
Economic Development

MISSION STATEMENT

The mission of the Department of Economic Development (DED) is to make Montgomery County a globally competitive and highly diversified knowledge-based economy that provides for the retention and growth of existing companies, stimulates new job creation, and enhances entrepreneurial opportunities. This mission is divided into four strategic areas: 1) retain and grow existing businesses, strategically attract new ones, and enhance entrepreneurial opportunities; work to ensure that all business sectors benefit from the knowledge-based economy; 2) adapt to a more competitive business climate by creating an environment where knowledge-based industries and small businesses thrive; 3) foster creative and strong partnerships with academia, the federal research community, the private sector, and various levels of government to pursue innovative projects, policies and best practices that support business growth and expansion; 4) establish global linkages to facilitate business opportunities abroad, attract international investment to Montgomery County, and foster trade and joint ventures for Montgomery County businesses.

BUDGET OVERVIEW

The total approved FY12 Operating Budget for the Department of Economic Development is \$8,334,330, a decrease of \$294,840 or 3.4 percent from the FY11 Approved Budget of \$8,629,170. Personnel Costs comprise 38.8 percent of the budget for 35 full-time positions and three part-time positions for 26.5 workyears. Operating Expenses account for the remaining 61.2 percent of the FY12 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 FY11 estimates incorporate the effect of the FY11 savings plan. FY12 and FY13 targets assume the approved FY12 budget and FY13 funding for comparable service levels.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ ***Organized and completed County Executive's visits to all federal agencies in Montgomery County to meet with agency directors of real estate property, including FDA, NIH, DOE, NIST, NNMC, and GSA to work closely and market the county for retention and attraction of federal tenants and assisting with GSA property disposal.***
- ❖ ***Organized a Supplier Diversity Roundtable comprised of major corporations in the county to encourage them to "Buy Local" and expand procurement opportunities for County businesses.***
- ❖ ***Created The Federal and Academic Technology Transfer Welcome Center in the Shady Grove Innovation Center to enable local businesses to access presentation information, calendar of local and national tech transfer related events, grant deadlines, federal laboratory and academic technology transfer funding resources, technology locators and other resource information in one-stop setting.***
- ❖ ***Productivity Improvements***
 - ***Implemented using social media, Facebook and Twitter to disseminate marketing and program information and engage in opinion survey to reflect in policy recommendation and strategy setting in County's 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 trade missions, and other major events that provide exposure and opportunities to market and promote the County's economic vision.

Program Performance Measures	Actual FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Jobs created by existing business expansion within three years of DED involvement	945	1009	660	759	759
Jobs created by new business attraction within three years of DED involvement	857	532	635	744	744
Total new capital investment by newly attracted businesses and start-up businesses through DED involvement (in millions)	20	32	16	20	20
Percent of active prospects successfully closed per fiscal year	16%	19%	17%	17%	17%
Total new capital investment by businesses currently located in the County through DED involvement (in millions)	187	512	128	133	133
New commercial space occupied by newly attracted businesses and start-up businesses through DED involvement (sq. feet)	237,800	184,613	140,000	160,000	160,000
New commercial space occupied by businesses currently located in the County through DED involvement (sq. feet)	1,096,000	1,881,022	919,466	929,257	929,257
Total new prospects developed	92	107	75	75	75
Actual total jobs created by DED per fiscal year	680	600	500	500	500

FY12 Approved Changes	Expenditures	WYs
FY11 Approved	873,190	5.8
Enhance: Marketing Initiatives	350,000	0.0
Decrease Cost: World Trade Center Institute Support	-5,000	0.0
Decrease Cost: Technology Council of Maryland Support	-10,000	0.0
Decrease Cost: Incubator Program - Abolish One Office Services Coordinator	-39,710	-1.0
Decrease Cost: Abolish Business Development Specialist-MBD	-117,950	-1.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	74,890	1.2
FY12 Approved	1,125,420	5.0

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 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 FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Amount of federal grant funding received by County incubator companies (in millions)	5.9	4.3	5.2	4.4	4.4
Amount of private equity financing received by County incubator companies (in millions)	28	10.8	11.8	16.9	16.9
Number of intellectual property issued to County incubator companies	58	14	43	38	38
Number of new jobs created by incubator companies during the incubation period	125	181	165	180	180
Number of new jobs created by incubator companies post graduation	46	51	50	49	49
Percent of participants satisfied with DED sponsored technical assistance and training programs	NA	92%	94%	96%	96%

FY12 Approved Changes	Expenditures	WYs
FY11 Approved	1,059,660	7.8
Decrease Cost: Small Business Development Center Support	-5,000	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	5,060	-0.8
FY12 Approved	1,059,720	7.0

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 provides support to the Board by implementing directives and policy initiatives.

