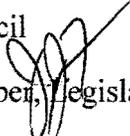


MEMORANDUM

May 13, 2010

TO: County Council

FROM: Justina J. Ferber,  Legislative Analyst

SUBJECT: Worksession - Executive's Recommended FY11 Operating Budget -
Department of Economic Development (DED)
and
FY11 Capital Budget & FY11-16 Capital Improvements Program (CIP)
Agricultural Land Preservation Easements, PDF No. 788911

The Planning, Housing and Economic Development Committee unanimously recommends the Council approve the Department of Economic Development budget as submitted pending an evaluation of Agricultural Land Preservation CIP investment income to sustain the shift of additional operating expenses for Agricultural Services to the CIP.

The Committee asked the Agricultural Services Division Manager to submit a recommendation for additional operating expenses to be charged to the Agricultural Land Preservation CIP. Following the Committee meeting and after receiving an evaluation of investment income and costs charged to the CIP, the PHED Committee Chair recommends that \$41,000 in reductions in operating expenses in FY11 for the Cooperative Extension Service be restored and funded in the Agricultural Land Preservation CIP. See page 10. (Acceptance of this recommendation would shift \$41,000 in agricultural services operating costs to the Agricultural Land Preservation Easements PDF below.)

The Committee unanimously recommends the Council approve the March 29 County Executive CIP amendment to the Agricultural Land Preservation Easements Capital Program, PDF No. 788911, to update the PDF description of FY11 agricultural services charged to the Ag CIP.

Those expected for this worksession:

Steve Silverman, DED Director
Tina Benjamin, Chief of Staff, DED
Peter Bang, Chief, Finance, Administration and Special Projects Division, DED
Jeremy Criss, Chief, Agricultural Services, DED
Barbara Kaufmann, Chief, Workforce Services
Jennifer Shovlin, Senior Financial Specialist, DED
John Cuff, Management and Budget Specialist, OMB

The Executive's Recommended FY11 Operating Budget for the Department of Economic Development (DED) can be found on pages 59-1 to 59-8 of the budget. A copy is attached at ©1.

Overview

For FY11 the Executive recommends an operating budget of \$8,583,750 for the Department of Economic Development (DED); this includes approximately \$2,344,020 in grant funding for Workforce Services. The overall DED budget has decreased \$1,744,490 or -16.9% from FY10. The operating budget of DED funded by the General Fund is down -18.2%. Not included in the FY11 budget are \$445,000 and 3.0 workyears charged to the CIP for the Agricultural Preservation Program and \$122,810 and 1.0 workyear charged to the Economic Development Fund. An organizational chart is attached at ©9.

The Executive recommends a net decrease of 9.8 workyears – a reduction of over one million dollars in personnel costs. Total workyears proposed in the DED FY11 budget are 30.8 workyears compared to 40.8 workyears in FY10. The reduction includes 1.2 workyears for furlough days. Lapse for the department is budgeted at \$87,470 for 0.8 workyears. Accomplishments are outlined on page 59-1 of the budget.

DED (in \$000's)	FY09 Actual	FY10 Approved	FY11 CE Recommended	% Change FY10-FY11
Expenditures:				
General Fund	8,408,186	7,628,240	6,239,730	-18.2%
Grant Fund	2,510,613	2,700,000	2,344,020	-13.2%
TOTAL Expenditures	10,918,799	10,328,240	8,583,750	-16.9%
Positions:				
Full-time	49	46	38	-17.4%
Part-time	3	3	3	0%
TOTAL Positions	52	49	41	
WORKYEARS	45.6	40.8	30.8	-24.5%

Workyear Changes in DED	Workyears	Expenditures
New positions for FY11	0	0
Positions Eliminated for FY11		
Abolish OSC in Agricultural Services	-1	(\$61,150)
Abolish Resource Conservationist	-1	(\$117,690)
Abolish OSC in Finance and Administration	-1	(\$69,840)
Abolish IT position	-1	(\$130,930)
Abolish 3 Business Development Specialists	-3	(\$341,030)
Positions Reallocated/Lapsed		
Shift Sr Finance Specialist to GF from WIA Grant	0.2	\$17,340
Shift position to GSA - Redevelopment Office	-1	(\$125,610)
Lapse Marketing Manager for full year	-1	(\$181,250)
Furloughs	-1.2	(\$133,640)
Technical Adjustments	-0.5	\$0
Annualization of FY10 Personnel Costs	0.7	\$79,680
Net Change	-9.8	(\$1,063,120)

Expenditure Issues

Additions to the DED budget are for increased costs for the Germantown (\$130,000) and Rockville (\$75,000) Innovation Centers, various adjustments in personnel costs and benefits, and a minuscule increase in office expenses for Agricultural Services (\$1,660) for a copier lease. Council staff’s review of the Department of Economic Development’s FY10 budget issues aligns with DED’s six program areas, listed below. There was a minor reorganization for FY11.

- Marketing and Business Development Division
- Business Empowerment Division
- Division of Workforce Services
- Agricultural Services Division
- Special Projects Division
- Finance and Administration

Marketing and Business Development Division (MBD) ©2

Marketing and Business Development (MBD)	
FY10 Expenditures \$1,652,260	FY10 9.5 Workyears
FY11 Expenditures \$980,970	FY11 6.8 Workyears
-\$125,610; -1.0 wy	Shift Position in Redevelopment Office to General Services - a Senior Development Specialist for the Wheaton Redevelopment Office has been operating out of DGS so that position will moved to DGS
-\$181,250; -1.0 wy	Lapse Marketing and Business Development Director for full year
-\$302,740	Reduce Marketing Expenses – less advertising, fewer sponsorships/partnerships, reduced travel, less outreach
-\$61,690; -0.7 wy	Miscellaneous adjustments – some reductions in expenses were part of the FY10 savings plans

The Marketing and Business Development program conducts DED’s outreach and promotes the assets, advantages and opportunities available within Montgomery County for domestic and international businesses in an effort to increase the number of businesses and organizations created, attracted, retained, and expanded in the County. This program coordinates with the Maryland State Department of Economic Development and the Conference and Visitor’s Bureau. The program is described in more detail on page 59-2 (©2) of the budget and on ©10-12.

Issue: The Marketing budget for FY11 has been reduced by \$302,740 with approximately \$244,800 remaining for marketing. DED will have to be creative in its marketing efforts in FY11. Council staff asked for comments on the reductions in the Marketing budget and Marketing plan:

DED Comments: The reductions within MBD are a result of the departments’ need to meet the FY11 Budget MARC, and because MBD contains the majority of the department’s discretionary funds the reduction in MBD is almost 50 percent of the department’s required savings. Marketing and advertising have been reduced, which will limit the department’s media platform options and result in fewer opportunities to market the County and the services that are offered. In addition the FY10 savings plan impacted the department’s ability to contract out web development services to improve the DED website. The permanent reductions will limit the department’s ability to contract with a company in FY11, but DED is trying to identify more cost neutral options including the use of existing staff and through the use of unpaid college interns.

The expenses for the \$244,800 budget are planned as follows: CoStar Contract \$27,000; Marketing Materials \$15,000; Non-Local Travel \$14,000; Local Metro Travel \$5,000; Local Conferences \$4,300; Advertising \$39,000; BIO \$45,800; Souvenirs \$5,000; Sponsorships \$14,700; Special Meetings Events \$5,000; Greater Washington Initiative \$25,000; Tech Council \$30,000; World Trade Center Institute \$10,000. The remaining funds are miscellaneous costs for dues, subscriptions, and professional memberships. FY10 marketing activities and activities planned for FY11 are outlined on ©10-12.

Marketing and Business Division	FY11	\$980,970	6.8 Workyears
Budget history	FY10	\$1,652,260	9.5 Workyears
2007-2011	FY09	\$1,913,380	12.0 Workyears
	FY08	\$1,907,070	12.0 Workyears
	FY07	\$1,897,280	12.8 Workyears

Council Staff Discussion and Recommendations

- The Marketing Director position has been vacant for two and ½ years and is lapsed for a full year. Funding for the position and also the workyear has been removed from the DED budget.
- The marketing budget is substantially reduced and \$244,800 remains for marketing efforts. Staff recommends approval of Marketing Division budget as submitted.

Business Empowerment Division (DBE) ©2-3

Business Empowerment Program (DBE)	
FY10 Expenditures \$1,074,120	FY10 8.0 Workyears
FY11 Expenditures \$1,053,780	FY11 7.8 Workyears
-\$20,340; -0.2 wy	Miscellaneous adjustments – some reductions in expenses were part of the FY10 savings plans

The Business Empowerment Program provides a variety of programs and services to the County’s small and minority business community. This program manages the business incubator program and small and minority business service programs. The program is described in more detail on page 59-2 and 59-3 (©2-3) of the budget. There are no major changes in this division.

Incubator Program. The Montgomery County Business Innovation Network is a program operated by the Department of Economic Development. The mission of the program is to create a positive economic impact to the County by supporting the growth and development of local small businesses. These businesses are located in the incubator facilities for a short period of time with support on business training, access to resources and concentrated networking.

Currently, the incubator network includes five facilities:

- Germantown Innovation Center – 89% occupied; 23 tenants
- Rockville Innovation Center – 100% occupied; 30 tenants
- Shady Grove Innovation Center (formerly MTDC) – 89% occupied; 46 tenants

- Silver Spring Innovation Center – 98% occupied; 24 tenants
- Wheaton Business Innovation Center – 90% occupied; 22 tenants; 20 virtual tenants

The Network also hosts a Virtual Incubator Program that is primarily used for companies waiting for space to become available by recent graduates from the Network. Occupancy rates have improved over last year and range from 89% to 100%. Within the next two to three years, the County is planning to open an additional incubator in the East County Science & Technology Park. *Updated Information on the incubator program will be distributed in an addendum to the packet.*

Issue: During last year’s budget discussions, the PHED Committee expressed concern about the rise in costs each budget year for incubators. The Committee was briefed on the incubator program in October 2009 and was advised that DED was working to stabilize costs. The DED explanation for cost increases for Germantown (\$130,000) and Rockville (\$75,000) Innovation Centers is as follows:

DED Comments:

Germantown Innovation Center – The current FY10 budget for the GIC is \$312,000 and the rent for the Incubator costs the department over \$550,000 per year, the increased subsidy amount is needed to avoid shifting other DED funds to cover the deficit. DED requested \$200,000 during the FFI (Future Fiscal Impact) process to set the FY11 Budget MARC but only \$130,000 was approved.

Rockville Innovation Center – This state of the art facility opened in May, 2008 and the downturn in the economy made it difficult for the department to find companies to occupy the space; however, occupancy rates at the facility as of today are around 98%. Despite the high rate of occupancy, particularly at a time when many commercial real estate properties are seeing 10, 20, and even 30% occupancy, due to condominium fees, and the \$88,000 plus special tax payment to the City of Rockville, the revenue generated from incubator tenants is simply not enough to cover the facility’s operating expenses. Since the department lacks the necessary funding appropriation to bridge this gap, the Executive recommended an increase to help cover the operational costs of the facility. With the City of Rockville requesting an increase in the tax rate and PILOT payment, FY12 funding might require an additional \$10-\$15,000 increase.

Staff Recommendation

- Staff recommends approval of the Business Empowerment Division budget as submitted.

