

Resolution No.: 18-442  
Introduced: April 5, 2016  
Adopted: April 12, 2016

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: County Council at the request of the County Executive

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**SUBJECT:** Maryland Economic Development Assistance Authority and Fund loan to assist The Donohoe Companies, Inc.'s relocation to Montgomery County (\$500,000)

**Background**

1. The County Executive endorses a conditional loan of \$500,000 to The Donohoe Companies, Inc. ("Donohoe") from the State of Maryland under the Maryland Economic Development Assistance Authority and Fund ("MEDAAF"), which is codified as Md. Code Ann., Econ. Dev. §§5-301-5-349.
2. MEDAAF provides conditional grant/loans to businesses engaged in eligible industries locating to or expanding in a "priority funding area" in the State of Maryland. Proceeds from the grant/loan may be used by the borrower to reimburse for the acquisition or construction of buildings or real estate, and acquisition, construction and installation of machinery, equipment, furnishings, fixtures, leasehold improvements, site improvements, or infrastructure improvements.
3. The County has approved a conditional grant of \$100,000 from the County's Economic Development Fund ("EDF") to assist Donohoe's relocation to the County (the "County Match") on September 23, 2014. This grant will be funded from the current EDF fund balance. Through this grant, Montgomery County has met the requirement of financing a part of the costs of the project which is equal to at least 10% of the financial assistance to be provided from MEDAAF, as required by Section 5-319(d) of the Economic Development Article, Annotated Code of Maryland.
4. The State will disburse the MEDAAF loan to Donohoe upon the State entering a MEDAAF Agreement with Donohoe. The County is not a party to this MEDAAF Agreement with Donohoe.
5. Donohoe is the region's oldest full-service real estate company. The company engages in construction, real estate services, revitalization of neighborhoods, and facilities

management as well as hospitality. The company is also one of the area's largest private companies as ranked by the Washington Business Journal.

6. After evaluating sites in D.C., Bethesda, and Arlington, the company has recently signed a lease for the property located at 7101 Wisconsin Avenue, Bethesda, Maryland, with a total of 45,000 square feet. The total capital investment is estimated to be \$2.5 million, and the company plans to hire an additional 40 full-time jobs in addition to relocating its current 240 jobs to the County. This relocation/expansion project is consistent with the County's economic development strategic plan.
7. Md. Code Ann., Econ. Dev. § 5-319(d) requires the governing body of the jurisdiction in which the project is located to endorse, by a formal resolution, the granting of the MEDAAF loan for the project.
8. The County has determined that granting the MEDAAF loan for the project is in the best interest of the citizens of the County.
9. The County Executive requests that the Council adopt this formal resolution approving the MEDAAF loan for the project.

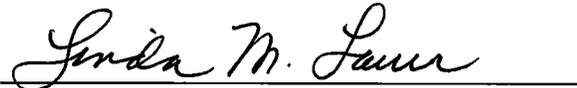
**Action**

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

The County Council hereby endorses the granting of the referenced MEDAAF loan for the project.

This Resolution is effective upon its adoption in accordance with applicable law.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council