WS is funded by \$3 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 was 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 provides 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 FY10, MontgomeryWorks served over 14,000 adult and youth clients with core services, intensive counseling services, and occupational skills training. Youth services are provided through the Maryland Multicultural Youth 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 FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Number of employers assisted with training	40	40	40	40	40
Number of employers assisted with recruitment	120	120	120	120	120
Number of DED job related placements for unemployed adults-dislocated, older, and disadvantaged workers ¹	13,775	12,650	12,900	13,200	13,200

¹ The County received additional federal stimulus grants at the end of FY09, but FY10 placements will decrease due to 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.

FY12 Approved Changes	Expenditures	WYs
FY11 Approved	3,268,820	3.8
Reduce: Workforce Services - Abolish Program Manager II Position	-90,670	-1.0
Decrease Cost: Workforce Services	-372,500	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-36,030	1.2
FY12 Approved	2,769,620	4.0

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 and Deer Donation programs.

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 youth development 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 FY09	Actual FY10	Estimated FY11	Target FY12	Target FY13
Cumulative farm acres protected	70,832	71,332	71,832	71,832	71,832
Number of farm businesses assisted	94	140	160	160	160

FY12 Approved Changes	Expenditures	WYs
FY11 Approved	631,780	4.6
Shift: Funding for Agricultural Programs to the CIP	-129,930	-1.8
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-7,630	0.2
FY12 Approved	494,220	3.0

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 installations to advance the County's economic base. The program also administers the Department's overall communications efforts through mass and electronic 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 the east County area at White Oak, and manages the Conference Center NDA.

FY12 Approved Changes	Expenditures	WYs
FY11 Approved	564,960	4.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-32,130	0.0
FY12 Approved	532,830	4.0

Finance and Administration

This program is responsible for developing the department's short and long term strategies, and managing and servicing all departmental administrative functions including fiscal, procurement, grant applications and monitoring, IT, and human resources allocation and management. This program also 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, and applies and negotiates financial assistance from the State for the County's businesses.

FY12 Approved Changes	Expenditures	WYs
FY11 Approved	2,230,760	4.8
Increase Cost: Energy Costs for the Incubator Program	260,120	0.0
Increase Cost: Property Tax Increase at Rockville Innovation Center	35,250	0.0
Increase Cost: Condominium Fees at the Rockville Innovation Center	22,800	0.0
Decrease Cost: Funding for a Sr. Financial Specialist Position in Finance and Administration	-53,800	-1.0
Decrease Cost: Reduce Incubator Subsidy for the Shady Grove Innovation Center	-160,350	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	17,740	-0.3
FY12 Approved	2,352,520	3.5

BUDGET SUMMARY

	Actual FY10	Budget FY11	Estimated FY11	Approved FY12	% Chg Bud/App
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	3,507,256	2,866,950	2,883,940	2,589,740	-9.7%
Employee Benefits	969,074	852,250	842,680	642,850	-24.6%
County General Fund Personnel Costs	4,476,330	3,719,200	3,726,620	3,232,590	-13.1%
Operating Expenses	2,723,180	2,565,950	2,495,360	2,757,720	7.5%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	7,199,510	6,285,150	6,221,980	5,990,310	-4.7%
PERSONNEL					
Full-Time	46	38	38	35	-7.9%
Part-Time	3	3	3	3	—
Workyears	40.6	30.8	30.8	26.5	-14.0%
REVENUES					
State Salary Reimb: Soil Cons District Mgr	53,108	48,710	48,710	48,710	—
County General Fund Revenues	53,108	48,710	48,710	48,710	—
GRANT FUND MCG					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
Grant Fund MCG Personnel Costs	0	0	0	0	—
Operating Expenses	3,930,827	2,344,020	2,344,020	2,344,020	—
Capital Outlay	0	0	0	0	—
Grant Fund MCG Expenditures	3,930,827	2,344,020	2,344,020	2,344,020	—
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.2	0.0	0.0	0.0	—
REVENUES					
Workforce Investment Act/Federal Economic Stimulus	1,135,990	0	0	0	—
Workforce Investment Act Grants	1,691,628	2,344,020	2,344,020	2,344,020	—
Disability Program Navigator	189,120	0	0	0	—
Wagner-Peyser Grant	349,709	0	0	0	—
MD Neg Brac	19,156	0	0	0	—
State General Funds	174,599	0	0	0	—
TANF	130,146	0	0	0	—
ARRA Early Intervention	171,591	0	0	0	—
ARRA Maryland Business Works	68,888	0	0	0	—
Grant Fund MCG Revenues	3,930,827	2,344,020	2,344,020	2,344,020	—
DEPARTMENT TOTALS					
Total Expenditures	11,130,337	8,629,170	8,566,000	8,334,330	-3.4%
Total Full-Time Positions	46	38	38	35	-7.9%
Total Part-Time Positions	3	3	3	3	—
Total Workyears	40.8	30.8	30.8	26.5	-14.0%
Total Revenues	3,983,935	2,392,730	2,392,730	2,392,730	—

