

MCEDC FY23 Budget & Strategic Plan of Action

Montgomery County
Economic Development
Corporation (MCEDC)

County Council
PHED Committee Hearing
(May 4, 2022)



SUPPORTING INCLUSIVE ECONOMIC GROWTH IN MONTGOMERY COUNTY



MCEDC Funding Sources to Support Montgomery County's Business Growth: County Special Appropriations

Working with the Executive and the Council, MCEDC has formed partnerships with government, industry, academia, nonprofits, and community stakeholders to support an economic recovery.

- **Montgomery County Special Appropriations**

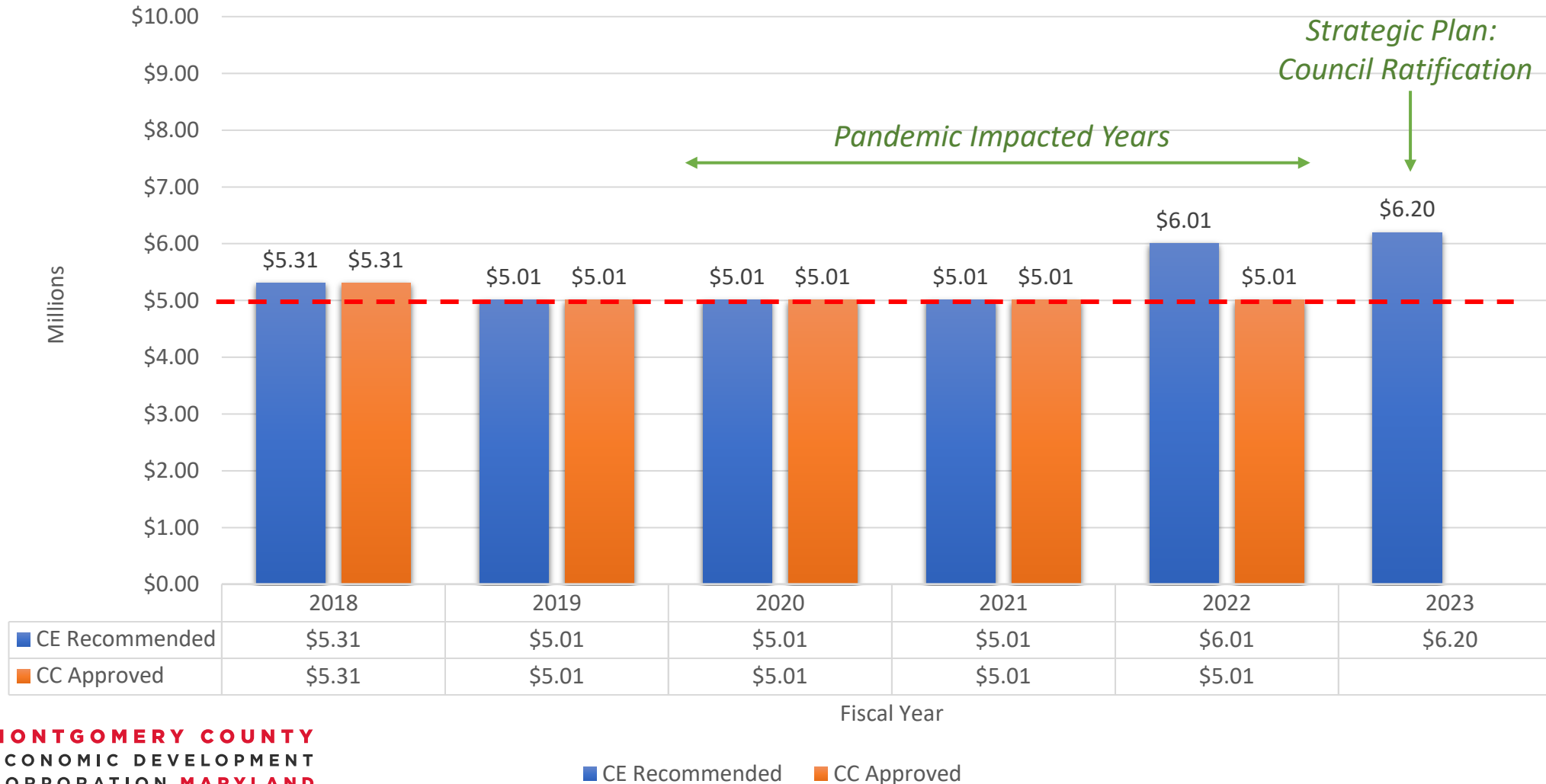
- Over \$22 million in direct business grant assistance programs that provided support for companies to remain open and sustain themselves during a challenging time of quarantine and government-imposed restrictions.
 - These business grants included:
 - Three rounds of restaurant relief
 - Assistance for local businesses to pivot and manufacture PPE to meet a critical demand shortage
 - Grants to support reimagining of retail and restaurant operations
 - Technology funding to support business telework and/or e-commerce

