

## Bill 20-25, Economic Development Strategic Plan Schedule- 7/8/25

Gordie Brenne, Treasurer, Montgomery County Taxpayers League

Our economic development strategy to expand our commercial tax base is not competitive and needs a new approach. We urge you to test new strategies to expand our commercial tax base before the bill's new March 2027 Council draft deadline. This will also mitigate the structural deficit time bomb that will explode in two years. The next Executive Director does need time to take control of the process. But this time should be used by the Council to lay the groundwork for success. Use this bill to clearly state the Council's objectives for the next plan so there is no surprise about what's expected, and taxpayers have assurance that you're making changes today so that the next plan can be implemented quickly and go beyond the aspirational wallpaper of past plans. Here are three suggestions:

1. **Refocus on commercial employers beyond Life Sciences-** AstraZenica is one of the largest organizations in our commercial tax base, and we just lost their plant expansion to Frederick County. Other planned development in north Bethesda is too focused on government agencies that don't pay taxes. White Oak development is mostly residential with only temporary construction jobs and its' very expensive and risky proposed TIF financing solution should be left to the next accountable CE to figure out. Why aren't we keying on leisure and hospitality jobs where we already have strengths with Marriott and Choice hotels?
2. **Include Transportation Solutions-** This is totally ignored in the current plan for political reasons. Fixing the American Legion Bridge and the Beltway are key to networking our employment strengths across the DMV.
3. **Restructure Property Taxes-** We need more competitive recruitment subsidies and other measures to avoid the structural deficit time bomb that will hit just as you are trying to implement the next plan. The Taxpayers League income tax testimony (5/13/25) called for a new economic development model to pace increasing government costs with commercial job growth to reduce our dependence on government jobs, and provide more property and income tax revenue to pay for growth. Restructuring the property assessment process with a county takeover will allow us to lower the property tax rate, give the state higher income taxes in exchange for their 10% haircut, increase accountability, and boost revenue efficiency by \$500 million.