Division of Workforce Services (DWS) ©3-4

Workforce Services (DWS)	
FY10 Expenditures \$3,748,310	FY10 4.0 Workyears
FY11 Expenditures \$3,262,830	FY11 3.8 Workyears
\$17,340; 0.2 wy	Shift Senior Financial Specialist from Workforce Investment Act (WIA) Grant to General Fund [In FY10, Workforce Services transferred .2 workyear from the general fund to the grant fund, which was to have been paid through the Administration portion of the WIA grants. The Administration portion of WIA was not awarded to any jurisdiction in FY10 and is not projected for FY11, therefore the department made a technical adjustment to move the workyear and expenses from the grant fund back to the general fund.]
-\$10,000	Reduce costs of Workforce Services Administrative Funds see explanation above
-\$125,320	Shift Wheaton One-Stop Career Center Lease from General Fund to Federal Grant – this was shifted from the General Fund in FY10 as part of the savings plan
-\$338,640	Reduction in Workforce Investment Act Grant the decrease is partially due to a reduction in funding because of the one-time federal allocation in ARRA funding and also due to conservative estimates for the FY11 WIA allocations
-\$28,860 -0.4wy	Miscellaneous Adjustments

The Workforce Services (DWS) Division administers the funding tied to the Federal Workforce Investment Act of 1998 and oversees the performance of the local workforce investment system. This includes the administration of all federal workforce and job training funds and the oversight of two one-stop career centers. DWS is advised by a Workforce Investment Board (WIB) composed of business representatives and community leaders and public officials. The program is described in more detail on page 59-3 (©3) of the budget and on ©12-15.

DWS funds support employment services offered at the two MontgomeryWorks One-Stop locations. Services offered at these locations include vocational assessment, job readiness, job training, job placement and job retention services. The One-Stops serve dislocated workers, low-income adults, older workers, disadvantaged youth, and individuals with disabilities, as well as small and large businesses. There are two locations - Westfield Mall (Wheaton) and the new location in the Upcounty Center in Germantown. Accomplishments for FY10 are listed at ©13.

Issues

No additional ARRA Funds: The federal economic stimulus funds are one-time funds that were appropriated through an FY09 Council supplemental appropriation. The County has until June 30, 2011 to expend these funds, and all dollars have been expended or obligated. The funds were used for Summer Jobs Program for youth during the summer of 2009, and will be used for a smaller summer program in 2010 and meeting other demands on services.

Reduced County Support: The FY11 budget reduces County funding for Workforce Services by \$125,000 which previously provided rent at the MontgomeryWorks Wheaton One-Stop Career Center located in Wheaton. Previously, support from the County General Fund to pay the administrative costs associated with rent allowed more federal funds to be used for services to individuals and businesses. Rent will be paid from the federal grant in FY11.

Reduced WIA Allocation: The DWS reduction in funding is also due to conservative estimates for the FY11 WIA allocations. Official notification of the amount Montgomery County is receiving in federal funds for its regular WIA allocation had not been received as of April 12th.

Workforce Development Funding Sources for FY11

	FY 10	FY 11 Estimated
FEDERAL WORKFORCE INVESTMENT ACT FUNDS	\$1,328,898	\$1,328,898
ARRA FUNDS (MBW & EARLY INTERVENTION)	101,673	0
EARLY INTERVENTION (STATE/FEDERAL)	151,900	151,900
MARYLAND BUSINESS WORKS (FEDERAL)		47,000
DISABILITY NAVIGATOR (FEDERAL) (ESTIMATED)	165,054	165,054
RAPID RESPONSE (FEDERAL) (ESTIMATED)	5,000	5,000
MD STATE GENERAL & STATEWIDE – FOREIGN TRAINED HEALTH CARE	154,500	0
<u>TOTAL</u>	<u>\$1,907,025</u>	<u>\$1,697,852</u>
<u>MONTGOMERY COUNTY FUNDING</u>	<u>FY 10</u>	<u>FY 11</u>
GENERAL ONE-STOP ACTIVITIES	122,000	119,600
ONE STOP FACILITIES (RENT)	122,100	0
SALES & SERVICE CENTER	160,000	160,000
COUNTY GANG PREVENTION CONTRACTED POSITION	62,500	62,000
YOUTH PROGRAM	50,000	50,000
SUMMER YOUTH EMPLOYMENT	50,000	50,000
<u>TOTAL</u>	<u>\$566,600</u>	<u>\$441,600</u>

Staff Recommendation

- Staff recommends approval of the Division of Workforce Services budget as submitted.

Agricultural Services Division ©4

Agricultural Services	
FY10 Expenditures \$863,020	FY10 6.8 Workyears
FY11 Expenditures \$626,630	FY11 4.6 Workyears
\$1,660	Increase Misc. office expenses – Cost increase for copier lease.
-\$41,000	Decrease Cooperative Extension Services – reduction of \$30,000 because of vacancy in state-funded position & \$11,000 for various expenses
-\$61,150; -1.0 wy	Abolish Office Services Coordinator – Part of the FY10 savings plans
-\$117,690; -1.0 wy	Abolish Resource Conservationist Position – part of the FY10 savings plans
-\$18,210; -0.2wy	Miscellaneous adjustments – some reductions part of FY10 savings plans

Agricultural Services promotes the preservation of farmland and the promotion of agriculture as a viable component of the County business and economic sector. The Soil Conservation Service and the Cooperative Extension Service are included in this program. For FY11 \$445,000 and 3.0 workyears are charged to the CIP. The program is described on page 59-4 (©4) and on ©16.

Issues:

CIP Amendment - On March 29 the County Executive submitted a CIP amendment for Council consideration. The Agricultural Land Preservation Easements Capital Program PDF No. 788911 was amended to update the PDF for FY11 agricultural services charged to the program.

Agricultural Land Preservation Easements PDF No. 788911--

OTHER: FY11 estimated investment income expenditure before partial closeout adjustments is \$445,000 and is made up of \$374,000 (*personnel*): one workyear Business Development Specialist III, one workyear Business Development Specialist I, one workyear MLS Manager II; *and* \$30,000 – Deer Donation Program; \$10,000 – Montgomery Weed Control Program; and \$31,000 for Cooperative Extension Partnership.

Funding in the CIP: The department was asked about shifting additional Ag services to the CIP. The response was that given the anticipated balance in the CIP there is no more capacity to fund any other agricultural initiatives at this time. The department will be monitoring the budget over the next year to see if there is a possibility that additional capital funds can be utilized.

Master Gardener Program - Cooperative Extension Services: Councilmembers received numerous letters and emails in support of funding for the Master Gardener Program. This program is not reduced for FY11.

Abolish Resource Conservationist Position: One Resource Conservationist Position remains in the Ag Services budget.

Staff Comments and recommendations:

- Staff recommends approval of the amendment to the Agricultural Land Preservation Easement Capital Program PDF No. 788911.
- Staff recommends approval of the Division of Agricultural Services budget as submitted.

Committee Discussion: See page 10.

Special Projects Division ©5

Special Projects	
FY10 Expenditures \$701,530	FY10 5.5 Workyears
FY 11 Expenditures \$439,150	FY11 3.0 Workyears
-\$10,950	Decrease cost of special projects – decrease in budget primarily for non-local travel and some miscellaneous expenses
-\$251,430; -2.5 wy	Miscellaneous Adjustments *Abolish 2 Business Development Specialist positions these positions are footnoted in the budget because the RIF process may cause a shift in positions across divisions

The Special Projects division administers all aspects of DED's public-private partnerships programs, encompassing the Department's capital projects, legislative activities, strategic planning endeavors and new program development. The program is described in more detail on page 59-5 (©5).

Issue: Two Business Development Specialist positions will be abolished.

Staff Comments

- Request a mini-update on the East County Center for the Science and Technology project.
- Staff recommends approval of the Special Projects Division budget as submitted.

Finance and Administration ©5

Finance and Administration	
FY10 Expenditures \$2,289,000	FY10 7.0 Workyears
FY11 Expenditures \$2,220,390	FY11 4.8 Workyears
\$130,000	Increase cost of Germantown Innovation Center - see page 5
\$75,000	Increase cost of Rockville Innovation Center - see page 5
-\$9,670	Reduce office expenses
-\$50,000	Wheaton Innovation Center Rent Reduction
-\$69,840; -1.0 wy	Abolish Office Services Coordinator position – Part of the FY10 savings plans
-\$130,930; -1.0 wy	Abolish IT position – Part of the FY10 savings plans
-\$13,170; -0.2	Miscellaneous adjustments – Some reductions in expenses were part of the FY10 savings plans. *Abolish 1 Business Development Specialist position this position is footnoted in the budget because the RIF process may cause a shift in positions across divisions

The Finance and Administration Division is responsible for all departmental administrative efforts, which enable direct services for fiscal, procurement, IT, and human resources management. This division administers four financing programs under the Economic Development Fund and works in concert with Marketing and Business Development and Business Empowerment to promote the development of high technology and professional services companies in the County. The program is described on page 59-5 (©5).

DED's update of its Action Plan (Strategic Plan) will be distributed as an addendum to the packet.

Staff Comments

- Staff recommends approval of the Finance and Administration Division budget as submitted.

If the Council is seeking additional decreases, extra reductions in departmental operating expenses could be taken. General Fund operating expenses have been reduced by -11.2% from \$2,890,290 in FY10 to \$2,565,950 in FY11. A 1% reduction would be approximately \$25,000. Council staff does not recommend any additional changes to the DED budget.

Committee Discussion and Recommendations

The DED Director distributed an Incubator Network Operations Summary and an FY10 Interim Report on DED's Results on Major Goals, Actions Items, and Implementation Strategies.

The Committee discussed the following issues with the DED Director:

- shifting a Senior Development Specialist for the Wheaton Redevelopment Office to General Services**
- competing for jobs and business**
- reevaluating incubator concept**
- attracting and retaining Federal facilities**
- assisting and retraining unemployed citizens**
- shifting additional operating expenses to the Ag Land Preservation CIP**
- status of the East County Center for the Science and Technology project**
- providing more frequent updates on the Strategic Plan**

The Committee discussed the possibility of shifting additional funding for agricultural services operating costs to the CIP, specifically Cooperative Extension Service expenses which had been reduced for FY11. The Agricultural Services Director advised that current investment income in the Agricultural Land Preservation CIP project might not sustain additional operating expenses beyond FY13 and Agricultural Services staff continues to monitor investment income. The Committee requested the Agricultural Services Division Manager to make a determination if some reductions in FY11 operating expense for Agricultural Services and Cooperative Extension Service could be charged to the Agricultural Land Preservation CIP.

On May 7 after the Committee meeting, the PHED Committee Chair received 3 charts: 1) showing investment income and expenses FY94 to FY09, see ©30; 2) showing investment income and expenses FY10 to FY14 under the proposed FY11 budget, see ©31; and 3) showing investment income and expenses FY10 to FY13 with additional operating costs charged to the CIP, see ©32. In chart no. 3, \$41,000 could be charged to the CIP for operating expenses reduced in FY11 in the Cooperative Extension Services program and \$61,150 could be charged to the CIP to restore an Office Services Coordinator which was a "reduction in force" in the FY10 Savings Plan for a total \$102,150. The investment income in the CIP could sustain these additional costs through FY13. This scenario does not assume any additional funding in the CIP.

While restoration of a position abolished in the FY10 savings plan is a very complex issue and is not feasible at this time, Council staff believes the restoration of \$41,000 in operating expenses for the Cooperative Extension Service to be charged to the CIP can be achieved. After receiving the evaluation of investment income and costs charged to the CIP and discussions with staff, the PHED Committee Chair recommends that \$41,000 in reductions in operating expenses in FY11 for the Cooperative Extension Service be restored and funded in the Agricultural Land Preservation CIP.

- **The Planning, Housing and Economic Development Committee unanimously recommends the Council approve the Department of Economic Development budget as submitted pending an evaluation of Agricultural Land Preservation CIP investment income to sustain the shift of additional operating expenses for Agricultural Services to the CIP.**

- **The Planning, Housing and Economic Development Committee unanimously recommends the Council approve the March 29 County Executive CIP amendment to the Agricultural Land Preservation Easements Capital Program, PDF No. 788911, to update the PDF description of FY11 agricultural services charged to the Ag CIP.**

DED Budget Packet Attachments -

DED Operating Budget	©1
DED Organizational Chart	©9
Agricultural Land Preservation Easements PDF No. 788911	©10
Incubator Network Operations Summary	©12
FY10 Interim Report on DED's Results on Major Goals, Actions Items and Implementation Strategies.	©13
Chart showing investment income and expenses FY94 to FY09	©30
Chart showing investment income and expenses FY10 to FY13 under the proposed FY11 budget	©31
Chart showing investment income and expenses FY10 to FY13 with additional operating costs charged to the CIP	©32

Economic Development

MISSION STATEMENT

The mission of the Department of Economic Development (DED) is to create, attract, retain and expand businesses in Montgomery County, expand employment opportunities for the residents of the County, enlarge the County's economic base, enhance the competitiveness of the businesses located in the County and promote Montgomery County as a SmartLocation for business - globally.