MCEDC Funding Sources

to Support Montgomery County's Business Growth: State, Federal, Corporate & Foundational Contributions

- **State Funding**
 - Economic Development Non-Profit Grants (DHCD): \$3.4 million
 - MCEDC Selected as a VLT Fund Manager (Commerce): Initial Allocation of \$1.5 million
- **Federal Funding**
 - Congressional Appropriations (Commerce Cabinet, Downtown Silver Spring): \$300,000
 - Pending Economic Development Administration Grant Applications:
 - Wheaton Sustainable Innovation Zone
 - Good Jobs Challenge (Hospitality)
 - Build Back Better (Cybersecurity)
- **Corporate and Foundational Funding**
 - Over \$330,000 in corporate and external business support (PEPCO et al.)
 - Rockefeller Foundation (IEDC Equity Communities & Inclusive Economy): \$25,000

MCEDC Historic County Appropriations: Four Years of Flat or Declining Funding Since 2019



MCEDC Economic Development Impact

Since 2017, MCEDC has assisted numerous companies by providing guidance, resources and incentives. Below is a summary of MCEDC's impact from 2017 to present.

Net New Sq. Ft.	Capital Investment	Jobs Created	Jobs Retained
4,465,318	774,741,086	9,631	8,018



*We got our first loan from LEDC today. **It's 25k in working capital** to help us expand... Thank you for pointing us in their direction! Once we are cash flow positive in our new market we look forward to going back to them for another, larger sum that we can use to finance the technological upgrades our business sorely needs. **I appreciate your MCEDC help and guidance very much.***



— Aaron Seyedian, Founder of Well-Paid

Roadmaps to Achieve Consensus, Strengthen and Redefine Montgomery County's Economic Development Future



**Montgomery County
Economic Development
Strategic Plan**
Council Ratified April 2022



**MCEDC Economic Advisory Panel
Action Plan**
Released October 2021

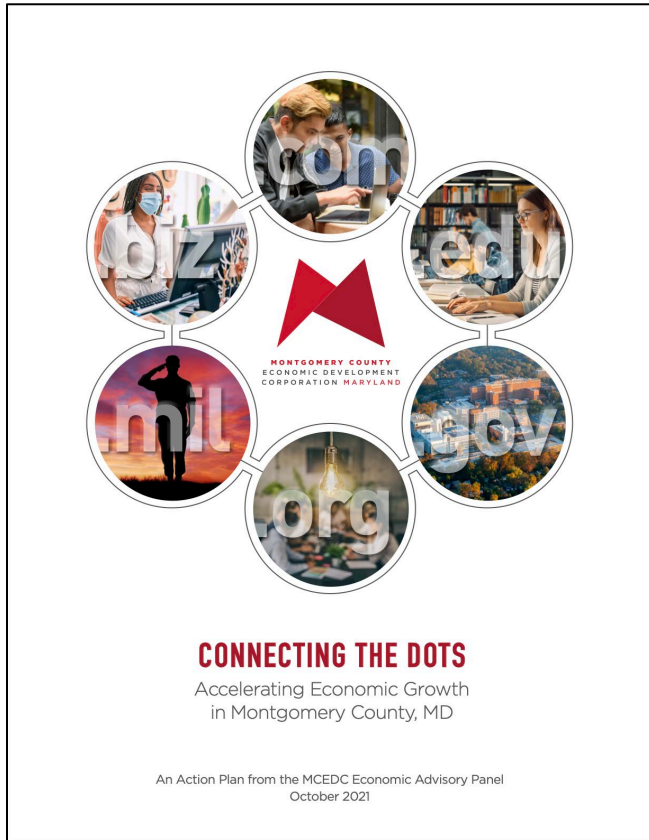
Moving Forward Together: Montgomery County Economic Development Strategic Plan



Strategic Priorities for a Unified Approach to Economic Development:

1. Accelerate Innovation Economic Drivers and Entrepreneurship
2. Provide Greater Workforce and Educational Opportunities
3. Build Livable Communities That Connect Residents to Jobs
4. Create an Inclusive Economy for Shared Prosperity

