

Resolution No.: 18-644
Introduced: October 18, 2016
Adopted: October 25, 2016

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council at the Request of the Executive

SUBJECT: Maryland Economic Development Assistance Authority and Fund
Loan to assist Saint-Gobain Performance Plastics Corp.'s expansion in
Montgomery County (\$120,000)

Background

1. The County Executive endorses a conditional loan of \$120,000 to Saint-Gobain Performance Plastics Corp. ("Saint-Gobain") from the State of Maryland under the Maryland Economic Development Assistance Authority and Fund ("MEDAAF"), which is codified under Md. Code Ann., Econ. Dev. §§5-301-5-349.
2. MEDAAF provides conditional grants and 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 or loan may be used by the borrower to reimburse it 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 \$80,000 from the County's Economic Development Fund ("EDF") to assist Saint-Gobain's relocation and expansion in the County ("grant") on December 8, 2015. This grant will be funded from the current EDF fund balance. With the grant, Montgomery County has met the requirement of financing a part of the costs of Saint-Gobain's relocation and expansion in the County, which is equal to at least 10% of the financial assistance to be provided from MEDAAF, as required by the §5-319(d) of the Economic Development Article.
4. The State will disburse the MEDAAF loan to Saint-Gobain upon the State entering a MEDAAF Agreement with Saint-Gobain. The County is not a party to this MEDAAF Agreement with Saint-Gobain.
5. Saint-Gobain, a division of the Innovative Materials Sector is headquartered in Aurora, Ohio, and employs approximately 4,000 people in 16 countries. It is a world leader in high-performance plastics, including flexible tubing, seals, coated fabrics, foams, window film, barrier/release films, tapes, medical components, and bearings. To meet this demand, Saint-Gobain is considering leasing manufacturing space to house the new

process, potentially investing over \$18 million in equipment and facility infrastructure. Currently Saint-Gobain has 28 employees in Montgomery County with a plan to create 30 new jobs by 2020. Saint-Gobain can either expand the current operation in Montgomery County or integrate the operation into another existing Saint-Gobain manufacturing plant in other states.

- 6. After evaluating different locations for its manufacturing facilities, the company has decided to relocate to another site in the County, 50 West Watkins Mill Road, Gaithersburg, Maryland. This attraction/expansion project is consistent with the county's economic development strategic plan.
- 7. Section 5-319(d) of the Economic Development Article requires the governing body of the jurisdiction in which the project is located to endorse, by a formal resolution, the State's grant 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 to support Saint-Gobain' relocation and expansion in Montgomery County.

Action

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

The County Council hereby endorses the State's grant of a \$120,000 MEDAAF loan to support Saint-Gobain Performance Plastics Corp.'s costs in connection with its relocation and expansion in Montgomery County.

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