

Bill No. 14 -12
Concerning: Economic Development
Fund – Amendments
Revised: September 11, 2012 Draft No. 7
Introduced: March 20, 2012
Enacted: September 18, 2012
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Council President Berliner and Councilmembers Riemer, Ervin, Elrich, Leventhal, Navarro,
and Rice

AN ACT to:

- (1) require the Executive to propose and update an economic development strategic plan for the County, subject to Council approval;
- (2) establish criteria for offers of financial assistance from the Economic Development Fund that promote the County's approved economic development strategic plan;
- (3) require the Council to approve certain offers of assistance from the Economic Development Fund; and
- (4) generally amend the County economic development laws.

By amending

Montgomery County Code
Chapter 20, Finance
Sections 20-75 and 20-76

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

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

1 **Sec. 1. Sections 20-75 and 20-76 are amended as follows:**

2 **20-75. Use of Fund.**

3 (a) The Director may spend or allocate funds from this Fund consistent
4 with the economic development strategic plan approved under Section
5 20-76 ~~[[and on the basis of criteria defined]]~~ in a Regulation adopted
6 under method (1), including the following criteria:

7 (1) the proposed assistance will materially improve the County's
8 economy and advance County economic development objectives
9 and strategies; or

10 (2) the assistance is necessary to:

11 (A) bring a significant number of new jobs to the County;

12 (B) add a significant number of new jobs to an existing
13 operation in the County;

14 (C) retain a significant number of jobs at an existing operation
15 in the County or

16 (D) respond to other economic development objectives.

17 (b) The Director must provide the Council with all fiscal analyses and other
18 supporting documents for any proposed offer of assistance to a private
19 employer valued at more than \$100,000. The supporting documents
20 must include:

21 (1) the name, industry, location, employee compensation profile, and
22 estimated current and future taxes paid by the prospective
23 recipient;

24 (2) the estimated employment and tax revenue gains resulting from
25 the proposed assistance;

26 (3) each assumption, variable, and model used to generate estimates
27 of employment and tax revenue gains;

- 28 (4) the number of new residents estimated to move into the County
- 29 resulting from gains in employment by the proposed recipient;
- 30 (5) the number and cost of new students estimated to enroll in
- 31 County public schools;
- 32 (6) an analysis of how the proposed assistance supports the overall
- 33 goals of the economic development strategy; and
- 34 (7) offers, if any, made by or expected from other competing
- 35 jurisdictions.

36 (c) The Executive must notify the Council at least [2] 5 working days

37 before the Executive tentatively offers assistance valued at more than

38 \$100,000 to a private employer, including all fiscal analyses and other

39 supporting documents described in subsection (b). During a Council

40 recess of one week or longer, the Executive must notify the Council at

41 least [5] 10 working days before the Executive tentatively offers

42 assistance valued at more than \$100,000 to a private employer. If

43 during either notice period the Council President notifies the Executive

44 that more time is necessary for the Council to [comment] review the

45 tentative offer, the Executive must wait an additional [2] 5 working days

46 (or [5] 10 working days during a Council recess) before [offering]

47 making a tentative offer of assistance to the private employer.

48 [(c)] (d) The ~~[[Council]]~~ Executive must ~~[[approve each]]~~ not provide

49 ~~[[offer of]]~~ assistance to a private employer valued at more than

50 \$500,000 unless the grant or loan is approved by the Council in a

51 special or supplemental appropriation. The amount of any discount

52 from market value in the sale of County property offered as part of the

53 assistance must be included in the value of the assistance. The

54 Executive must submit an economic development agreement to the
 55 Council within 60 days after all parties to the agreement execute it.

56 (e) The notice required under subsection [(b)] (c) must also specify the
 57 proposed terms of any assistance offered, including any repayment
 58 provisions.

59 [(d)] (f) Unless expressly inconsistent with any other federal, state, or County
 60 law, the terms of any assistance from the Fund must require the
 61 recipient to meet certain performance criteria specified in the offer of
 62 assistance, including a repayment agreement unless the Executive
 63 [describes] justifies why repayment of assistance is not required.

64 [(e)] (g) * * *

65 **20-76. Economic Development Strategic Plan, Administration.**

66 (a) The Executive must submit, by method 1 regulation, [[a proposed]] an
 67 economic development strategic plan for the County to the Council for
 68 approval on or before July 1, 2015 and [[of]] each [[even numbered]]
 69 fourth year thereafter. [[The Council may amend the proposed strategic
 70 plan and must approve a final strategic plan by resolution.]] The
 71 success or progress of the strategic plan must be measurable and the
 72 plan must include measures to address:

- 73 (1) job creation;
- 74 (2) private sector compensation and benefits;
- 75 (3) target industries;
- 76 (4) target geographic areas;
- 77 (5) workforce education and training;
- 78 (6) growth in tax base;
- 79 (7) economic opportunity for residents;
- 80 (8) encouragement of entrepreneurs and small business;

- 81 (9) land use; and
- 82 (10) other actions necessary to promote economic development in the
- 83 County.

84 (b) The Executive may adopt Regulations under method (1) to administer
85 this Fund.

86 [[b)] (c) The Executive must report by March 15 each year on the status and
87 use of the Fund. This report can be included in the Executive’s
88 proposed operating budget. The annual report must:

- 89 (1) describe the success of each award of financial assistance in
90 satisfying the economic development goals supporting the
91 assistance;
- 92 (2) identify any assistance agreement where the recipient did not
93 satisfy the performance criteria in the agreement; and
- 94 (3) track the progress of the Fund in satisfying the overall goals of
95 the approved economic development strategic plan.

96 **Sec. 2. Transition.**


97 The County Executive must submit the initial [[proposed]] method 1
98 regulation containing an economic development strategic plan to the Council for
99 approval not later than 180 days after this Act becomes law. In addition to the
100 requirements of 20-76(a), the initial proposed economic development strategic plan
101 must:

- 102 (a) analyze the County’s economic development structure;
- 103 (b) compare the County’s structure with peer jurisdictions;
- 104 (c) identify and analyze different alternative government and non-
105 government entities that could perform each core function of economic
106 development;

107 (d) determine the total amount of public and private money spent in each
108 peer jurisdiction to achieve current levels of service; and

109 (e) recommend changes, if appropriate, to the County's structure.

110 *Approved:*

111 

Roger Berliner, President, County Council

9/19/2012

Date

112 *Approved:*

113 _____
Isiah Leggett, County Executive

Date

114 *This is a correct copy of Council action.*

115 _____
Linda M. Lauer, Clerk of the Council

Date