Connecting the Dots: An Action Plan from the MCEDC Economic Advisory Panel



Accelerating Economic Growth Priorities:

1. Greatly Increase Additional Laboratory Infrastructure
2. Create a Global Pandemic Prevention and Biodefense Center
3. Establish an Incubator or Accelerator for Hospitality Tech Startups
4. Create a Quantum-Ready Workforce, a Greater Washington Regional Quantum Innovation Cluster, and a Quantum Computing Curriculum
5. Prepare an Economic Development Plan for the Purple Line Corridor
6. Establish a \$1 million Public-Private Entrepreneurship Innovation Center
7. Reform the Montgomery County Business Incubator Network
8. Launch a \$1 million Montgomery County Marketing Partnership Initiative
9. Benchmark a Culture of Superior Customer Service and Responsiveness
10. Create a Montgomery County Competitiveness Council

Supporting Inclusive Economic Growth in Montgomery County

The FY23 Strategic Plan of Action workplan builds on FY22, by augmenting economic expansion efforts and targeting specific areas for growth following pandemic recovery efforts. The MCEDC workplan is in alignment with the 2021-2025 Montgomery County Economic Development Strategic Plan.

County Strategic Priorities:

1. Accelerate innovation economic drivers and entrepreneurship
2. Provide greater workforce and educational opportunities
3. Build livable communities that connect residents to jobs
4. Create an inclusive economy for shared prosperity

MCEDC's Strategic Priorities:

1. Attract, retain, and expand employment opportunities within strategic industries
2. Create an inclusive economy for shared prosperity
3. Develop relevant economic development research and strategy
4. Pilot ideas which have a positive evaluation, a developed strategy, and are funded
5. Promote Montgomery County businesses and business climate

MCEDC Goals and Metrics

Workplan Goal 1

Create/retain jobs within the following industries through business outreach efforts, networking, industry events and managing referrals. Target industries include life sciences (cell and gene research and immunotherapy, advanced technology including cybersecurity, financial services, nonprofits, hospitality; support job growth and retention goals by building out the pipeline for an adequately trained workforce.

METRICS AND PERFORMANCE INDICATORS

- 1,500 new jobs created/retained
- Skill gaps limiting the growth of at least one target industry are identified by MCEDC
- Enacts programs through workforce/education partners to develop/attract skilled workers

Workplan Goal 2

Connect and enhance the traditional entrepreneurship ecosystem within the County to be more comprehensive including a focus on emerging industries including: hospitality tech and quantum computing; federal engagement/tech transfer opportunities within business sectors.

METRICS AND PERFORMANCE INDICATORS

- Completed and currently implementing the business/operating plans for the MOCO Entrepreneurship and Innovation HUB
- Evaluate creation of hospitality tech incubator; if favorable, launch incubator
- Support regional Quantum conference or workshops established to build awareness, create partners, and attract research/start-ups
- Executed two MOUs successfully with supporting activities evaluated; federal engagement strategy components completed
 - Establish programming with at least two federal partners as a result of updated MOUs in effect

Workplan Goal 3

Support underserved businesses through targeted outreach activities and capacity building programs.

Provide those businesses with better tools/knowledge base to enhance their sustainability and growth.

METRIC AND PERFORMANCE INDICATORS

- 125 diverse businesses engaged through MCEDC and provided them with outreach allowing for greater access to capital, supply chain opportunities, and capacity building

Workplan Goal 4

Complete strategic initiatives and/or business plans which activate economic development activity along key business corridors, including the Purple Line and the Red Line.

METRIC AND PERFORMANCE INDICATORS

- Business plans endorsed by the Purple Line Corridor Coalition (PLCC) and Washington Metropolitan Area Transit Authority (WMATA), Montgomery Planning, and County government

Workplan Goal 5

Build the Montgomery County brand for business growth and economic development.

Complete a multi-media marketing campaign supporting business development activity across target industries locally and in select markets across the country.

Continue brand building and marketing outreach for the general business community.

