

**MEMORANDUM**

TO: County Council

FROM: ~~MM~~ Michael Faden, Senior Legislative Attorney

SUBJECT: **Introduction:** Bill 28-10, Economic Development – Business Development Corporation - Establishment

Bill 28-10, Economic Development – Business Development Corporation - Establishment, sponsored by Council President Floreen, Councilmember Trachtenberg, Council Vice President Ervin and Councilmembers Navarro and Knapp, is scheduled to be introduced on April 27, 2010. A public hearing is tentatively scheduled for May 18 at 1:30 p.m.

Bill 28-10 would authorize and encourage County government to support a Montgomery Business Development Corporation and specify the members of, and the process to appoint and confirm members of, the Corporation Board of Directors.

<u>This packet contains</u>	<u>Circle</u>
Bill 28-10	1
Legislative Request Report	7

Bill No. 28-10  
Concerning: Economic Development –  
Business Development Corporation –  
Establishment  
Revised: 4-16-10 Draft No. 7  
Introduced: April 27, 2010  
Expires: October 27, 2011  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

---

By: Council President Floreen, Councilmember Trachtenberg, Council Vice President Ervin and  
Councilmembers Navarro and Knapp

---

**AN ACT to:**

- (1) authorize and encourage County government to support a Montgomery Business Development Corporation;
- (2) specify the members of, and the process to appoint and confirm members of, the Corporation Board of Directors;
- (3) define the nature and powers of the Corporation; and
- (4) generally amend County laws relating to economic development.

By adding

Montgomery County Code  
Chapter 30B, Montgomery Business Development Corporation

<b>Boldface</b>	<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. Chapter 30B, Montgomery Business Development Corporation, is**  
 2 **added as follows:**

3           **Chapter 30B, [Reserved] Montgomery Business Development Corporation.**

4 **30B-1. Policy objectives; Corporation activities.**

5           Recognizing that (1) the future success of Montgomery County related to  
 6 education, infrastructure, public safety, public welfare, and quality of life is built  
 7 on a vibrant and growing economy, (2) successful businesses are the key to  
 8 creating this economy, and (3) government must create a legislative and regulatory  
 9 environment which encourages business success, the County Government supports  
 10 the formation of a Montgomery Business Development Corporation.

11           The mission of the Montgomery Business Development Corporation is to  
 12 develop the vision for the County's economic future and to recommend and  
 13 advocate for legislative and regulatory changes that move the culture and  
 14 regulatory environment so that business success can create that vibrant and  
 15 growing economy.

16           The Corporation must:

- 17           (a) establish a vision of the economic future of the County founded on  
 18 sound financial and economic condition and policies;
- 19           (b) develop and articulate strategies designed to achieve that vision,  
 20 advocate for legislative and regulatory changes necessary to  
 21 accomplish that vision, set measurements, and regularly report on the  
 22 County's success in meeting its objectives and goals;
- 23           (c) provide leadership on economic issues at both the County and State  
 24 levels;
- 25           (d) engage business leaders and other key stakeholders in developing and  
 26 implementing economic development strategies;

- 27           (e) maintain close liaison with government agencies and elected  
 28           representatives at both the County and State levels to achieve the  
 29           goals of the Corporation; and
- 30           (f) undertake any other activities deemed by the Board of Directors to  
 31           support the mission of the Corporation.

32   **30B-2.       Definition.**

33           In this Chapter “Corporation” means the Montgomery Business  
 34   Development Corporation.

35   **30B-3.       Board of Directors.**

- 36           (a) The Board of Directors of the Corporation must have no more than 11  
 37           members. In addition, the Director of the Department of Economic  
 38           Development, the Superintendent of the County Public Schools or a  
 39           Deputy Superintendent assigned by the Superintendent, and the chair  
 40           of the County Planning Board or the Planning Director assigned by  
 41           the chair, serve as ex-officio non-voting members.
- 42           (b) Each voting member must be either a resident of the County or  
 43           employed in the senior management of a major company which has a  
 44           significant presence in the County. The County Executive must  
 45           appoint the remaining members, subject to confirmation by the  
 46           County Council, as follows:
- 47           (1) one volunteer officer of a Chamber of Commerce in the County  
 48           who is recommended by the Chambers of Commerce;
- 49           (2) one owner of a small business in the County;
- 50           (3) one owner or officer of the senior management of a medium-  
 51           sized business located in the County; and
- 52           (4) up to 8 officers from the senior management of major  
 53           companies which have a significant presence in the County.

