

MEMORANDUM

June 17, 2020

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM: Gene Smith, Legislative Analyst

SUBJECT: Maryland Tech Council – Business Continuity Task Force

PURPOSE: Discussion and recommendation on special appropriation

Those expected for this worksession:

Martin Rosendale, CEO, Maryland Technology Council
Tina Benjamin, Special Projects Manager, Office of the County Executive

The PHED Committee will receive a briefing from the Maryland Technology Council (MTC) about its Business Continuity Task Force. In addition, the committee will review the special appropriation introduced on June 9, 2020 to support this initiative in the County.

I. Business Continuity Task Force

MTC provided details regarding the Business Continuity Task Force (BCTF) on ©1-3. The BCTF will provide technical experience for small to mid-size tech and life sciences businesses in the County to aid in navigating the economic landscape post-health crisis. The support will include assistance to retain and rehire staff, maintain revenue streams, and access capital. The BCTF includes experienced business leaders, some of whom led businesses through the 2008 recession, to provide technical and operational assistance to businesses to execute a recovery plan.

The Council introduced a \$250,000 FY20 special appropriation to fund this effort in the County (see ©4-6). The funding supports staff salary, outreach, and administrative costs for the program in the County. MTC estimates that approximately 65-80 County businesses will receive support based on the \$250,000 funding level. MTC will partner with the County to broadly market this opportunity to small to mid-sized tech and life science businesses in the County. The program is anticipated to run for about a year.

II. County Recovery Mission Areas

The Executive created a recovery framework for the County to assess and receive stakeholder input as the County reopens and recovers from the health crisis. One mission area for this recovery framework is “Economic Revitalization.” There are five working groups for the Economic Revitalization as detailed below.

- 1) Advanced Technology and Life Sciences
- 2) Hospitality, Culture, and Entertainment
- 3) Restaurant and Retail
- 4) Small Business
- 5) Workforce Development

Ms. Benjamin is the County facilitator for Advanced Technology and Life Sciences, and she will be available for today’s discussion to coordinate the County’s effort with MTC and the broader recovery efforts of the County.

This packet contains:

	<u>Circle #</u>
MTC – BCTF program summary	1
MTC – BCTF press release	2
Special appropriation resolution	4

Maryland Technology Council Business Continuity Task Force Program Summary

Overview: Small to mid-size businesses (SMBs) typically create more new jobs than large businesses, but also suffer the majority of job destruction or contraction in challenging times. The Maryland Technology Council (MTC) has formed a Business Continuity Task Force (BCTF) equipped to help SMBs navigate the economic downturn caused by the COVID-19 pandemic and help SMBs excel during the economic recovery. The Business Continuity Task Force will focus on life science and technology companies with more than one full-time employee and less than 250. Support and guidance will be provided by highly experienced mentors at no charge to the company, and the term of the engagement will be open to accommodate ongoing needs of the company.

Purpose: The BCTF will help companies maximize their resilience, plan for an optimal recovery, execute the recovery plan and reimagine what the future may look like – ensuring these businesses will have the greatest opportunity to survive the pandemic and thrive afterwards. To maximize the success of the BCTF, the program will leverage the proven policies and principals of the incredibly successful MTC Venture Mentoring Services (MTC VMS) Program. Over the past 5 years, the VMS Program has helped companies raise \$55 million in funding, \$47 million of that for Montgomery County businesses.

Members: Initially, the MTC Business Continuity Task Force is made up of experienced executives that have participated in MTC mentor training programs. The BCTF members have led or guided CEOs and companies through past Black Swan type events such as the 2008 Great Recession or Dot Com Bubble.

Activity: CEOs and company leadership teams may request contact with a member of the Task Force. The initial discovery discussion will focus on the challenges the company is facing. The Task Force Member may provide immediate guidance to the company and refer other specialists to the company for support and assistance. The Task Force Member may also rely on other members of the Task Force to assess those challenges and provide insights as to priority and response. Task Force Members may provide guidance through contractor referrals and introductions to other resources to address challenges and help CEOs and leadership teams examine complex and difficult decisions.

For Immediate Release

Maryland Tech Council Establishes Business Continuity Task Force to Help Maryland Tech and Life Sciences Companies Affected by COVID-19

Frederick, Maryland, May 21, 2020 — The **Maryland Tech Council (MTC)** announces today the formation of its [Business Continuity Task Force](#) to assist tech and life science entrepreneurs in Maryland who are navigating the economic downturn due to COVID-19. The MTC Task Force is comprised of experienced business leaders who have led companies through financial crises such as the 2008 Recession. Small to mid-size businesses (SMBs) in the life sciences and technology industries are invited to apply online to be matched with a task force member to receive assistance.

