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INTERNATIONAL ECONOMIC DEVELOPMENT MISSIONS OPENS PATHWAY FOR INVESTMENT

HAGERSTOWN, Md. (November 15, 2016) – Several members of the Washington County Board of County Commissioners in conjunction with key County staff, recently completed their third international economic development project mission in the Northeast Asia region. As a result of the missions, numerous memorandums of understanding have been signed with key South Korean entities.

The multiple meetings with government, business and investment firms have resulted in the creation of the Cascade Town Centre, the former Fort Ritchie property. The property, which has seen little redevelopment success in 15-years, could see economic activity as soon as the first quarter of 2017.

“These meetings are proof of our commitment to good paying jobs for our citizens,” stated Gregory B. Murray, county administrator. “By mid-next year, we could see two potential industries join our community.”

An integrative medicine group will occupy existing space within Cascade Town Centre during the first quarter of 2017. They will soon be joined by a soybean and natural food manufacturer by second quarter 2017.

The efforts continue as JG Business Link International (JGBLI) is acting as the County’s agent working on funding and project prospects. JGBLI’s and the County’s efforts have been funded via Hotel Rental Fund and not general taxpayer dollars. For additional details see the attached fact sheet.

For additional information contact Public Relations Manager James Jenkins at 240-313-2384.

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About JG Business Link International, Inc.

JGBLI is a Maryland based company founded and registered in February 24, 2008. The purposes of establishment are to provide consulting in establishment of company, M&A, joint research and development, TEA of CRO, CMO and OTC for licensing of FDA, investment and research, funding through authentication managements of new growth power industries such as Biomedicine, convergence of IT and BT, various diagnostic equipment, natural substance functional foods, cosmetics, medicine material, cell cultivation technique, research and business development and copyright needed for development environmental-friendly energy, UL, Caliper, ENERGY STAR®.

About Washington County, Maryland Government

Washington County, Maryland Government strives to fulfill its duty to the citizens of Washington County with regard to operational efficiency, fiscal responsibility, and responsiveness to the needs of the community. This vision is used to ably assist the Board of County Commissioners of Washington County in achieving goals for moving the County forward as present needs and future plans are addressed.

According to the Maryland Department of Legislative Services, the Washington County General Fund has one of the lowest costs per capita for services provided of all 23 counties and Baltimore City. This is attributed to the efficiency, staffing levels, and cost containment exhibited in Washington County Government operations. Visit www.washco-md.net for more information.

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Washington County, Maryland and South Korea Economic Development Project Details

Timeline and MOUs

- The Washington County delegations have visited South Korea three times (October 2015, March 2016, and September 2016).
- The South Korean delegations have visited Washington County two times (November 2015 and July 2016) with multiple visits from individual prospects – including government, business, and investment firms.
- There are 17 large Districts (called Provinces) in Korea
 - o Washington County has met with 3/17 and has signed MOUs.
- Signing MOUs statutorily allows the Korean entities and clients to move forward with developing business relationships with U.S. contacts. This is because they are accepted and recognized by the Korean Government.
- In Korea, non-government organizations have difficulty establishing business relationships and conducting commerce abroad. However, if projects are affiliated with a Government MOU, projects and commerce are more likely to go through.
 - o On the first trip in October 2015, the County met with Governor Nam of Gyeonggi-do Province which is the largest province surrounding the capital of South Korea, Seoul. Together Gyeonggi-do and Seoul have over 26 million people and is considered the powerhouse of manufacturing and industry in South Korea.
 - o On the second trip to Korea, Washington County met with the Province's Chief Financial Officer to discuss additional potential partnerships.
 - o At the request of Governor Nam, on the third trip to Korea, Washington County met with the Province's Job & Workforce Development arm as well as the Province's preferred media outlet.
 - o As a result, the Province would like to set up a higher learning student exchange program with one or more Washington County higher education institutions. Ultimately, the Province would like to have 200 students a year in the exchange program which would be funded through the Province and its partners.
- In October of 2015, the County visited Jangheung County in southern South Korea (in Jeollanam-do Province where First Lady Yumi Hogan is from) for the sister County MOU signing. During the September of 2016 trip, County Administrator Greg Murray was among the opening speakers at its International Integrative Medical Expo where thousands of world-wide attendees from 44 countries celebrated the inaugural event.
- Jangheung County brought 23 members of its delegation to Washington County two times. This partnership will be further explained in the Project Specific Details portion of the document below.
- The Fort Ritchie specific initiatives started in January 2016. Other commercial properties were and will continue to be marketed to South Korean businesses to include Mount Aetna Farms.

