



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

AGENDA ITEM #5E
April 26, 2022
Introduction

SUBJECT

Resolution to endorse a Maryland Economic Development Assistance Authority and Fund Loan to assist Aronson, LLC's retention in Montgomery County (\$50,000)

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

The County must endorse the Maryland Economic Development Assistance Authority and Fund (MEDAAF) loan in a formal resolution, as required by the Economic Development Article §5-319(d) of the Maryland Code. The subject MEDAAF loan is part of a negotiated financial assistance package for the business's retention in the County.

SUMMARY OF KEY DISCUSSION POINTS

- The Executive requests that the Council introduce and adopt the subject resolution to support the business's attraction to the County (see ©1-3).
- The State is providing a \$50,000 MEDAAF loan for the business's retention and expansion.
- The County provided a \$15,000 conditional grant through the Economic Development Fund (EDF). The County's EDF contribution exceeds the 10% requirement by the State; therefore, the County is not required to guarantee any portion of the MEDAAF loan with the full faith and credit of the County.

This report contains:

Executive memo
Proposed resolution

© #1

© #2

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OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

April 15, 2022

TO: Gabe Albornoz, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Resolution in support of financial assistance to Aronson, LLC through the Maryland Economic Development Authority Administration Fund

Aronson, LLC is receiving a financial incentive of \$50,000 through the Maryland Economic Development Authority Administration Fund (MEDAAF). This incentive is in conjunction with a \$15,000 conditional grant the County is providing through the Economic Development Fund and a \$50,000 financial incentive from the City of Rockville. These incentives are assisting the company's relocation to 111 Rockville Pike and the retention of its 206 existing and 40 projected full time employees in the county.

The State requires a resolution of support from the local governing jurisdiction as a condition of MEDAAF disbursement. The attached resolution acknowledges that the State of Maryland is utilizing MEDAAF to provide a financial incentive. The MEDAAF financing program does not require a local jurisdiction's full faith and credit guaranty, but does require that the local jurisdiction provide, at a minimum, a 10% funding match and pass a resolution of support.

Items 5 and 6 of the resolution provide background on the company, and summary project information. A copy of the executed Economic Development Fund Agreement with the company is included for your reference.

I would appreciate the Council's prompt action on this important matter. Should you have any questions please contact Peter McGinnity in the Department of Finance at peter.mcginfinity@montgomerycountymd.gov.

ME/pmg

Enclosures (2)

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the Request of the County Executive

SUBJECT: Maryland Economic Development Assistance Authority and Fund Loan to assist Aronson, LLC's retention in Montgomery County (\$50,000)

Background

1. The County Executive endorses a conditional loan of \$50,000 to Aronson, LLC ("Aronson") from the State of Maryland under the Maryland Economic Development Assistance Authority and Fund ("MEDAAF"), which is codified at Md. Code Ann., Econ. Dev. §§5-301-5-349.
2. MEDAAF provides conditional grants and loans to businesses engaged in eligible industries locating to, or expanding in, a "priority funding area" in the State of Maryland. Proceeds from the grant or loan may be used by the borrower to reimburse it for the acquisition or construction of buildings or real estate, and acquisition, construction and installation of machinery, equipment, furnishings, fixtures, leasehold improvements, site improvements, or infrastructure improvements.
3. The County executed an Economic Development Fund Agreement with Aronson on April 8, 2020, providing a conditional grant of \$15,000 from the County's Economic Development Fund ("EDF") to assist Aronson's retention and relocation in the County (the "County Match"). This grant was funded from the Fiscal Year 2021 EDF fund balance. Through this conditional grant Montgomery County has met the requirement of financing at least 10 percent of the financial assistance to be provided by MEDAAF as required by Md. Code Ann., Econ. Dev. §5-319(d).
4. The State will disburse the MEDAAF loan to Aronson upon the State entering a MEDAAF Agreement with the company. The County is not a party to this MEDAAF Agreement with Aronson.
5. Aronson is an accounting and financial services company that was founded by Gerald R. Aronson in 1962. From 1974 through 2011, the company grew through the acquisition of a number of local accounting firms, and established its current operating entity, Aronson, LLC, in 2011. The company provides accounting services to a number of business sectors, including construction and real estate, government accounting, nonprofits, professional service organizations, and technology.

6. Aronson has relocated its operations in Rockville from 805 King Farm Boulevard to 111 Rockville Pike occupying to 55,000 square feet. In addition to its 206 existing positions the company plans to add 40 new full-time positions by 2023.
7. Section 5-319(d) of the Economic Development Article of the Maryland Code Annotated requires the governing body of the jurisdiction in which the project is located to endorse, by a formal resolution, the State's grant of the MEDAAF loan for the project.
8. The County has determined that granting the MEDAAF loan for the project is in the best interest of the citizens of the County.
9. The County Executive requests that the Council adopt this formal resolution approving the MEDAAF loan for the project.

Action

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

The County Council hereby endorses the granting of the State's grant of \$500,000 MEDAAF loan to support Aronson LLC's retention in Montgomery County.

This Resolution is effective upon its adoption in accordance with applicable law.

This is a correct copy of Council action.

Judy Rupp
Clerk of the Council