- 54 (c) The Board must recommend one or more persons to the Executive to  
 55 fill any vacancy on the Board. The Executive may reject any person  
 56 recommended to serve on the Board and in that case must request  
 57 additional recommendations from the Board.
- 58 (d) Of the members initially appointed to the Board, 4 must be appointed  
 59 to 1-year terms, 4 must be appointed to 2-year terms, and 3 must be  
 60 appointed to 3-year terms. Thereafter each voting member serves a 3-  
 61 year term. At the end of a term, a member continues to serve until a  
 62 successor is confirmed. A member who is appointed to complete an  
 63 unexpired term serves only for the rest of that term or until a  
 64 successor is confirmed.
- 65 (e) The Executive may reappoint a member for one additional term who  
 66 is recommended by the Board to serve an additional term, but a  
 67 member must not serve more than 2 consecutive full terms.
- 68 (f) The Executive may remove a member for malfeasance, misfeasance,  
 69 or nonfeasance, or another reason specified in the Corporation bylaws.
- 70 (g) The Board must periodically select a chair and vice-chair, and may  
 71 select from among its members any other officer to perform duties it  
 72 finds necessary.
- 73 (h) A member must not be paid for service on the Board but may be  
 74 reimbursed for necessary travel expenses.
- 75 (i) A member is not subject to Chapter 19A because of serving on the  
 76 Board.
- 77 (j) The Board must direct the program, management, and finances of the  
 78 Corporation.
- 79 **30B-4. Status; incorporation; bylaws.**
- 80 (a) The Corporation is a quasi-public corporation organized under the  
 81 laws of Maryland. It is not an instrumentality of County government.

82 It may exercise all powers and is subject to all requirements which  
 83 apply to non-stock corporations under the Corporations and  
 84 Associations Article of the Maryland Code.

85 (b) The Executive, or any person designated by the Executive, must  
 86 execute and file Corporation articles of incorporation, approved by  
 87 resolution by the Council, for recording with the State Department of  
 88 Assessments and Taxation. When the articles of incorporation are  
 89 accepted for recording by the Department of Assessments and  
 90 Taxation, the Corporation becomes a body corporate, lawfully and  
 91 properly created.

92 (c) The Council may amend the articles of incorporation by adopting a  
 93 resolution submitted by the Board of Directors and approved by the  
 94 Executive or, if the resolution is disapproved by the Executive,  
 95 readopting it by a vote of 6 Councilmembers. Any amendment must  
 96 be filed and recorded with the State Department of Assessments and  
 97 Taxation.

98 (d) The Board must adopt bylaws for the Corporation, subject to approval  
 99 by the Council. Those bylaws must include provisions regulating  
 100 conflicts of interest by Board members and by Corporation staff, if  
 101 any. The public must be given at least 15 days to comment on the  
 102 proposed by-laws, or any amendment to the bylaws, before the  
 103 Council approves them.

104 **30B-5. Work program.**

105 (a) The Corporation must adopt a work program each year to advance the  
 106 policy objectives and perform the activities listed in Section 30B-1.

107 (b) In its work program, the Corporation should complement the strategic  
 108 economic development activities of the Department of Economic  
 109 Development.

110 (c) The Corporation's work program may include a plan for sponsorship  
 111 of private investment, marketing, and advocacy initiatives.

112 (d) The Board must meet with the Executive and Council at least semi-  
 113 annually, and must advise the Executive and Council on economic  
 114 development and related matters.

115 **30B-6. Staff; support from County Government.**

116 (a) The County Government must provide administrative and financial  
 117 support for the Corporation, including contracts, grants, or services in  
 118 kind, subject to appropriation.

119 (b) The Office of Management and Budget, the Department of Finance  
 120 and other departments of County government and County-funded  
 121 agencies, if requested, must provide relevant economic data to the  
 122 Corporation. The research division of the Planning Board must  
 123 provide research support to the Corporation.

124 (c) The Corporation should review and comment on data furnished under  
 125 subsection (b).

126 (d) The Corporation may also raise private funds and may accept services  
 127 from any source consistent with its purposes.

128 **30B-7. Report.**

129 The Board of Directors must report annually on the activities and finances of  
 130 the Corporation to the Executive and Council.

131 *Approved:*

132

---

Nancy Floreen, President, County Council

Date

## LEGISLATIVE REQUEST REPORT

Bill 28-10

### *Economic Development – Business Development Corporation - Establishment*

<b>DESCRIPTION:</b>	Authorize and encourage County government to support a Montgomery Business Development Corporation. Specify the membership of and process to select the Corporation's Board of Directors.
<b>PROBLEM:</b>	The County's economic development efforts would benefit from support and advice from a high-level private business organization
<b>GOALS AND OBJECTIVES:</b>	To advance the economic development and prosperity of the County
<b>COORDINATION:</b>	County Executive, Department of Economic Development
<b>FISCAL IMPACT:</b>	To be requested.
<b>ECONOMIC IMPACT:</b>	To be requested.
<b>EVALUATION:</b>	To be requested.
<b>EXPERIENCE ELSEWHERE:</b>	To be researched.
<b>SOURCE OF INFORMATION:</b>	Michael Faden, Senior Legislative Attorney, 240-777-7905
<b>APPLICATION WITHIN MUNICIPALITIES:</b>	To be researched.
<b>PENALTIES:</b>	Not applicable

F:\LAW\BILLS\1028 Economic Devel.-Business Devel.Corp\Legislative Request Report.Doc