BUDGET OVERVIEW

The total recommended FY11 Operating Budget for the Department of Economic Development is \$8,583,750, a decrease of \$1,744,490 or 16.9 percent from the FY10 Approved Budget of \$10,328,240. Personnel Costs comprise 42.8 percent of the budget for 38 full-time positions and three part-time positions for 30.8 workyears. Operating Expenses account for the remaining 57.2 percent of the FY11 budget.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ *A Responsive, Accountable County Government*
- ❖ *Healthy and Sustainable Neighborhoods*
- ❖ *Strong and Vibrant Economy*
- ❖ *Vital Living for All of Our Residents*

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY10 estimates incorporate the effect of the FY10 savings plan. The FY11 and FY12 targets assume the recommended FY11 budget and FY12 funding for comparable service levels.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ *Implemented the new Stimulus Opportunity System (SOS), which provides direct links to stimulus grant opportunities.*
- ❖ *Implemented the eBIZ Update, which is an online newsletter that provides the latest information on economic development activities and department sponsored events.*
- ❖ *The County's new One-Stop Career Center successfully moved operations to the UpCounty Services Center.*
- ❖ *Productivity Improvements*
 - *Implemented the Salesforce Database, which will improve data integrity and allow for better tracking of departmental data.*
 - *Implemented a reorganization that realigned functions based on the goals outlined in the revised strategic plan for economic development.*

PROGRAM CONTACTS

Contact Peter Bang of the Department of Economic Development at 240.777.2008 or Alison Dollar of the Office of Management and Budget at 240.777.2781 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Marketing and Business Development

This program promotes the assets, advantages, and opportunities available within Montgomery County for domestic and international businesses. The division provides services that result in the attraction and retention of those businesses to the County. This includes industry sectors including telecommunications, biotechnology, information technology, advanced engineering, green energy, and professional services. The major focus of the program includes pursuing leads generated by the Department's business development specialists and a business visitation program to retain existing businesses. Business specialists meet with company representatives during business visits, conferences, and other events to offer assistance. They also serve as liaisons to business organizations to help identify and assist new and expanding companies. Assistance includes needs assessment, financial and training assistance, site identification, and expediting and coordinating business development. The program provides clients with land-use planning expertise, economic analysis, financing and international trade assistance.

Promotional activities include media relations; event coordination; local, regional, national, and international advertising; and development of informational and sales materials including the Department's website. These efforts help to position the County in a highly competitive environment, and they set the stage for direct contact. Activities and materials are directed toward achieving balanced economic growth with a positive business climate and are often closely coordinated with local, regional, and State partners, such as the Maryland State Department of Business and Economic Development and the World Trade Center Institute.

The program also establishes and maintains high-level relationships with local government and private industry organizations, State and Federal agencies, and national and international governments and organizations. These important contacts are sought through meetings, trade shows and conferences, national and international missions, and other major events that provide exposure and opportunities to market and promote the County's economic vision.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Projected jobs created by existing business expansion within three years of DED involvement	378	1282	620	760	887
Projected jobs created by new business attraction within three years of DED involvement	800	844	752	635	744
Total new capital investment by newly attracted businesses and start-up businesses through DED involvement (in millions)	8	26	17	16	20
Percent of active prospects successfully closed per fiscal year	38%	34%	39%	40%	40%
Total new capital investment by businesses currently located in the County through DED involvement (in millions)	110	156	155	128	133
New commercial space occupied by newly attracted businesses and start-up businesses through DED involvement (sq. feet)	190,987	229,800	170,235	140,000	160,000
New commercial space occupied by businesses currently located in the County through DED involvement (sq. feet)	890,094	954,625	913,679	919,466	929,257
Total new prospects developed	132	69	107	75	75
Actual total jobs created by DED per fiscal year	686	686	600	500	500

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	1,652,260	9.5
Shift: Position to General Services-Redevelopment Office	-125,610	-1.0
Decrease Cost: Funding for Marketing and Business Development Director	-181,250	-1.0
Reduce: Marketing Expenses- Less paid advertising, fewer sponsorships/partnerships, reduced travel, and less outreach	-302,740	0.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-61,690	-0.7
FY11 CE Recommended	980,970	6.8

Business Empowerment

The Division of Business Empowerment provides a variety of programs and services to the County's small and minority business community through creative initiatives and partnerships with community organizations, business groups, private enterprises, and other public agencies. Services include providing technical publications and services, workshops and conferences, the business mentorship program, and convening targeted business development events in areas such as procurement and contracting. Serving as the primary resource and advocate for small businesses in Montgomery County, this program addresses the unique needs of the small business community and helps with short and long range economic development strategies for the County.

In addition, this program manages the Business Innovation Network, which currently includes five facilities in Wheaton, Silver Spring, Shady Grove, Rockville, and Germantown and encompasses over 140,000 square feet of leaseable space. These facilities provide office and lab space, high-level business support services, and innovative programming to over 145 promising entrepreneurs.

The newest facility, the Germantown Innovation Center, opened in October 2008. The Innovation Network is poised for expansion within the next few years with the Department currently seeking a developer for Site II, the future home of the East County Center for Science and Technology. The program also operates a virtual network that provides identical programs and services to over 20 participating businesses without incurring the cost of leasing office space.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Amount of federal grant funding received by County incubator companies (in millions)	5.0	3.7	4.3	5.2	4.4
Amount of private equity funds received by County incubator companies (in millions)	27	28	10.8	11.8	16.9
Number of intellectual property licenses, patents, or trademarks received by County incubator companies	57	58	60	58	59
Number of new jobs created by incubator companies during the incubation period	121	171	123	138	144
Number of new jobs created by incubator companies post graduation	52	46	51	50	49
Number of intellectual property issued to and amount of federal research grant and private equity financing received by incubator companies	57	58	60	58	59
Percent of participants satisfied with DED sponsored technical assistance and training programs	NA	NA	92%	94%	96%

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	1,074,120	8.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-20,340	-0.2
FY11 CE Recommended	1,053,780	7.8

Workforce Services

The Workforce Services (WS) program ensures that Montgomery County has a well-prepared, educated, trained, and adaptable workforce to meet the current and future needs of business, and that the County's workforce has the tools and resources to successfully compete in a global economy.

The Workforce Investment Board (WIB) provides advice and oversight on workforce development activities and policy. The 30-member WIB is composed of business representatives (51%), community leaders, and public officials. The Board is appointed by the County Executive in accordance with the Workforce Investment Act (WIA) of 1998 and Montgomery County Executive Order No. 159-02. The WIB does much of its work through its committees, which include the Board Development, Communications and Outreach, Executive, Finance, Program Operations and Oversight, and Youth Council committees. Staff provide support to the Board by implementing directives and policy initiatives.

WS is funded by \$2 million in Federal Government, State of Maryland, and Montgomery County funds. In FY 09, WS received \$1.3 million dollars from the American Reinvestment and Recovery Act. The funds must be spent by June 30, 2011, although the majority of funding will be expended in FY10. The majority of annual formula funding received is through WIA grants to implement the One-Stop career system. This system is operated locally as MontgomeryWorks, and provides an array of vocational assessment, job readiness, job training, and job placement services to dislocated workers, low-income adults, older workers, disadvantaged workers, and youth.

The WIB provides policy oversight and guidance for the expenditure of funds, which enables local businesses and the public and private sectors to work collaboratively in meeting the workforce development needs of Montgomery County. Program staff provide overall administrative support of the WIA grants and are responsible for fiscal monitoring and accounting, program monitoring and review, new program and grant development, legislation development, and contract management for the WIA and County programs.

Services are provided at the MontgomeryWorks One-Stop Workforce Centers in Wheaton and Germantown and are operated as a consortium with the Department of Licensing, Labor, and Regulation, the Workforce Solutions Group (formerly Career Transition Center, Inc.), Maryland Job Service, and other non-profit and local agency partners. MontgomeryWorks serves the businesses of the County on an ongoing basis and also provides direct services to adult and youth residents. In FY09, MontgomeryWorks served over 13,000 adult and youth clients with core services, intensive counseling services, and occupational skills training. Youth services are provided through the Maryland Multicultural Center, which is operated by the Latin American Youth Council (LAYC) while TransCen offers a full range of services to youth with disabilities.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Number of employers assisted with training	40	40	40	40	40

	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Number of employers assisted with recruitment	110	120	120	120	120
Number of DED job related placements for unemployed adults-dislocated, older, and disadvantaged workers ¹	15,797	13,775	12,650	12,900	13,200

¹ The County received additional federal stimulus grants in 4thQ FY09. Despite the increase in the funding directed toward training, the decrease in placements is more a result of the continuing rise in unemployment. To reflect the anticipated improvement in the job market, DED projects a gradual increase in placements in FY11 and FY12.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	3,748,310	4.0
Technical Adj: Shift Workforce Services Senior Financial Specialist from Grant Fund to General Fund	17,340	0.2
Decrease Cost: Workforce Services Administrative Funds	-10,000	0.0
Shift: Wheaton One-Stop Career Center Lease from General Fund to Federal Grant	-125,320	0.0
Decrease Cost: Reduction in Workforce Investment Act Grant to Reflect Projected FY11 Revenue	-338,640	0.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-28,860	-0.4
FY11 CE Recommended	3,262,830	3.8

Agricultural Services

This program encompasses the promotion of agriculture as a viable component of the County's business and economic sector, as well as the preservation of farmland as a resource for future agricultural production capabilities. The Department of Economic Development co-sponsors farmers' markets, an annual farm tour, and other activities which promote agricultural products. The goal of the Agricultural Preservation Program is to acquire easements to protect 70,000 acres of farmland in the Agricultural Reserve. This goal was achieved in January, 2009, one year prior to the 2010 target date. Agricultural Services also provides farmers with zoning and master plan technical assistance and coordinates the County's Weed Control program.

The Montgomery Soil Conservation District (MSCD) is considered a political subdivision of the State and is staffed by County, State, and Federal employees. Programs offered by MSCD include an array of technical advice for conservation and natural resource planning, as well as a variety of educational opportunities. MSCD staff assist farmers and landowners in the County with Soil Conservation and Water Quality Plans, provide technical assistance for conservation practices, and administer a variety of Federal and State cost-share programs which help fund projects to prevent soil erosion and improve water quality. Many of these programs are designed to help protect local waterways and the Chesapeake Bay. The MSCD provides a number of programs that focus on educating Montgomery County residents about the benefits of agriculture, conservation, and natural resources management. Other services include small pond review, drainage advice for residential landowners, and administering the Cover Crop program in the County.

The Cooperative Extension Office serves as the agricultural outreach education component of the University of Maryland. This agency is funded cooperatively through local, State, and Federal governments. Farmers, families, and youth are the primary audiences of the Extension Office. Educational programs for farmers include raising crops and livestock, protecting the environment, farm and business management, marketing commodities, and pest management. Programs for families and youth include: home horticulture, family budgeting, consumer education with a focus on promoting positive parenting skills and healthful diets and lifestyles, leadership development, and traditional 4-H programs. The Extension Office's professional staff utilizes an extensive network of volunteers to assist them in program delivery. Extension Office personnel manage a diverse group of over 3,000 volunteers to respond to over 100,000 information requests a year. Outreach education programs are delivered informally through one-on-one contacts, telephone assistance, the internet, classes and workshops, field days, radio, TV, and print media.

