

Resolution No.:	<u>18-1206</u>
Introduced:	<u>July 17, 2018</u>
Adopted:	<u>July 24, 2018</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Maryland Economic Development Assistance Authority and Fund
Loan to assist Abt Associates, Inc. expansion in Montgomery County (\$750,000)

Background

1. The County Executive endorses a conditional loan of \$750,000 to Abt Associates, Inc. (the “Company”) 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 \$250,000 from the County’s Economic Development Fund (“EDF”) to assist the Company’s expansion and job-growth in the County (“grant”) on June 28, 2016. This grant was funded from the current EDF fund balance. With the grant, Montgomery County has met the requirement of financing a part of the costs of the Company’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 the Company upon the State entering a MEDAAF Agreement with the Company. The County is not a party to this MEDAAF Agreement with the Company.

5. The Company was founded in Massachusetts in 1965 with a mission of addressing global social issues through international development and public policy research. The Company focuses on social issues related to education, environment and energy, food security and agriculture, health, housing, workforce and economic mobility, and governance and justice. that are intertwined with the quality of life and economic well-being of people worldwide. The company employs over 2700 persons worldwide and over 450 at its principal offices in Bethesda. Annual revenue is in excess of \$300 million and the Company is one of USAID's largest contractors.
6. The project consists of the Company's expansion and headquarters relocation to 6130 Executive Boulevard in Rockville where it will occupy 150,000 square feet and invest \$9.3 million in Improvements and FF&E, in addition to \$9.3 million in landlord concessions. The Company will hire an additional 50 permanent full-time employees by 2022.
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 the Company's 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 \$750,000 MEDAAF loan to support Abt Associates, Inc.'s expansion in Montgomery County.

This is a correct copy of Council action.



Megan Davey Limarzi, Esq.

Clerk of the Council