METRIC AND PERFORMANCE INDICATORS

- Pre- and post marketing campaign surveys to key stakeholders about the county business climate and brand awareness instilled by campaign

MCEDC FY22 and FY23 Budget: Key Numbers

FY22

- FY22 County approved appropriation: \$5,007,750
- FY22 MCEDC Board approved budget: \$6,664,134
 - \$5,007,750; County appropriation
 - \$100,000; external funding
 - \$2,000; interest income
 - \$1,554,384 fund balance carryover applied to budget

FY23

- FY23 County Executive recommended appropriation: \$6,200,000
- FY23 MCEDC proposed working budget: \$6,607,574
 - \$6,200,000: County appropriation
 - \$250,000: external funding
 - \$2,000: interest income
 - \$155,574 fund balance carryover applied to budget

MCEDC FY22 Budget Projection as of March 31, 2022

FY22 Operating Budget		\$ 6,664,134.08
Funds Spent to Date		\$ 3,788,216.00
Committed Expenditures (April – June 2022)	Personnel & Operations	\$ 840,000.00
	Marketing & Communications	\$ 783,000.00
	Strategic Initiatives	\$ 572,000.00
	3R Initiative	\$ 259,000.00
	Partnerships	\$ 114,000.00
Projected Expenditures as of June 30, 2022		\$ 6,356,216.00
Opening Reserve Fund Balance Less Restricted Funds (7/1/21)		\$ 1,252,372.00
Closing Reserve Fund Balance (6/30/22)		\$ 307,918.08

MCEDC FY22 Budget Projection (Continued)

DESCRIPTION OF COMMITTED EXPENDITURES

Personnel & Operations

MCEDC anticipates that it will spend approximately \$840,000 on personnel and general operating costs through remainder of the fiscal year. This amount will increase as open positions are filled.

Marketing & Communications

- \$1M Marketing & Branding Initiative

Strategic Initiatives

- Reach Advisors (Quantum & Hospitality)
- The Universities of Shady Grove (READY Institute)
- Minority Business Engagement
- Entrepreneur-In-Residence/Incubator Support
- Regional Revitalization
- 3R Initiative
- MoCo Made
- Food Incubator
- MoCo Eats International (Visit Montgomery)

- EDA American Rescue Plan Act Economic Adjustment Assistance (Tech Transfer/Sustainable Innovation Zone)
- EDA ARPA Good Jobs Challenge (Hospitality)
- NCCoE Partnership Intermediary Agreement
- Build Back Better Joint HCEDA Application (Cybersecurity)

Partnerships

MCEDC has committed to the following partnerships through the end of the fiscal year:

- Latino Economic Development Center
- Montgomery County Chamber of Commerce
- Maryland Women's Business Center
- TEDCO Women Entrepreneurs Program

Tracking Indicators, Trends and Other Reporting Information

- Net new establishments (Quarterly)
- Net change in jobs (Quarterly)
- Office vacancy rate (Quarterly)
- Total employment (Quarterly)
- Unemployment rate gap (Annual)
- Average wage (Annual)
- Median home price to household income ratio (Annual)
- Venture Capital investments in county businesses
- Percentage of State's GDP
- Number of new jobs created, and number of existing jobs
- Number of new business relocations and existing business expansions accomplished
- Amount of new capital investment created or facilitated
- The amount of net new commercial space occupied
- Number of new business establishments by industry
- Breakdown of business assistance requests by industry, geography, and company size, in addition to the type of assistance provided
- Produce Quarterly Indicator Briefings with Montgomery Planning

MCEDC will compare information generated from above to prior years' reporting to assess impact of trends on economic development.

MCEDC Workplan Outline

(Pending Board Final Approval)

1. Create/retain jobs within the following industries through business outreach efforts, networking, industry events and managing referrals. Target industries include life sciences (cell and gene research and immunotherapy), advanced technology including cybersecurity, financial services, nonprofits, hospitality
2. Help ensure an adequately trained workforce for targeted industries
3. Expand emerging industries including hospitality tech and quantum computing
4. Connect and enhance the entrepreneurship ecosystem within the County to be more comprehensive
5. Support underserved businesses; through targeted marketing activities and capacity building programs which provide those businesses with better tools/knowledge base to enhance their sustainability
6. Manage a federal engagement ecosystem which facilitates tech transfer within the County through PIAs/MOUs with NCCoE and other government agencies, and/or grant funding secured to expand federal engagement programming
7. Complete strategic initiatives and/or business plans which activate economic development activity along key business corridors, including the Purple Line and the Red Line
8. Use information derived from economic indicators and other reporting requirements to provide guidance to key stakeholders to assist in economic resource allocation decisions, to drive MCEDC strategic initiative projects, and to establish or improve economic development programs within the county
9. Build the Montgomery County business brand; complete a multi-media marketing campaign supporting business development activity across target industries and for brand building purposes the general business community

Thank You!



MONTGOMERY COUNTY
ECONOMIC DEVELOPMENT
CORPORATION MARYLAND

www.thinkmoco.com