Program Performance Measures	Actual FY08	Actual FY09	Estimated FY10	Target FY11	Target FY12
Cumulative farm acres protected	70,092	70,832	71,332	71,832	71,832
Number of farm businesses assisted	175	94	140	160	160

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	863,020	6.8
Increase Cost: Miscellaneous Office Expenses	1,660	0.0
Decrease Cost: Agricultural Services-Cooperative Extension Services	-41,000	0.0
Decrease Cost: Abolish Agricultural Services-Office Services Coordinator Position	-61,150	-1.0
Reduce: Abolish Resource Conservationist Position- Delays in service delivery to farmers	-117,690	-1.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-18,210	-0.2
FY11 CE Recommended	626,630	4.6

Special Projects

The Division of Special Projects administers all aspects of DED's public-private partnerships programs, encompassing the Department's capital projects, legislative activities, strategic planning endeavors and new program development. The program builds programmatic relationships with local academic institutions and Federal research installations to advance the County's economic base. The program also administers the Department's overall communications efforts through public communication, maintenance of the Department's web site, and media relations. In addition, the program oversees the development and management of the Shady Grove Life Sciences Center and planning for new science and technology centers in Germantown at the Montgomery College campus and in the east County area at White Oak, and manages the Conference Center NDA.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	701,530	5.5
Decrease Cost: Special Projects	-10,950	0.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-251,430	-2.5
FY11 CE Recommended	439,150	3.0

Notes: Two Business Development Specialists in this Division will be abolished in FY11.

Finance and Administration

This program is responsible for all departmental administrative efforts, which enable direct services for fiscal, procurement, IT, and human resources management. This program administers four financing programs under the Economic Development Fund: the Economic Development Grant and Loan program, the Technology Growth program, the Impact Assistance Fund, and the Small Business Revolving Loan program. This program also works in concert with Marketing and Business Development and Business Empowerment staff to promote the development of high technology and professional services companies within Montgomery County.

FY11 Recommended Changes	Expenditures	WYs
FY10 Approved	2,289,000	7.0
Increase Cost: Incubator Subsidy-Germantown Innovation Center	130,000	0.0
Increase Cost: Incubator Subsidy - Rockville Innovation Center	75,000	0.0
Decrease Cost: Miscellaneous Office Expenses	-9,670	0.0
Decrease Cost: Wheaton Innovation Center Rent Reduction	-50,000	0.0
Decrease Cost: Abolish Finance and Administration-Office Services Coordinator Position	-69,840	-1.0
Reduce: Abolish IT Position- resulting in fewer productivity enhancements and increased reliance on Help Desk support	-130,930	-1.0
Miscellaneous adjustments, including furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-13,170	-0.2
FY11 CE Recommended	2,220,390	4.8

Notes: One Business Development Specialist in this Division will be abolished in FY11.

BUDGET SUMMARY

	Actual FY09	Budget FY10	Estimated FY10	Recommended FY11	% Chg Bud/Rec
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	3,746,639	3,693,300	3,564,340	2,814,740	-23.8%
Employee Benefits	999,464	1,044,650	983,620	859,040	-17.8%
County General Fund Personnel Costs	4,746,103	4,737,950	4,547,960	3,673,780	-22.5%
Operating Expenses	3,662,083	2,890,290	2,684,940	2,565,950	-11.2%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	8,408,186	7,628,240	7,232,900	6,239,730	-18.2%
PERSONNEL					
Full-Time	48	46	46	38	-17.4%
Part-Time	3	3	3	3	—
Workyears	44.6	40.6	40.6	30.8	-24.1%
REVENUES					
State Salary Reimb: Soil Cons District Mgr	36,879	48,710	48,710	48,710	—
County General Fund Revenues	36,879	48,710	48,710	48,710	—
GRANT FUND MCG					
EXPENDITURES					
Salaries and Wages	0	13,060	13,060	0	—
Employee Benefits	0	4,280	4,280	0	—
Grant Fund MCG Personnel Costs	0	17,340	17,340	0	—
Operating Expenses	2,510,613	2,682,660	2,673,660	2,344,020	-12.6%
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	2,510,613	2,700,000	2,691,000	2,344,020	-13.2%
PERSONNEL					
Full-Time	1	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	1.0	0.2	0.2	0.0	—
REVENUES					
Workforce Investment Act Grants	1,661,627	2,700,000	2,691,000	2,344,020	-13.2%
Disability Program Navigator	162,043	0	0	0	—
MD Incumbent Worker	104,062	0	0	0	—
MD Neg Brac	52,587	0	0	0	—
MD Works Re-Entry	136,665	0	0	0	—
MD Summer Youth Connection	9,865	0	0	0	—
State General Funds	200,840	0	0	0	—
DBED Cooperative Marketing Grant	5,000	0	0	0	—
DBED - AT&T Sponsorship	20,000	0	0	0	—
TANF	157,924	0	0	0	—
Grant Fund MCG Revenues	2,510,613	2,700,000	2,691,000	2,344,020	-13.2%
DEPARTMENT TOTALS					
Total Expenditures	10,918,799	10,328,240	9,923,900	8,583,750	-16.9%
Total Full-Time Positions	49	46	46	38	-17.4%
Total Part-Time Positions	3	3	3	3	—
Total Workyears	45.6	40.8	40.8	30.8	-24.5%
Total Revenues	2,547,492	2,748,710	2,739,710	2,392,730	-13.0%

FY11 RECOMMENDED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY10 ORIGINAL APPROPRIATION	7,628,240	40.6
<u>Changes (with service impacts)</u>		
Reduce: Abolish Resource Conservationist Position- Delays in service delivery to farmers [Agricultural Services]	-117,690	-1.0
Reduce: Abolish IT Position- resulting in fewer productivity enhancements and increased reliance on Help Desk support [Finance and Administration]	-130,930	-1.0
Reduce: Marketing Expenses- Less paid advertising, fewer sponsorships/partnerships, reduced travel, and less outreach [Marketing and Business Development]	-302,740	0.0
Reduce: Abolish Three Business Development Specialists- Impacts ability to attract and retain businesses and delivery of services	-341,030	-3.0
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Incubator Subsidy-Germantown Innovation Center [Finance and Administration]	130,000	0.0
Increase Cost: Annualization of FY10 Personnel Costs	79,680	0.7
Increase Cost: Incubator Subsidy - Rockville Innovation Center [Finance and Administration]	75,000	0.0
Increase Cost: Group Insurance Adjustment	20,820	0.0
Technical Adj: Shift Workforce Services Senior Financial Specialist from Grant Fund to General Fund [Workforce Services]	17,340	0.2
Increase Cost: Retirement Adjustment	6,000	0.0
Increase Cost: Miscellaneous Office Expenses [Agricultural Services]	1,660	0.0
Technical Adj: FY11 Workyear Adjustment	0	-0.5
Decrease Cost: Printing and Mail Adjustment	-1,850	0.0
Decrease Cost: Motor Pool Rate Adjustment	-6,340	0.0
Decrease Cost: Miscellaneous Office Expenses [Finance and Administration]	-9,670	0.0
Decrease Cost: Workforce Services Administrative Funds [Workforce Services]	-10,000	0.0
Decrease Cost: Special Projects [Special Projects]	-10,950	0.0
Decrease Cost: Agricultural Services-Cooperative Extension Services [Agricultural Services]	-41,000	0.0
Decrease Cost: Wheaton Innovation Center Rent Reduction [Finance and Administration]	-50,000	0.0
Decrease Cost: Abolish Agricultural Services-Office Services Coordinator Position [Agricultural Services]	-61,150	-1.0
Decrease Cost: Abolish Finance and Administration-Office Services Coordinator Position [Finance and Administration]	-69,840	-1.0
Shift: Wheaton One-Stop Career Center Lease from General Fund to Federal Grant [Workforce Services]	-125,320	0.0
Shift: Position to General Services-Redevelopment Office [Marketing and Business Development]	-125,610	-1.0
Decrease Cost: Furlough Days	-133,640	-1.2
Decrease Cost: Funding for Marketing and Business Development Director [Marketing and Business Development]	-181,250	-1.0
FY11 RECOMMENDED:	6,239,730	30.8
GRANT FUND MCG		
FY10 ORIGINAL APPROPRIATION	2,700,000	0.2
<u>Other Adjustments (with no service impacts)</u>		
Technical Adj: Shift Workforce Services Senior Financial Specialist from Grant Fund to General Fund	-17,340	-0.2
Decrease Cost: Reduction in Workforce Investment Act Grant to Reflect Projected FY11 Revenue [Workforce Services]	-338,640	0.0
FY11 RECOMMENDED:	2,344,020	0.0

PROGRAM SUMMARY

Program Name	FY10 Approved		FY11 Recommended	
	Expenditures	WYs	Expenditures	WYs
Marketing and Business Development	1,652,260	9.5	980,970	6.8
Business Empowerment	1,074,120	8.0	1,053,780	7.8
Workforce Services	3,748,310	4.0	3,262,830	3.8
Agricultural Services	863,020	6.8	626,630	4.6
Special Projects	701,530	5.5	439,150	3.0
Finance and Administration	2,289,000	7.0	2,220,390	4.8
Total	10,328,240	40.8	8,583,750	30.8

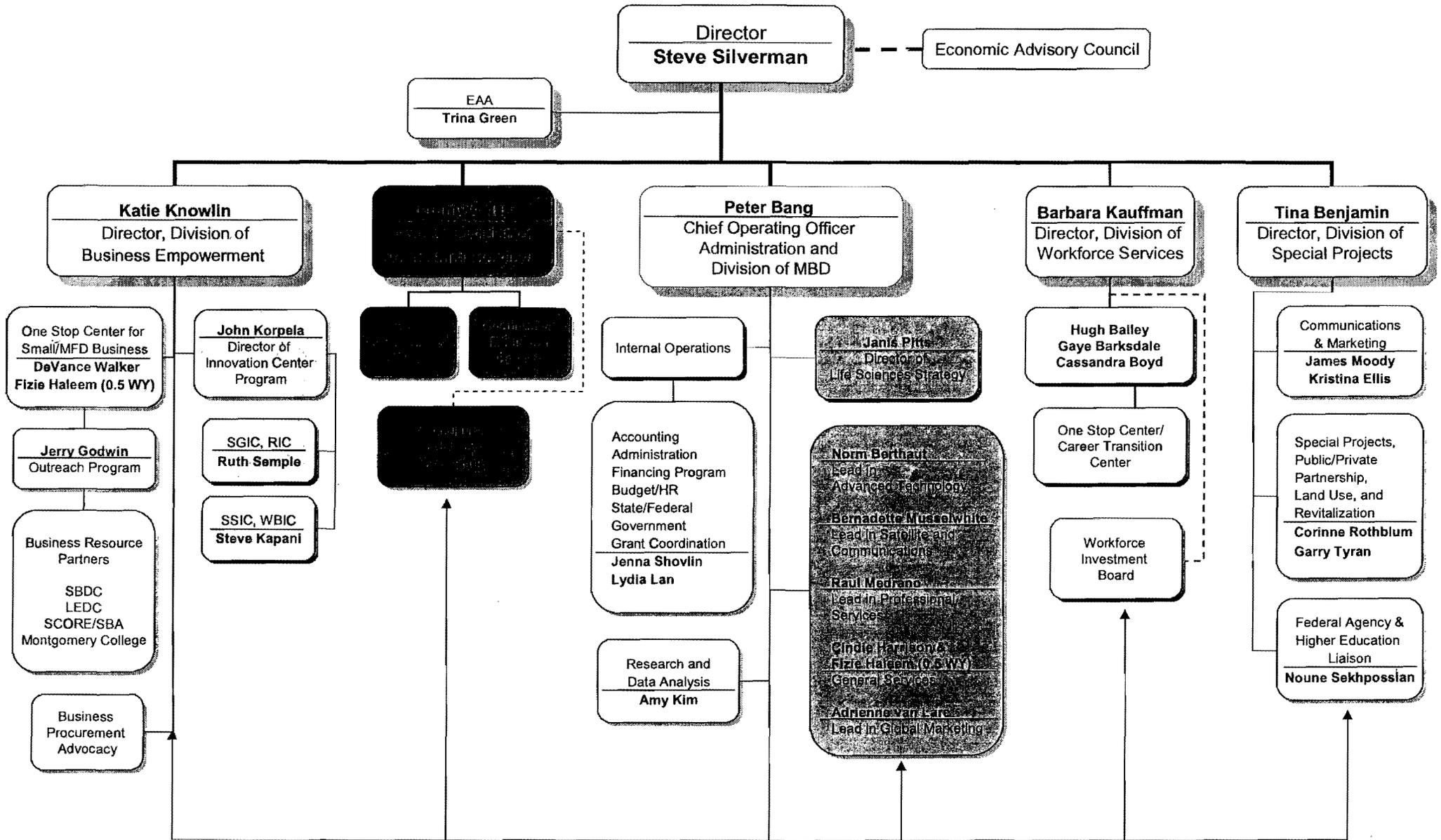
CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY10		FY11	
		Total\$	WYs	Total\$	WYs
COUNTY GENERAL FUND					
CIP	CIP	302,210	2.6	385,460	3.0
Economic Development Fund	Economic Development Fund	132,340	1.0	126,490	1.0
NDA - Conference Center	County General Fund	104,820	1.0	116,170	1.0
Total		539,370	4.6	628,120	5.0

