



Committee: Directly to Council
Committee Review: N/A
Staff: Gene Smith, Legislative Analyst
Purpose: To receive testimony/final action - vote expected
Keywords: Economic development

AGENDA ITEM #9
June 16, 2020
Public Hearing/Action

SUBJECT

Special appropriation to the County Government's FY20 Operating Budget, Montgomery County Economic Development Non-Departmental Account, Support for COVID-19 Response – 3R Initiative, \$500,000

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

The subject resolution supports the Montgomery County Economic Development Corporation's (MCEDC) creation of the 3R Initiative (Reopen, Relaunch, Reimagine). This initiative will provide technical assistance from industry experts to County retail and restaurant businesses to aid reopening and recovery from closures due to the health crisis.

SUMMARY OF KEY DISCUSSION POINTS

- The County's funding will provide small grants for reopening expenses. It will be matched by \$250,000 from another private entity.
- This appropriation allows MCEDC to use unencumbered Telework Assistance Program funds for this initiative. The Telework Assistance Program is now closed, and MCEDC did not use all \$1.5 million appropriated for this purpose.

This report contains:

Proposed resolution

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

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: County Council

SUBJECT: Special Appropriation to the Fiscal Year 2020 Operating Budget
Montgomery County Economic Development Corporation Non-Departmental
Account, Support for COVID-19 Response – 3R Initiative, \$500,000 (Source of
Funds: Unused Telework Assistance Program Funds)

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 County began Phase I reopening on June 1, 2020 through adoption of Executive Order

No. 070-20, COVID-19 Local Order.

6. The Montgomery County Economic Development Corporation (MCEDC) intends to create the 3R Initiative (Reopen, Relaunch, Reimagine). This initiative will provide technical assistance from industry experts to County retail and restaurant businesses to aid reopening and recovery from the closures during the health crisis and provide small financial grants to those businesses for reopening expenses.
7. MCEDC will manage the initiative through a contract with retail and restaurant industry experts to design and implement the program. MCEDC will administer the financial assistance to the County businesses.
8. MCEDC will partner with the County through the Regional Services Centers and other economic development partners to broadly market the initiative to the County's business community.
9. The Council, through this appropriation, intends for MCEDC and its contractor to strategically target this initiative's resources in the geographic areas of the County with small businesses disproportionately impacted by the health crisis.
10. MCEDC has secured \$250,000 in private funding to support the program. Combined with this appropriation, the \$750,000 will support the financial assistance portion of the initiative as direct grants to County retail and restaurant businesses. MCEDC will use its own funding to administer the contract with industry experts for the technical assistance provided to County businesses.
11. The Council appropriated \$1,500,000 to the MCEDC Non-Departmental Account for the Telework Assistance Program. The Telework Assistance Program closed, and MCEDC reports that it did not disburse all \$1,500,000 of funds for that program. The Council intends that up to \$500,000 of unencumbered Telework Assistance Program funds may be used by MCEDC for this new initiative.
12. A FY20 Operating Budget special appropriation is requested for the Montgomery County Economic Development Corporation Non-Departmental Account:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	500,000	\$500,000	Unused Telework Assistance Program Funds

13. This special appropriation is needed to support MCEDC's creation of the 3R Initiative.
14. 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 Montgomery County Economic Development Corporation Non-Departmental Account:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$500,000	\$500,000	Unused Telework Assistance Program Funds

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