



Committee: ECON
Committee Review: Completed
Staff: Marlene Michaelson, Executive Director
Purpose: To make preliminary decisions – straw vote expected
Keywords: Economic Development, MCEDC

AGENDA ITEM #12
 May 8, 2023
Worksession

SUBJECT

FY24 Operating Budget – Montgomery County Economic Development Corporation (MCEDC) Non-Departmental Account (NDA)

POTENTIAL ATTENDEES

Bill Tompkins, President and CEO, MCEDC
 Stacey Hardy, Vice President of Operations, MCEDC
 Jake Weissmann, Assistant Chief Administrative Officer, Office of the County Executive
 Julie Knight, Fiscal and Policy Analyst, Office of Management and Budget

FY24 COUNTY EXECUTIVE RECOMMENDATION

	FY23 Approved	FY24 CE Recommended	Change from FY23 Approved
General Fund	\$6,200,000	\$6,386,000	3.0%
Personnel Costs	\$0 0.00 FTEs	\$0 0.00 FTEs	0.0% 0.00 FTEs
Operating Costs	\$6,200,000	\$6,386,000	3.0%
Total Expenditures (All Funds)	\$6,200,000 0.00 FTEs	\$6,386,000 0.00 FTEs	3.0% 0.0%

COMMITTEE RECOMMENDATIONS

- Remove inflationary increases (\$186,000) and place it on the reconciliation list as a high priority.
- Use \$250,000 from the FY23 fund balance to reduce the FY24 appropriation. The fund balance will still include a minimum of \$900,000 to fund operations if cash flow is low.

SUMMARY OF KEY ISSUES

- The Committee will follow up on several issues related to MCEDC after budget including how they use metrics to measure the success of their efforts generally and specifically for new efforts to expand marketing. In addition, the Committee wants to further explore the distribution of responsibilities among those at MCEDC and in County Government who have roles in business development.

This report contains:

Staff Report	Pages 1-7
MCEDC – Answers to Council Staff Questions	© 1
MCEDC – Draft FY24 Workplan	© 11
MCEDC – FY24 Appropriation Request Highlights	© 14
MCEDC – FY24 Appropriation Request	© 21
MCEDC – Statement of Financial Position (3/31/23)	© 23
MCEDC – Marketing Initiatives, Creative & Metric Overview	© 28
MCEDC – FY22 Annual Report	© 57
MCEDC – Quarterly Report, October 1-December 31, 2022	© 73
MCEDC – FY23 Workplan Metrics Update	© 80
MCEDC – Financial Statement 2022 and 2021	© 99
Executive’s recommended FY23 appropriation	© 117

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MEMORANDUM

April 25, 2023

TO: Economic Development (ECON) Committee

FROM: Marlene Michaelson, Executive Director

SUBJECT: **FY24 Operating Budget – Montgomery County Economic Development Corporation (MCEDC) Non-Departmental Account (NDA)**

PURPOSE: Make recommendations for Council consideration

Expected Participants:

Bill Tompkins, President and CEO, MCEDC
Stacey Hardy, Vice President of Operations, MCEDC
Jake Weissmann, Assistant Chief Administrative Officer, Office of the County Executive
Julie Knight, Fiscal and Policy Analyst, Office of Management and Budget

Summary of Recommended FY24 Budget – MCEDC NDA

	FY23 Approved	FY24 CE Recommended	Change from FY23 Approved
General Fund	\$6,200,000	\$6,386,000	3.0%
Personnel Costs	\$0 0.00 FTEs	\$0 0.00 FTEs	0.0% 0.00 FTEs
Operating Costs	\$6,200,000	\$6,386,000	3.0%
Total Expenditures (All Funds)	\$6,200,000 0.00 FTEs	\$6,386,000 0.00 FTEs	3.0% 0.0%

I. Budget Overview

The Executive’s recommendation for MCEDC is attached at © 117. This NDA was created in FY17 to fund the County’s designated lead economic development organization. It implements the County’s economic development strategic plan, which includes marketing, business attraction and retention, entrepreneurship, and promoting the County’s economic base. The Executive proposes a 3% inflationary increase for FY24, following a 24% increase in FY23 (from \$5 million to \$6.2 million).

MCEDC’s core mission is business attraction, retention, and growth. It advances the County’s economic development goals by connecting businesses locating to or expanding in the County with the critical resources, such as local real estate intelligence, funding, business incentives, and talent. As noted by MCEDC’s website, it is ready to “*start, grow, and move your business to Montgomery County.*”

At the overview worksession on economic development, staff asked how the FY24 budget reflected priorities, how we can measure the success of our economic development initiatives, and how we can ensure appropriate distribution of responsibilities to minimize overlap. Today’s discussion will focus on the budget allocations; however, staff wants to highlight the extensive information provided by MCEDC to address questions previously raised by Committee members or staff that are attached at © 1-10. This includes an FY23 workplan, metrics update, draft FY24 workplan, information on their marketing campaign use of metrics and job growth. The Committee may want to continue its discussion on metrics, and the distribution of responsibilities among key stakeholders after budget.

II. FY24 Workplan and Budget

A. FY24 Workplan

At its February meeting with MCEDC, ECON Committee members asked how the budget would be linked to organizational goals and its workplan. MCEDC’s Draft FY24 Workplan is attached on © 11-13. The draft MCEDC Work Plan lists seven strategic priorities (© 11) and presents five goals (attached at © 11-12):

- 1) **Create/retain** jobs within targeted industries through networking, industry events and managing referrals.
- 2) Connect and enhance the traditional **entrepreneurship** ecosystem within the County to reflect a shared vision of a diverse, inclusive, and equity-based innovative startup and small business community with the support of skilled partners and stakeholders.
- 3) Identify and promote through targeted outreach resources to strengthen the capacity of **women, minority, and diverse business owners** to launch and expand their companies.
- 4) Expand **strategic initiatives** related to transit-oriented development activity along key business corridors and innovative economic drivers to strengthen a diverse and resilient business community
- 5) Build the Montgomery County brand for business growth and economic development through **marketing**.

Proposed funding by workplan goal is provided on © 5 and below.

PROPOSED FY24 FUNDING BY WORKPLAN GOAL		
Admin/Overhead/Operations	\$925,000	14%
Workplan Goal 1: Job Creation/Retention	\$3,299,000	50%
Workplan Goal 2: Entrepreneurship	\$710,000	11%
Workplan Goal 3: Women, Minority and Underserved Business Outreach	\$450,000	7%
Workplan Goal 4: Strategic Initiatives	\$285,000	4%
Workplan Goal 5: Marketing	\$943,000	14%
TOTAL	\$6,612,000	100%

B. FY24 Request

The MCEDC chart entitled FY24 Appropriation Request attached at © 21 and presented in summary form below comparing the FY24 Request (revised to reflect the Executive-recommended funding level) to the FY23 approved budget. **MCEDC estimates that its FY24 revenues will be approximately \$6.6 million, with 96.5% of this supported by the County’s appropriation.** Most of MCEDC’s FY24 proposed expenditures support its personnel costs. They propose allocating about \$4.3 million, or 65.5% of total expenses for personnel costs to fund 29.25 full time equivalent positions (FTEs). A list of positions is attached at © 15.

The remaining FY24 proposed expenditures support other operations of the organization. The other most significant cost elements in the budget are marketing/communications (\$836,000) and operating expenses (\$411,710). MCEDC also notes that it funded or committed over \$105,000 in FY23 to fund certain sponsorships or partnerships. See © 16-17 for a list of those sponsorships and partnerships.

MCEDC BUDGET FY23 VS FY24			
	FY23 Approved	FY24 Revised Request	% change
REVENUE			
Montgomery County Contribution	\$ 6,200,000	\$ 6,380,000	2.9%
External Non-County Revenue	\$ 250,000	\$ 150,000	-40.0%
Ace Loan Program Income	\$ -	\$ 75,000	
Interest Income	\$ 2,000	\$ 7,000	250.0%
Total Revenue	\$ 6,452,000	\$ 6,612,000	2.5%
EXPENSES			
Personnel costs	\$ 4,174,198	\$ 4,330,053	3.7%
Ace Loan Program	\$ -	\$ 40,000	
Professional Services	\$ 138,000	\$ 112,500	-18.5%
Insurance	\$ 18,000	\$ 20,500	13.9%
Partnerships	\$ 175,000	\$ 150,000	-14.3%
Memberships/Subscriptions	\$ 182,847	\$ 197,000	7.7%
Professional Development	\$ 50,000	\$ 40,000	-20.0%
Business Fees	\$ 1,000	\$ 2,500	150.0%
Operating Expenses	\$ 405,112	\$ 411,710	1.6%
Office Space - FF&E	\$ 10,000	\$ 10,000	0.0%
Business Travel	\$ 62,500	\$ 100,000	60.0%
Meals & Entertainment	\$ 13,000	\$ 31,500	142.3%
Business Development	\$ 282,500	\$ 180,000	-36.3%
Marketing/Communications	\$ 450,000	\$ 836,000	85.8%
Strategic Initiatives	\$ 645,000	\$ 150,000	-76.7%
Total	\$ 6,607,157	\$ 6,611,763	0.1%

The notable changes between the FY23 and FY24 budgets include:

- A 40% decrease in non-County revenue offset in part by revenues from the ACE loan program in interest income.
- Increases in funding for Business travel (60% increase), meals and entertainment (142% increase) and marketing/communications (86% increase), where funding will increase from \$450,000 to \$836,000.
- Decreases in funding for professional services (19% decrease), professional development (20% decrease), business development (20% decrease) and strategic initiatives (78% decrease).

This draft budget and the accompanying workplan is finalized by the MCEDC Board in June after the Council approves the appropriation. While Committee members may be interested in the rationale for changes in funding allocations, the Council does not approve a line-item budget for MCEDC. The Committee may want to discuss the most significant shifts, including the plans for marketing in FY24. The County executes a contract with the organization. **The Executive negotiates the contract, which details disbursement conditions and performance**

expectations, including reporting, for the County's funding provided to the organization. Executive staff will be available to discuss any questions that the committee may have about contracting with MCEDC in FY24.

C. FY23 Projections Compared to Budget

MCEDC's FY23 projections shown in the following chart display those cost elements that are anticipated to be over or under budget. MCEDC estimates that they will only spend about 73% of the budgeted amount for personnel resulting in a \$1.1 million savings. Currently there are only three vacancies so the Committee may want to discuss with MCEDC why the projected cost is so much less than budgeted. They are also projected to spend less than budgeted for business development (\$100,000 less than budgeted) and strategic initiatives (\$183,000 less than budgeted).

The only significant overage in the FY23 projections is for marketing which is expected to cost more than three times the budgeted \$450,000. The funding was used to support the development of a major marketing campaign and would not have been possible without the savings in personnel costs. County participation in the Ace Loan program was not anticipated when last year's budget was created.

MCEDC BUDGET VARIANCE FY23 APPROVED VS PROJECTED			
EXPENSES	FY23 Approved	FY23 Projections	BUDGET VARIANCE
Personnel costs	\$ 4,174,198	\$ 3,057,189	(\$1,117,009)
Ace Loan Program	\$ -	\$ 120,000	\$120,000
Professional Services	\$ 138,000	\$ 171,683	\$33,683
Insurance	\$ 18,000	\$ 18,000	\$0
Partnerships	\$ 175,000	\$ 175,000	\$0
Memberships/Subscriptions	\$ 182,847	\$ 168,192	(\$14,655)
Professional Development	\$ 50,000	\$ 25,617	(\$24,383)
Business Fees	\$ 1,000	\$ 6,845	\$5,845
Operating Expenses	\$ 405,112	\$ 402,691	(\$2,421)
Office Space - FF&E	\$ 10,000	\$ -	(\$10,000)
Business Travel	\$ 62,500	\$ 72,678	\$10,178
Meals & Entertainment	\$ 13,000	\$ 24,128	\$11,128
Business Development	\$ 282,500	\$ 182,990	(\$99,510)
Marketing/Communications	\$ 450,000	\$ 1,578,796	\$1,128,796
Strategic Initiatives	\$ 645,000	\$ 462,202	(\$182,798)
Total	\$ 6,607,157	\$ 6,466,011	(\$141,146)

D. Fund Balance

MCEDC's FY22 audited financial statement (June 2022) is attached on © 99-116. MCEDC reported approximately \$7.8 million in total revenues for FY22, which included \$3.3 million of restricted revenues for specific pandemic-related assistance programs. For FY22, MCEDC reported approximately \$8.8 million in expenditures. MCEDC reported a balance of about \$1.3 million in net assets at the end of FY22, drawing down the \$2.3 million in assets without donor restriction at the end of FY21 (© 103). **Without donor restriction the balance of net assets is mostly cash reserves from the Council's previously fiscal year disbursements.**

MCEDC's Statement of Financial Position Cumulative Statement of Revenues and Expenses as of March 31, 2023 is attached on © 23-27. Through March 2023, MCEDC reported approximately \$4.8 million in revenues and \$4.7 million in expenditures. Undesignated Net Assets are \$796,347 and Board Designated Net Assets are \$900,000. The latter is a designated reserve to cover three months of operations in case of a cash shortfall (© 23).

III. Issues for Discussion

A. Growth in MCEDC Budget

Last year the Council approved a 24% increase in the MCEDC budget. Staff asked them to describe the additional output generated by the increase budget and their answer appears on © 6-7. In summary, they indicated that they operated with a \$6.7 million budget in FY22 even though the County only appropriated \$5,007,750 by using 1.6 million from their fund balance.

B. Personnel

As noted above, MCEDC is projected to only spend 73% of their personnel budget in FY23. The Council does not approve a line-item budget for them and therefore staff would not recommend any Committee decision premised on changing a line item in the budget, but Committee members may want to understand whether the full allocation is needed for personnel

C. Reserves

In prior years the Planning, Housing, and Economic Development Committee tracked the amount of unspent funds each year and the resulting reserve (which was \$2.3 million at the end of FY21). As noted above, end of year reserves at the end of FY22 include a \$900,000 Board designated reserve to cover three months of operating budget and over \$400,000 in undesignated reserve (see © 103). For the period ending 3/31/23 the undesignated net assets increase to almost \$800,000 (see © 23). Staff does not believe there is any reason for the organization to have reserves in excess of the Board Designated and recommends that \$500,000 be used to fund the FY24 MCEDC operating budget. This would enable the Council to reduce the appropriation for FY24 by the same amount. Ultimately the MCEDC Board will decide whether to use the reserves or approve a smaller budget. Either way the County appropriation would be reduced in FY24.

A. Reconciliation List

Staff recommends that the additional funding recommended by the Executive this year as an inflationary adjustment (\$186,000) be taken as a reduction and not placed on the reconciliation list. There is still enough remaining undesignated reserve to cover any cost increase.

This packet contains:

	<u>Circle #</u>
MCEDC – Answers to Council Staff Questions	1
MCEDC – Draft FY24 Workplan	11
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MCEDC – Statement of Financial Position (3/31/23)	23
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Executive’s recommended FY23 appropriation	117



Please see our responses to the April 11 deadline questions below.

Within the context of the approved Comprehensive Economic Development Strategy (CEDS), please explain:

1. The specific economic development challenges that the CE and MCEDC are choosing to address in the FY24 budget and why these are the priorities for the upcoming year;

MCEDC's mission is to advance equitable and inclusive economic growth, prosperity and sustainability in Montgomery County through activities which accelerate the development, retention, and attraction of businesses in key industry sectors.

Our budget supports multi-year programs designed to address the items defined in MCEDC's charter:

- a) attracting and retaining businesses;
- b) facilitating economic, industrial, and commercial development in the County;
- c) encouraging investment in commerce, industries, and businesses in the County;
- d) promoting job growth and talent attraction, in coordination with the Montgomery County Workforce Development Board; advising and informing County officials on economic development matters;
- e) providing services to resident businesses in the County, including business retention, counseling, business planning, and other services to maintain and grow the existing economic base; stimulating and nurturing the development of new business

The MCEDC budget and workplan are consistent with priorities outlined in the County's Economic Development Strategic Plan. On April 21, we will provide a breakdown of the goals MCEDC is directly responsible for in the Economic Development Strategic Plan and correlate them to our workplan goals.

The prior two years workplans were entitled "Accelerating Economic Growth in Montgomery County" (2022) and "Supporting Inclusive Economic Growth in Montgomery County" (2023). These budgets supported a long-term strategy to increase the number of businesses attracted, retained and who grow here focusing on job growth. With two slightly varying themes, the first reflecting a recovery from the Pandemic and the second better highlighting inclusive economic growth, our budgets have consistent expenditure levels. The FY24 theme is "Inclusive Economic Growth, Maintaining the Momentum".

The draft FY24 workplan indicates how we intend to continue addressing the above. The two primary differences between FY23 and FY24 are a reallocation of personnel to better support business attraction and retention, and a reallocation of strategic initiatives to marketing for the same.

2. How these budget allocations will lead to measurable outcomes, whether short term or over multiple years. Please be prepared to describe measuring outcomes in more detail during your budget work session on April 28th.

Please refer to the draft FY24 work plan which clarifies our priorities and will have clear metrics in terms of outcomes; metrics are still evolving but will be available April 21. In general, business, attraction, retention and expansion, along with Marketing have a 1–3-year time horizon, with metrics for each year. Strategic initiatives and brand building have a 3–5-year time horizon.

3. *The current configuration of resources (staff and funding) related to these prioritized challenges, and what budgetary changes are proposed in FY24 to achieve our goals.*

The line-item budget spreadsheet and highlights document detail the changes between FY23 and FY24. In general, The FY24 proposal represents a 3% increase over FY23 to account for inflation and an increase in travel costs mostly tied to our international travel plans. We have also reallocated funds away from strategic initiatives and into business development and marketing to support more sustained activities around business retention and expansion. Otherwise, it is consistent with FY23 expenditures. All of this will be highlighted in our budget overview presentation on April 28th.

Budget Allocation by Workplan Goal (staff and funding). Please refer to the draft workplan for goal descriptions

Admin/Overhead/Operations \$925,000 (14%)

Workplan Goal 1: \$3,299,000 (50%)

Job Creation/Retention

Workplan Goal 2: \$710,000 (11%)

Entrepreneurship

Workplan Goal 3: \$450,000 (7%)

Women, Minority and Underserved Business Outreach

Workplan Goal 4: \$285,000 (4%)

Strategic initiatives

Workplan Goal 5: \$943,000 (14%)

Marketing

Total: \$6,612,000 (100%)

4. *How MCEDC and the CEX address potential areas of overlap and allocate responsibilities to minimize confusion for businesses and avoid providing duplicative services, in particular related to:*

Please refer to the County Executive's response. His response was jointly developed by MCEDC and the CE's office.

MCEDC FY24 Budget Responses

1. How is MCEDC staff time and expertise aligned with the county's Comprehensive Economic Development Strategy, and how do personnel resource allocations and operating costs reflect the CEDS priorities?

MCEDC used the Comprehensive Economic Development Plan to guide its FY23 and FY24 draft workplans. The chart below highlights which of the EDSP goals are the primary responsibility of MCEDC. The far-right column indicates which of the Workplan goals align with the EDSP. From the submission supplied last week, I have summarized the amount of budget allocated to each goal.