FUTURE FISCAL IMPACTS

Title	CE REC.					
	FY11	FY12	FY13	(\$000's)		
	FY14	FY15	FY16			
<i>This table is intended to present significant future fiscal impacts of the department's programs.</i>						
COUNTY GENERAL FUND						
Expenditures						
FY11 Recommended	6,240	6,240	6,240	6,240	6,240	6,240
No inflation or compensation change is included in outyear projections.						
Motor Pool Rate Adjustment	0	6	6	6	6	6
Restore Personnel Costs	0	134	134	134	134	134
This represents restoration of funding to remove FY11 furloughs.						
Subtotal Expenditures	6,240	6,380	6,380	6,380	6,380	6,380

FY10 DED's Organizational Chart



Providing internal support to all divisions

6

Ag Land Pres Easements -- No. 788911

Category	Conservation of Natural Resources	Date Last Modified	March 25, 2010
Subcategory	Ag Land Preservation	Required Adequate Public Facility	No
Administering Agency	Economic Development	Relocation Impact	None.
Planning Area	Countywide	Status	On-going

EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY09	Est. FY10	Total 6 Years	FY11	FY12	FY13	FY14	FY15	FY16	Beyond 6 Years
Planning, Design, and Supervision	3,252	0	376	2,876	445	458	472	486	500	515	0
Land	18,336	0	13,186	5,150	600	750	850	950	1,000	1,000	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	21,588	0	13,562	8,026	1,045	1,208	1,322	1,436	1,500	1,515	0

FUNDING SCHEDULE (\$000)

Agricultural Transfer Tax	10,568	0	5,418	5,150	600	750	850	950	1,000	1,000	0
Federal Aid	393	0	393	0	0	0	0	0	0	0	0
Investment Income	3,367	0	491	2,876	445	458	472	486	500	515	0
M-NCPPC Contributions	5,000	0	5,000	0	0	0	0	0	0	0	0
State Aid	2,260	0	2,260	0	0	0	0	0	0	0	0
Total	21,588	0	13,562	8,026	1,045	1,208	1,322	1,436	1,500	1,515	0

DESCRIPTION

This project provides funds for the purchase of agricultural and conservation easements under the County Agricultural Land Preservation legislation, effective November 25, 2008, for local participation in Maryland's agricultural and conservation programs. The County Agricultural Easement Program (AEP) enables the County to purchase preservation easements on farmland in the agricultural zones and in other zones approved by the County Council to preserve farmland not already protected by Transferable Development Rights (TDRs) easements or State agricultural land preservation easements.

The Maryland Agricultural Land Preservation Foundation (MALPF) enables the State to purchase preservation easements on farmland jointly by the County and State.

The Rural Legacy Program (RLP) enables the State to purchase conservation easements to preserve large contiguous tracts of agricultural land. The sale of development rights easements are proposed voluntarily by the farmland owner. Project funding comes primarily from the Agricultural Land Transfer Tax, which is levied when farmland is sold and removed from agricultural status. Montgomery County is a State-certified county under the provisions of State legislation, which enables the County to retain 75 percent of the taxes for local use. The County uses a portion of its share of the tax to provide matching funds for State easements.

Beginning in FY10, a new Building Lot Termination (BLT) program will be initiated that represents an enhanced farmland preservation program tool to further protect land where development rights have been retained in the Rural Density Transfer Zone (RDT). This program will use Agricultural Transfer Tax revenue to purchase the development rights and corresponding TDRs retained on these properties.

COST CHANGE

Agricultural Transfer Tax collection and related expenditures were reduced to reflect the slowing economy.

JUSTIFICATION

Annotated Code of Maryland 2-501 to 2-515, Maryland Agricultural Land Preservation Foundation; Annotated Code of Maryland 13-301 to 13-308, Agricultural Land Transfer Tax; and Montgomery County Code, Chapter 2B, Agricultural Land Preservation.

OTHER

FY11 estimated Investment Income expenditure before partial closeout adjustments is \$445,000 and is made up of \$374,000: 1 workyear Business Development Specialist III, 1 workyear Business Development Specialist I, 1 workyear MLS Manager II; \$30,000 - Deer Donation Program; \$10,000 - Montgomery Weed Control Program; and \$31,000 for Cooperative Extension Partnership.

Appropriations are based upon a projection of Montgomery County's portion of the total amount of Agricultural Transfer Tax which has become available since the last appropriation and State Rural Legacy Program grant funding. Appropriations to this project represent a commitment of Agricultural Land Transfer Tax funds and State Aid to purchase agricultural easements. The Agricultural Transfer Taxes are deposited into an investment income fund, the interest from which is used to fund direct administrative expenses, the purchase of easements, and other agricultural initiatives carried out by the Agricultural Services Division. The program permits the County to take title to the TDRs. These TDRs are an asset that the County may sell in the future, generating revenues for

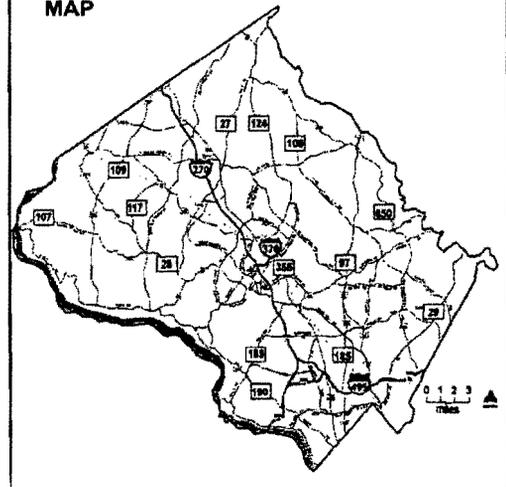
APPROPRIATION AND EXPENDITURE DATA

Date First Appropriation	FY89	(\$000)
First Cost Estimate	FY11	21,588
Current Scope		
Last FY's Cost Estimate		26,756
Appropriation Request	FY11	1,045
Appropriation Request Est.	FY12	1,208
Supplemental Appropriation Request		5,000
Transfer		0
Cumulative Appropriation		8,561
Expenditures / Encumbrances		2,696
Unencumbered Balance		5,865
Partial Closeout Thru	FY08	49,702
New Partial Closeout	FY09	7,383
Total Partial Closeout		57,085

COORDINATION

State of Maryland Agricultural Land Preservation Foundation
 State of Maryland Department of Natural Resources
 Maryland-National Capital Park and Planning Commission
 Landowners

MAP



Ag Land Pres Easements -- No. 788911 (continued)

the Agricultural Land Preservation Fund. The County can use unexpended appropriations for this project to pay its share (40 percent) of the cost of easements purchased by the State. Since FY99, the County has received State RLP grant funds to purchase easements for the State through the County. The State allows County reimbursement of three percent for direct administrative costs such as appraisals, title searches, surveys, and legal fees.

Given changes to the Federal Program, Federal Aid funds are no longer programmed in this project.

FISCAL NOTE

Expenditures do not reflect additional authorized payments made from the Agricultural Land Preservation Fund balance to increase financial incentives for landowners.

OTHER DISCLOSURES

- The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

Montgomery County Incubator Network FY09 Operations Summary and FY10 Projection

Facility/Year Opened	Shady Grove (SGIC) Dec-1999	Rockville (RIC) June-2007	Silver Spring (SSIC) 2004	Wheaton (WBIC) 2006	Germantown (GIC) Nov-2008	Total	NOTE
Present Ownership	County and MEDCO	County and MEDCO	County	Lease from Westfield	Sub-lease from Montgomery College		
Ownership Condition	County ownership upon mortgage payoff in 2019	County ownership upon mortgage payoff in 2032	None	10 year lease with 3% annual escalation until 2015	20 year lease with 3% annual escalation until 2012, then fixed pmt.		
Total Project Capital Costs	\$9.45 million (\$850,000 in County funds)	\$6.6 million (\$900,000 in County funds)	\$2.5 million (\$900,000 in County funds)	\$300,000 (All County funds)	\$6.7 million (\$2.95 million in County funds)		State bonds, TEDCO grants, and Bank mortgages were used for external financing.
Facility Size	60,000 square feet	23,000 square feet	20,000 square feet	12,000 square feet	32,000 square feet	147,000 square feet	
FY09 Average Occupancy Rate	84%	80%	80%	90%	35%		
FY09 Gross Operating Revenue	\$ 1,217,364	\$ 380,065	\$ 268,591	\$ 141,225	\$ 104,121	\$ 2,111,366	
FY09 Allowance for Doubtful Account	\$ (116,243)	\$ (14,760)	\$ (6,014)	\$ (33,077)	\$ -	\$ (170,094)	Delay in rent payments are often collected in subsequent FY.
FY09 Operating Costs	\$ 1,015,962	\$ 343,377	\$ 274,492	\$ 116,046	\$ 267,441	\$ 2,017,318	
FY09 Net Operating Revenue	\$ 85,159	\$ 21,928	\$ (11,915)	\$ (7,898)	\$ (163,320)	\$ (76,046)	
FY09 County Grant	\$ 400,000	\$ 341,000	\$ 20,000	\$ 240,440	\$ 262,000	\$ 1,263,440	In addition to line item appropriations, DED funds were committed to meet the obligations.
Annual Debt Service	(\$470,000)	(\$395,000)	0	0	0	(\$865,000)	
Annual Lease Payment	\$0	\$0	\$0	(\$254,370)	(\$558,730)	(\$813,100)	
FY09 Net Result	\$15,159	(\$32,072)	\$8,085	(\$21,828)	(\$460,050)	(\$490,706)	
FY10 Current Occupancy Rate	89%	100%	100%	100%	90%		
FY10 Projected Gross Revenue	\$ 1,207,075	\$ 447,321	\$ 283,173	\$ 128,076	\$ 520,324	\$ 2,585,969	Based on 02/10 ending actual + 4 month projection.
FY10 Projected Allowance for Doubtful Account	\$ 5,156	\$ 16,716	\$ 22,094	\$ 8,085	\$ (9,166)	\$ 42,885	Positive amounts reflect past FY rent collected in current FY.
FY10 Projected Operating Costs	\$ 1,064,988	\$ 487,102	\$ 301,191	\$ 126,475	\$ 374,368	\$ 2,354,124	
FY10 Projected Net Revenue	\$147,243	(\$23,065)	4076	9686	136790	\$274,730	
FY10 County Operating Grant	\$ 224,710	\$ 400,000	\$ -	\$ 275,270	\$ 312,000	\$ 1,211,980	
Annual Debt Service	(\$470,000)	(\$395,000)	0	0	0	(\$865,000)	
Annual Lease Payment	\$0	\$0	\$0	(\$254,370)	(\$558,730)	(\$813,100)	
FY10 Projected Net Result	(\$98,047)	(\$18,065)	\$4,076	\$30,586	(\$109,940)	(\$191,390)	For SGIC, surplus of \$120,000 is required for the debt coverage ratio.
* For FY11 Budget, the County Executive has recommended an increase of \$205,000 to the County Operating Grant to the Incubator Program to stabilize the operations.							