“One of MTC’s main beliefs is using innovation to improve quality of life, which is critical now with the challenges caused by the business disruptions related to the coronavirus. Our members are companies from across the region, and we want to use the community we have built to support business leaders that are presently struggling,” said MTC CEO Martin Rosendale. “The aim of the task force is to

focus beyond the current situation, and to help those companies with their plans on how to excel well beyond the circumstances caused by COVID-19.”

The Business Continuity Task Force is guided by policies and principles of the Maryland Tech Council Venture Mentoring Services (MTC VMS) program. The MTC VMS Program is one of the leading team mentoring services available in the State of Maryland that is both highly sophisticated and results-driven. It exists to foster an environment that encourages innovation, while expanding financial and business opportunities for tech, cyber and life science start-ups.

The founding members of the MTC Task Force include:

- Martin Rosendale, CEO of Maryland Tech Council
- Bill Enright, Serial Biopharmaceutical Executive and CEO of Vaccitech Ltd.
- Jay Turakhia, Business Banking Market Leader, SunTrust/Truist
- Eddie Snyder, Principal and Chairman, Snyder Cohn
- Dennis O'Brien, Financial and Operations Executive with international life science experience
- Neil Davis, Former Director of Entrepreneurial Initiatives, TEDCO
- Doug Holly, Principal at Eagle Management Group with engineering technology experience
- Tom Thomson, Managing Partner, T. Thomson & Associates, LLC

Once they are paired with a task force member, business leaders will share their challenges via an initial call and may receive immediate guidance as well as referrals to specialists and available resources to support their businesses.

Companies requesting assistance should apply at the following link: <https://mdtechcouncil.com/maryland-technology-council-business-continuity-task-force/>

Click here to read the release on BusinessWire

About Maryland Tech Council

The Maryland Tech Council (MTC) is a collaborative community that is actively engaged in building strong technology and life science industries by supporting the efforts of our individual members. We are the largest technology and life sciences trade association in the state of Maryland, and we provide value by giving members a forum to learn, share, and connect. MTC brings the region's community together into a single, united organization that empowers our members to achieve their business goals through advocacy, networking and education. The vision for the Maryland Tech Council is to propel Maryland to become the number one innovation economy for life sciences and technology in the country. For more information: mdtechcouncil.com.

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Resolution No.: _____
Introduced: June 9, 2020
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead sponsors: Councilmembers Riemer, Katz, Hucker, Albornoz, Friedson, Glass, Navarro, and Rice

SUBJECT: Special Appropriation to the Fiscal Year 2020 Operating Budget
Maryland Tech Council, Support for COVID-19 Response – Business Continuity
Task Force, \$250,000 (Source of Funds: General Fund Reserves)

Background

1. Section 308 of the County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.
2. A new coronavirus disease, named COVID-19, appeared in China in December 2019 and spread extremely quickly. On March 11, 2020, the World Health Organization declared the disease a pandemic. The April 11, 2020 situation report from the World Health Organization stated that the number of confirmed cases worldwide has exceeded 1.6 million, (approximately 1.5 million more than 1 month earlier). As of June 2, 2020, there were 11,731 cases and 584 deaths in Montgomery County.
3. To slow the spread of the disease, Governor Hogan declared a State of Emergency and has issued several Executive Orders with actions that include, but are not limited to, closing schools; prohibiting activities by non-essential businesses that restrict traditional on-site operations; closing senior centers and adult medical day care programs; limiting the number of people that can gather; and closing all gyms, movie theaters, and bars and restaurants (excluding carryout and delivery service).
4. The efforts to contain the spread of the disease and the disease itself continues to have a crippling impact on Montgomery County's local business community and non-profit organizations.
5. The Maryland Tech Council (MTC) has created the Business Continuity Task Force

(BCTF) to assist tech and life science entrepreneurs in Maryland that are navigating the economic downturn due to the health crisis. The BCTF includes experienced business leaders who have led businesses through the financial crisis, like the 2008 recession; this team will help small and mid-sized tech and life science businesses plan for an optimal recovery and execute the recovery plan based on the economic conditions following the health crisis.

6. The MTC will partner with local jurisdictions and Economic Development Organizations (EDO) to market the BCTF's services to small and mid-sized tech and life science businesses.
7. The MTC is seeking financial support from Maryland jurisdictions and local Economic Development Organizations to provide the BCTF's services to businesses in local jurisdictions at no cost to the businesses. The MTC is providing \$100,000 of undesignated funding to seed-fund the BCTF's early-stage operations.
8. A FY20 Operating Budget special appropriation is requested for the Maryland Tech Council:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$250,000	\$250,000	General Fund Undesignated Reserve

9. This special appropriation is needed so that MTC may provide its recovery services through the BCTF to small and mid-sized businesses in Montgomery County at no cost to the County businesses.
10. Notice of public hearing was given and a public hearing was held.

Action

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

A special appropriation to the FY20 Operating Budget for the Maryland Tech Council:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$250,000	\$250,000	General Fund Undesignated Reserve

This appropriation is needed to act without delay in the public interest.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council