ACTIVITY	STATUS	FY24 WORK PLAN GOAL
Priority A: Accelerate Innovation Economic Drivers and Entrepreneurship		
INNOVATION CLUSTERS: LIFE SCIENCES		
Courting Biohealth Companies to Relocate	Ongoing	Goal 1
Retain Existing Growth-Stage Biohealth Companies	Ongoing	Goal 1
Public/Private Partnerships: Stimulating Applied Research Commercialization	Ongoing	Goal 2
Promoting Public Resources for Entrepreneurs: Marketing	Ongoing	Goal 5
Workforce Development Solutions	Ongoing	
Prioritizing Neighborhood-Level Land Use	TBD	
Streamlined Permitting and Development Process	TBD	
Energy Resilience	TBD	
INNOVATION CLUSTERS: HOSPITALITY TECHNOLOGY		
Match Anchor Institutions with Startups	Ongoing	Goal 2
Target Growth Stage Companies for Relocation	Ongoing	Goal 1
Hospitality Incubator	Completed	
Workforce Training Initiatives	Ongoing	
Showcase Summits	Ongoing	
INNOVATION CLUSTERS: QUANTUM COMPUTING TECHNOLOGY		
Local Research and Development Collaboration	Ongoing	Goal 2
Quantum Technology Workforce Creation	Ongoing	
Support Emerging Quantum Companies	Ongoing	Goal 2
Local/Regional Strategies for Grants/Funding	Ongoing	Goal 4
INNOVATION CLUSTERS: CYBERSECURITY		
Industry Buildout	Ongoing	Goal 1
Cybersecurity Marketing	Ongoing	Goal 5
Cybersecurity Experts Consulting Team	Ongoing	
ENTREPRENEURSHIP AND ECOSYSTEM BUILDING		
Ecosystem/Incubator Expansion	Ongoing	
Ecosystem/SBIR/STTR Expansion	Completed	
Ecosystem/Federal Engagement Strategy	Ongoing	Goal 2
ACTIVITY	TIMETABLE FUTURE	FY24 WORK PLAN GOAL
Priority B: Provide Greater Workforce and Educational Opportunities		

WORKFORCE DEVELOPMENT OPPORTUNITIES		
Workforce Development /Entry Level Jobs	Ongoing	
Workforce Development/Strengthening the Pipeline in High Need Occupations	Ongoing	
EDUCATIONAL ATTAINMENT OPPORTUNITIES		
Education and Skills Development	Ongoing	
Collaboration	Ongoing	
Early Care and Education	Ongoing	
Advanced Educational Trends	Ongoing	
Pathways Beyond STEM	Ongoing	
Pathways Alignment	Ongoing	
ACTIVITY	TIMETABLE FUTURE	FY24 WORK PLAN GOAL
Priority C: Build Livable Communities That Connect Residents To Jobs		
HOUSING TO SUPPORT A DIVERSE WORKFORCE		
Zoning Policy Realignment	Ongoing	
Capital Programs	Ongoing	
Incentive Repurposing	Ongoing	
Public/Private Partnerships	Ongoing	
TRANSPORTATION AND ENVIRONMENTAL SUSTAINABILITY		
Safety and Vision Zero Initiative	Ongoing	
Transportation Related Climate Action Plans	Ongoing	
Equitable Economic Growth Initiatives	Ongoing	
ACTIVITY	TIMETABLE FUTURE	FY24 WORK PLAN GOAL
Priority D: Create An Inclusive Economy For Shared Prosperity		
COMMUNITY WEALTH BUILDING		
Entrepreneurs / Entrepreneurs / Access to Capital	Ongoing	Goal 2
Entrepreneurs / Promotion and Cultivation	Ongoing	Goal 2
Ecosystem / Incubator Expansion	Completed	
Ecosystem / SBIR/STTR Expansion	Completed	
Ecosystem/Federal Engagement Strategy	Ongoing	Goal 2
SMALL AND MINORITY OWNED BUSINESSES		
Small/Minority Business/Access to Capital	Ongoing	Goal 3
Small /Minority Business / Networking	Ongoing	Goal 3
Small/Minority Business / Messaging	Ongoing	Goal 3
Small/Minority Business / Management Expertise	Ongoing	Goal 3

Admin/Overhead/Operations	\$925,000	(14%)	
Workplan Goal 1	\$3,299,000	(50%)	Job Creation/Retention
Workplan Goal 2	\$710,000	(11%)	Entrepreneurship
Workplan Goal 3	\$450,000	(7%)	Women, Minority and Underserved Business Outreach
Workplan Goal 4	\$285,000	(4%)	Strategic initiatives
Workplan Goal 5	\$943,000	(14%)	Marketing
TOTAL	\$6,612,000	100%	

2. What are the continuing and/or new Strategic Initiatives and Business Development efforts proposed for FY24 and what economic development challenges are those activities designed to solve?

Please see budget highlights and draft work plan. In a nutshell, the focus continues to be the generation of jobs in strategic industries to support business attraction, retention and expansion.

3. How will you define and measure success for Business Development efforts and Strategic Initiative implementation?

The FY24 draft workplan addresses this but a quick summary is listed below.

Business Development:

- Number of Jobs Created / Retained Through:
 - Attraction
 - Retention
 - Expansion
- Amount of new capital investment created and/or facilitated;
- Amount of net new commercial space occupied;
- Number of companies contacted regarding retention;
- Number of business relocations into Montgomery County;
- Number of business expansions in Montgomery County.

Strategic Initiatives

- Number of start-ups generated or facilitated through entrepreneurship programs
- Program outputs from partner MOUS
- Amount of technology transfer from Federal engagement strategy into the private sector

4. Describe any changes in staffing proposed for FY24.

- a. Elimination of VP of Strategic Initiatives
- b. Elimination of Executive Vice President & COO
- c. New Positions
 - i. Product Manager
 - ii. Controller
 - iii. Economic Development Specialist

5. What are the current vacancies?

- a. The following position are currently vacant:
 - i. SBIR Manager
 - ii. Business Analyst
 - iii. Graphic Designer & Animator

6. **What are the measurable goals, performance related metrics and specific outcomes of non-personnel resource allocations including:**

- a. Marketing
- b. Travel – Business Development, primarily attendance at conferences
- c. Memberships
- d. Partnerships/Sponsorships

All MCEDC expenditures are tied to the draft FY24 workplan. The costs associated with each budget line item are allocated to the five goals outlined in the plan (see breakdown provided on April 12th and above). There would not be metrics or outcomes for each line item except for marketing but to ensure that spending leads to the successful achievement of the proposed workplan goals and metrics.

For the items listed, above, our general approach is:

- a. *Marketing*
Marketing's breakdown of expenditures is included in budget highlights, and it is Goal 5 in our FY24 workplan.
- b. *Travel*
All travel is used to support business development tied to attraction and retention, and is used to attend conferences, trade shows, and target sector industry events which support Goal 1 and its metrics. Nearly all trips are associated with client interface to engage companies to expand or relocate in / to Montgomery County.
- c. *Memberships*
Memberships are selected to support organizations which;
 - are part of or related to MCEDC's target industries allowing MCEDC access to those business and industry resources
 - are economic development entities supporting the business community
- d. *Partnerships/Sponsorships*
Partnerships are selected to support organizations which complete tasks which MCEDC does not have the bandwidth or expertise to complete relative to our workplan goals. As examples, the Maryland Women's Business Center provides training and development primarily to women in business who will grow and/or sustain their businesses in Montgomery County. The MD Tech Council provides a Venture Mentoring Service to 60-80 start-ups who will help expand our job base and increase the level of entrepreneurship and capital invested in Montgomery County. The Montgomery County Chamber provides expertise in legislative activities and lobbying to support economic development in the county, along with programs designed to allow veteran owned businesses to secure Feral contracting dollars.

MCEDC's sponsorships provide brand exposure and networking opportunities, which help strengthen relationships with stakeholders and advance our economic development goals. All entities requesting sponsorships are required to fill out an application which demonstrates how the sponsorship aligns with our strategic goals and to clarify how the money will be spent.

7. **In FY23, the budget for MDEDC was increased by \$1.2 million (24%). How was this additional funding used and what are the measurable outcomes of the additional spending?**

The County appropriation had been flat from FY16 to FY22. MCEDC absorbed inflation costs, additional headcount, and an increase in programmatic expenses by supplementing its budget with the previous year's fund balance. MCEDC no longer uses fund balances to supplement its budget. The increase received in FY23 covered approximately 97% of MCEDC's operational and programmatic activities compared to 75% in prior years. The increased allocation was absorbed proportionally to all line items, and not to any new initiatives.

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

FY24

- County Executive recommended appropriation \$6,380,000
- FY24 MCEDC proposed budget: \$6,612,000
 - \$6,380,000 County appropriation
 - \$150,000 external funding
 - \$75,000 ACE Program Funding
 - \$7,000 interest income

8. Over the past seven years, what has been the return on investment for MCEDC's dollars spent marketing the county? How have these investments generated leads that can be traced to meaningful outcomes? Aside from Be Next, what marketing work has MCEDC performed during FY23 and what is planned for FY24?

MCEDC's marketing efforts and strategies have contributed to the following measurable outcomes from 2017 – May 2022.

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

There are three distinct periods in MCEDC's focus on Marketing.

From 2016 through 2019, MCEDC's marketing efforts were primarily focused on establishing itself as a new entity, and educating the public about who we are and what we do.

In 2020 and 2021, in addition to promoting business and attraction efforts, MCEDC's marketing activities supported the distribution of \$22 million in funds to more than 5,000 businesses.

In 2022 and 2023, marketing support has been more traditional helping MCEDC to achieve its workplan goals. The 2022 annual report and the FY23 quarterly reports were sent earlier with the results of our activities.

Marketing is used for multiple purposes, including brand and awareness building, attendance at economic development webinars, events and training, support for individual programs and leads or exposure to businesses whom we want to connect with or who want to connect with MCEDC. While Marketing is designed to increase activity flow, leads are only one part of the equation. Except for events, MCEDC does not track lead sources.

A presentation deck summarizing our Marketing activities for the current year is attached with this document. Activities planned for FY24 include:

- Continuing to build Montgomery County's brand through increased awareness among stakeholders across all platforms.
- Building our brand in public-facing environments, through business community outreach, public relations, media/press coverage, interviews, social media, panel participation, and business development support.
- Expanding multi-media support, through earned and paid media, podcasts, events, webinars, podcasts, and media networking and outreach
- Outreach to minority and underserved community publications

9. How does MCEDC and the proposed FY24 budget support the County's commitment to advancing racial equity and social justice?

Please note that all of Workplan Goal 3 and sections of Workplan Goal 5 are tied directly to achieving racial equity, and where relevant, social justice in Montgomery County.

In September 2022, MCEDC revised its mission statement to indicate the growing importance of equity and social justice in what we do.

Mission Statement

To advance equitable and inclusive economic growth, prosperity and sustainability in Montgomery County through activities which accelerate the development, retention and attraction of businesses in key industry sectors.

Performance Management

MCEDC has set individual performance goals for all staff members that explicitly highlight the importance of DEI. Each staff member is required to participate in diversity, equity and inclusion training sessions, workshops, and staff discussions throughout the year to encourage staff to apply an equity lens to all economic development activities.

IEDC Equity Communities Cohort

In FY23, MCEDC was selected by the International Economic Development Council (IEDC) as one of five Equity Communities Cohorts, a component of the Equitable Economic Development Playbook Initiative. This initiative aims to examine structural racism in economic development and promote equitable practices and standards, both in the post-pandemic recovery and over the long term. As a cohort, MCEDC receives program guidance and technical assistance to guide the creation of an Equity Action Plan based on local needs and challenges. As part of this work, MCEDC is in the process of executing the following projects:

Institutionalize MCEDC racial lens culture for all practices and programs

SCOPE OF WORK

- Level setting discussion with staff on equity and inclusion
- Where the county is today
- Where the staff is today
- Best industry practices
- Regular racial equity and cultural sensitivity education and events using an outside facilitator with DEI expertise
- Career development for MCEDC staffers via training and leadership opportunities
- Web based sessions on best practices
- Evaluate current equity practices within MCEDC operations
- Analyze MCEDC workplan FY22 and FY23 and include equity lens elements including metrics
- Establish monthly reading list (books and articles) for staff on Equity topics of relevance to economic development and contemporary social issues
- Board DEI session
- Business processes
- Economic Inclusion Survey for all incentives including MOVE and EDF Equity factor for sponsorship/partnerships
- Equity factor for all RFPs
- Equity factor for individual workplans and performance reviews
- Equity factor in hiring process
- Marketing: Outreach to stakeholders
- Targeted business communities
- Stakeholder partners

Coordinate with Montgomery County departments around metrics/reporting

SCOPE OF WORK

- In coordination with Equity Action Plan element #1, establish baseline and performance equity metrics for MCEDC
- Devise a plan to convene stakeholders that encompasses multiple ways that they can participate and multiple methods of education about the need for equity metrics tailored to stakeholder needs
- Include people who are not typically consulted
- Create simple self-assessment instrument for partners to uncover their level of understanding of the need for equity metrics, and if they have already implemented them—use IEDC technical assistance
- Connect with all stakeholders with invitations to participate
- Use assessment responses to assess level of understanding. Find/create educational appropriate educational tools as needed
- Deliver educational tools to stakeholders based on their current understanding—use IEDC and/or outside DEI expertise
- Following education delivery, reassess stakeholder understanding. Adjust education method and content as needed
- Continue education discussions and delivery as appropriate with stakeholders
- Once stakeholders agree on the need for equity metrics, work with them to devise metrics that center and track racial equity in activities and results
- Entities decide what segments they will own, with MCEDC as coordinator/convenor
- Institute a public dashboard

Strengthen the Entrepreneurial Ecosystem for Minorities via Capacity Building & Increasing Access to Capital for Underrepresented Business Owners

SCOPE OF WORK

- Work with partners to deliver accounting and financing literacy and other business acumen training to minority entrepreneurs and small businesses in culturally appropriate and specific manner
- Identify opportunities for underserved business owners to access capital through cultivation of programs and partnerships with angel investors, traditional commercial banks, minority depository institutions, community development financing institutions (CDFIs), credit unions and the philanthropic community
- Explore the creation of a no/low interest revolving loan fund
- MCEDC money as first-in
- Approach potential investors including all VMS mentors; elected leaders (as citizens); and Chambers to pull their members to the table (pay them in tiers to do this)

10. Please provide the information that will enable me to update the chart included in Gene Smith's staff report from last year:

	Approved Budget	Actual Mar-23	Difference from Approved
Revenues			
County Appropriation	6,200,000	4,739,046	-1,460,954
Other revenues	252,000	0	-252,000
Total Revenues	5,109,750	4,739,046	-1,712,954
Expenditures			
Personnel Costs	4,174,199	2,340,989	-1,833,210
General Operating	622,113	284,330	-337,783
Memberships	182,847	129,192	-53,655
Partnerships/Sponsorships	325,000	247,167	-77,833
Travel/Meals	75,500	71,889	-3,611
Business Development	132,500	22,990	-109,510
Marketing	450,000	1,147,796	697,796
Strategic Initiatives	645,000	187,202	-457,798
Total Expenditures	6,607,159	4,431,555	-2,175,604



Montgomery County Economic Development Corporation FY24 Workplan **DRAFT**

Strategic Priorities

1. To accelerate innovation economic drivers to strengthen a diverse and resilient business community
2. To Build livable communities that connect residents to jobs
3. To attract, retain, and expand employment opportunities within strategic industries
4. To support an innovation-focused entrepreneurial ecosystem
5. To develop new strategies to further economic development priorities by conducting relevant research and analyzing data.
6. To coordinate with partners to create an inclusive economy for shared prosperity
7. To promote the Montgomery County businesses and active business climate

MCEDC's Goals and Metrics

Workplan Goal 1:

Create/retain jobs within the following industries through business outreach efforts, networking, industry events and managing referrals. Estimate County size of target industries; that MCEDC will focus on; they include life sciences (cell and gene research and immunotherapy) advanced technology including cybersecurity, financial services, nonprofits, hospitality, international headquarters, and support job growth and retention goals by building out the pipeline for an adequately trained workforce.

Create a product management strategy for each target industry

Metrics and Performance Indicators:

- 1750 new jobs created/retained through MCEDC pipeline
- Skill gaps limiting the growth of two target industries are identified by MCEDC and plan developed to address gaps
- Enacts/maintains programs through workforce/education partners to develop/attract skilled workers within MCEDC targeted industries
- Programs unique to each industry/cluster enacted to attract /retain business

Workplan Goal 2:

Connect and enhance the traditional entrepreneurship ecosystem within the County to reflect a shared vision of a diverse, inclusive, and equity-based innovative startup and small business community with the support of skilled partners and stakeholders. MCEDC will:

- Convene mission-aligned and committed entrepreneurial support organizations to design and implement a program to help founders better navigate the innovation ecosystem: The Montgomery County Entrepreneurship and Innovation Hub
- Work with partners to identify and fill service gaps

- Leverage resources, training, and expertise across the ecosystem to ensure equitable access to capital and resources
- Nurture and expand relationships with innovation leaders of global hospitality brands through the Hospitality Tech Accelerator
- Engage in regional Quantum conferences and workshops to build awareness, establish partnerships, and attract research and start-ups
- Implement Federal engagement/laboratory tech transfer programs within business sectors

Metrics and Performance Indicators:

- Formalize and promote the Montgomery County Entrepreneurship and Innovation Hub (EIH)
- Relationships developed with ecosystem partners and stakeholders
- Entrepreneur participation in partners entrepreneurial education and support programs
- Revenue and job growth of startups and small businesses tracked through the EIH
- MOUs successfully executed with supporting activities evaluated for impact.
- Programming updated with at least two federal partners
- Number of federal funding opportunities explored

Workplan Goal 3:

Identify and promote through targeted outreach resources to strengthen the capacity of women and minority and diverse business owners (including underserved business communities to launch and expand their companies. Work with partners to identify needs and develop capacity building programs for businesses to enhance their sustainability and growth. To further this effort, MCEDC will nurture and strengthen relationships with regional business chambers and community groups that support women, diverse and minority business owners.

Metrics and Performance Indicators:

- 150 diverse businesses engaged through MCEDC pipeline to provide outreach with follow up by MCEDC allowing for greater access to capital, supply chain opportunities, and capacity building
- Data collected to track and evaluate success of outreach efforts by type (demographics, geographic, type of outreach initiative, and outcome from connections)

Workplan Goal 4:

Expand strategic initiatives to :

- 1) activate transit oriented economic development activity along key business corridors, including the Purple Line and the Red Line, and
- 2) accelerate innovation economic drivers to strengthen a diverse and resilient business community

Metrics and Performance Indicators

- Phase II of Red Line and Purple Line business strategies completed
- Completion of new/expanded transit-oriented business cluster strategies
- alternate funding sources identified for ongoing and pilot strategic initiatives

Workplan Goal 5:

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

- Increase awareness among stakeholders and across all platforms with the goal of Business Attraction, Retention and Expansion
- Expand our multi-media marketing campaign supporting business development activity across target industries locally and in select markets across the country
- Continue to create a more compelling and focused effort to promote Montgomery County as the perfect place to start, expand or relocate a business with our Be Next campaign
- Continue brand building, marketing and media outreach for the general business community with increased attention to the small, minority, women-owned and underserved community business ecosystem.

Metrics and Performance Indicators

- Pre- and post-marketing campaign surveys to key stakeholders about the county business climate and brand awareness instilled by campaign
- Analytics for the digital components of the marketing campaign determine effectiveness by increasing reach and response to messages over prior year's metrics

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 to compare information generated from above to prior years' reporting to assess impact of trends on economic development and recommends ecosystem changes to stakeholders to impact economic development sustainability.