FY10 Interim Report
DED's Results on Major Goals, Action Items, Implementation Strategies

Goal 1: Retain and grow existing businesses, strategically attract new ones, and enhance entrepreneurial opportunities.

Action Item 1: Execute an aggressive business visitation program for major accounts and companies that have high-wage jobs in the target market segments.

- A. Develop a major accounts program to retain the County's top 100 private sector employers (by jobs) and strategic/emerging industry leaders, activities to include:
- Established a list of 121 major employers and 126 major industry accounts for case management. The goal is to build relationships, understand company/industry strengths and weaknesses, identify how to strengthen industry clusters and partnering opportunities, and bring new business to these accounts. To date, DED business development specialists have visited or contacted 43 of these accounts.
 - Acquired Salesforce.com to capture and update crucial data such as employment and lease of major employers.

Action Item 2. Create more opportunities for Montgomery County companies to identify and compete for Federal, State, and local government and private sector contracts and grants.

- A. Develop and maintain a web-based system whereby County firms can identify, partner, and compete for Federal and County contracts and grants, particularly those available through the American Recovery and Reinvestment Act.
- Worked with an outside vendor to create a federal contracting database – Stimulus Opportunities System (SOS) - listing opportunities through the American Recovery and Reinvestment Act of 2009. A link to the site, which bears branding similar to the department's main site, is posted prominently on the home page.
 - Continued to expand the SOS Contract Database, which is located on the DED website and provides real time federal prime and sub contracting opportunities. Twelve hundred companies have signed up as members and DED is monitoring activities.
- B. Facilitate and/or organize Federal, State, and local government and private business contracting forums, in partnership with County Chambers of Commerce, related business organizations, and federal agencies.
- Coordinated and held a Supplier Diversity Roundtable with major corporations in the County and established an on-going quarterly networking roundtable.
 - Compiled a directory of supplier diversity programs in the County
 - Partnered with the Montgomery County Public School System, Montgomery College, and the Supplier Diversity Roundtable to implement a 'Buy Local' program to expand procurement opportunities for County businesses.

- Currently completing an update of the Small Business Resource Guide. This document is a compilation of resources covering the Regional Resource Centers, technical assistance services, County licenses and permits, financing, procurement, websites, and business organizations. Target date for completion: April 30, 2010.
 - Hosted a briefing in January 2010 by the U.S. Small Business Administration (SBA) Washington Metropolitan Area District Director for 8(a) firms in Montgomery County. The event included an overview of SBA's 8 (a) program and proposed regulation changes.
 - Currently planning a tech transfer showcase for June 2010 at Carderock. This event will involve several industry sectors and provide a platform for local businesses to identify opportunities to do business with Carderock.
- C. Implement a mentor-protégé program for government contracting by working with local and State government contractors.
- Concept development stage.
- D. Develop and implement a training program with partners that will assist companies to become federal contractors and to enhance their skills in developing a winning proposal.
- Hosted five technical assistance seminars on how to compete for to federal, state and local contracts. Overall participant satisfaction was 95 percent. Seminar titles included:

<u>FY09/FY10 Federal Contractor Event</u>	<u>Attendance</u>	<u>Rating</u>
11/4/09 How to secure a GSA Schedule	65	97%
11/18/09 How to write a RFP Response	52	98%
11/24/09 How to write a Marketing Plan	34	95%
12/9/09 I-9 & E-Verify Compliance	43	95%
12/16/09 How to become a federal Contractor	140	95%
2/18/10 Compliance for Wage/Benefits	24	95%
10/4/09 Selling to NIH	244	no rating

DED has several events planned for May/June 2010.

Action Item 3. Develop and implement a targeted marketing strategy to help local businesses succeed in the local, regional, and global marketplace, and to attract new capital investment.

- A. Attract new investment capital into the County
- Developed a policy for evaluating financial support to life science companies that includes a methodology for valuing how an infusion of funds leads to job creation and capital expenditures.
 - Worked with County Council staff to create legislation for a local biotechnology investment tax credit, which was signed into law on March 26th.
 - Continued to cultivate relationships with venture capitalists (VCs); a notable achievement is the attraction of Zyngenia, a biotech company backed by a \$50M commitment from NEA.

- Routinely shared information with VCs and other funding organizations about entrepreneurs so that they can evaluate company viability and the potential for funding.
- B. Acquire or build a comprehensive database of Montgomery County companies so that DED can communicate with the local business community and facilitate communication among companies.
- Acquired Salesforce.com to establish a comprehensive database of Montgomery County companies. To date, 7,722 County companies and related information have been captured by the database.
 - Acquiring a license from the Maryland Department of Labor, Licensing and Regulation ("DLLR") to utilize DLLR maintained archive of ES-202 data provided by all Maryland employers that is comprised, in part, of unemployment insurance data.
 - Subscribed to Biotechgate, a database that houses information on life science companies in Montgomery County, in order to better monitor company/industry development trends.
- C. Revamp the Department's web site to provide for a more interactive experience for visitors. Create additional links to topics of interest, such as procurement opportunities through ARRA. Recode the Department's web pages with keywords and meta tags to optimize our position on major Web search engines – Google, in particular.
- Continued to expand the SOS Contract Database, which is located on the DED website and provides real time federal prime and sub contracting opportunities. Twelve hundred companies have signed up as members and DED is monitoring activities.
 - Began the process of correcting all of the department's Web pages to include both keywords and metatags in its pages. After several months of work, all the pages on the Web site had been properly coded and included:
 - i. page title
 - ii. page headings
 - iii. keywords in the correct area of the page code
 - iv. metatags in the correct area of the page code
 - v. keyword-rich content
 - vi. keyword-rich "alt tags" are used with all photographs
 - Set up a new template that requires the use of keywords and metatags on all new pages so that new pages will not lack this vital information.
 - The revamped pages have resulted in a much improved search engine ranking for the department's Web site over the results achieved in January 2008.
 - i. A search on "economic development" achieves a ranking of 84 (up from 606).
 - ii. A search on "economic development + county" achieves a ranking of 6 (up from 121).

- iii. A search on “economic development + Maryland” achieves a ranking of 8 (up from 11).
 - iv. A search on “county + business incubators” achieves a ranking of 1 (up from 20)
 - The coding has resulted in an increase of approximately 35 percent in new visitors to the Web site in calendar year 2010.
 - The Web site’s content was structured for the web, with pages shortened to prevent the need to scroll more than two screens.
 - The department’s Web site now makes use of a number of links to partner Web sites and many of those sites have reciprocated by linking to our Web site, further optimizing the site’s ranking in search engines.
 - Set up a Google Analytics account to help track Web site visitor statistics such as the number of unique visitors to the site, the average time spent on the site, the number of different pages visited, and the specific keywords visitors use to access the Web site. These vital statistics allows the department to fine tune the keywords we use to further optimize search engine results.
- D. Engage web audiences through the use of new technology platforms such as Internet 2.0.
- Established a Twitter account
 - i. Twitter is used to broadcast positive news about the department and county-based businesses.
 - ii. Twitter is used to broadcast news of upcoming events (seminars, workshops, etc.) for the department and economic development partners.
 - Developing a Facebook page to allow us to communicate directly with constituencies through that platform.
 - Currently testing the utilization of the County’s You Tube site for various formats.
 - Launched new Business Innovation Network (BIN) website:
www.mcinnovationnetwork.com
- E. Engage in newer forms of communication (webinars, broadcast emails, streaming videos, social networking tools and blogs) that will allow the business community to identify business opportunities including strategic partnerships, investment opportunities, and technology licensing opportunities.
- Worked with an outside vendor to create a federal contracting database listing opportunities through the American Recovery and Reinvestment Act of 2009. A link to the site, which bears branding similar to the department’s main site, is posted prominently on the home page.
 - Conducted training seminars for BIN companies on social networking, SEO optimization, digital media marketing and using the Internet to drive sales.
 - Worked with Office of the County Attorney to develop a standardized format for videotaping agreements in order to facilitate broadcasting of economic development training programs and reach a broader audience.
 - Began posting PDF versions of presentations used during its workshops and seminars. This allows a broader audience to benefit from information presented during these sessions by making it available to those unable to attend in person.

- Make available documents relating to both the Green Economy Task Force and the Biosciences Strategy Task Force, and the final reports for both are featured prominently on the department's home page.
- Exploring the use of videos from workshops and seminars through YouTube and through direct streaming.
- Exploring the possibility of establishing one or more blogs to extend the reach of its business development message.
- Developing ways to post the resources for women-owned businesses and for technology transfer on the department's Web site.

Action Item 4. Develop and implement a targeted marketing strategy so that local businesses are aware of available public sector programs and services designed to assist them.

- A. Acquire or build a comprehensive database of Montgomery County companies so that DED can communicate with the local business community and facilitate communication among companies.
- Acquired Salesforce.com to establish a comprehensive database of Montgomery County companies. To date, 7,722 County companies and related information have been captured by the database.
 - Acquiring a license from the Maryland Department of Labor, Licensing and Regulation ("DLLR") to utilize DLLR maintained archive of ES-202 data provided by all Maryland employers that is comprised, in part, of Unemployment Compensation data.
- B. Produce and disseminate through monthly e-newsletters such information as industry spotlights, County programs, new market trends, vital statistics, and DED's as well as the programs and events of its partners.
- Launched the Department's new biweekly e-Biz Update, an electronic newsletter that includes industry spotlights and information on County programs, business and industry data, and DED/partner events.
 - Compiled vital statistics on the County such as unemployment rates, tax rates, federal impact, resident and business profiles, and commercial real estate market to help develop a targeted marketing strategy.

Action Item 5. Proactively recruit firms in targeted industry sectors, especially bio-pharma, aerospace, communications, advanced technology applications, green technology, professional services, and government contracting.

- A. In partnership with industry leaders, clearly identify and articulate industry-specific strengths and weaknesses and conduct cluster analyses to identify strategic targets that will enhance the quality and quantity of clusters.
- The Biosciences Task Force presented its Biosciences Strategy report to the County Executive and County Council in December 2009.
 - The Green Economy Task Force issued its final report and recommendations to the County Executive and County Council in March 2010.

- B. Based on these analyses and recommendations, identify and selectively participate in regional, national, and global biotech, IT and aerospace networking events, trade shows/conferences, and business missions.
- Compiled and participate in a list of networking events, trade shows, and business missions of strategic importance. DED staff has participated in a total of 64 networking events and trade shows.

Goal 2: Adapt to a more competitive business climate by creating an environment where knowledge-based industries and small businesses thrive.

Action Item 1. Focus on developing industry-based clusters as a means of growing the local economic base.

- A. Cultivate existing and emerging industry clusters by conducting small focus groups in order to identify ways the County can grow and strengthen a particular cluster. Focus groups to be convened include community banks, information technology, car dealerships, realtors, general contractors, residential and commercial builders, arts and not-for-profit organizations.
- Coordinated and conducted a non-profit listening session.
 - Created Women Executive Leadership Network comprised of executives of major women's organizations, and created a LinkedIn page for the Network.
 - Designed and delivered the first in a series of events for development and real estate professionals on the services offered by the Departments of Parks, Planning and Permitting Services. The first successful event was in February; the next session is being planned for the third quarter of 2010.
 - Currently planning a tech transfer showcase for June 2010 at Carderock. This event will involve several industry sectors and provide a platform for local businesses to identify opportunities to do business with Carderock.
 - Facilitated, supported, and established connections with Bethesda Green.
 - Supported and established connections with the Maryland Biotechnology Center.
- B. Upon release of their final reports, prioritize the recommendations of the County's BioSciences Task Force and Green Economy Task Force; develop an implementation schedule and annual action plan; and pursue priority items.
- In March 2010, the County Council enacted Expedited Bill 5-10 to establish a local biotechnology investment tax credit supplement for qualified investors in Montgomery County biotechnology companies that receive tax credits through the State's biotechnology investment tax credit program - a priority recommendation of the Biosciences Task Force. Montgomery County is the first local government in the U.S. known to have created a local biotech tax incentive, which will help attract investment in the County's life science companies and help attract new biotech businesses.
 - In early April, Montgomery County convened a group of 15 industry, academic and government leaders to determine their interest in working with a subset of the Biosciences Task Force to craft a detailed implementation plan for the strategy. The concept of creating a separate 501(c)(3) to deliver services and resources was in large

part accepted by participants, and several expressed their willingness to participate in drafting the implementation strategy. A series of follow-up work sessions have been scheduled for April/May, with a targeted launch date for the new entity of July 2010.