- The County's Agent, JGBLI, has been making additional trips to South Korea and meeting with government, funding, and project prospects in between the County's trips to South Korea.

Project Specific Details

- The primary industry that will first locate on the property is an Integrative Medicine and Treatment Center, which studies and implements eastern and western medical practices. Jangheung County + a Maryland University + 2 Korean Universities will run the center and programs. Additional meetings between the University System of Md. and South Korean Universities occurred in South Korea at the end of October.
 - o As a result, representatives from the Integrative Medicine group will locate in existing space within Cascade Town Centre during the first and second quarter of 2017.
- A soybean and natural foods manufacturer will also be occupying existing space at the Centre by the second quarter of 2017. With the Integrative Medicine group and the foods manufacturer locations, up to 15 full time new jobs will initially be created on site for start up, with 30-50 construction jobs supporting the projects.
- A winery will establish a tasting room on the Fort and may grow grapes on ag land near Fort Ritchie. A MOU was signed in March of 2016 during the second trip to South Korea.
- A least two investment firms are interested in funding the entire project.
 - o Firm A – based out of Hong Kong has managed and secured multi-billion dollar investment deals. Visited Fort Ritchie in July 2016 and interest has piqued from wanting to invest on a 5-acre convention/hotel and recreation center deal to wanting 300 acres of the property for additional projects. The County met with this firm again during the September 2016 trip. This firm anticipates hundreds of millions of dollars (approaching a billion dollar) investment agreements for this project.
 - o Firm B – based out of Seoul has managed over 600 multi-million dollar projects over the past 28 years. They would like to manage the entertainment and retail amenities of the project and could help bring 3 – 5 million visitors a year. The County met with this investor during the September 2016 trip.
 - o Both firms support and would incorporate the health and wellness theme into the designs of the projects. Firms may work together or individually on compiling an RFP in which **the County would have the final approval to accept or reject**. Comprehensive proposals will be presented to JGBLI and County officials during the third and fourth quarter of 2017.

Development and Return on Investment

- Pen Mar Development Corp (and briefly Corporate Office Properties Trust) has had the responsibility of maintaining and developing the Fort since 2002. In three years from

now, the County would have to statutorily take ownership of the Fort if not developed. Therefore, the County now owns the Fort three years ahead of schedule and has \$2.6 million from remaining Pen Mar funds to continue to maintain the property while moving the development of this project forward. The ultimate goal is to return the Fort to the tax rolls and create economic development success for the area.

- Three trips to South Korea and working with our Agent, JGBLI, has cost the County (through its Hotel Rental Fund which is NOT general taxpayer dollars) less than \$300K. The project could bring \$100s of millions of dollars in capital investments and 100s if not 1000s of jobs.
 - o The following information is for purposes of comparison. Over the past two years, the County has provided an average of \$2,950/ per job in incentives to new and expanding business projects. With Cascade Town Centre project development, with what the County has contributed so far (less than \$300K), conservative figures could equate to about \$500/job and not include additional economic impact. This would be if 600 jobs were created. If the project creates \$100 million in capital investment, about \$1 million in property tax could be collected. This is based on very conservative investment figures and does not include extra benefits like income tax from jobs created, construction jobs, etc.
 - o The County has worked less than one year on this project with signs of concrete progress after 15 years trying for redevelopment success. Developing this large property is no easy task and the progress made thus far should be looked upon favorably.