FY24 Appropriation Request Highlights Revised April 6, 2023

Overview

MCEDC's mission is to advance equitable and inclusive economic growth, prosperity and sustainability in Montgomery County through activities which accelerate the development, retention, and attraction of businesses in key industry sectors.

Our budget supports multi-year programs designed to address the items defined in MCEDC's charter:

- a) *attracting and retaining businesses;*
 - b) *facilitating economic, industrial, and commercial development in the County;*
 - c) *encouraging investment in commerce, industries, and businesses in the County;*
 - d) *promoting job growth and talent attraction, in coordination with the Montgomery County Workforce Development Board;*
 - e) *advising and informing County officials on economic development matters;*
 - f) *providing services to resident businesses in the County, including business retention, counseling, business planning, and other services to maintain and grow the existing economic base;*
- stimulating and nurturing the development of new business

The MCEDC budget and workplan are consistent with priorities outlined in the County's Economic Development Strategic Plan. The prior two years workplans were entitled "Accelerating Economic Growth in Montgomery County" (2022) and "Supporting Inclusive Economic Growth In Montgomery County" (2023). These budgets supported a long-term strategy to increase the number of businesses attracted, retained and who grow here focusing on job growth. With two slightly varying themes, the first reflecting a recovery from the Pandemic and the second better highlighting inclusive economic growth, our budgets have consistent expenditure levels. The FY24 theme is "Inclusive Economic Growth, Maintaining the Momentum".

The draft FY24 workplan indicates how we intend to continue addressing the above. The two primary differences between FY23 and FY24 are a reallocation of personnel to better support business attraction and retention, and a reallocation of strategic initiatives to marketing for the same.

Revenues

MCEDC's original budget appropriation included \$6,800,000 to support economic development activities for FY24. Our request has been amended to reflect the County Executive's recommendation of \$6,300,000. A column has been added to identify the amendments made to our original submission.

The enclosed budget reflects an appropriation of **\$6,380,000**; which is a **\$180,000** or **3%** increase in funding as compared to the previous year. Additional projected sources of revenue include **\$150,000** in private fundraising, **\$7,000** in interest income and **\$75,000** from loan fees.

Expenses

Proposed expenditures for FY24 total **\$6,611,763**. This amount represents a **\$4,604** or **.07%** increase in expenses as compared to the previous year. A summary of key expenditures follows.

Personnel Costs

Personnel Costs include **\$3,542,576** for salaries and wages, and **\$787,477** for benefits. The personnel budget will support **29.25 FTEs**.

The total amount budgeted for benefits has been reduced from **25%** of salaries to **23%** of salaries to reflect closer alignment with actuals.

CEO	1.00	President & CEO
	1.00	Executive Assistant & Human Resources Coordinator
Strategy	1.00	Director of Strategic Initiatives
	1.00	Research, Planning & Policy Manager
	1.00	Product Manager
	1.00	Strategic Initiatives Manager
	1.00	Strategic Initiatives Manager
Marketing	1.00	VP of Marketing & Communications
	1.00	Creative Director
	1.00	Senior Graphic Designer & Animator
	1.00	Senior Communications Manager
	1.00	Strategic Media & Communications Manager
Business Development	1.00	SVP, Business Development
	1.00	Director, Economic Development
	1.00	Director, Economic Development
	1.00	Director, Economic Development
	1.00	Community Engagement Manager, Diversity & Inclusion
	1.00	Strategic Workforce Engagement Manager
	1.00	Economic Development Specialist
	1.00	Economic Development Specialist
	1.00	Economic Development Specialist
	1.00	Economic Development Specialist
	1.00	SBIR Program Manager
	0.625	Economic Development Intern
	0.625	Economic Development Intern
	1.00	Business Analyst
Ops	1.00	VP, Operations
	1.00	Accounting Manager
	1.00	Business Operations Specialist
	1.00	Receptionist & Office Coordinator
TOTAL FTEs = 29.25		

ACE Loan Fund Program

MCEDC will continue to accept applications for commercial loans through Accelerating Community Excellence (ACE) Loan Fund, a state of Maryland-funded program that provides loans to small, minority and women-owned companies.

A total of **\$40,000** has been allocated for expenses associated with the administration of the program. It is anticipated that **program expenses will be offset by income generated by loan fees.**

Professional Services

A total of **\$113,175** is set aside for administrative costs such as legal services, HR, accounting and miscellaneous operational subcontractors. This amount represents an 18% reduction in expenses as compared to the previous fiscal year. This amount reflects the hire of a full-time Director of Finance and the reduction of outsourced accounting support.

Insurance

A total of **\$20,500** is set aside for professional liability, workers' compensation and D&O insurance. This amount has been reduced to be in line with projected FY23 expenditures.

Partnerships

A total of **\$150,000** has been budgeted to fund vetted organizations that provide economic development benefits and provide direct services to entrepreneurs and businesses. This amount represents a 14% decrease in expenses as compared to the previous year's budget.

MCEDC will take a holistic approach towards the determination of appropriate partnerships based on the activities outlined in the FY24 Work Plan. Partnerships will be considered an extension of MCEDC's goals in areas where we do not have the internal resources or expertise to complete the tasks. Particular areas of interest will include partnering with trade associations and other entities that represent underserved business communities.

Partners include the Maryland Women's Business Center, the Montgomery County Chamber of Commerce, The Latino Economic Development Center and the Maryland Tech Council's Venture Mentoring Program. As a partner, MCEDC will play an active role in the accomplishment of shared economic development goals.

Business Development

A total of **\$180,000** is budgeted to support business development events that benefit the County's economy and to support attraction, retention, and expansion activities. Items include business engagement forums, market tours, trade shows, conferences, and sponsorships tied directly to tradeshow and conferences. This amount reflects a 36% decrease as compared to the amount budgeted in FY23, due to a move away from business forums.

The Business Development line item includes **\$100,000** for sponsorships in FY24. MCEDC will revisit its sponsorship criteria to ensure that we apply an equity lens to all sponsorship decisions and that each sponsorship is aligned with the activities in the FY24 Work Plan.

In FY23, MCEDC sponsored the following organizations. Similar sponsorships may be considered in FY24.

Company/Organization	Amount
MEDA, Inc	\$10,000.00
BioHealth Capital Region Forum	\$10,000.00

Cybersecurity Association of Maryland (Cyber Meetup)	\$1,500.00
Universities At Shady Grove Foundation - Women in STEMM	\$3,000.00
Friends of White Oak	\$5,000.00
USG Foundation	\$5,000.00
Black Business Council - Black Business Outreach	\$10,380.00
Greater Washington Community Foundation	\$1,500.00
Committee for Montgomery	\$1,500.00
Minority Legislative Breakfast	\$1,500.00
Leadership Montgomery CVA Luncheon Sponsorship	\$2,000.00
Maryland Real Estate Convention LLC	\$17,500.00
Bio International Convention	\$10,000.00
Technology Council of Maryland, Inc.	\$7,000.00
The Nonprofit Village Center, Inc. - Nonprofit Navigator	\$20,000.00

Membership/Subscription Services

A total of **\$197,000** is set aside for membership dues, R&D subscriptions (e.g., Pitchbook, Salesforce, Costar) and other data and information subscription services.

Professional Development

A total of **\$40,000** is set aside for professional development opportunities to enhance employee skill sets and to provide training to address issues of race, equity, diversity, accessibility, belonging, and inclusion within the organization. Of this amount, \$25,000 is set aside for individual employee development, training classes, IEDC certification, Executive Leadership Council activities, etc. The balance will cover Leadership Montgomery and Leadership Greater Washington participation. The total budget represents a 20% decrease as compared to the previous year.

Business Fees

A total of **\$2,500** is set aside for business filing fees such as Charitable Registration and Personal Property Tax.

Operating Expenses

A total of **\$411,709** is set aside for basic organizational operating expenses such as rent, IT support, postage, depreciation, etc. This amount is in line with FY23 expenditures.

Miscellaneous Expenses

A total of **\$10,000** is set aside for unanticipated office improvements, such as those required to support a safe return to work.

Business Travel

A total of **\$100,000** is set aside for business travel tied to business development, attraction efforts and industry related events, consistent with pre-pandemic spending levels. This amount reflects a 60% increase in the amount budgeted in FY23 and will support additional business attraction outreach and MCEDC's international strategy.

Meals and Entertainment

A total of **\$31,500** is set aside for business meals and entertainment for business development and retention activities; this amount reflects an increased focus on the local business community around business attraction,

retention and expansion. The amount budgeted reflects a 142% increase as compared to FY23.

Marketing and Communications

A total of **\$836,000** has been budgeted to expand marketing and communications efforts across the region and across the country.

Advertising Campaigns

\$500,000

This represents a continuation of the *Be Next* brand campaign and targeted industry trade advertising.

<u>Public Relations/Communications</u>	<u>\$175,000</u>
<u>Advertorials, Webinars, etc.</u>	
<ul style="list-style-type: none"> ▪ Bisnow ▪ WTOP ▪ WBJ ▪ Bethesda Beat ▪ Montgomery Community Media ▪ Minority/Women/Marketing/Ad/promotions ▪ MCEDC Marketing Vision/CEO Profiles/Media Support 	\$100,000
<ul style="list-style-type: none"> ▪ Webinar Operations 	\$20,000
<ul style="list-style-type: none"> • Podcast Operation 	\$15,000
<u>LinkedIn/Social Media/Radio</u>	\$15,000
<u>Targeted Publication Ads</u>	\$15,000
<u>Chamber Directory Ads</u>	\$10,000
<u>Trade Show/MCEDC Events</u>	<u>\$28,000</u>
<ul style="list-style-type: none"> ▪ Collateral Updates ▪ Promotional Giveaways ▪ Events (Site/F&B/Entertainment/Etc.) ▪ Printing Costs (collateral, cards etc.) 	\$2,000 \$8,000 \$10,000 \$8,000
<u>Communications Tracking</u>	<u>\$30,000</u>
<ul style="list-style-type: none"> ▪ Cision Subscription ▪ PRNewswire ▪ Video/Audio Clipping 	\$10,000 \$10,000 \$10,000
<u>Digital Marketing/Website</u>	<u>15,000</u>
Social Media & Newsletter Tools	\$5,000
<ul style="list-style-type: none"> ▪ Sendible 	

▪ Lnk.bio	
▪ MailChimp	
Website Upkeep	\$10,000
▪ Weglot Widget	
<u>Website Maintenance & Replacement</u>	<u>\$23,000</u>
▪ Website Maintenance Coder	\$15,000
▪ Maintenance	\$8,000
<u>External Support</u>	<u>\$30,000</u>
▪ PR Agency	\$14,000
▪ Article/Paid Feature Writer	\$10,000
▪ Photographer	\$3,500
▪ Videographer	\$2,500
<u>Marketing Partnerships</u>	<u>0</u>
<u>Sponsorships</u>	<u>\$25,000</u>
▪ RMI of Maryland	\$1,000
▪ Other Sponsorships	\$14,000
▪ Montgomery Can Code	\$5,000
▪ Translation Services	\$5,000
<u>Misc.</u>	<u>\$10,000</u>
▪ Costar Subscription	\$10,000

Strategic Initiatives

A total of **\$150,000** is allocated for initiatives, small programs, and beta tests to support short-term economic development programs and to help launch multi-year programs. A breakdown of these initiatives is below:

MOCO ENTREPRENEURSHIP AND INNOVATION HUB (\$50,000)

Efforts to develop an Entrepreneurship and Innovation Hub (EIH), previously referred to as the Entrepreneurship and Innovation Center, began in FY22 and is structured to connect and enhance the traditional entrepreneurship ecosystem within the County to reflect a shared vision of a diverse, inclusive, and equity-based innovative startup and small business community.

Through the EIH, MCEDC will 1) convene mission-aligned and committed entrepreneurial support organizations to design and implement a program to help founders better navigate the innovation ecosystem; 2) identify and fill service gaps; and 3) leverage resources, training, and expertise across the ecosystem to ensure equitable access to capital and resources.

MCEDC will also continue to develop and utilize internal tools such as a Resource Database and Referral Engine to strengthen our team's ability to support existing companies and entrepreneurs developing innovative technological

solutions within our target industries by connecting them with the right resources and partners.

Under the umbrella of the Entrepreneurship and Innovation Hub, MCEDC will build and expand programs that strengthen our capacity to grow key innovation clusters in Montgomery County. For instance, in FY23, MCEDC launched the first cohort of the Hospitality Tech Accelerator and expects to host at least one additional cohort in FY24. Additional efforts to support the region's Quantum industry include supporting the University of Maryland's Quantum Startup Foundry and connecting local life science companies with existing quantum companies that can greatly impact the pace of scientific discovery.

FEDERAL ENGAGEMENT (\$65,000)

Federal engagement will help spur local economic development by leveraging the county's federal assets to support new business formation, facilitate technology development, and develop partnerships that support critical national missions. The initiative outcome is to have Montgomery County recognized as a premier international location for innovative companies and organizations that can benefit from localized federal assets and relationships. MCEDC will achieve this outcome through ongoing and new programs and partnerships, which include but not limited to:

- Implement the National Cybersecurity Center of Excellence (NCCoE) PIA with County and State partners
- Technology Transfer Legislative reform in conjunction with the Federal Labs Consortium (FLC)
- Participation with TEDCO to implement the Maryland Defense Technology Commercialization (DefTech) Center, as well as promote the TEDCO Proposal Lab to County companies
- SBIR Matching Grant Program marketing and review
- Federal funding opportunities for further program development

NEW MARKET OPPORTUNITIES (\$35,000)

MCEDC will continue with new business opportunities which allow MCEDC to test economic development concepts or to support initiatives launched by our partners. New opportunities may include:

- Creation of economic development programs to support key business corridors including the Purple and Red Line Metro corridors
- Development and implementation of strategies outlined in the county's Climate Action Plan
- Advancement of partnerships that facilitate the participation in new market opportunities around quantum computing, artificial intelligence, and food systems
- Expansion of capacity building programs for businesses to enhance their sustainability and growth

MCEDC FY24 Appropriation Request

	FY23 Approved Budget	FY23 Projections	Budget Variance	FY24 Proposed Budget Submitted October 2022	Revised FY24 Budget Submission April 2023
INCOME					
Revenue					
Montgomery County Contribution	\$ 6,200,000.00	\$ 6,200,000.00	\$ -	\$ 6,800,000.00	\$ 6,380,000.00
External Revenue (Non-County)	\$ 250,000.00	\$ 50,000.00	\$ (200,000.00)	\$ 250,000.00	\$ 150,000.00
ACE Loan Program Income		\$ 120,000.00	\$ 120,000.00	\$ 75,000.00	\$ 75,000.00
Interest Income	\$ 2,000.00	\$ 8,000.00	\$ 6,000.00	\$ 1,000.00	\$ 7,000.00
Total Revenue	\$ 6,452,000.00	\$ 6,378,000.00	\$ (74,000.00)	\$ 7,126,000.00	\$ 6,612,000.00
EXPENSES					
Personnel Costs					
Salaries & Wages	\$ 3,339,358.77	\$ 2,462,943.00	\$ (876,415.77)	\$ 3,462,164.79	\$ 3,542,576.25
Benefits & Payroll Taxes	\$ 834,839.69	\$ 594,246.00	\$ (240,593.69)	\$ 771,285.40	\$ 787,477.54
TOTAL	\$ 4,174,198.46	\$ 3,057,189.00	\$ (1,117,009.46)	\$ 4,233,450.19	\$ 4,330,053.78
Ace Loan Program					
Program Expenses	\$ -	\$ 120,000.00	\$ 120,000.00	\$ 40,000.00	\$ 40,000.00
TOTAL	\$ -	\$ 120,000.00	\$ 120,000.00	\$ 40,000.00	\$ 40,000.00
Professional Services					
Legal	\$ 15,000.00	\$ 18,187.00	\$ 3,187.00	\$ 20,000.00	\$ 20,000.00
Human Resources	\$ 35,000.00	\$ 33,063.00	\$ (1,937.00)	\$ 43,175.00	\$ 42,500.00
Accounting/Audit	\$ 80,000.00	\$ 96,712.00	\$ 16,712.00	\$ 35,000.00	\$ 35,000.00
Misc Subcontractors	\$ 8,000.00	\$ 23,721.00	\$ 15,721.00	\$ 15,000.00	\$ 15,000.00
TOTAL	\$ 138,000.00	\$ 171,683.00	\$ 33,683.00	\$ 113,175.00	\$ 112,500.00
Insurance					
Prop & Liability; WC: Commercial; D&O	\$ 18,000.00	\$ 18,000.00	\$ -	\$ 20,500.00	\$ 20,500.00
TOTAL	\$ 18,000.00	\$ 18,000.00	\$ -	\$ 20,500.00	\$ 20,500.00
Partnerships					
Partnerships	\$ 175,000.00	\$ 175,000.00	\$ -	\$ 240,000.00	\$ 150,000.00
TOTAL	\$ 175,000.00	\$ 175,000.00	\$ -	\$ 240,000.00	\$ 150,000.00
Membership/Subscription Services					
Membership Dues	\$ 31,362.00	\$ 38,940.00	\$ 7,578.00	\$ 42,000.00	\$ 42,000.00
Research & BD Subscriptions	\$ 139,485.20	\$ 116,421.00	\$ (23,064.20)	\$ 160,000.00	\$ 140,000.00
Other Subscription Services	\$ 12,000.00	\$ 12,831.00	\$ 831.00	\$ 17,000.00	\$ 15,000.00
TOTAL	\$ 182,847.20	\$ 168,192.00	\$ (14,655.20)	\$ 219,000.00	\$ 197,000.00
Professional Development					
	\$ 50,000.00	\$ 25,617.00	\$ (24,383.00)	\$ 40,000.00	\$ 40,000.00
TOTAL	\$ 50,000.00	\$ 25,617.00	\$ (24,383.00)	\$ 40,000.00	\$ 40,000.00
Business Fees					
Service Fees/Interest Charges	\$ 500.00	\$ 179.00	\$ (321.00)	\$ 500.00	\$ 500.00
Business Licenses and Filing Fees	\$ 500.00	\$ 6,666.00	\$ 6,166.00	\$ 2,000.00	\$ 2,000.00
TOTAL	\$ 1,000.00	\$ 6,845.00	\$ 5,845.00	\$ 2,500.00	\$ 2,500.00
Operating Expenses					
Rent	\$ 352,242.64	\$ 276,495.00	\$ (75,747.64)	\$ 361,929.32	\$ 361,929.32
Building Operating Expenses	\$ 24,000.00	\$ 43,035.00	\$ 19,035.00	\$ 20,000.00	\$ 20,000.00
Parking			\$ -		
Personnel Parking	\$ 12,000.00	\$ 3,411.00	\$ (8,589.00)	\$ 6,000.00	\$ 3,000.00
Client Parking-Validation	\$ 2,000.00	\$ 300.00	\$ (1,700.00)	\$ 1,000.00	\$ 1,000.00
Internet/Telephone/Security			\$ -		
Telephone	\$ 7,000.00	\$ 7,000.00	\$ -	\$ 8,500.00	\$ 8,500.00
Security	\$ 1,750.00	\$ 1,750.00	\$ -	\$ 2,000.00	\$ 2,000.00
Internet/TV	\$ 3,000.00	\$ 3,000.00	\$ -	\$ 3,000.00	\$ 3,000.00
Office Supplies/Office Expenses			\$ -		
Office Supplies/ Misc Office Expenses	\$ 6,000.00	\$ 15,389.00	\$ 9,389.00	\$ 7,000.00	\$ 7,000.00
Postage and Delivery	\$ 500.00	\$ 409.00	\$ (91.00)	\$ 2,000.00	\$ 2,000.00
Printing (internal)	\$ 8,000.00	\$ 2,653.00	\$ (5,347.00)	\$ 4,000.00	\$ 4,000.00
IT (Maint, Help Desk, Equip, Software)	\$ 60,000.00	\$ 76,194.00	\$ 16,194.00	\$ 50,000.00	\$ 75,000.00
Partner Expense Reimbursement	\$ (180,000.00)	\$ (131,027.00)	\$ 48,973.00	\$ (180,000.00)	\$ (180,000.00)
Depreciation	\$ 101,520.00	\$ 96,982.00	\$ (4,538.00)	\$ 97,180.30	\$ 97,180.30
Equipment Lease	\$ 7,100.00	\$ 7,100.00	\$ -	\$ 7,100.00	\$ 7,100.00
TOTAL	\$ 405,112.64	\$ 402,691.00	\$ (2,421.64)	\$ 389,709.62	\$ 411,709.62
Miscellaneous Expenses					

