



Committee: Directly to Council
Committee Review: N/A
Staff: Gene Smith, Legislative Analyst
Purpose: To introduce agenda item – no vote expected
Keywords: EDF, economic development

AGENDA ITEM #2J
June 23, 2020
Introduction

SUBJECT

Supplemental appropriation to the County Government's FY21 Operating Budget, Department of Finance, Economic Development Fund, Support for COVID-19 Response – Reopen Montgomery, \$14,000,000

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

The subject resolution supports the creation of Reopen Montgomery. This grant program will be administered by the Department of Finance through the Economic Development Fund and will provide reopening grants for County businesses that incur reopening expenses to comply with State and County health regulations following the COVID-19 health crisis.

SUMMARY OF KEY DISCUSSION POINTS

- The public hearing and action for the subject resolution are tentatively scheduled for Tuesday, July 7, 2020 at 1:30 PM.
- The source of funding is a combination of Federal grants at approximately \$10 million and unused appropriation from the Public Health Emergency Grant Program at approximately \$4 million.
- The maximum grant award is \$5,000 per eligible business.

This report contains:

Proposed resolution

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Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: County Council

SUBJECT: Special Appropriation to the Fiscal Year FY21 Operating Budget
Montgomery County Government, Economic Development Fund, Support for
COVID-19 Response – Reopen Montgomery, \$14,000,000 (Source of Funds:
Federal Grant Funds and Unused Public Health Emergency Grant 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 16, 2020, there were 13,734 cases and 658 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 has begun reopening in phases, with each phase limiting the types of

businesses and the operations of businesses to continue to contain the spread of COVID-19. The Council approved Executive Order 070-20 on May 29, 2020 to begin Phase 1 of reopening the County's economy. The Council approved Executive 082-20 on June 16, 2020 to begin Phase 2 of reopening.

6. County businesses will incur additional expenses to comply with the State and County's reopening requirements to prevent the spread of COVID-19 and maintain public health.
7. The Council, through this special appropriation, is creating the Reopen Montgomery to reimburse businesses and non-profit organizations for expenses incurred to reopen and comply with the State and County's public health requirements.
8. A business or non-profit organization is eligible to receive assistance from the Reopen Montgomery if it: 1) has its physical location(s) only in the County; or its County-based locations account for more than 50% of the business's total number of employees or 50% of the business's gross sales; 2) employs 100 or less full-time-equivalent employees; 3) has not received financial assistance from the County for reopening expenses related to the COVID-19 health crisis; and 4) has incurred "Reopening Reimbursable Expenditures," as defined in Paragraph 9, between March 16, 2020 and 30 days following the date when the County starts Phase 3 reopening.
9. Reopening Reimbursable Expenditures are expenses incurred during reopening to comply with Maryland and Montgomery County COVID-19 health regulations. Allowable expenses include but are not limited to the following: Personal Protective Equipment, materials to create barriers, dividers, protected areas, contactless payment systems, cleaning supplies, signage, outdoor furniture, and disposable food containers and utensils.
10. Each eligible business and non-profit may be awarded a grant up to \$5,000 for Reopening Reimbursable Expenditures. The actual grant will be based on actual, verified expenditures for each business and non-profit organization.
11. A FY21 Operating Budget special appropriation is requested for the Economic Development Fund:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$14,000,000	\$14,000,000	Federal Grant Funds and Unused Public Health Emergency Grant Funds

12. This special appropriation is needed to implement the Reopen Montgomery.
13. 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 FY21 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	\$14,000,000	\$14,000,000	Federal Grant Funds and Unused Public Health Emergency Grant Funds

This special appropriation must only be used for the Reopen Montgomery under the guidelines described in paragraphs 8 through 10.

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