

Resolution No.:	20-645
Introduced:	October 8, 2024
Adopted:	October 29, 2024

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: The Council President at the Request of the County Executive

SUBJECT: Maryland Economic Development Assistance Authority and Fund
Loan to assist BlueHalo, LLC relocation and expansion in
Montgomery County (\$1,000,000).

Background

1. The County Executive endorses a conditional loan of \$1,000,000 to BlueHalo, LLC (“Blue Halo”) from the State of Maryland under the Maryland Economic Development Assistance Authority and Fund (“MEDAAF”), which is codified as Md. Code Ann., Econ. Dev. Section 5-301-5-349.
2. MEDAAF provides conditional grant/loans to businesses engaged in eligible industries locating to or expanding in a “priority funding area” in the State of Maryland. Proceeds from the grant/loan may be used by the borrower to reimburse for the acquisition or construction of buildings or real estate, and acquisition, construction and installation of machinery, equipment, furnishings, fixtures, leasehold improvements, site improvements, or infrastructure improvements.
3. The County executed a conditional grant of \$100,000 from the County’s Economic Development Fund (“EDF”) to assist BlueHalo’s retention and expansion in the County (the “County Match”) on July 12, 2024. This conditional grant is funded from the current EDF fund balance.
4. Through this grant Montgomery County has met the requirement of financing a part of the costs of the project which is equal to at least 10 percent of the financial assistance to be provided from MEDAAF as required by the Section 5-319(d) of the Economic Development Article, Annotated Code of Maryland.
5. The State will disburse the MEDAAF loan to BlueHalo upon the State entering a MEDAAF Agreement with the company. The County is not a party to this MEDAAF Agreement.

6. BlueHalo provides various defense-related systems designed to detect, track, and ultimately disrupt and destroy unmanned airborne vehicles. The company also specializes in Autonomous Systems, Cyber, AI, and Healthcare for the Department of Defense and other federal government agencies. BlueHalo is headquartered in Arlington, Virginia. It has 28 facilities across the United States, 5 of which are based in Maryland including one in Rockville.
7. The Company plans to lease 48,000 square-feet at 20521 Seneca Meadows in Germantown. The current 179 employees in Rockville will be relocated to the new facility, and an additional 80 employees will be added by 2029 with average salaries estimated at \$122,188. The Project includes \$12,100,000 in capital expenditure, and the state-wide retention of 400 full-time employees at BlueHalo's existing state-wide facilities, as well as 200 new permanent full-time employees inclusive of the new Germantown employees for a total of 600 employees statewide by December 31, 2029.
8. Md. Code Ann., Econ. Dev. Section 5-319(d) requires the governing body of the jurisdiction in which the project is located to endorse, by a formal resolution, the granting of the MEDAAF loan for the project.
9. The County has determined that granting the MEDAAF loan for the project is in the best interest of the citizens of the County.
10. The County Executive requests that the Council adopt this formal resolution approving the MEDAAF loan for the project.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The County Council hereby endorses the State's grant of a \$1,000,000 MEDAAF loan to support and defray Blue Halo, LLC's costs in connection with its retention and expansion in Montgomery County.

This Resolution is effective upon its adoption in accordance with applicable law.

This is a correct copy of Council action.



Sara R. Tenenbaum
Clerk of the Council