	FY23 Approved Budget	FY23 Projections	Budget Variance	FY24 Proposed Budget Submitted October 2022	Revised FY24 Budget Submission April 2023
Office Space - FF&E	\$ 10,000.00	\$ -	\$ (10,000.00)	\$ 10,000.00	\$ 10,000.00
TOTAL	\$ 10,000.00	\$ -	\$ (10,000.00)	\$ 10,000.00	\$ 10,000.00
Business Travel					
Airplane/Trains	\$ 30,000.00	\$ 40,520.00	\$ 10,520.00	\$ 20,000.00	\$ 60,000.00
Lodging	\$ 25,000.00	\$ 23,059.00	\$ (1,941.00)	\$ 25,000.00	\$ 35,000.00
Local Travel (Mileage, Parking, Tolls)	\$ 7,500.00	\$ 9,099.00	\$ 1,599.00	\$ 5,000.00	\$ 5,000.00
TOTAL	\$ 62,500.00	\$ 72,678.00	\$ 10,178.00	\$ 50,000.00	\$ 100,000.00
Meals & Entertainment					
M&E-Meetings	\$ 3,500.00	\$ 8,088.00	\$ 4,588.00	\$ 6,000.00	\$ 15,000.00
M&E-BD	\$ 7,500.00	\$ 2,880.00	\$ (4,620.00)	\$ 7,500.00	\$ 7,500.00
M&E- Marketing	\$ -	\$ 8,043.00	\$ 8,043.00		
M&E - Board			\$ -	\$ 4,000.00	\$ 4,000.00
M&E- Other	\$ 2,000.00	\$ 5,117.00	\$ 3,117.00	\$ 2,000.00	\$ 5,000.00
TOTAL	\$ 13,000.00	\$ 24,128.00	\$ 11,128.00	\$ 19,500.00	\$ 31,500.00
Business Development					
Business Engagement Forums	\$ 75,000.00	\$ -	\$ (75,000.00)	\$ 75,000.00	\$ 25,000.00
Familiarization Tours	\$ 7,500.00	\$ -	\$ (7,500.00)	\$ 7,500.00	\$ 5,000.00
Tradeshows/Conferences/Events	\$ 50,000.00	\$ 32,990.00	\$ (17,010.00)	\$ 50,000.00	\$ 50,000.00
Sponsorships	\$ 150,000.00	\$ 150,000.00	\$ -	\$ 100,000.00	\$ 100,000.00
TOTAL	\$ 282,500.00	\$ 182,990.00	\$ (99,510.00)	\$ 232,500.00	\$ 180,000.00
Marketing/Communications					
Advertising	\$ 300,000.00	\$ 1,054,325.00	\$ 754,325.00	\$ 450,000.00	\$ 500,000.00
Public Relations/Communications		\$ 319,716.00	\$ 319,716.00	\$ 300,000.00	\$ 175,000.00
Trade Shows				\$ 72,000.00	\$ 28,000.00
Communications Tracking	\$ 50,000.00	\$ 22,500.00	\$ (27,500.00)	\$ 30,000.00	\$ 30,000.00
Digital Marketing		\$ 182,255.00	\$ 182,255.00	\$ 7,500.00	\$ 15,000.00
Website Maintenance & Replacement	\$ 50,000.00		\$ (50,000.00)	\$ 50,000.00	\$ 23,000.00
Comm/Marketing External Support			\$ -	\$ 100,500.00	\$ 30,000.00
Marketing Partnerships			\$ -	\$ 60,000.00	\$ -
Sponsorships	\$ 50,000.00		\$ (50,000.00)	\$ 51,000.00	\$ 25,000.00
Miscellaneous			\$ -	\$ 35,000.00	\$ 10,000.00
TOTAL	\$ 450,000.00	\$ 1,578,796.00	\$ 1,128,796.00	\$ 1,156,000.00	\$ 836,000.00
Strategic Initiatives	\$ 645,000.00	\$ 462,202.00	\$ (182,798.00)	\$ 150,000.00	\$ 150,000.00
TOTAL	\$ 645,000.00	\$ 462,202.00	\$ (182,798.00)	\$ 150,000.00	\$ 150,000.00
TOTAL EXPENSES	\$ 6,607,158.30	\$ 6,466,011.00	\$ (141,147.30)	\$ 6,916,334.81	\$ 6,611,763.40
INCOME LESS EXPENSES	\$ (155,158.30)	\$ (88,011.00)		\$ 209,665.19	\$ 236.60

Montgomery County Economic Development (MCEDC)
Statement of Financial Position
Ending Period 03/31/2023

		3/31/2023 Actual
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$	2,303,457
Prepaid Expenses		43,550
Total Current Assets		2,347,007
Non-Current Assets		
Accounts Receivable - Other	\$	8,472
Accounts Receivable - MC Government	\$	-
Equipment, Net of Accumulated Depreciation		382,505
Payroll Advance		-
Total Non-Current Assets		390,977
TOTAL ASSETS	\$	2,737,984
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$	170,225
EagleBank Credit Card		45,457
Legal Shield Liability		(57)
401k Plan		12,546
Aflac		(815)
Accrued PTO		119,535
Refundable Advance		-
Accrued Expenses		102,100
Total Current Liabilities	\$	448,991
Long Term Liabilities		
Deferred Rent Liability	\$	435,314
Total Long Term Liabilities		435,314
TOTAL LIABILITIES	\$	884,305
Net Assets		
Temporarily Restricted Net Assets		
MD State Grant		-
MD State Grant - Biolab		-
Avalanche Study		-
Reach Advisors Study		-
3R Initiative		-
PEPCO		62,287
Covid-19 Recovery Efforts		-
3R Program Funds		-
Restaurant Relief Funds		-
USG Research Initiative		24,500
ACE Loan Fund		70,545
Undesignated Net Assets		796,347
Board Designated Net Assets		900,000
Restricted Net Assets		-
Permanently Restricted Net Assets		-
Total Net Assets	\$	1,758,634
TOTAL LIABILITIES AND NET ASSETS	\$	2,737,984

No Assurance Provided

Montgomery County Economic Development (MCEDC)
Cumulative Statement of Revenue and Expenses From Operations
For the Period July 1, 2022 through March 31, 2023

	A FY23 Actual 07/01/22-02/28/23	B FY23 Budget 07/01/22-02/28/23	C FY23 Budget Variance	D % of Budget	E FY23 Budget Annual
Revenue					
Montgomery County Contribution	\$ 4,622,574	\$ 4,650,000	(27,426)	99%	\$ 6,200,000
External Revenue	116,472	\$ 187,500	(71,028)	62%	250,000
In-Kind Donation	12,450	\$ -	12,450		-
Interest Income	5,852	\$ 14,833	(8,981)	39%	2,000
		-			
Total Revenue	\$ 4,757,348	\$ 4,852,333	(94,985)	98%	\$ 6,452,000
Expenses					
Personnel Costs					
Salaries & Wages	1,881,743	\$ 2,504,519	(622,776)	75%	\$ 3,339,359
Benefits & Payroll Taxes	459,246	\$ 626,130	(166,884)	73%	834,840
Professional Services					
Legal	13,687	\$ 11,250	2,437	122%	15,000
Human Resources	18,263	\$ 26,250	(7,987)	70%	35,000
Accounting/Audit	92,212	\$ 60,000	32,212	154%	80,000
Misc Subcontractors	19,521	\$ 6,000	13,521	325%	8,000
Insurance					
Property & Liability, WC: Commercial: D&O	6,936	\$ 13,500	(6,564)	51%	18,000
Membership/Subs Services					
Membership Dues	23,940	\$ 23,522	418	102%	31,362
Research & BD Subscriptions	95,421	\$ 104,614	(9,193)	91%	139,485
Other Subscription Services	9,831	\$ 9,000	831	109%	12,000
Partnerships	127,500	\$ 131,250	(3,750)	97%	175,000
ACE Fund	74,100	\$ -	-	0%	-
Professional Development					
Professional Development	12,617	\$ 37,500	(24,883)	34%	50,000
Business Fees					
Service Fees/Interest Charges	164	\$ 375	(211)	44%	500
Business Licenses & Filing Fees	6,651	\$ 375	6,276	1774%	500
Operating Expenses					
Office Rent	190,095	\$ 264,182	(74,087)	72%	352,243
Building Operating Expenses	35,841	\$ 18,000	17,841	199%	24,000
Office Parking	2,811	\$ 9,000	(6,189)	31%	12,000
Guest Parking - Validation	-	\$ 1,500	(1,500)	0%	2,000
Telephone/Security/Internet	11,043	\$ 8,813	2,230	125%	11,750
Office Supplies/Misc. Office	13,889	\$ 4,500	9,389	309%	6,000
Postage & Delivery	349	\$ 375	(26)	93%	500
Printing (internal)	(347)	\$ 6,000	(6,347)	-6%	8,000
IT Services	53,694	\$ 45,000	8,694	119%	60,000
Equipment Lease	5,270	\$ 5,325	(55)	99%	7,100
Reimbursement of Other Expenses	(101,027)	\$ (135,000)	33,973	75%	(180,000)
Miscellaneous Expenses					
Office Space - FF&E		\$ 7,500	(7,500)	0%	10,000
Depreciation	72,712	\$ 76,140	(3,428)	95%	101,520
Business Travel					
Airplane/Trains	34,520	\$ 22,500	12,020	153%	30,000
Lodging	14,809	\$ 18,750	(3,941)	79%	25,000
Local Travel (Parking/Tolls)	6,849	\$ 5,625	1,224	122%	7,500
Meals & Entertainment					

M&E - Meetings	6,588	\$	2,625	3,963	251%	3,500
M&E - BD	2,580	\$	5,625	(3,045)	46%	7,500
M&E - Other	6,543	\$	1,500	5,043	436%	2,000
Business Development						
Business Engagement Forums	-	\$	56,250	(56,250)	0%	75,000
Familiarization Tours	-	\$	5,625	(5,625)	0%	7,500
Tradeshows/Conferences/Events	29,657	\$	37,500	(7,843)	79%	50,000
Sponsorships	113,000	\$	112,500	500	100%	150,000
Marketing/Communications						
Advertising and Promotional Campaigns	890,325	\$	225,000	665,325	396%	300,000
Communications	162,716	\$	37,500	125,216	434%	50,000
Digital Marketing/Website Maintenance	72,255	\$	37,500	34,755	193%	50,000
Sponsorships	22,500	\$	37,500	(15,000)	60%	50,000
Strategic Initiatives						
FY23 Strategic Initiatives	187,202		483,750	(296,548)	39%	645,000
Total Expenses	\$ 4,675,706	\$	4,955,370	\$ (353,764)	94%	\$ 6,607,159
Change in Unrestricted Net Assets	\$ 81,642	\$	(103,037)	\$ 184,679	-79%	\$ (155,159)

No Assurance Provided

Montgomery County Economic Development (MCEDC)
Cumulative Statement of Revenue and Expenses From Operations
For the Period March 1, 2022 through March 31, 2023

	A FY23 Actual 03/01/23-03/31/23	B FY23 Budget 03/01/23-03/31/23	C FY23 Budget Variance	D % of Budget
Revenue				
Montgomery County Contribution	\$ -	\$ 417,313	(417,313)	0%
External Revenue	33,313	8,333	24,980	400%
Interest Income	1,035	167	868	620%
		-		
Total Revenue	\$ 34,348	\$ 425,813	(391,465)	8%
Expenses				
Personnel Costs				
Salaries & Wages	179,819	\$ 255,317	(75,498)	70%
Benefits & Payroll Taxes	42,773	\$ 58,639	(15,866)	73%
Professional Services				
Legal	-	2,500	(2,500)	0%
Human Resources	11,469	2,083	9,386	551%
Accounting/Audit	2,295	7,917	(5,622)	29%
Misc Subcontractors	3,591	2,500	1,091	144%
Insurance				
Property & Liability, WC: Commercial: D&O	3,212	1,917	1,295	168%
Events/Sponsorships				
Tradeshows/Conferences/Events	-	-	-	
Sponsorships	-	-	-	
Membership/Subs Services				
Membership Dues	-	2,750	(2,750)	0%
Research & BD Subscriptions	6,626	16,667	(10,041)	40%
Other Subscription Services	837	833	4	100%
Partnerships				
ACE Fund	12,500	16,667	(4,167)	75%
ACE Fund	40,000	-	-	0%
Professional Development				
Professional Development	1,789	2,083	(294)	86%
Business Fees				
Service Fees/Interest Charges	30	42	(12)	71%
Business Licenses & Filing Fees		42	(42)	0%
Operating Expenses				
Office Rent	20,758	28,568	(7,810)	73%
Building Operating Expenses	2,174	1,667		130%
Office Parking	320	1,333	(1,013)	24%
Guest Parking - Validation	-	250	(250)	0%
Telephone/Security/Internet	800	1,188	(388)	67%
Office Supplies/Misc. Office	5,404	1,000	4,404	540%
Postage & Delivery		42	(42)	0%
Printing (internal)	426	667	(241)	64%
IT Services	2,672	5,833	(3,161)	46%
Equipment Lease	592	592	-	100%
Reimbursement of Other Expenses	(10,638)	(15,000)	4,362	71%
Nonprofit Grant Program	-			
Miscellaneous Expenses				
Office Space - FF&E		4,167	(4,167)	0%
Depreciation	8,090	8,500	(410)	95%
Business Travel				

Airplane/Trains	625	2,500	(1,875)	25%
Lodging	1,738	2,083	(345)	83%
Local Travel (Parking/Tolls)	(635)	625	(1,260)	-102%
Meals & Entertainment				
M&E - Meetings	58	292	(234)	20%
M&E - BD	-	625	(625)	0%
M&E - Marketing	314	83	231	378%
M&E - Other	1,112	167	945	666%
Business Development				
Business Engagement Forums	-	2,083	(2,083)	0%
Familiarization Tours	-	625	(625)	0%
Tradeshows/Conferences/Events	16,241	4,167	12,074	390%
Sponsorships	-	12,500	(12,500)	0%
Marketing/Communications				
Advertising and Promotional Campaigns	161,686	41,667	120,019	388%
Communications	25,606	4,167	21,439	614%
Digital Marketing/Website Maintenance	2,654	4,167	(1,513)	64%
Sponsorships	-	4,167	(4,167)	0%
Strategic Initiatives				
FY22 Strategic Initiatives	34,073	66,667	(32,594)	51%
Total Expenses	\$ 579,011	\$ 555,349	\$ (16,845)	104%
Change in Unrestricted Net Assets	\$ (544,663)	\$ (129,536)	\$ (415,127)	420%

No Assurance Provided



UPDATE AS OF MAR. 2023

MCEDC MARKETING INITIATIVES Creative & Metric Overview

1

Community Outreach & Participation

2

Montgomery County Economic Development Corporation - Maryland
January 20

Wednesday was an historic day in Maryland History as Governor Wes Moore and Lt. Governor Aruna Miller were sworn in as the first Black Governor and first Woman of color, first immigrant, and first Asian American Lt. Governor in Maryland History. Oprah Winfrey, former US Attorney General Eric Holder, former Maryland Governor Larry Hogan and wife Yumi Hogan, Montgomery County Economic Development Corporation - Maryland President & CEO Bill Tompkins and a host of celebrities, national, state and local government officials were on hand to share in this historic moment.

Montgomery County Government Maryland Wes Moore Aruna Miller



think more MCECC President & CEO Bill Tompkins, MCECC President & CEO GGG Godwin and @think_more Board Member and @mcecc President Carmen Larson at @ibew26 here at Maryland as @pottas discussed manufacturing job creation and the economic plan as it relates to our region. @governormoore who was also front and center.

View insights

Liked by countysablemore and 18 others

Bill and Board Member Carmen Larson were on hand for President Biden's IBEW 26 visit

Bill Attended Governor Wes Moore's Inauguration

GOVERNOR WES MOORE'S INAUGURATION & IBEW 26 PRESIDENTIAL VISIT

3



UnityPediatrics3.3.234809
Montgomery County, MD

Narbeli orchestrated and attended a MOVE Grant visit with Unity Pediatrics LLC and the County Executive

MOVE GRANT

4



Left to right: MCEDC Board Chair Kevin Beverly, Novavax SVP of Government Affairs Brian Rosen, MCEDC President & CEO Bill Tompkins, MCEDC VP of Marketing & Communications Michael Mitchell and MCEDC Board Member Matthew Lee



Bill Tompkins presented the Global Impact Award

MONTGOMERY CHAMBER OF COMMERCE BUSINESS AWARDS DINNER

5

Tweet



Excited to connect at this week's #MD@BioInnovation Conference. Day Two is off and rolling!



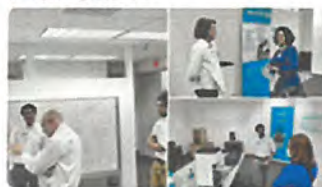
10:42 AM · Oct 6, 2022

Maryland Life Sciences Bio Innovation Conference

Tweet



Thanks for inviting us to your open house, @agentisair! Great to see what you're working on and what you might do next.



3:50 PM · Oct 20, 2022

Agentis Air Open House

Tweet



MCEDC's Lynne Stein Benzion & Patty Smonton were on hand to welcome @GovLarryHogan to the Greater Washington booth at #QuantumWorldCongress! In an earlier speech, Gov. Hogan noted "our nation-leading biotech cluster, as a place where quantum can make a difference."