- C. Ascertain how the County can partner with the Maryland Clean Energy Center to foster the growth of the energy cluster within the County.
 - Meeting is planned for May 2010.
- D. Create industry-focused teams within DED for business development purposes such as a “Life Sciences Team” and an “Advanced Technologies Team.”
 - DED has completed a refocusing of the organization in mid-FY10, shifting the assignment and focus area of DED staff to align with the strategic goals.
- E. Identify needed changes to the Zoning Ordinance that will stimulate the growth of the County’s green economy, including the use of renewable energy, increased production of locally grown products and other green technologies. Focus on changes that are needed for the agricultural community, and for agricultural land, to accommodate these emerging segments of our economy.
 - The Green Economy Task Force report offers several recommendations related to the County’s zoning code:
 - Allow the “by-right” installation of renewable energy components or other green technologies consistent with community and economic development needs. “By-right” means that if a property owner meets certain criteria, she could install the appropriate renewable energy components on her property without being subject to the special exception process.
 - Include incentives for renewable energy use. Examples include increased density and/or reduced developer impact fees.
 - Promote the growth of the local agricultural industry, by allowing structures like abattoirs, horticultural nurseries, greenhouses, agricultural and milk processing facilities, grain elevators for non feed grade grain, and composting facilities.
 - Shared these recommendations with the Zoning Code rewrite committee, and staff is engaged in the ongoing zoning code rewrite process.

Action Item 2. Foster the ongoing growth and viability of the County’s small business community

- A. Hold focus groups with small business owners in order to identify local government impediments to establishing and expanding a business. Identify systematic changes to County policies and regulations that are needed to retain small employers. Pursue these modifications through legislation and changes to standard County operating procedures.
 - Created Women Executive Leadership Network comprised of executives of major women’s organizations, and created a LinkedIn page for the Network.
 - Coordinated and conducted a non-profit listening session.
 - Coordinated and conducted a listening session with local Chambers of Commerce executives.

- Beginning in February 2010, a counselor from the Maryland Small Business Development Center (SBDC) and a financial specialist from Meridian Management, Inc. (a quasi public/private financing agency) hold office hours within DED one day per week.
 - In March 2010, representatives from the City of Takoma Park and the department agreed to coordinate counseling and business training for local retailers, and are planning a series of small business training sessions.
- B. Institute a “Buy Local” Program, whereby information about contracting opportunities available from large private County companies is disseminated to small firms, and large County companies are encouraged to buy from local small businesses.
- Partnered with the Montgomery County Public School System, Montgomery College, and the Supplier Diversity Roundtable to implement a ‘buy local’ program to expand procurement opportunities for County businesses.
- C. Facilitate and enhance relationships among small and minority businesses and other strategic partners by attending and participating in outreach events that promote the visibility of DED and the services that are available. An emphasis will be placed on introducing entrepreneurs to available public and private resources to foster sustainability and growth.
- Coordinated and held a Supplier Diversity Roundtable with major corporations in the County and established an on-going quarterly networking roundtable.
 - Compiled a directory of supplier diversity programs in the County.
 - Partnered with the Montgomery County Public School System, Montgomery College, and the Supplier Diversity Roundtable to implement a ‘Buy Local’ program to expand procurement opportunities for County businesses.
 - Hosted a briefing in January 2010 by the U.S. Small Business Administration (SBA) Washington Metropolitan Area District Director for 8(a) firms in Montgomery County. The event included an overview of SBA’s 8 (a) program and proposed regulation changes.
- D. Widely distribute marketing and resource materials designed exclusively for small businesses. In order to accomplish this, develop a comprehensive database of small and minority companies.
- Currently completing an update of the Small Business Resource Guide. This document is a compilation of resources covering the Regional Resource Centers, technical assistance services, County licenses and permits, financing, procurement, websites, and business organizations. Target date for completion: April 30, 2010.
- E. Strengthen the partnership with, and develop joint outreach events with the Office of Procurement and other partners to better promote available contracting opportunities, particularly those available through the Local Small Business Reserve Program. Promote local business participation in the Small Business Reserve Program.
- On going effort in every phase of DED’s Small Business related programs to work with DGS and the Office of Procurement. DED has assisted in DGS expanding the

Local Small Business Reserve Program vendor database by migrating federal contractor database.

- F. Develop a series of financial presentations to strengthen entrepreneurs' qualifications to obtain funding.
 - Eight events averaging 50 attendees and 8-10 Financial Institution were held in FY10. These events not only prepares small business owners for future bank financing but also allows them to discuss their loan application during the program with the participating lender.
- G. Continue to expand the Small and Minority Business Mentorship Program.
 - Effort is underway to secure more mentors.
- H. Co-sponsor and participate in procurement fairs that focus on small businesses.

Action Item 3. Enhance the development and availability of knowledge-based workers so that employers and workers can advance in today's economy.

- A. Continue to improve on the services offered by MontgomeryWorks; relocate the LakeForest One-Stop Center to the Up-County RSC.
 - New one-stop center in Germantown opened in late October 2009.
- B. Implement employment and training programs which have been funded through ARRA.
 - Provided summer jobs program for 150 youth with ARRA funds.
 - Other ARRA funds have been used to increase training opportunities.
- C. Organize and sponsor job fairs, recruitments, events and conferences that will meet the needs of County businesses.
 - Following Job Fairs were conducted with the department monitoring the outcomes

Job Fair/Recruitment	Date	Job Seekers	Results
FDA	11/18/09		
Mega Job Fair -Wheaton	11/03/09	1,000	
Home Depot	2/5/10	119	14 hired, 25 still in interview
Home Depot	3/4/10		
Home Depot	2/25/10	140	19 hired, 85 still in interview
Youth Job Fair-Home Depot	1/28/10	210	85 hired

- D. Engage in a strategic planning process for the County's Workforce Investment Board (WIB).
 - The WIB board held a strategic planning retreat in late March and has formed a strategic planning team. A new strategic plan should be completed by June 30, 2010.
- E. Explore and undertake regional and industry sector approaches to workforce development initiatives.
 - Exploring regional and industry approaches in context of grant announcements from US Department of Labor and meetings held with staff from surrounding WIBS.

- Submitted grants to support older workers initiative and the foreign trained health care initiative as regional grants (neither were funded by US Department of Labor).
- F. Explore other funding opportunities (private, discretionary Federal grants and the like) for workforce development programs.
- Secured additional training dollars through the County's energy block grant and through the state of Maryland Energy Sector Partnership grant.
 - Partnered with the Department of Correction and Rehabilitation to submit a grant proposal to support the Re-entry Program through the Second Chance Act.
- G. Advocate for greater funding for Maryland Business Works.
- Given the current fiscal condition of the state, the County has not actively advocated for greater funding from MBW.
- H. Work with Montgomery College, the Universities at Shady Grove, the Johns Hopkins University and the business community to align workforce services with targeted industry clusters and actively seek industry input in the development of training curricula and course offerings.
- Had introductory meetings with Johns Hopkins University, Universities at Shady Grove, Montgomery College
 - Scheduled a meeting with Washington Adventist University
 - Planning a meeting with University of Phoenix (Rockville Learning Center)
 - On-going work with Montgomery College on the DOE Regional Energy Hub Funding Opportunity.

Action Item 4. Cultivate the climate for entrepreneurial growth and expansion within the County

- A. Identify and compile a list of available industry-specific resources for entrepreneurs, forge partnerships with these resources, and devise a delivery system to increase entrepreneurs' access to these resources.
- Compiled a directory of supplier diversity programs in the County.
 - Currently completing an update of the Small Business Resource Guide. This document is a compilation of resources covering the Regional Resource Centers, technical assistance services, County licenses and permits, financing, procurement, websites, and business organizations. Target date for completion: April 30, 2010.
- B. Expand the services and values provided through the County's Business Innovation Network to a broader entrepreneurial community.
- Video equipment and editing software purchased, and standardized format for video taping agreements completed in conjunction with the County Attorney's office
 - Training programs and modules will uploaded into DED web site for broader download and view.
- C. Identify mechanisms that can be implemented to make the County's Business Innovation Network (five successful incubators) more operationally efficient. Explore the potential of

managing an incubator, on a pilot basis, through a public-private partnership. Develop and pursue vehicles to create networking opportunities for current incubator tenants and graduates; the goal being to enhance the success of entrepreneurial start-ups.

- Developing a Business Innovation Network tenant-mentoring panel.
- Increased the number of “Company Info Exchange Days,” “Speed Networking” and “CEO Roundtables” within the Business Innovation Network program of events.

D. Share information about entrepreneurs with prospective venture capitalists, angel investors and other backers, and facilitate new companies’ access to financial resources.

- Part of DED staff daily function.

E. Identify all governmental and private funding opportunities and match companies with these opportunities.

- Organized “Meet the Lenders” seminars to educate businesses on public and private funding programs.

Action Item 5. Working with partners in the private sector, educational institutions, and government, develop capital projects that are responsive to the needs of key industry clusters.

A. Position the Shady Grove Life Sciences Center (GSLSC) for expansion by advocating for increased density through the development of the Gaithersburg West Master Plan and through the redevelopment of under-utilized parcels in the SGLSC.

- The County Council has tentatively approved a master plan with a total of 17.5 million square feet of development, which will enable the redevelopment of low-density properties within the SGLSC and a more dynamic mixed-use development pattern.

B. In partnership with the Johns Hopkins University and the Universities at Shady Grove, support the development of a global science center in the Gaithersburg West planning area where research can be translated into marketable products and processes within the context of a vibrant live/work community.

- In March 2010, Montgomery County and Johns Hopkins University signed a Memorandum of Understanding for the advancement of the biosciences industry, higher education and workforce development.

C. Continue efforts to redevelop the 115-acre Site II property, which neighbors the consolidated FDA campus and the proposed Adventist Hospital in the eastern portion of the County, as a science and technology-focused office park. Continue and complete participation in the Maryland Voluntary Clean-Up Program. Identify necessary infrastructure requirements for the project.

- Project is in voluntary clean-up process

D. Support the creation of a science and technology park at the Germantown campus of Montgomery College that will harness the synergies of academia, government, health care and business.

- DED, in close coordination with the College, is monitoring the progress of the project.

Goal 3: Foster creative and strong partnerships with academia, Federal researchers, the private sector, non-profits and various levels of government to pursue innovative projects, policies and best practices that support business growth and expansion.

Action Item 1. A. Build on the Presence of Federal Agencies and Research and Development Facilities within the County.

