



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

AGENDA ITEM #4A
November 30, 2021
Introduction

SUBJECT

Special Appropriation to the Fiscal Year 2022 Operating Budget, Montgomery County Government, Office of the County Executive – Purple Line Light Rail Project Business Grant Program, \$231,000 (Source of Funds: State Aid)

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

This special appropriation provides funding to implement a State grant that supports businesses impacted due to the Purple Line construction. The Latino Economic Development Center (LEDC) will administer the grant program for the County.

SUMMARY OF KEY DISCUSSION POINTS

- The source of funding is a State grant and the grant agreement between the County and State governs the use of the funds.
- The State grant allows up to 10% of the grant to be used for administration of the program. The appropriation intends to use \$23,100, 10% of the total appropriation, for LEDC's administration of this program.
- The remainder of the State grant (\$207,900) will be used for direct relief to businesses that experienced revenue loss due to the construction of the Purple Line.
- The State grant agreement stipulates eligibility. Businesses are eligible for this grant if it: 1) was established prior to August 1, 2017; 2) is in good standing with the State of Maryland; 3) is still in operation; and 4) is physically located in the County. Eligible businesses will need to demonstrate revenue loss due to the Purple Line construction, but the State grant agreement does not specify how the County calculates it.
- The maximum grant available through this grant program is \$5,000 per business.
- Section G of the County Government's FY 2022 Operating Budget Resolution must be amended to implement this funding through LEDC.
- A public hearing is tentatively scheduled for December 14, 2021.

This report contains:

Proposed resolution

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Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Councilmember Glass
Cosponsors: Council President Hucker and Councilmembers Katz,
Albornoz, Navarro, Jawando, Rice and Friedson

SUBJECT: Special Appropriation to the Fiscal Year 2022 Operating Budget,
Montgomery County Government, Office of the County Executive – Purple Line
Light Rail Project Business Grant Program, \$231,000 (Source of Funds: State Aid)

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. Effective June 1, 2021, the State of Maryland established the Purple Line Construction Zone Grant Program to provide funds to qualified small businesses to assist in offsetting business revenue loss due to the construction of the Purple Line Light Rail Project.
3. The Purple Line Light Rail Project is a 16.2-mile light rail line that extends from Bethesda in Montgomery County to New Carrollton in Prince George’s County. It will provide direct connections to Metrorail Red, Green, and Orange lines, as well as connections to MARC, Amtrak, and local bus services.
4. The Purple Line is owned by the Maryland Department of Transportation, Maryland Transit Administration (MDOT MTA) and Purple Line Transit Partners was selected to design, build, operate, and maintain the light rail system for 35 years. While MDOT MTA is project lead, it closely coordinates with a team including Washington Metropolitan Area Transit Authority, Montgomery County, Prince George’s County, the Maryland-National Capital Park and Planning Commission, Maryland Department of Transportation State Highway Administration, and local municipalities in the project areas.
5. The County entered into an agreement with the Maryland Department of Commerce on

October 12, 2021 (the “State Grant Agreement”). The State Grant Agreement provides \$231,000 for the County to administer a Purple Line Light Rail Project Grant Program, which enables the County to make grants to eligible businesses impacted by construction of the Purple Line Light Rail Project that suffered revenue losses during the construction period.

6. The State Grant Agreement stipulates that Montgomery County may use up to 10% or \$23,100 of these grant funds to cover eligible administrative costs. The balance of \$207,900 will be distributed directly in grant amounts not to exceed \$5,000 for eligible business that meet all eligibility requirements set forth in the State Grant Agreement.
7. A FY22 Operating Budget special appropriation is requested for the Office of the County Executive:

| <u>Personnel Services</u> | <u>Operating Expenses</u> | <u>Total</u> | <u>Source of Funds</u> |
|-------------------------------|-------------------------------|--------------|----------------------------|
| \$0 | \$231,000 | \$231,000 | State Aid |

8. This special appropriation is needed to implement the Purple Line Light Rail Project Grant Program.
9. 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 Office of the County Executive:

| <u>Personnel Services</u> | <u>Operating Expenses</u> | <u>Total</u> | <u>Source of Funds</u> |
|-------------------------------|-------------------------------|--------------|----------------------------|
| \$0 | \$231,000 | \$231,000 | State Aid |

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