3:59 PM · Dec 1, 2022

Quantum World Congress Conference

Tweet



MCEDC's Brad Stewart was on hand as Governor Larry Hogan visited @AstraZeneca's biologics manufacturing center in Frederick to highlight the cluster. He award of \$2.5M to the @MDTechCouncil to support the BioHub Pathways program. [bit.ly/3N721RL](#)



AstraZeneca's Frederick Manufacturing Center Visit

CONFERENCES, SITE VISITS AND MORE

6

← Tweet
 MCEDC @think_mccc
 So excited to be with the MCEDC team and all the other attendees to celebrate the opening of the new @MarriottIntl global HQ. Thanks for having us!
 11:15 AM · Sep 15, 2022
 1 Like
 Marriott International HQ Grand Opening
[Click to view](#)

← Tweet
 MCEDC @think_mccc
 MCEDC was on hand to welcome Undbio to Montgomery County as the pharmaceutical company unveiled its new US Headquarters at TwinLabs in Rockville Md with ceremonial ribbon cutting. UNDBIO's Chairman Yong-Seo Jun was joined Maryland Dignitaries.
 5:07 PM · Oct 26, 2022
 UNDBIO's US HQ Grand Opening
[Click to view](#)

← Tweet
 MCEDC @think_mccc
 Lynne Bertson and John Spicco of @think_mccc were on hand as County Executive Marc Elrich presented a proclamation to Amador Bioscience at the grand opening of its 11,000-square-foot facility in Germantown, Maryland. The site is Amador Bioscience's first US location.
 12:43 PM · Nov 8, 2022
 Amador Bioscience Grand Opening

← Tweet
 MCEDC @think_mccc
 @think_mccc Congratulates Sirnaomics on its 15th Anniversary and the Grand opening and ribbon-cutting for its new headquarters in Germantown. Dr. Patrick Lu, Sirnaomics co-founder, President & CEO, was joined by @MontCoExec, @think_mccc's Bill Tompkins and @MDIBU's Carla Merritt.
 2:11 AM · Dec 16, 2022 · 340 views
 Sirnaomics 15th Anniversary and Germantown HQ Ribbon Cutting
[Click to view](#)

GRAND OPENINGS

7

← Tweet
 MCEDC @think_mccc
 MCEDC President & CEO Bill Tompkins traveled to South Africa with the MD delegation under the KwaZulu-Natal-Maryland cooperation arrangement. The purpose of the trip was to renew Maryland/KwaZulu-Natal Sister State MOU & meet with counterparts to further beneficial partnerships.
 4:08 PM · Nov 17, 2022
 Bill and MD Delegation in South Africa

← Tweet
 MCEDC @think_mccc
 MCEDC's Brad Stewart and MCEDC Board Member Matthew Lee attended the 2022 Daejeon United Cities and Local Governments (UCLG) World Congress in South Korea. Over 6100 people from 145 countries were in attendance in Daejeon, Republic of Korea, the sister city of Montgomery County!
 2:17 PM · Oct 24, 2022
 Brad and MCEDC Board Member Matthew Lee in South Korea

PROMOTING MONTGOMERY COUNTY OVERSEAS

8



Bill and MD Delegation in South Africa



Brad and MCEDC Board Member Matthew Lee in South Korea

PROMOTING MONTGOMERY COUNTY OVERSEAS

9

In The News

10

Technical.ly
 PROFESSIONAL DEVELOPMENT
 CYBERSECURITY / PROFESSIONAL DEVELOPMENT

Maryland stakeholders are launching a cyber connection initiative

The National Cybersecurity Center of Excellence and the Montgomery County Economic Development Corporation are launching the Cybersecurity Connections Initiative to help grow the county and state's cyber industry.

MCEDC Technical.ly News Network - Hospitality Tech Accelerator Coverage
[Click to view](#)

MCEDC HOSPITALITY TECH ACCELERATOR COVERAGE

11

Technical.ly

MCEDC and Bethesda Green just launched a hospitality tech accelerator

"We seek to highlight the many ways the hospitality industry is pushing the boundaries," said MCEDC Strategic Initiatives Manager Patty Simonson.

MCEDC Technical.ly News Network - Hospitality Tech Accelerator Coverage
[Click to view](#)

Travel & Tourism

Montgomery County's economic development arm launches hospitality tech accelerator

Bill Tompkins is president and CEO of the Montgomery County Economic Development Corp., which is launching an accelerator for hospitality companies.

MCEDC Washington Business Journal - Hospitality Tech Accelerator Coverage
[Click to view](#)

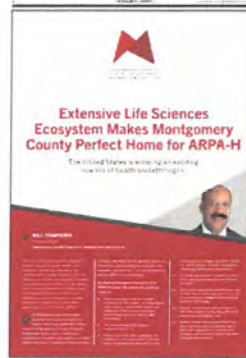
MCEDC HOSPITALITY TECH ACCELERATOR COVERAGE

12

Montgomery County 'going full steam ahead' to land ARPA-H. It's not alone.



ARPA-H WBJ Interview with County Executive and Bill (ran 3 times)
[Click to view](#)

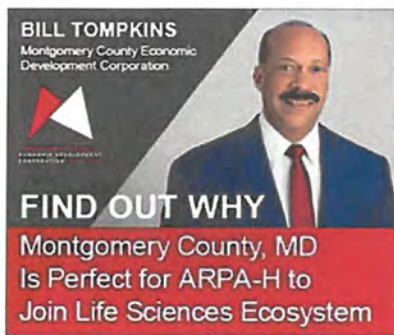


ARPA-H WBJ Print Advertorial



(ARPA-H) ADVANCED RESEARCH PROJECTS AGENCY FOR HEALTH NEWS OUTLET COVERAGE

13



ARPA-H MoCo360 (formerly Bethesda Beat) Advertorial Thumbnail Teaser
[Click to view](#)



ARPA-H MoCo360 Advertorial
[Click to view](#)



ARPA-H MoCo360 Article — Interview with Bill
[Click to view](#)

ARPA-H NEWS OUTLET COVERAGE CONTINUED

14

Half Page ARPA-H Advertorial and Be Next Ad; Additional ads will hit in March

WASHINGTON POST ARPA-H COVERAGE

15

IEDC Coverage

MEDA Coverage
Click to view [article 1](#) and [article 2](#)

MORE COVERAGE TO PROMOTE ECONOMIC DEVELOPMENT

16

MCEDC NEWSLETTER




MCEDC Newsletter featured Celebrate Silver Spring: Arts, Brews & Businesses Event

[Click to view](#)

17

Montgomery County's hospitality cluster embraces innovation

Oct 10, 2022



The breadth of Montgomery County's hospitality industry creates endless jobs for people, according to Laurie Boyer Babbs, director of economic development for Montgomery County Economic Development Corporation (MCEDC).

There's a lot happening in the hospitality industry as leisure and business travel continue to rebound from the pandemic, and much of that activity has its roots in Montgomery County, Maryland.


"We have this fantastic, vibrant cluster of hospitality-related companies that are interconnected and working together," said Laurie Boyer Babbs, director of economic development for Montgomery County Economic Development Corporation (MCEDC).

Marriott International Inc., the largest company in the cluster, has been based in

Hospitality Article
[Click to view](#)

What Montgomery County's top industries are doing to find and develop talent

Montgomery County Economic Development Corporation - Oct 10, 2022



Some Montgomery County companies choose to train from within, while others look to outside sources to find talent, such as education institutions and search firms.


Montgomery County, Maryland is home to multiple thriving industries, including tech, life sciences, nonprofit and hospitality. A common theme among these industries is the talent pool in Montgomery County is second to none. How these different industries access talent is where they diverge. Some choose to train from within, while others look to outside sources to find talent, such as education institutions and search firms.

Life science and tech

Talent Article
[Click to view](#)

How Montgomery County is helping shape the local bio workforce as demand for talent increases

Oct 10, 2022



Companies are working with higher education institutions to strengthen the workforce pipeline further.

Montgomery County's growing life sciences industry is getting a boost from collaborative efforts between businesses, higher education institutions, nonprofits and government agencies.

Life sciences is a top industry in the county. The Montgomery County Economic Development Corporation (MCEDC) reports the county's more than 300 bio companies attracted nearly \$8 billion in investments in 2020. At the end of July 2022, Indeed's job search site listed nearly 750 biotechnology job openings in the county.

Life Sciences Article
[Click to view](#)

WBJ CONTENT HUB ARTICLES

18

The craft beverage industry is thriving in Montgomery County

Montgomery County Economic Development Corporation • Oct 10, 2022



On a state level, the craft beverage industry, which includes wine, beer, cider and spirits, has had a major economic impact.

Long before the life science, IT and cybersecurity sectors were mainstay industries in Montgomery County, Maryland, agriculture was — and continues to be — a strong and important presence. With 558 farms, the agriculture industry produces \$281 million in economic impact. In recent years, the craft beverage industry has contributed to this success. These days, wineries, breweries and distilleries are also part of a thriving and growing beverage industry.

On a state level, the craft beverage industry, which includes wine, beer, cider and spirits, has had a major economic impact. According to the Maryland Office of Agriculture (OAG), between 2016 and 2018, the number of breweries

Craft Beverages Article
[Click to view](#)

Montgomery County's extensive business support network helps local startups

Montgomery County Economic Development Corporation • Oct 10, 2022



The Montgomery County Economic Development Corporation helps connect businesses to the support and resources they need — from finding the ideal location to qualifying for incentives and more — to be successful.

Starting a new business can be a daunting task. With entrepreneurs having to juggle everything from hiring employees to raising funds to finding a business location, it's no wonder that approximately 20% of new businesses fail in their first year.

In Montgomery County, Maryland, where more than \$4.25B in venture capital was raised in 2021, local public and private organizations have taken steps to ensure startups and their owners have the tools they will need to overcome the

Small Business Support Article
[Click to view](#)

The driving factors behind the growth in Montgomery County's cybersecurity industry

Montgomery County Economic Development Corporation • Oct 10, 2022



The many private, public and educational entities across Montgomery County a perfect hub for cybersecurity growth.

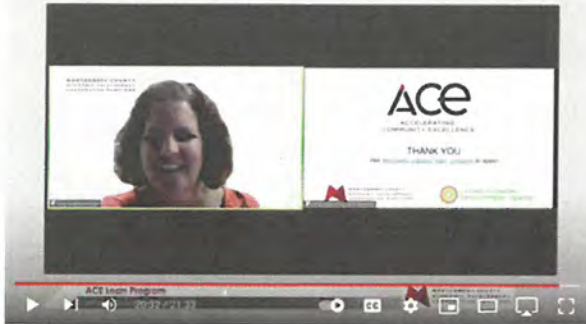
There are thousands of cybersecurity and tech companies in Maryland, with many situated right in Montgomery County. One of the main reasons for choosing the area is the prime location.

The county is home to 18 federal agency headquarters, including the National Institute of Standards and Technology (NIST). Add the regional advantage of dozens of key federal agencies, including the National Security Administration (NSA) and the Department of Defense (DoD), combined with the available talent, and you have the ideal environment to ensure your cybersecurity remains

Cyber Article
[Click to view](#)

WBJ CONTENT HUB ARTICLES CONTINUED

Webinars



Accelerating Community Excellence (ACE) Loan English Webinar
[Click to view](#)



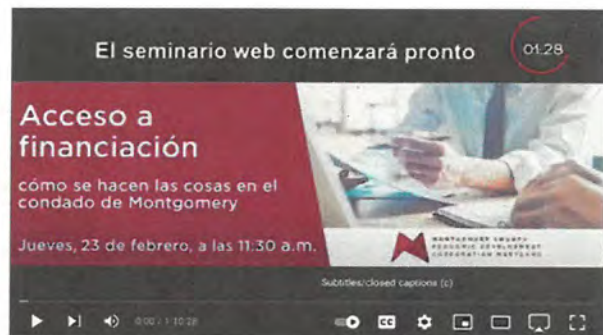
Accelerating Community Excellence (ACE) Loan Spanish Webinar
[Click to view](#)

ACE LOAN ENGLISH AND SPANISH WEBINARS

21



Getting Things Done In Montgomery County, MD: Finding Your Resources Spanish Webinar
[Click to view](#)



Conéctese a los recursos financieros para negocios que están disponible en el Condado de Montgomery
[Click to view](#)

GETTING THINGS DONE IN MONTGOMERY COUNTY, MD: FINDING YOUR RESOURCES SPANISH WEBINAR

22

Panels, Profiles & Interviews

23



Bill Tompkins

Washington Informer (WIN TV) Interview

[Click to view](#)



WBJ Executive Insights Interview

[Click to view](#)

Bill Tompkins, President and CEO
"CEOs You Should Know"
iHeartRadio

CEOs You Should Know (iHeart Podcast) Interview

[Click to view](#)



El Tiempo Latino
[Click to view](#)

BILL PROMOTES MONTGOMERY COUNTY TO DIVERSE COMMUNITY AUDIENCES

24

CED Tompkins Opens Doors Wide to MoCo New MCEDC Chief Is Sailed for the Job

By Bob
Staff Writer

Montgomery County Economic Development Corporation (CED) has named a new chief executive officer (CEO) to lead the organization. The new CEO, Mark Luff, will be responsible for overseeing the county's economic development efforts. Luff has a long history in the industry and will be leading the county's efforts to attract and retain businesses. The county's economic development efforts are a top priority for the county's leadership. Luff will be working closely with the county's leadership to ensure that the county's economic development efforts are successful. The county's economic development efforts are a top priority for the county's leadership. Luff will be working closely with the county's leadership to ensure that the county's economic development efforts are successful.



Mark Luff, CEO of CED, is a seasoned executive with over 20 years of experience in economic development. He has a proven track record of attracting and retaining businesses, and he is excited to lead the county's economic development efforts. Luff will be working closely with the county's leadership to ensure that the county's economic development efforts are successful. The county's economic development efforts are a top priority for the county's leadership. Luff will be working closely with the county's leadership to ensure that the county's economic development efforts are successful.

Join our innovators and risk-takers who set the pace for discovery.

BE NEXT
MONTGOMERY COUNTY, MD

With our synergy of talent, resources and support, MoCo is the ideal location for your business success. Learn more at thinkmoco.com.

From The Washington Informer www.washingtoninformer.com
Date: Tuesday, February 14, 2023 12:00 PM
By: Bob Staff Writer
Subject: Top Tech And Business Leaders in Montgomery County

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Print Advertorial and Be Next Ad; [Digital Article](#)

WASHINGTON INFORMER COVERAGE

MCEDC, una entidad de apoyo a los negocios y empresarios en Montgomery County

Por Carmen Rodríguez - febrero 15, 2023
Carmen Rodríguez - febrero 15, 2023



RESIDENTE Bill Tompkins dirige el Montgomery County Economic Development Corporation, entidad que ayuda al crecimiento de los negocios en el condado de Montgomery. Foto: Carmen Rodríguez/El Tiempo Latino.

Montgomery County se ha convertido en un buen lugar para las inversiones de negocios, así lo explicó en una entrevista especial con El Tiempo Latino, Bill Tompkins, presidente del Montgomery County Economic Development Corporation.

[Digital Article](#)

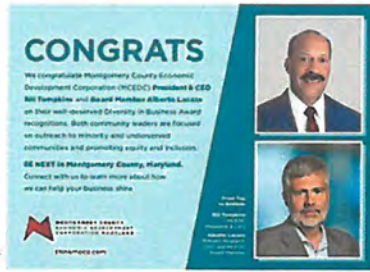
Únase a nuestros innovadores y a los que les gusta tomar riesgos, quienes marcan el ritmo del descubrimiento.

SEA EL PRÓXIMO
CONDADO DE MONTGOMERY, MD

Con nuestra sinergia de talento, recursos y apoyo, MoCo es el lugar ideal para el éxito de su negocio. Obtenga más información en thinkmoco.com.

Full Page Be Next Ad

EL TIEMPO LATINO COVERAGE AND BE NEXT AD



Full Page Ad congratulating Bill Tompkins and Alberto Lacaze



Full Page Ad

WBJ CONGRATULATORY DIVERSITY IN BUSINESS AWARD AD AND BE NEXT ADVERTISEMENT COVERAGE

27



MTC 2023 Annapolis Day: Advocacy Summit and Leadership Dinner; Brad was part of the panel discussion
[Click to view](#)




Washington Business Journal: On The Road
[Click to view](#)

MARYLAND'S LIFE SCIENCES ECOSYSTEM: FUTURE CHALLENGES AND OPPORTUNITIES
WASHINGTON BUSINESS JOURNAL: ON THE ROAD LIFE SCIENCES PANEL


28

Why Global COVID-19 Vaccine Leader Novavax Calls Montgomery County, Maryland Home




Why Innovation COVID-19 Vaccine Maker Novavax Calls Montgomery County, MD Home
[Click to view](#)

How Does Montgomery County's QIAGEN Use the 'Building Blocks of Life' to Diagnose Diseases?



Meet QIAGEN's Ray Blanchard
Montgomery County's QIAGEN Uses 'Building Blocks of Life' to Diagnose Diseases
[Click to view](#)

How Global Gene Therapy Leader REGENXBIO is Improving Lives in Montgomery County, Maryland




Cutting Edge Gene Therapy Treatments Being Developed in Montgomery County, MD featured Board Member Ken Mills (REGENXBIO)
[Click to view](#)


WTOP ON-AIR AND DIGITAL INTERVIEWS WITH PROMINENT LIFE SCIENCES COMPANIES

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Black-Owned Business Success: Tony Parchment, Accessing Resources with the Black Business Council
[Click to view](#)




Black-Owned Business Success: Lion Solutions
[Click to view](#)




Black-Owned Business Success: Black Viking Brewing
[Click to view](#)



Black-Owned Business Success: Davmos Healthcare Services
[Click to view](#)



Black-Owned Business Success: Ash Shetty, Montgomery County Office of Procurement
[Click to view](#)



BLACK HISTORY MONTH BUSINESS SPOTLIGHTS ACROSS SOCIAL MEDIA AND YOUTUBE

30



Women's HerStory Month: Kim Jones, Montgomery County Black Collective
[Click to view](#)



Women's HerStory Month: Laisar Management Group LLC
[Click to view](#)

WOMEN'S (HER)STORY MONTH BUSINESS SPOTLIGHTS ACROSS SOCIAL MEDIA AND YOUTUBE

31

Biz Dev Support

32

Montgomery County Economic Development Corporation - Maryl...
2K followers
2d · 🌐

...Singerman, Christy Blake, Brad Stewart, Sarah Trujillo, Robel Worku and MCEDC Board Chair Kevin Beverly



👍 31 💬 1 comment

👍 Like 💬 Comment 🔄 Repost ➦ Send



(NCCoE) National Cybersecurity Center of Excellence, half-day event and MCEDC Luncheon attended by COUNTY EXEC, DEP. SECRETARY OF COMMERCE DON GRAVES, and MCEDC's Michael, Joe, John, Phil, Christy, Brad, Sarah, Robel and Kevin.

NCCoE LUNCHEON HOSTED BY MCEDC

33



MCPS Luncheon with MCPS Superintendent Monifa McKnight Hosted by Kevin Beverly and attended by Stacey & Brad.



MCPS BREAKFAST HOSTED BY MCEDC

34



Logo Design

MCEDC created the logo and website design. Wheaton Sustainable Innovation Zone (WSIZ) is a partnership between Bethesda Green, Global Urban Development (GUD), MCEDC and One Montgomery Green. The goal of this partnership is to strengthen economic development efforts and climate resilience while promoting innovation in the Wheaton community.

Homepage



Above: [Community Page](#)
Below: [Business Page](#)

WHEATON SUSTAINABLE INNOVATION ZONE (WSIZ) LOGO AND WEBSITE DESIGN

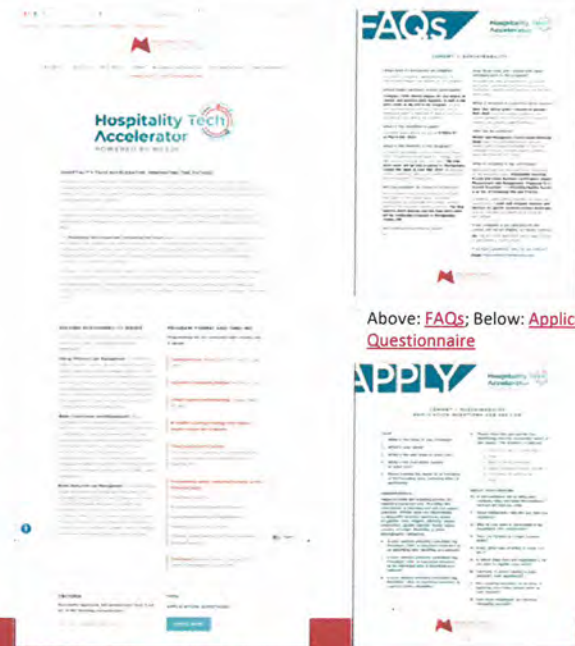
35



Logo Design

MCEDC created the logo, landing page, FAQs and Application Questionnaire one pagers. The goal of this initiative is to connect early-growth stage startups from the Mid-Atlantic with regional and global hospitality brands.

