

Resolution No.: 18-627
Introduced: October 4, 2016
Adopted: October 18, 2016

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsors: County Council at the Request of the Executive

SUBJECT: Maryland Economic Development Assistance Authority and Fund
Loan to assist Tracx US, Inc.'s expansion in Montgomery County (\$500,000)

Background

1. The County Executive endorses a conditional loan of \$500,000 to Tracx US, Inc. ("Tracx") 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 attract Tracx to the County and assist its expansion in the County (the "County Match") on 5/16/2016. 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 the Section 5-319(d) of the Economic Development Article, Annotated Code of Maryland.
4. The State will disburse the MEDAAF loan to Tracx upon the State entering a MEDAAF Agreement with Tracx and upon the County disbursing its grant. The County is not a party to this MEDAAF Agreement with Tracx.
5. The social economy represents one of the most significant opportunities in software today. Tracx, founded in 2011 in New York, is the leading social business cloud for marketing and customer engagement in the new social economy. Its solution tracks and analyzes mass amounts of data from the social web to deliver deep insights into customers, competitors and influencers. The company is a wholly-owned subsidiary of Tracx System, Ltd, an Israel-chartered corporation. The company will relocate and expand its US and global headquarters from New York City to Montgomery County.

6. After evaluating sites in D.C., Bethesda and Northern Virginia, the company has signed the lease for the property located at 7250 Woodmont Avenue, Suite 200, Bethesda, Maryland with a total of 14,143 square feet. The company plans to employ 200 full time permanent employees in the County by the end of 2020. This attraction/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.

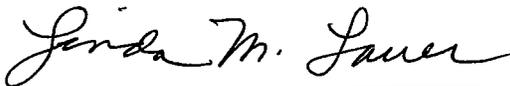
Action

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 Lauer, Clerk of the Council

Approved:


Isiah Leggett, County Executive