

Economic Impact Statement

Office of Legislative Oversight

Bill 5-22

Economic Development Corporation – Board of Directors – Membership

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Bill 5-22 would have an insignificant impact on economic conditions in the County in terms of the Council's priority indicators.

BACKGROUND

Bill Description

According to the County Executive's transmittal memorandum, the Montgomery County Economic Development Corporation (MCEDC) "is facing a critical juncture as six Board members are term limited and soon to depart. MCEDC is justly concerned that the loss of institutional knowledge from the Board all at once could set the Corporation back in their crucial mission of spearheading economic development for the County."¹ The goal of Bill 5-22 is to increase the continuity of knowledge on the Board of Directors of the Montgomery County Economic Development Corporation (hereinafter "the Board") and improve its functioning.² The Bill would attempt to achieve these goals by expanding and altering the membership of Board in the following ways:

- (1) increasing the number of County Executive-appointed voting members of the Board from 11 to 13; and
- (2) requiring the immediate former Chair of the Board and the Chief Executive Officer of the County's Workforce Development Organization be included as ex-officio, non-voting members of the Board.³

INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

Per Section 2-81B of the Montgomery County Code, the purpose of this Economic Impact Statement is to assess Bill 5-22's impacts on County-based private organizations and residents in terms of the Council's priority economic indicators.⁴ OLO concludes that expanding and altering the membership of the MCEDC Board would have no significant, direct impacts on local economic conditions. However, OLO notes that these changes could have indirect economic impacts, depending on

¹ Elrich to County Council, Memorandum, February 7, 2022.

² Legislative Request Report, Bill 5-22.

³ Bill 5-22; Wellons to County Council, Memorandum, March 9, 2022.

⁴ Montgomery County Code, Sec. 2-81B.

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whether the new Board members' views on economic development and growth would be similar or dissimilar to the views of current members.

VARIABLES

Not applicable

IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

Businesses, Non-Profits, Other Private Organizations

Not applicable

Residents

Not applicable

DISCUSSION ITEMS

Not applicable

WORKS CITED

Elrich, Marc to Gabe Albornoz. [Memorandum](#). February 7, 2022.

Montgomery County Code. [Sec. 2-81B, Economic Impact Statements](#).

Montgomery County Council. [Bill 5-22, Economic Development Corporation – Board of Directors – Membership](#). Introduced on March 15, 2022.

Wellons, Christine to County Council. [Memorandum](#). March 9, 2022.

CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative

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process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.