Landing Page



Above: [FAQs](#); Below: [Application Questionnaire](#)

HOSPITALITY TECH ACCELERATOR LANDING PAGE, COLLATERAL AND LOGO DESIGN

36

Be Next

37

Campaign Goals

1. **Increase awareness** of Montgomery County assets for business & livability.
2. **Position the county as an ideal place** to start or grow a business.
3. **Reinforce the perception** of the county as business-friendly.
4. **Attract, retain and grow businesses** in the county.

Target Demographics

Industries

1. **Life Sciences**
2. **Nonprofits**
3. **Technology**
4. **Hospitality**
5. **Small & Minority-Owned**
6. **Real Estate**

Locales

1. **DMV:** Oct. '22 – Oct. '23
2. **Boston:** Oct. '22 – Jan. '23
3. **Philadelphia:** Jan. '23 – Mar. '23
4. **New Jersey:** Starts May '23
5. **New York:** Starts Aug. '23

Seniority

1. **C-Suite**
2. **Decision Makers**
3. **Owners**

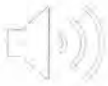

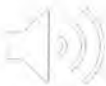

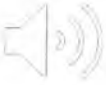
CAMPAIGN GOALS AND TARGET DEMOGRAPHICS

38

<p>Billboard & OOH Bulletins (Print & Digital) Transit Boards November – December 2022</p> <p>Podcast iHeart Podcast October 2022 – April 30, 2023</p> <p>Radio TTWN (Total Traffic & Weather Network) October – November 28, 2022</p> <p>Trade Publications Display Ads October 2022 – February 2023</p>	<p>Digital</p> <ul style="list-style-type: none"> • OTT (over-the-top) Video Streaming (Outlets direct to viewers via streaming: CNN, ESPN, Hulu, Sling) January – April 2023 • Google Ads October 2022 – October 2023 • LinkedIn Ads October 2022 – August 2023 • YouTube Ads January – August 2023 • Programmatic Ads October 2022 – August 2023 <p>TV DDTV (Outlets: Spectrum Reach, Effectv/Comcast, serving Norfolk-Virginia Beach, DC, Richmond, Baltimore, Boston, Philadelphia) Spring 2023 – October 2023</p> <p>Email Journey-Based Messaging Ongoing</p>
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MEDIA TYPES KEY DATES

39

:30 sec	:15 sec – option A	:15 sec – option B
		
	:10 sec – option A	:10 sec – option B
		

TTWN – Total Traffic & Weather Network 520 Spots aired across 5 DMV radio stations (WMAL-FM, WTOP FM, WDCH-FM, WBIG FM, WASH FM) during morning and afternoon traffics and local weather announcements. These spots are also airing Spotify, Apple Podcast, Google and iHeart.

RADIO (Oct. – Nov. 2022) AND PODCAST (Oct. 2022 – April 2023) SPOTS

40

The Be Next Commercial series is in progress and will launch this Spring. We reached out to MoCo Businesses to be featured in the spots and are getting great response.

Confirmed Participants:

Marriott – David Marriott, Chairman (FILMED)

REGENXBIO (FILMED)

Lockheed Martin

Strathmore Center for the Arts – Monica Jeffries Hazangeles, President (FILMED)

Cartesian Therapeutics – Murat Kalayoglu, MD, PhD, CEO (FILMED)

Mas Empanadas – Margarita Womack, CEO (WBJ Small Business Leader of the year) (FILMED)

Urban Winery

Butlers Orchard

Federal Realty

N5 Sensors (FILMED)

Rockville Science Center

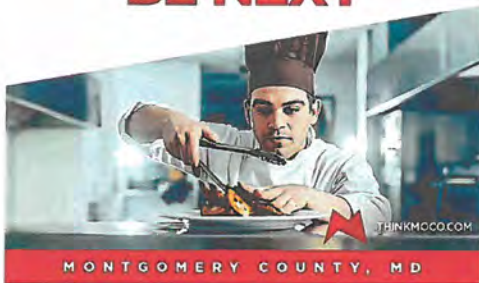
COMMERCIAL UPDATES

41

The Most Competitive Incentives
for Hospitality Businesses.

36,824 jobs in leisure and hospitality

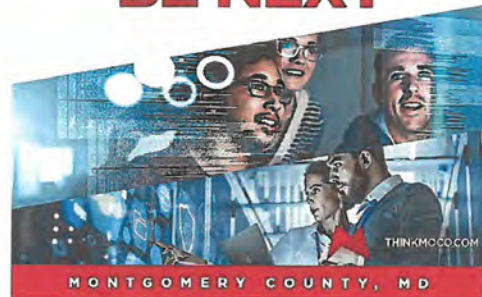
BE NEXT



Building the Fastest-Growing
Tech Companies.

Top concentration of STEM jobs

BE NEXT



ANIMATED GIFS

42



LINKEDIN/PROGRAMMATIC STATIC ADS

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LINKEDIN STATIC DIGITAL AD EXAMPLES WITH CALL-TO-ACTION COPY

44

<p>A Visionary's Dream Glenstone Museum</p>  <p>MONTGOMERY COUNTY, MD</p>	<p>A Music Lover's Mecca The Music Center at Strathmore</p>  <p>MONTGOMERY COUNTY, MD</p>	<p>A Retail Enthusiast's Paradise Bethesda Row</p>  <p>MONTGOMERY COUNTY, MD</p>	<p>Discover your passion here. BE NEXT</p>  <p>THINKHOCO.COM MONTGOMERY COUNTY, MD</p>
<p>A Visionary's Dream Glenstone Museum</p> 	<p>A Music Lover's Mecca The Music Center at Strathmore</p> 	<p>A Retail Enthusiast's Paradise Bethesda Row</p> 	<p>DISCOVER your passion here.</p>  <p>BE NEXT MONTGOMERY COUNTY, MD</p>






BROADER COMMUNITY CAROUSEL DIGITAL ADS

45







<p>Prime Location Next to the Nation's Capital</p>  <p>MONTGOMERY COUNTY, MD</p>	<p>Maryland's Largest Economy \$93.2 Billion GDP in 2020</p> 	<p>Workforce Training Marriott Hospitality Center at Montgomery College</p> 	<p>The Nation's Best Tax Incentives Advantage Maryland (MEDAAP)</p> 	<p>The center of success in global hospitality. BE NEXT</p>  <p>THINKHOCO.COM MONTGOMERY COUNTY, MD</p>
<p>Prime Location Next to the Nation's Capital</p> 	<p>\$93+ BILLION GDP in 2020 Maryland's Largest Economy</p> 	<p>Workforce Training Marriott Hospitality Center at Montgomery College</p> 	<p>The Nation's Best Tax Incentives Advantage Maryland (MEDAAP)</p> 	<p>The center of success in global hospitality. BE NEXT MONTGOMERY COUNTY, MD</p>

HOSPITALITY CAROUSEL DIGITAL ADS

46

<p>Recruit the Top Workforce thinkmoco.com</p>  <p>MONTGOMERY COUNTY, MD</p>	<p>Get Quick Regulatory & Permitting Support Montgomery County Business Center</p>  <p>MONTGOMERY COUNTY, MD</p>	<p>Receive Relocation Grants & Support MOVE Program</p>  <p>MONTGOMERY COUNTY, MD</p>	<p>30,137 small businesses thrive in Maryland's largest economy. BE NEXT</p>  <p>thinkmoco.com MONTGOMERY COUNTY, MD</p>
 <p>Recruit the Top Workforce thinkmoco.com</p> <p>Get Quick Regulatory & Permitting Montgomery County Business Center</p> <p>Receive Relocation Grants & Support MOVE Program</p> <p>30K+ small businesses thrive in Maryland's largest economy.</p> <p>BE NEXT MONTGOMERY COUNTY, MD</p>			
<p>SMALL BUSINESS/ENTREPRENEUR CAROUSEL DIGITAL ADS</p>			

47

<p>Fuel Your Nonprofit Nonprofit Village</p>  <p>MONTGOMERY COUNTY, MD</p>	<p>Find an Affordable Space Nonprofit Village</p>  <p>MONTGOMERY COUNTY, MD</p>	<p>Grow Your Mission with Funding NIMBL Micro Bridge Loan</p>  <p>MONTGOMERY COUNTY, MD</p>	<p>Learn From Other Nonprofit Leaders Nonprofit Montgomery</p>  <p>MONTGOMERY COUNTY, MD</p>	<p>Achieve your vision here. BE NEXT</p>  <p>thinkmoco.com MONTGOMERY COUNTY, MD</p>
 <p>Fuel Your Nonprofit Nonprofit Village</p> <p>Find an Affordable Space Nonprofit Village</p> <p>Grow Your Mission with Funding NIMBL Micro Bridge Loan</p> <p>Learn From Other Nonprofit Leaders Nonprofit Montgomery</p> <p>ACHIEVE your vision here.</p> <p>BE NEXT MONTGOMERY COUNTY, MD</p>				
<p>NONPROFIT CAROUSEL DIGITAL ADS</p>				

48

Top Concentration of STEM Jobs	Billions in Investment Raised	18 Major Federal Agency Headquarters	90,706 High-Tech Workers	Building the fastest-growing tech companies. BE NEXT
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Top STEM Jobs	BILLIONS in Investment Raised	18 Major Federal Agency Headquarters	90,706 High-Tech Workers	Building the fastest-growing tech companies.	BE NEXT MONTGOMERY COUNTY, MD
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TECHNOLOGY CAROUSEL DIGITAL ADS

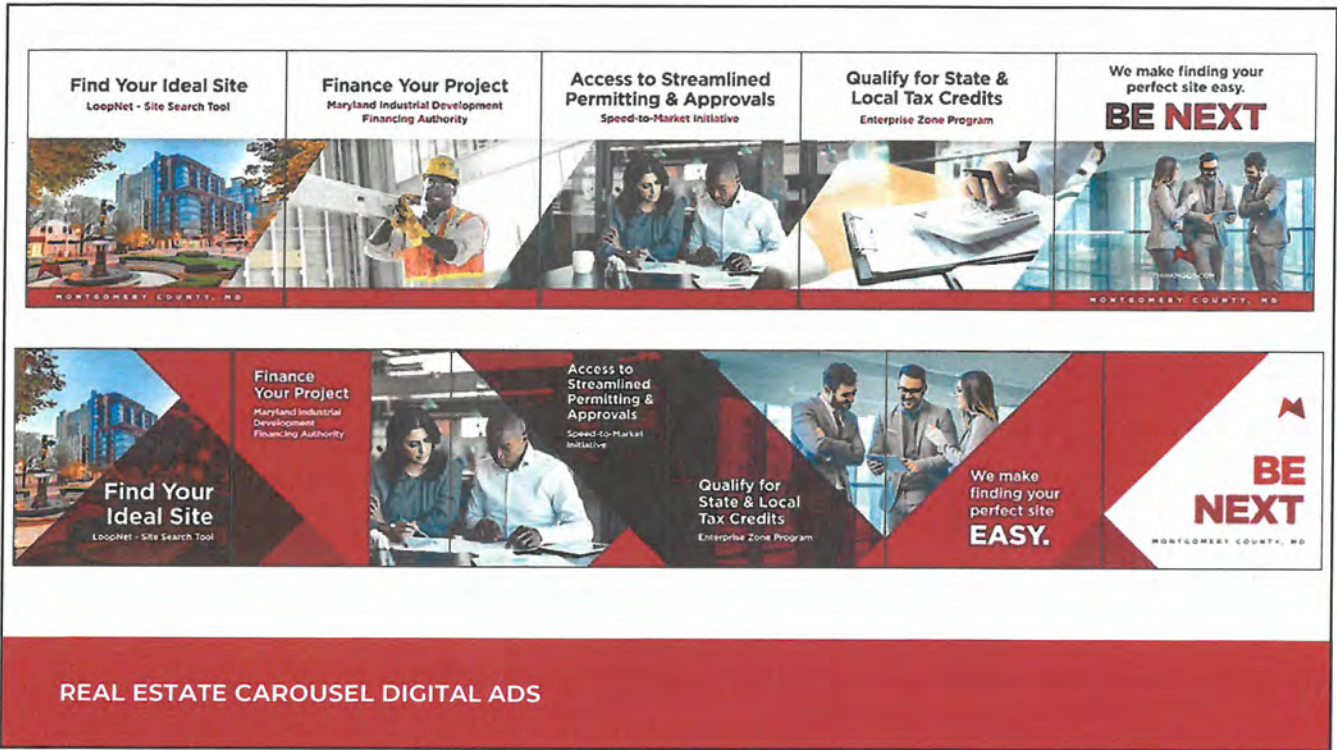
49

Novavax: A MoCo Success Story	Raised \$2.4B+ in Funding	Billions of Doses Given Annually	10+ Vaccines in the Pipeline (COVID-19, Ebola, SARS & More)	Headquartered in MoCo	Creating a new era of transformative vaccines. BE NEXT
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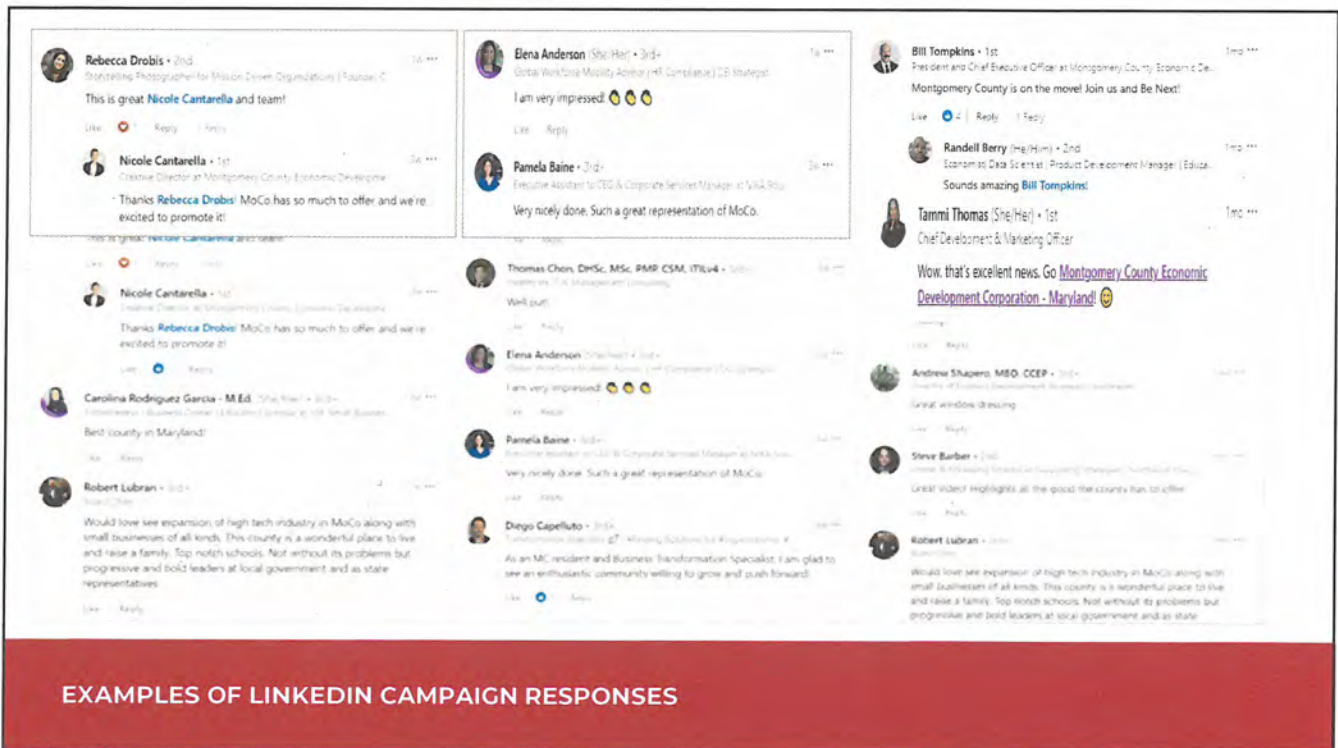
Novavax: A MoCo Success Story	Raised \$2.4B+ in Funding	BILLIONS of Doses Given Annually	10+ Vaccines in the Pipeline (COVID-19, Ebola, SARS & More)	Headquartered in MOCO	Creating a new era of transformative vaccines.	BE NEXT MONTGOMERY COUNTY, MD
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LIFE SCIENCES CAROUSEL DIGITAL ADS

50



51



52

EMAIL RESPONSE

(Running Oct. 2022 to Oct. 2023)

53

Billboards & OOH (Digital and Print — 1 month: Nov. to Dec. 2022): Impressions: 7,325,370

Podcast iHeart (6 months: Oct. 2022 to April 2023): Metric: 2,000,000 impressions; **Actual: 1,632,512 (As of 2/6/23, 82% of goal reached)**

- :15, :30, and :60 spots served to targeted (16) psychographic cohorts in DMAs of our choosing via the iAN National Podcast Network. These ads can be listened to on multiple platforms, including Spotify, Apple Podcast, Google and iHeart

Radio (2 months: Oct. to Dec. 2022): Metric: 6,437,600 impressions; **Actual: 6,027,000 (94% of goal reached)**

- **TTWN - Total Traffic & Weather Network 520 Spots aired** (:10 and :15) sponsored messages across 5 Washington, D.C. and Montgomery County radio (WMAL - FM, WTOP FM, WDCH - FM, WBIG FM, WASH FM) during morning and afternoon traffics and local weather announcements

Paid Google/Bing Ads (12 months) Geo-targeted with Keywords: Metric: 25,080 impressions; **Actual: 42,833 impressions (Clicks: 1,266; Contact Form Submissions: 57)**

METRICS TO DATE

54

Programmatic Ads — Sample outlets: nytimes.com, wsj.com, fortune.com, inc.com, cnn.com, Bloomberg.com

- DMV (12 months: Oct. 11, 2022 to Oct. 2023): Metric: 3,382,077 impressions; **Actual: 1,849,200 impressions (55% of goal reached)**
- Boston (3 months: Oct. 2022 to Jan. 11, 2023): Metric: 759,082 impressions; **Actual: 771,111 impressions (102% of goal reached)**
- Philadelphia (3 months: Jan. to April 2023): Metric 1,027,047 impressions; **Actual: 579,038 impressions (56% of goal reached)**
- New Jersey (3 months: May to July 2023): **STARTS MAY 2023**
- New York (3 months: Aug. to Oct 2023): **STARTS AUG. 2023**

LinkedIn Ads (Sample list of companies reached: AstraZeneca, Takeda, Marriott International, JLL, Sanofi; Sample list of titles reached: CEO, Pres., Principal, Exec. Dir., Founder)

- DMV (12 months): Metric: 3,044,046 impressions; **Actual: 1,520,379 impressions (50% of goal reached, Clicks: 11,227); (Life Sciences: 171,920 Impressions, Clicks: 1,213)**
- Boston (3 months: Oct. 2022 to Jan. 2023): Metric: 1,234,116 impressions; **Actual: 1,177,063 impressions (95% of our goal reached, Clicks: 6,832) (Life Sciences: 290,562 impressions, Clicks: 1,075)**
- Philadelphia (3 months: Jan. to April 2023): Metric: 532,100 impressions; **Actual: 204,760 impressions (39% of our goal reached, Clicks: 2,101) (Life Sciences: 37,396 impressions, Clicks: 354)**

METRICS TO DATE

55

Trade Publications (1 month minimum per publication: Oct. 2022 to Feb. 2023):

- Inman (Real Estate 10/11/22-1/10/23): Metric: 500,000 impressions; **Actual: 500,004 impressions (100% of goal reached, Clicks: 340)**
- Lodging (Hospitality 11/1/22-12/1/22): Metric: 43,000 impressions; **Actual: 58,123 (135% of goal reached, Clicks: 33)**
- Fierce Biotech (Life Sciences 12/1/22-1/1/23): **Actual: 135,002 impressions, Clicks: 58**
- NPQ (Nonprofits 1/1-2/1/23): **STARTS JAN. 2023**

TV (will air for 6 months: Spring to Oct. 2023): DMAs in Washington D.C. (which includes Richmond & Baltimore), Boston, Philadelphia, Raleigh – Durham-Chapel Hill, via DDTV through Spectrum Reach and Effectv. Metric: 11,210,044 impressions; Actual: **STARTS SPRING 2023**

METRICS TO DATE

56



MONTGOMERY COUNTY
ECONOMIC DEVELOPMENT
CORPORATION MARYLAND

THANK YOU

Michael Mitchell
VP of Marketing and Communications
michael@thinkmoco.com



ACCELERATING EQUITABLE ECONOMIC GROWTH

FY2022 ANNUAL REPORT

ABOUT MCEDC

PURPOSE & VALUES

The Montgomery County Economic Development Corporation (MCEDC) is the official public-private economic development organization representing Montgomery County, Maryland. Created in 2016, MCEDC is led by a Board of Directors of business executives. **Its mission is to help businesses start, grow and relocate in Montgomery County** by helping them to gain access to top talent, business and market intelligence and prime locations.

