minority, veteran and women-owned businesses located in other areas of the state



LOANS TO SMALL BUSINESS

- Loans amounts from \$25,000 - \$500,000
- Priced at below current market interest rates (4%-7%)
- Eligible purposes:
 - business or commercial real estate acquisition
 - building improvements
 - equipment/vehicle purchase
 - leasehold improvements
 - business start-up costs
 - working capital
- Start ups and existing businesses eligible



APPLICATION PROCESS

- Use of standard underwriting practices
 - repayment capacity
 - financial strength of the company/guarantors
 - industry and management experience
 - collateral protection
- We have the ability to think outside the traditional lending box
- Total processing time is 45-90 days
- We ask for 3 years of financial statements, tax returns on the company and guarantors, and a personal financial statement
- Post-closing servicing administered by AAEDC staff:
 - loan monitoring, billing, and servicing



LOAN REQUIREMENTS

- *Personal credit (640 or above)*
- *Historical/projected Debt Service Coverage Ratio (DSCR) of 1.00x*
- *Collateral required when available*
- *All owners over 20% must personally guaranty the loan*
- *Life insurance on owner/guarantor where no valid succession plan is in place*
- *In addition, for start-up businesses:*
 - minimum equity injection of 10%
 - business plan required
 - management and industry experience

Arundel Community Reinvestment (ACR) Loan Program

- Loan size up to \$100,000 up to 90% of total project costs
- Loans are primarily for exterior improvements
- Up to \$40,000 of the \$100,000 can be used interior improvements
- 0% interest Loan term from 3-7 years
- The property must be located in a revitalization area, which includes targeted areas in Glen Burnie, Brooklyn Park, Pasadena, Laurel, Odenton and Annapolis
- The program also includes \$1,500 or 15 hours of free architectural services



Checkers, Linthicum Heights

Before



After



Mountain Road Shopping Center

Before



After



Meineke, Glen Burnie

Before



After



KB Auto, Glen Burnie

Before



After



State Farm, Glen Burnie

Before



After



AAEDC Services

- **Real Estate**: Expansion, relocation, and permitting assistance
- **Loans**: Next Stage Fund, Arundel Community Reinvestment (ACR) Fund, and the VOLT Fund
- **Workforce Training**: Workforce placement and training grants
- **Commercial Revitalization**: Interest free loans of up to \$100,000, architect on call program and related tax credits in designated revitalization districts
- **Tech Toolbox**: Next Stage Fund, training grants, and free consultant services
- **Small Business Resource Center**: Free small business counseling and business planning (Candace Pruett)
- **Market Research**: Current Anne Arundel County market information available (Victor Henderson)



Questions?

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