FY12 APPROVED CHANGES

	Expenditures	WYs
COUNTY GENERAL FUND		
FY11 ORIGINAL APPROPRIATION	6,285,150	30.8
<u>Changes (with service impacts)</u>		
Enhance: Marketing Initiatives [Marketing and Business Development]	350,000	0.0
Reduce: Workforce Services - Abolish Program Manager II Position [Workforce Services]	-90,670	-1.0
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Energy Costs for the Incubator Program [Finance and Administration]	260,120	0.0
Increase Cost: Restore Personnel Costs - Furloughs	81,430	1.2
Increase Cost: Property Tax Increase at Rockville Innovation Center [Finance and Administration]	35,250	0.0
Increase Cost: Annualization of FY11 Lapsed Positions	32,200	0.3
Increase Cost: Condominium Fees at the Rockville Innovation Center [Finance and Administration]	22,800	0.0
Increase Cost: Printing and Mail Adjustment	1,980	0.0
Increase Cost: Motor Pool Rate Adjustment	1,510	0.0
Increase Cost: Help Desk - Desk Side Support	1,080	0.0
Decrease Cost: Small Business Development Center Support [Business Empowerment]	-5,000	0.0
Decrease Cost: World Trade Center Institute Support [Marketing and Business Development]	-5,000	0.0
Decrease Cost: Technology Council of Maryland Support [Marketing and Business Development]	-10,000	0.0
Decrease Cost: Verizon Frame Relay Replacement	-22,100	0.0
Decrease Cost: Retirement Adjustment	-35,720	0.0
Decrease Cost: Group Insurance Adjustment	-38,480	0.0
Decrease Cost: Incubator Program - Abolish One Office Services Coordinator [Marketing and Business Development]	-39,710	-1.0
Decrease Cost: Funding for a Sr. Financial Specialist Position in Finance and Administration [Finance and Administration]	-53,800	-1.0
Decrease Cost: Abolish Business Development Specialist-MBD [Marketing and Business Development]	-117,950	-1.0
Shift: Funding for Agricultural Programs to the CIP [Agricultural Services]	-129,930	-1.8
Decrease Cost: Reduce Incubator Subsidy for the Shady Grove Innovation Center [Finance and Administration]	-160,350	0.0
Decrease Cost: Workforce Services [Workforce Services]	-372,500	0.0
FY12 APPROVED:	5,990,310	26.5
GRANT FUND MCG		
FY11 ORIGINAL APPROPRIATION	2,344,020	0.0
FY12 APPROVED:	2,344,020	0.0

PROGRAM SUMMARY

Program Name	FY11 Approved		FY12 Approved	
	Expenditures	WYs	Expenditures	WYs
Marketing and Business Development	873,190	5.8	1,125,420	5.0
Business Empowerment	1,059,660	7.8	1,059,720	7.0
Workforce Services	3,268,820	3.8	2,769,620	4.0
Agricultural Services	631,780	4.6	494,220	3.0
Special Projects	564,960	4.0	532,830	4.0
Finance and Administration	2,230,760	4.8	2,352,520	3.5
Total	8,629,170	30.8	8,334,330	26.5

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY11		FY12	
		Total\$	WYs	Total\$	WYs
COUNTY GENERAL FUND					
CIP	CIP	385,460	3.0	588,000	4.2
Economic Development Fund	Economic Development Fund	126,490	1.0	120,540	1.0
NDA - Conference Center	County General Fund	116,170	1.0	115,460	1.0
Total		628,120	5.0	824,000	6.2