WHAT WE DO

Provide Valuable
Market Intelligence

Make Crucial Connections

Untangle Complex
Permitting Challenges

Pinpoint the Ideal
Business Address

Match Projects
to Incentives

Advise of Timely
Information

Support the Development
of Top Talent

Award Pandemic
Recovery Grants

Inform Using
Effective Media Tools

MCEDC TEAM

Benjamin H. Wu
President & CEO

Bill Tompkins
Executive VP & COO

Brad L. Stewart
SVP, Business Development

Stacey Hardy
VP, Operations

Spiros Balintas, CEcD
Dir., Economic Development

Lynne Stein Benzion, CEcD
Dir. Economic Development

Christy Blake
Special Projects Manager

Laurie Boyer Babb, CEcD
Dir., Economic Development

Nicole Cantarella
Creative Director

Romola Ghulamali
Business Operations Specialist

Nadia Khan, J.D.
Counsel & Special Projects
Manager

Sandra Magwood
Executive Assistant

Nicole Merlene
Economic Development Specialist

Jodi Anne Nance
Receptionist & Office Coordinator

Daniel Parra
Dir., Business Diversity & Inclusion

Jerry T. Sanford
Dir. Economic Development

John Sparico
Strategic Workforce Engagement
Manager

Lynn T. Stander
Senior Communications Manager

Sarah Trujillo
Strategic Media &
Communications Manager

Al Washa
Senior Art Director

Robel Worku
Economic Development Specialist

**DIVERSITY IS A HALLMARK OF MONTGOMERY COUNTY.
WE'RE GRATEFUL TO IEDC AND THE ROCKEFELLER FOUNDATION
FOR THEIR RECOGNITION OF MONTGOMERY COUNTY'S DIVERSITY
AND OUR COMMITMENT TO EQUITY.**

Benjamin H. Wu, Former MCEDC President & CEO

MCEDC BOARD OF DIRECTORS

Robert G. Brewer, *Chair*
Principal, Lerch, Early & Brewer

Kevin Beverly, *Vice-Chair*
Former President & CEO
Social & Scientific Systems

Elana Fine, *Secretary*
CEO, VWG Wealth Management

Carmen Ortiz Larsen, *Treasurer*
President, Aquas, Inc.

Anthony Featherstone,
Executive Director
WorkSource Montgomery

Jake Weissmann
Montgomery County Assistant
Chief Administrative Officer
(Ex Officio)

Terry Forde
President & CEO
Adventist Healthcare

Andrew Friedson
Montgomery County
Councilmember, District 1
(Ex Officio)

Angela Graham
President & CEO
Quality Biological, Inc.

Matthew Lee
Founder/President & CEO:
FASTech, Inc. & A-Tech Systems, Inc.

Dr. Sanjay Rai
SVP, Academic Affairs
Montgomery College

Ola Sage
Founder & CEO, CyberRx

Tien Wong
Chairman, Lore Systems & CEO
Tech 2000 & Opus8, Inc.

A portrait of Kevin Beverly, a man with short dark hair, smiling broadly. He is wearing a dark suit jacket, a white dress shirt, and a patterned tie with orange, blue, and white geometric shapes. The background is a plain, light-colored wall.

AS THE FORMER
PRESIDENT AND
CEO OF SOCIAL &
SCIENTIFIC SYSTEMS
IN SILVER SPRING,

**I HAVE AN
AWARENESS OF
THE NEEDS OF
COMPANIES**

AND WILL USE ALL
THE TOOLS I HAVE
AT MY DISPOSAL
TO HELP GUIDE
MCEDC IN THE
EFFORTS TO SUPPORT
BUSINESS GROWTH
ACROSS THE COUNTY.

Kevin Beverly, MCEDC Board Chair

MESSAGE FROM THE CHAIRMAN

The Montgomery County Economic Development Corporation (MCEDC) is an important resource in Montgomery County, and I am proud to serve as its Board Chair.

As we move into a new chapter in economic development, the board is focused on supporting MCEDC's business development mission by bringing new companies to the Montgomery County ecosystem and helping to grow the roster of current businesses, with an emphasis on supporting minority and women-owned businesses and entrepreneurs.

We are also focused on renewing our investment in the policy activities that impact growth in our community. We will also work to create better connections with our business community and the education ecosystem.

I am excited about the diversity of the 2023 board membership, which has six new members and brings a wealth of private industry experience to the table.

The Board and I look forward to working with Bill in his new role as President & CEO, and the MCEDC team through this transition to the new Board Members. We are confident that the organization will grow and flourish under Bill's leadership.

The board supports MCEDC's path to move forward, which includes the following priorities:

- Accelerate innovation and entrepreneurs
- Build stronger relationships with the Business community
- Open the door for greater workforce and educational opportunities
- Build livable communities that connect residents to jobs
- Create an inclusive economy for shared prosperity

We celebrate the 46 Montgomery County companies listed on the 2022 "Inc. 5000 List," a list of America's fastest-growing companies, being home to 4 of the top 10 most ethnically diverse cities in country, the grand opening of Marriott's New Global Headquarters in Downtown Bethesda and a record amount invested in Montgomery County businesses over the past year.

We are also excited about the new leadership in our education ecosystem. The addition of Dr. Anne Khademian, Executive Director, The Universities at Shady Grove, Dr. Jermaine Williams, President, Montgomery College, and Dr. Monifa McKnight, Superintendent Montgomery County Public Schools presents us with an opportunity to better align the career pathways to support our grow objectives.

MCEDC supports businesses through an extensive resource guide showcasing the assistance and many benefits available to companies new or existing in the county. We will continue to work with the various community and county government partners on a unified approach to economic growth for Montgomery County, Maryland.

I hope to bring a new spirit of cooperation between the business community and our county government. As the former president and CEO of Social & Scientific Systems in Silver Spring, I have an awareness of the needs of companies and will use all the tools I have at my disposal to help guide MCEDC in the efforts to support business growth across the county.

Sincerely,



Kevin Beverly, Board Chair

MESSAGE FROM THE

PRESIDENT & CEO

As the new President & CEO for the Montgomery County Economic Development Corporation, I am pleased to share that **Montgomery County, Maryland continues to recover from the COVID-19 pandemic in positive ways**. In the last year, Montgomery County employment has grown by 20,000 jobs and the unemployment rate has dropped from 6.5% to 4.4%. We anticipate further improvements going forward. Our MCEDC team has responded to the pandemic and is maintaining the relationships that were created during that time. **To assist our businesses, we awarded 108 grants to nonprofits that support local economic development through two rounds of funding**. The business development team assisted hundreds of companies to help them and connect with County resources.

Our marketing team created a regional, multi-platform campaign related to helping businesses start, grow and expand in Montgomery County. The *Be Next* campaign launched in the beginning of Fiscal Year 2023 and I look forward to sharing the success of the campaign in the coming months.

TO SUPPORT OUR BUSINESSES, WE AWARDED 108 GRANTS TO NONPROFITS... THROUGH TWO ROUNDS OF FUNDING.

Bill Tompkins, MCEDC President & CEO

I'm proud of the MCEDC team and the many economic development successes of this year, including:

- Welcoming leading global companies such as **Horizon Therapeutics** and **BioNTech** while seeing current businesses such as **Marriott International** and **Choice Hotels** move forward with their new corporate headquarters.

- Supporting the County Council's passage of **Zoning Text Amendment (ZTA) 21-09** which allows for the fast tracking of permitting for certain life sciences sector businesses.

- Increasing and strengthening our corporate and economic development partnerships, through:

- **The Accelerating Community Excellence (ACE) Loan program** supported by the Latino Economic Development Center to help fund small and minority businesses with new loans
- Partnership with the **Montgomery Housing Partnership** to assist in revitalizing a Purple Line Corridor business community

- An expanded partnership with the **Montgomery Can Code Program** in collaboration with **Apple**, **Montgomery County Public Schools (MCPS)**, **Montgomery College (MC)**, and **Montgomery**

County Government to support middle school students towards a future career in coding or computer programming

- **The Downtown Silver Spring Arts & Brewery District Program** in coordination with local breweries, County Regional Offices, the Silver Spring Chamber of Commerce, and others to increase the vitality of the district.

MCEDC was selected by the International Economic Development Council (IEDC) for its inaugural Equity Communities initiative to develop comprehensive diversity, equity and inclusion programs. Participation in the program will help to further local and regional efforts to promote equitable practices and standards in economic development.

Montgomery County Economic Development Corporation will continue to champion and leverage the county's abundant assets for accelerated business growth going forward.

Sincerely,



Bill Tompkins
MCEDC President and CEO

ADVANCING MONTGOMERY COUNTY

INDUSTRY GROWTH & DIVERSIFICATION HIGHLIGHTS

MCEDC continued to work with businesses across the county to expand revenue generating initiatives, networking and supply chain opportunities for them.



FEDERAL ENGAGEMENT

MOU agreement with Bethesda Green and One Montgomery Green to support \$200,000 Department of Energy award for Community Engagement for a Cleaner Energy Economy.



BIOTECH

German-based BioNtech acquired lab space in Gaithersburg including manufacturing facility and cell therapy R&D platform from Kite, a unit of Gilead Sciences.



LIFE SCIENCES

leader, Horizon Therapeutics chose to expand in Montgomery Co. following their March 2021 acquisition of Viela Bio. The expansion includes a long-term, full-building lease as their East Coast headquarters.



FOSTERING MONTGOMERY COUNTY ENTREPRENEURIAL ACTIVITY AND NEW BUSINESS FORMATION HIGHLIGHTS

MCEDC created the county's four-year Strategic Plan and facilitated greater access to capital for emerging and growth businesses in Montgomery County.

- Strategic Plan approved by Council and County
- IEDC National Equity Community Cohort member
- Two webinars focused on Nonprofit Funding and Small Business Resources
- 108 recipients of the MoCo Economic Development Grant Program for Nonprofits totaling \$3.3M invested

MONTGOMERY COUNTY

BY THE NUMBERS

NET NEW ESTABLISHMENTS

FISCAL YEAR	NUMBER OF ESTABLISHMENTS	FY YEAR OVER YEAR CHANGE
FY22 (4/1-3/31)	\$32,943	+615
FY21 (4/1-3/31)	\$32,328	-516

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (most recent calendar quarters available; Q2 2022 release date November 8th, 2022)

NET CHANGE IN TOTAL COUNTY RESIDENT JOBS

Resident (number of County residents with employment regardless of where the job is)

FISCAL YEAR AVERAGE	RESIDENT EMPLOYMENT	FY YEAR OVER YEAR CHANGE
FY22 (4/1-3/31)	526,858	+14,531
FY21 (4/1-3/31)	512,327	-35,165

Source: Bureau of Labor Statistics Local Area Unemployment (resident employment regardless of location) (most recent calendar quarters available; Q2 2022 release date November 8th, 2022)

NET CHANGE IN COUNTY JOBS

At-Place Employment (number of jobs in the County regardless of where the job holder lives)

MONTH	AT-PLACE EMPLOYMENT	YEAR OVER YEAR CHANGE
FY22 (4/1-3/31)	526,858	+14,531
FY21 (4/1-3/31)	512,327	-35,165

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (most recent calendar quarters available; Q2 2022 release date November 8th, 2022)

OFFICE VACANCY RATE

MARKET/SUBMARKET	FY2022	CHANGE FROM FY21
Montgomery County	15.9%	+1.5%
Bethesda/Chevy Chase	19.7%	+3.4%
Gaithersburg	7.4%	-1.1%
Germantown	21.0%	+0.5%
I-270 North	0.5%	+0.1%
Kensington/Wheaton	12.4%	+3.9%
North Bethesda/Potomac	17.1%	+0.9%
North Rockville	16.5%	+1.1%
North Silver Spring	10.7%	-1.5%

Source: CoStar

COUNTY UNEMPLOYMENT RATE GAP

- 2021 White, Non-Hispanic Unemployment: 4.2%
- 2021 Unemployment for Black, Asian, and Hispanic (any race): 7.6%
- Gap: Unemployment for Black, Asian and/or Hispanic people was 3.4 percentage points higher than it was for White, Non-Hispanic residents in 2021
- In 2019, the gap was 2.4%; therefore, there was a 1.0 percentage point increase from 2019 to 2021.

UNEMPLOYMENT RATE GAP

RACE	2021 UNEMPLOYMENT RATE	2021 UNEMPLOYMENT GAP	2019 UNEMPLOYMENT RATE	2019 UNEMPLOYMENT GAP	GAP CHANGE 2019-2021
White only	4.2%		3.3%		
Black/Asian only and/or Hispanic	7.6%	3.4%	4.9%	2.4%	1.0%
Black only	10.0%	5.8%	8.1%	4.8%	1.0%
Asian only	5.1%	0.9%	3.5%	0.2%	-0.7%
Hispanic ancestry	7.2%	3.0%	5.1%	1.8%	1.2%

Source: Census ACS 2021, 2019 1-Year (2020 figures not available due to pandemic; fiscal years are not available; net for Black, Asian and/or Hispanic is a weighted average)

AVERAGE COUNTY WAGES

SECTOR	AVERAGE WAGE FY22	% CHANGE FY21
All Sectors, All Industries	\$84,977	6.6%
Federal Government	\$125,800	2.0%
State Government	\$50,469	6.6%
Local Government	\$74,867	-0.9%
Private, All Industries	\$80,586	8.3%
Professional, Technical, and Scientific Services	\$119,925	4.7%
Healthcare and Social Assistance	\$62,408	5.3%
Retail	\$40,758	7.4%
Accommodation and Food Services	\$28,170	5.7%
Construction	\$76,849	2.4%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (most recent fiscal year approximation is 4/1-3/31; 4/1-6/30 release date is November 8th, 2022)

MEDIAN HOME PRICE TO HOUSEHOLD INCOME RATIO

HOME TYPE	FY22	FY20
Overall Median Sales Price	\$543,464	\$519,600
Overall Ratio	4.62	4.70

Sources: Greater Capital Area Association of Realtors FY 2022 and 2020 12-month average; Census ACS 1-Year median income estimates, 2021 and 2019 (2020 NA due to pandemic; therefore changes are a two-year basis)

VENTURE CAPITAL INVESTMENTS

DATE RANGE	AMOUNT OF CAPITAL	NUMBER OF DEALS
FY22	\$1,056.4 billion	83
FY21	\$1,344.1 billion	95

Source: Pitchbook

2020 GROSS DOMESTIC PRODUCT

- Montgomery County GDP: \$93.2 billion
- Maryland GDP: \$410.7 billion
- Montgomery County GDP as percentage of State: 22.7%
- The next largest county in 2020 was Baltimore County (\$55.5 billion) which accounted for 13.5% of the State's GDP

Source: Bureau of Economic Analysis, Local Area GDP (most recent year available; 2021 county figure release date is December 8th, 2022; county figures NA by quarter)

SUPPORTING MONTGOMERY COUNTY NEEDS TARGETED AND EMERGING INDUSTRIES HIGHLIGHTS

Working to respond to the results of the Economic Advisory Panel's recommendations, MCEDC created new initiatives to support Small, Minority and Women-Owned Businesses, launched a Montgomery County Marketing campaign and reinforced the importance of academic institutions as economic drivers.

- [ACE Loan Fund](#) launched and supported with multi-lingual resources
- \$1 million regional *Be Next* marketing campaign created and launched Oct. 11
- Launched a miniseries with WTOP featuring interviews with life science leaders **Novavax**, **REGENXBIO** and **GIAGEN**
- MCEDC partnered with Montgomery County government, Montgomery College, MCPS and Apple to launch the [IgniTe Hub for Innovation and Technology](#) at Montgomery College. The partnership builds on several successful years of the [Montgomery Can Code](#) program offering

technology skills such as app coding and design to the wider community

- Created a content hub with the Washington Business Journal focusing on [Montgomery County's Life Sciences industry](#)
 - Global expansion on the rise for [life sciences companies in Montgomery County, Maryland](#)
 - [Life sciences success by the numbers in Maryland's Montgomery County](#)
 - [How is Montgomery County built for bio? Get the answers from these life sciences execs \(video\)](#)
 - [Companies to watch: 6 life sciences leaders see Montgomery County as partner in success](#)
 - [Bringing biotech to market faster in Montgomery County, Maryland](#)
 - [Life sciences partnerships key to fast-track products in this county](#)

FY 2022

FINANCIAL REPORTS



Charity Navigator, the world's largest independent nonprofit evaluator, gives its highest rankings to groups that spend less than 15% of expenses on overhead. MCEDC is well below that overhead number, spending only 8% in general and administrative costs and 92% in programmatic initiatives.

MCEDC continues to seek alternative sources of funds, targeting federal and state government grants, foundations, and partner organizations. In FY22 we received a combined \$49,000 from the Universities at Shady Grove and the Rockefeller Foundation.