- A. Institute a program whereby Federal agencies and installations in the County will be visited by the County Executive and the DED Director as the first step to building a stronger relationship with each of these institutions.
- County Executive has already visited NRC, FDA, NIH
 - A meeting with NIST is scheduled
 - Meetings with National Naval Medical Center, GSA, NOAA, Uniformed Services University of Health Sciences, and Consumer Product Safety Commission are in the planning and scheduling stage.
 - Steve Silverman & DED staff have visited Carderock Naval Surface Warfare Center and Howard Hughes Medical Institute.
- B. Identify and establish a main point of contact within each Federal installation.
- Established contacts with NIH, NCI, Carderock Naval Surface Warfare Center, Howard Hughes Medical Institute, Henry Jackson Foundation
 - Meetings are planned with GSA, DOE, NOAA, CPSC
 - Met with NIST's TIP program Director
 - Working with DBED on CyberMaryland Initiative and Federal Facilities Advisory Board.
 - In touch with Montgomery County Chamber of Commerce regarding its GSA Leases Forum
 - Planning to coordinate with NCI the ground breaking for its new facility at JHU campus.
 - Work with the GSA Real Property Disposal Team on properties in Montgomery County.
 - Work on Montgomery County overview and presentation to GSA scheduled for May, 2010.
 - Hosting a class of NIH scientists interested in entrepreneurship at the Shady Grove Innovation Center to introduce them to State and County resources.
 - NIST – Director of Biotechnology holds a seat on the Germantown Innovation Center's Tenant Review Committee.
 - Innovation Network providing marketing and funding and facility support for the NIH Activate / Innovate Program.
- C. Hire a lobbyist to assist the County in its efforts to retain its existing base of Federal agencies and installations on both Federal campuses and in leased commercial space, and

to help position the County to capture new Federal leasing opportunities that are on the horizon, including expansion of existing facilities.

- Working closely with David Winstead of Holland and Knight, who was hired as the County's lobbyist mid-FY10 on identifying current and potential GSA leases.

D. Strengthen the Federal Technology Network, and partner with the Federal Laboratory Consortium for Technology Transfer to help move technologies and research into the marketplace.

- Hosted a class at the Shady Grove Innovation Center for NIH scientists interested in entrepreneurship to introduce them to State and County resources.
- Invited NIST's Director of Biotechnology to serve on the Germantown Innovation Center's Tenant Review Committee.
- Business Innovation Network is providing marketing, funding and facility support for the NIH Activate/Innovate Programs.
- Working with the MD Biotechnology Center and other partners to create an interactive website/database that brings together academia, federal research and the private sector from across Maryland to stimulate collaborative translational research programs.
- Analyzed existing GSA lease inventories and historical trends in the County as part of DED's initiative to retain and attract federal facilities.

E. Cultivate relationships with academic institutions that receive federal funding.

- Has established relationships with JHU, USG, Montgomery College. UMUC Biotechnology Program
- Meeting is scheduled with Washington Adventist University
- Meeting is being planned with Phoenix University Rockville Learning Center

Action Item 2. Engage in public-private projects to revitalize the County's town centers and provide for strategic redevelopment opportunities.

A. Work with County agencies (i.e. M-NCPPC, Department of Permitting Services, Department of Transportation, Department of Permitting Services and the like) to conduct a comprehensive review of the County's development review process. Make recommendations for change that will result in a more efficient process. Prioritize recommendations and pursue priorities.

- Several mini work meetings took place amongst the executive branch senior managers. More formalized meetings to take place in FY11.

B. Work collaboratively with related County agencies to foster the redevelopment and revitalization of Wheaton's central business district and other areas targeted for revitalization. Actively participate in inter-agency planning efforts to conduct needed market analyses, solicit and select private sector partners, and engage in needed planning functions.

- In February 2010, the County issued an RFQ for redevelopment of County and WMATA owned parcels in the Wheaton CBD. DED director Steve Silverman is serving on the QSC, which met to evaluate proposals in early April.

- C. Support the County's Smart Growth Initiative, with a focus on dense transit-oriented development; affordable, workforce and market-rate housing; high-wage jobs in biosciences and technology, and new higher educational opportunities.
- Utmost emphasis is given to every project that DED works on to ensure that the given project meets/satisfies the Smart Growth Principle.

Goal 4: Create value for County companies by facilitating business opportunities abroad and by attracting global investment in Montgomery County.

Action Item 1. Facilitate international business opportunities for County companies seeking to partner or expand globally.

- A. Collect data (via survey – Phase I already done) on County companies seeking to partner or expand globally. According to a recent survey conducted by the Department of Economic Development among County businesses, 46% of the respondents said that they do business globally. More than a quarter of the respondents expressed interest in receiving assistance from DED with respect to export and partnership.
- DED partnered with the World Trade Center Institute (WTICI) to host the Maryland International Trade & Investment Conference (MITEC) at the Conference Center on 9/25/09. 480 internationally-focused companies and foreign embassies participated. 27% of the participating companies were county companies.
 - DED facilitated one on one counseling sessions for county companies interested in exporting products and services to China & Korea. Twenty County companies received individual counseling from Dept. of Commerce Staff stationed at U.S. embassies in both countries.
 - DED has disseminated information on export-focused programs and opportunities offered by various international stakeholders, including WTICI, U.S. Department of Commerce (DOC), and the Maryland Department of Business & Economic Development.
 - DED promoted DOC's webinar events on Exporting to Central America (1/15/10); and Exporting to Canada, Mexico and the Caribbean (2/8/10).
 - DED also disseminated information on U.S. Department of Commerce-led trade missions to Ghana, Senegal, Saudi Arabia and Qatar.
 - DED has expanded the Salesforce database (DED's MIS System) with current information on County companies engaged internationally through exporting and/or partnerships with foreign counterparts. This includes adding information provided by DBED on key companies in the County that are exporting goods and services.
- B. Revise DED's international website to provide for a more interactive experience for globally engaged companies; Create additional links to topics of interest, such as state and federal resources for exporters.
- Working with reps assigned to international business development, the department revamped the Web pages dedicated to international economic development, export

assistance and direct foreign investment. A single page has been restructured into two to better direct visitors to resources that apply to their specific needs.

- Both of the international pages—dealing with export assistance and direct foreign investment—are updated frequently with fresh information and links to external pages that offer valuable reference material.
- DED’s international webpage has been enhanced. Links are now provided to key export & trade finance-related resources at the state and federal level.
- DED’s international webpage is also now linked to the Maryland International Business Center – the state’s virtual one-stop shop for companies seeking to expand globally.
- DED now highlights current, upcoming trade mission and export-opportunities and events on its international webpage.

C. Proactively seek out opportunities for the County to attract global investment in County companies. A good example is Novavax that formed creative partnership with foreign companies to raise the funds in order to survive. Novavax created an Indian joint venture with a new India-based partner, Cadila Pharmaceuticals Ltd., which also invested \$11 million in the local company under the deal. The company also partnered with Spanish company Rovi Pharmaceuticals and other Spanish health agencies to license out its vaccine-production technology for the development of flu vaccines abroad. That deal also included a \$3 million equity investment by Rovi for Novavax.

- Thus far, in FY10, DED has facilitated the attraction of 5 foreign companies to the county and 1 major expansion of a foreign company.
- DED received investment of \$U.S. 2 million from Korea’s Chungbuk Province. The money will be used to replenish the County’s Small Business Revolving Loan Fund – which provides direct loans to small businesses in the County.

Action Item 2. Proactively attract foreign direct investment to Montgomery County

A. Continue to follow-up on leads generated from recent business development missions to Canada, Europe, Israel, India, China, and Korea.

B. Develop a list of target companies in each priority market.

- DED has prepared country/regional work plans for its priority “Target Countries/Regions” : Israel, China, Korea, and Europe; The work plans outline the strategies and activities to be undertaken in each country/region over the course of FY11
- Ongoing – “Target Companies” are being added to the work plans. DED is taking a more focused approach to FDI attraction, but targeting specific companies in each of our priority international markets.

C. Proactively market Montgomery County to DBED’s 13 overseas offices/representatives, leveraging DBED’s strong overseas presence to access qualified foreign direct investment leads.

- DED is proactively marketing Montgomery County to DBED's overseas offices. In recent months, DED has worked with seven of DBED's thirteen foreign offices: China, India, Taiwan, Brazil, Vietnam, Israel and Colombia.
- D. Enhance DED's international webpage to better communicate the County's strengths and advantages to foreign prospects.
- DED's international webpage (the section for foreign investors) has been enhanced. It now features:
 - ❖ Invest in America's Guide to Federal Incentives and Programs Available to Investors
 - ❖ Maryland Business Basics – a 15-page guide that includes international business assistance information on such topics as: Legal & Taxes, Labor & Workforce; Immigration & Visas; and Intellectual Property Information. The guide is designed to help foreign companies successfully establish a Maryland operation
 - ❖ Links to Doing Business in the U.S. Guides from the top international legal and consulting firms:
 - a. Baker & McKenzie: Legal Guide to Doing Business in the U.S.
 - b. Deloitte: International Tax & Business Guide for the U.S.A
 - c. Gallet Dreyer & Berkey, LLP: Doing Business in the USA
 - d. HLB International: Doing Business in the United States
 - e. KPMG: Investing in the U.S.: A Guide for Foreign Companies
 - f. Salibello and Broder: How to Do Business in the United States
- E. Strengthen relationships with strategic partners such as Chungbuk Province of Korea and the Chinese Biopharmaceutical Association (CBA) to generate business leads.
- DED staff has completed a mission to Chungbuk Province of Korea in March, and Chungbuk's exchange staff to the County will start two-year term in late April. DED through continued annual sponsorship is working with the CBA to generate additional China business development opportunities.
- F. Upgrade international collateral/marketing materials (including foreign language versions) as a means of improving international recruitment efforts. Examples include professional video clips on successful incubator graduates.
- G. Build strong relationships with County-based international entrepreneurs in order to leverage networks in their countries of origin.
- H. Continue to be an active member of the Great Washington Initiative and other global organizations which organize regional and international networking events.
- DED remains an active member of the Greater Washington Initiative (GWI). We collaborated with GWI on their international company directory project, providing them with an updated list of foreign companies with a presence in Montgomery County. This directory features web & physical addresses of the 130 foreign companies located here.

- I. Strengthen relations with international organizations that have business ties to Canada, Israel, Europe, and Asia.



Year	Expenses		
1994	\$151,356	\$0	
1995	\$192,295	\$0	
1996	\$187,230	\$0	
1997	\$151,989	\$ 34,799.00 +\$500,000.00	\$500,000 for drought asst.
1998	\$169,733	\$ 16,953.00	
1999	\$174,051	\$ 40,116.00	
2000	\$264,176	\$171,132.00	
2001	\$408,208	\$ 4,068.00	
2002	\$167,940	\$ 90,303.00	2WY Jeremy & John
2003	\$123,405	\$153,955.00	2WY Jeremy & John
2004	\$94,293	\$163,259.00	1.0 John, .6 Jeremy
2005	\$187,318	\$193,180.00	1.0 John, .6 Jeremy
2006	\$627,555	\$222,573.00	1.0 John, .6 Jeremy
2007	\$843,338	\$234,307.00	1.0 John, .6 Jeremy, .5 Agatha
2008	\$649,967	\$236,743.00	1.0 John, 1.0 Agatha, .6 Jeremy
2009	\$171,552	\$335,338.00	1.0 John, 1.0 Agatha, .6 Jeremy
Total	\$4,564,406.00	\$2,396,726.00	\$2,167,680.00 available

Funding drain on the CIP under current budget parameters*

Fiscal Year	Total Available for CIP	Total Available for CIP Less: Other Available for CIP	Total Available for CIP Less: Other Available for CIP	Total Available for CIP Less: Other Available for CIP
FY2010	\$2,167,680	—	\$445,000	= \$1,722,680
FY2011	\$1,722,680	—	\$458,350	= \$1,264,330
FY2012	\$1,264,330	—	\$472,100	= \$792,230
FY2013	\$792,230	—	\$486,263	= \$305,967
FY2014	\$305,967	—	\$500,850	= -\$194,883

* Assumes no additional funds into the CIP

Funding drain on the CIP if Extension budgets and migrated from operating to CIP*

Fiscal Year	Operating Budget	Extension Budget	Migration to CIP	Result
FY2010	\$2,167,680	—	\$445,000	= \$1,722,680
FY2011	\$1,722,680	—	\$560,500	= \$1,162,180
FY2012	\$1,162,180	—	\$577,315	= \$584,865
FY2013	\$584,865	—	\$594,634	= -\$9,769

* Assumes no additional funds into the CIP