FY 2022* FINANCIAL INFORMATION

REVENUE AND SUPPORT	AMOUNT
Funding from Montgomery County Government for Regular Operations	\$4,430,426
Nonprofit Grant Program	\$3,347,000
External Fundraising	\$49,500
Contributed Services and Interest Income	\$723
Total Revenue and Support	\$7,827,649
Total Expenditures	\$8,749,900
Program	\$8,022,645
General & Administrative	\$715,024
Fundraising	\$12,231

*FY 2022 is from July 1, 2021 to June 30, 2022
Full financial report available upon request

MONTGOMERY COUNTY'S POWERFUL PRESENCE

A COUNTY WITH ABUNDANT ASSETS



\$4.25B
TOTAL INVESTED
IN MOCO
BUSINESSES
IN FY22

**PRIME EAST
COAST U.S.
LOCATION**
next to the Nation's Capital.



150
LANGUAGES
SPOKEN IN
OUR SCHOOLS

MOCO HOME TO
4 OF 10
MOST DIVERSE
COMMUNITIES
IN THE COUNTRY

1,000+
Montgomery Can Code
camp enrollment



62,000
STEM
WORKERS

45%
of our businesses
are minority-owned



40,000
LIFE SCIENCE
WORKERS



3
CONVENIENT
INTERNATIONAL
AIRPORTS

**\$1.3B TOTAL
INVESTMENT**
in Montgomery County
Life Sciences in FY22.



93,000
ACRES
DESIGNATED
AS THE AG
RESERVE

MoCo County
companies
made this
year's annual
Inc. 5000 list of fastest-
growing private companies.

46

MCEDC BUSINESS COMMUNITY

PARTNERSHIPS

MCEDC sponsored numerous organizations and forged successful partnerships with multiple groups.

SELECT SPONSORSHIPS

- African American Chamber of Commerce of Montgomery County Inc.
- BioHealth Innovation
- Black Business Council
- Committee for Montgomery
- Cybersecurity Association of Maryland
- Friends of White Oak
- Greater Washington Community Foundation
- Leadership Montgomery
- Maryland Department of Commerce
- Maryland Real Estate Convention, LLC
- MD Economic Development Association (MEDA)
- Montgomery County Food Council
- National Society of Black Engineers
- Maryland Technology Council
- The Nonprofit Village Center, Inc.
- Universities At Shady Grove Foundation

SELECT PARTNERSHIPS

- Federal Laboratory Consortium (FLC)
- Montgomery Can Code
- Montgomery County Chamber of Commerce
- Rockville Economic Development, Inc. (REDI)
- Maryland Technology Council
- TEDCO



MONTGOMERY COUNTY
ECONOMIC DEVELOPMENT
CORPORATION MARYLAND

For more information, visit thinkmoco.com. Follow us on Twitter, Facebook and LinkedIn.



**QUARTERLY REPORT
OCTOBER 1 – DECEMBER 31, 2022**

CONTRACT# 1144740

SUMMARY OF ACTIVITIES

The following report summarizes MCEDC's programmatic activities from October 1 – December 31, 2022.

A.1 Annual Economic Development Plan of Action Update

GOAL 1: Create/retain jobs within the following industries through business outreach efforts, networking, industry events and managing referrals

- *1,526 jobs created or retained*
- *120% of Metric Achieved*

- **Major Wins – Expansion (704 Jobs Created)**
 - *BioReliance*
 - *Horizon Therapeutics*
 - *Interfaith Works*

- **Major Wins – Retention (822 Jobs Retained)**
 - *Hughes Network Systems*
 - *Robotic Research*
 - *Sodexo (North American HQ)*

- **Workforce Development**
 - *Convened discussion with USG, MCPS, and MC regarding effective path forward for workforce development needs (potential MOU)*
 - *MCEDC project in conjunction with USG regarding future workforce academic needs to be presented to USG Board of Advisors February 23rd*
 - *Remain heavily engaged with statewide discussions regarding life sciences workforce training needs / solutions*
 - *Continue partnerships regarding:*
 - *USG – Ready Institute*
 - *WorkSource Montgomery – industry working groups*

GOAL 2: Connect and enhance the traditional entrepreneurship ecosystem within the County to be more comprehensive

- **Entrepreneurship and Innovation HUB**
 - *Initial scope discussed and framework of strategy drafted*
 - *Resource database being developed*

- **Hospitality Tech Accelerator**
 - *Secured additional buy-in from hospitality brands and finalizing marketing collateral with ahead of launch of the first cohort of Hospitality Tech Accelerator. This first cohort will address sustainability challenges around emissions, water, and waste. (Hospitality HUB actually launched on Monday February 6th)*

- **Quantum Industry Engagement**
 - *MCEDC staff members attended World Quantum Congress in Washington, DC, sharing a booth with regional economic development entities under the umbrella of CONNECTED DMV*
- **Business Resources Supporting Entrepreneurship**
 - *MCEDC has made significant progress developing an internal resource database of organizations with resource and programs designed to support Montgomery County's diverse entrepreneurial community, particularly those in MCEDC's target industries*

GOAL 3: Support underserved businesses prioritizing women- and minority-owned businesses through targeted outreach activities and capacity building programs

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

- **ACE Loan Fund Program**
 - *144 pre-qualification applications have been received to date:*
 - *91 have been invited to apply for a loan*
 - *50 have been referred to LEDC for assistance (Not in Good Standing with SDAT – need business counselor assistance)*
 - *3 were ineligible to apply (based outside of Maryland; non-profit organization)*
 - *9 loan applications approved to date for a total of \$305,000*
 - *4 businesses in Montgomery County*
 - *5 businesses in the required targeted zip code locations near casinos*
 - *3 loans have closed and the businesses have received funding*
- **Black Collective Collaboration**
 - *MCEDC has engaged in a partnership with the Black Collective, representing black businesses, the MD Black Chamber of Commerce, and The Black Business Council to provide training videos and access to capital working sessions for black businesses in Montgomery County*

GOAL 4: Business plans endorsed by the Purple Line Corridor Coalition (PLCC) and Washington Metropolitan Area Transit Authority (WMATA), Montgomery Planning, and County government

- **Purple Line Corridor Project**
 - *Purple Line Project has commenced with working meetings between MCEDC and the Purple Line Corridor Coalition to focus on community rebuilding opportunities in Lyttonsville, Silver Spring and Long Branch; Montgomery Housing Partnership continues to work with MCEDC on this effort*

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

- **Be Next Campaign Continues**
 - *Media buys have mostly been LinkedIn, podcasts, trade publications, Google and radio. Highlights of initial results are:*
 - *LinkedIn 12-month goal; 8.2 million impressions, 878,000 or 11% YTD*

- Boston LinkedIn goal; 3.3 million impressions; 1.2 million or 36% YTD
- Real estate trade publications goal; 500,000 impressions; 500,000 or 100% YTD
- Lodging trade publications goal; 43,000 impressions; 58,000 or 135% YTD
- iHeart podcasts; 2 million impressions (Oct-March); 865,000 or 43% YTD
- Radio; 6.4 million impressions; 6 million or 94% YTD

Getting Things Done in Montgomery County, MD Campaign

- New webinar series developed that covers topics relevant to site selectors, business owners and anyone looking to find resources to grow, move and expand in Montgomery County.

Celebrate Silver Spring: Arts, Brews & Business

- The Communications and Marketing team spearheaded a new event to celebrate the partnership with the Silver Spring Arts & Brewery District.

Four Year Comprehensive Economic Development Strategic Plan Update

The Economic Development Strategic Plan continues to be implemented. An updated list of metrics will be provided at the end of the next quarter.

A.2 Economic Development Programs Update

Working Matrix Summary

Metric	FY2023 Q1	FY2023 Q2	YTD	
Events Participated In / Held	Participated: 43 Held: 2	Participated: 71 Held: 0	Participated: 114 Held: 2	
Companies Contacted Regarding Retention	36	38	74	
Jobs Created (Attraction)	173	0	173	Total YTD
Jobs Created (Expansion)	41	704	745	
Existing Jobs Retained	61	822	883	1801
Business Expansions in Montgomery County (Also Includes Retentions With Expansions)	3	4	7	

Metric	FY2023 Q1	FY2023 Q2	YTD
New Capital Investment Created/Facilitated	\$76,042,000	\$181,260,000	\$257,302,000
Net New Commercial Space Occupied (ft²)	46,429	313,000	359,429
Businesses Assisted Separate from Attraction, Expansion and Retention	36	38	74

New Business Start-Ups (By Industry, Preference for Key Industries)	NA	NA	NA
Business Relocations Into Montgomery County	4	0	4
Business Expansions in Montgomery County (Also Includes Retentions With Expansions)	3	4	7

Metric	FY2023 Q1	FY2023 Q2	YTD
New Capital Investment Created/Facilitated	\$76,042,000	\$181,260,000	\$257,302,000
Net New Commercial Space Occupied (ft²)	46,429	313,000	359,429
Businesses Assisted Separate from Attraction, Expansion and Retention	36	38	74
New Business Start-Ups (By Industry, Preference for Key Industries)	NA	NA	NA
Business Relocations Into Montgomery County	4	0	4
Business Expansions in Montgomery County (Also Includes Retentions With Expansions)	3	4	7

A.3 Communications, Collaboration and Partnership

Owned, Earned and Paid Media in Q2 FY23

MCEDC's Communications and Marketing team continues to support the county's economic development efforts and the organization's goals, reaching new and potential county business owners across industries. Q2 saw the launch of our second article hub hosted by Washington Business Journal (WBJ), as Bill featuring on WBJ's "On the Road Panel" for the sciences, the launch of the Be Next campaign to market Montgomery County, in-person events for networking and partnerships, and more.

Be Next Campaign

The new campaign from MCEDC targets businesses locally and across the east coast that are interested in moving to, growing or expanding in Montgomery County. Elements include digital ads, billboards, radio spots, social media advertising, and selected convention targeted ads with many more elements in progress for Phase 2. Upcoming elements will include refreshed creative across all digital platforms, enhanced SEO targeting and a commercial featuring local businesses.

Celebrate Silver Spring: Arts, Brews & Business

MCEDC's Communications and Marketing team spearheaded a new event to celebrate the partnership with the Silver Spring Arts & Brewery District. Denizen's, Silver Branch Brewing and Astro Lab Brewing were joined by MCEDC's Bill Tompkins and Rep. Jamie Raskin for the fantastic and well attended community event.

Getting Things Done in Montgomery County, MD Campaign

The marketing department and the business development team created a webinar series titled "Getting Things Done in Montgomery County, MD." The series covers multiple topics to site selectors, business owners and anyone looking to find resources to grow, move and expand in Montgomery County.

The campaign extends post-webinar to continue using the information from the discussion as social media ads to boost the signal that Montgomery County has resources available and that MCEDC can connect businesses with resources they need.

Thinkmoco.com Website

The marketing and communications team continued to update and edit pages across the website. The following pages provided the most utility to users through FY23's second quarter.

Top Five Pages

- #1: Be Next: Life Sciences (9.07%; 4,876 page views)
- #2: Be Next: Real Estate (7.97%; 4,289 page views)
- #3: Be Next: Hospitality (7.96%; 4,282 page views)
- #4: Be Next: technology (7.02%; 3,775 page views)
- #5: Be Next: nonprofits (6.91%; 3,714 page views)

Visitors to Site

36,106 total users; 35,242 were new users
1.06 sessions per user
1.40 pages per session
53,781 total pageviews; 49,394 unique pageviews

Newsletter

Updates sent to our list of subscribers sharing County related news, programs, incentives and COVID related items; 10 total newsletters were sent in Q2. This year we decided to narrow our list of subscribers to include only active members to increase engagement.

- MoCo News (local news and regional updates) = 9
- Number of Subscribers: 2,594 active (9,966 total in database)
- Unsubscribe Rate: 0.1%, no single campaign went over 0.3%
- Open Rate: 57.2% (increase of 0.6% from Q1)
- Click Rate: 2.2% (decrease of 1.4% from Q1)
- Segmented newsletters (bio, cyber, etc.) = 1
- Open rate: 67.5%
- Click Rate: 20.6% for segmented

Press Releases:

[Montgomery County Economic Development Corporation Launches New Integrated "Be Next" Marketing Campaign](#)

[MilliporeSigma to Expand Biosafety Testing in Montgomery County, Md](#)

Earned Media

- 78 mentions in Q2
- Coverage in Source of the Spring, Washington Business Journal, technical.ly dc, and MCM.

Sample articles:

<https://www.sourceofthespring.com/montgomery-county-news/2799238/mcedc-launches-marketing-campaign-attract-retain-businesses/>

<https://www.mymcmedia.org/prestamos-para-pequenas-empresas-de-minorias-y-mujeres/>

<https://www.bizjournals.com/washington/news/2022/12/13/amgen-inks-deal-to-acquire-horizon-therapeutics.html>

<https://iheartportsdc.iheart.com/featured/ceos-you-should-know/content/2022-11-30-bill-tompkins-the-montgomery-county-economic-development-corporation/>

Social Media: Facebook, Twitter, LinkedIn

- Facebook: 1,506 followers; 2,869 reached; average 12.4% engagement
 - Increase of 54 followers
- 12.4% engagement is well above Nonprofit industry average of 0.13% engagement on posts and median Facebook post engagement rate of 0.08%
- Twitter: 13,703 total impressions; 3.6% engagement
- LinkedIn: 1,964 followers; 12.1K impressions; 4.21% avg. engagement rate
 - Increase of 195 followers

Number of Community Marketing Partnerships in Q2

Through communications and marketing, we supported partnerships that meet MCEDC goals of facilitating relief and reopening, accelerate economic recovery, and position the local economy for long-term resiliency and growth.

Some examples are Montgomery County Public Schools, Montgomery College to plan for the next sessions of Montgomery Can Code; Montgomery County Food Council to prepare the annual Food & Beverage Guide; County Planning, Permitting Department, Regional Service Centers, MTC, Nonprofit Montgomery, Nonprofit Village, LEDC, Maryland Women's Business Center, and Montgomery County Government.

A.4 Business Resource Supporting Entrepreneurship

MCEDC has made significant progress developing an internal resource database of organizations with resource and programs designed to support Montgomery County's diverse entrepreneurial community, particularly those in MCEDC's target industries.

A.5 Capital Network and Funding

ACE Loan Fund Update

144 pre-qualification applications have been received to date;

- 91 have been invited to apply for a Loan
- 50 have been referred to LEDC for assistance (Not in Good Standing with SDAT – need business counselor assistance)
- 3 were Ineligible to apply (based outside of Maryland; non-profit organization (not eligible for VLT funds))

9 Loan applications approved to date for a total of **\$305,000** (4 businesses in Montgomery County, 5 businesses in the required targeted zip code locations near casinos). Three of those loans have closed and the businesses have received funding.

A.6 Sponsorship Program

MCEDC awarded sponsorships to the following companies during this period:

- CONNECTED DMV - \$20,000
- Montgomery County Business Hall of Fame (\$5,000)
- Montgomery County Black Collective (\$25,000)
- Group C Media – Live Exchange (\$10,500)

A.7. Legislative and Regulation

No updates during this period.

ABOUT

Montgomery County Economic Development Corporation (MCEDC) is a public/private partnership created to advance equitable and inclusive economic growth, prosperity, and sustainability in Montgomery County.

We advance our mission through activities which accelerate the growth, retention, and attraction of businesses in key industry sectors.

BACKGROUND

- On June 30th, 2015, the County Council enacted Bill 25 authorizing the County Council to designate a single non-profit corporation as the County's Economic Development Corporation.
- On December 8, 2015, the County Council adopted Resolution Number 18-343 to amend Resolution Number 18-150, Section G, FY16 Designation of Entities for Non-Competitive Contract Award and add the Montgomery County Economic Development Corporation to the list of entities with Non-Competitive Contract Award Status.
- On January 14, 2016, the Montgomery County Economic Development Corporation submitted its Articles of Incorporation and Bylaws to the Executive and County Council, formally requesting to be designated as the County's Economic Development Corporation.
- On March 15, 2016, The County Council adopted Resolution 18-425 designating the Montgomery County Economic Development Corporation as the County's Economic Development Corporation. This contract is entered into in accordance with Montgomery County Code Section 11B-14(a)(4).

FY23
Work Plan
Metrics
Update

Montgomery County Economic
Development Corporation
(MCEDC)

March 15, 2023



The **MCEDC Work Plan** 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

- Attract, retain, and expand employment opportunities within strategic industries
- Create an inclusive economy for shared prosperity
- Develop relevant economic development research and strategy
- Pilot ideas which have a positive evaluation, a developed strategy, and are funded
- Promote the County's businesses and business climate

METRICS UPDATE

-  On Target or Completed
-  Less than 50% Complete / Likely to be carried over to FY24
-  Not Complete / Not Likely to be Accomplished

TARGETED INDUSTRIES

Life Sciences	Cell and Gene Therapy, Vaccines, Biologics, US Operations/International Firms, MedTech
Technology	Cybersecurity, Quantum Computing, Software Companies, HealthTech, FinTech
Nonprofits/Entrepreneurship	Nonprofits, Tech Nonprofits, NGOs, Trade Associations, Foundations, Social Change Tech, Defense
Hospitality	Corporate Headquarters, Management Companies, Ancillary Hospitality Businesses, REITs
Real Estate	Site Selectors, Developers, Landlord/Tenant Reps, Real Estate Investors

MCEDC GOALS AND METRICS

Workplan Goal 1

Create/retain jobs within targeted industries through business outreach efforts, networking, industry events and managing referrals

METRICS AND PERFORMANCE INDICATORS

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YTD</u>
1,500 new jobs created/retained	275	1,526			1,801
Skill gaps limiting growth of targeted industry identified					
Programs enacted through workforce/education partners develop/attract skilled workers					

Work Plan Goal 1 Highlights

- **Jobs Created & Retained**
 - 120% of Metric Achieved
- **Major Wins – Expansion (704 Jobs Created)**
 - *BioReliance*
 - *Horizon Therapeutics*
 - *Interfaith Works*
- **Major Wins – Retention (822 Jobs Retained)**
 - *Hughes Network Systems*
 - *Robotic Research*
 - *Sodexo (North American HQ)*

Work Plan Goal 1 Highlights *(continued)*

- **Workforce Development**

- *Convened discussion with USG, MCPS, and MC regarding effective path forward for workforce development needs (potential MOU)*
- *MCEDC project in conjunction with USG regarding future workforce academic needs to be presented to USG Board of Advisors February 23rd*
- *Remain heavily engaged with statewide discussions regarding life sciences workforce training needs / solutions*
- *Continue partnerships regarding:*
 - *USG – Ready Institute*
 - *WorkSource Montgomery – industry working groups*

Work Plan Goal 1 Highlights

• *Networking Events Attended*

- 133rd Annual Greater Washington Board of Trade meeting
- 22nd Annual Minority Legislative Breakfast
- Amador Bioscience Ribbon Cutting
- Argentis Air Open House
- BioHub Event - Governor Hogan
- BioInnovation Conference
- BioReliance Expansion Announcement Event
- Building Bonds of Unity Networking Event
- CBRE - MoCo LS Meeting
- Celebrate Silver Spring: Arts, Brews & Business Event
- Commerce Cabinet Luncheon
- Commerce Researchers Roundtable
- Committee for Montgomery Legislative Breakfast
- COMSAT Site Tour
- Daily Record - CEO Awards
- Disability-Owned Small Business Convening Conference
- ELC Recognition Gala
- Embassy of Mexico & MC Gov't
- GWBT Executive Lunch sponsored by United Airlines
- Hispanic Heritage Celebration (WSM)
- Hispanic Heritage Month Celebration
- Hispanic Leadership Awards
- Hughes Networks Groundbreaking
- Inauguration of Montgomery College President
- JLABS DC - DEI Luncheon
- Latinas USA
- Latino Liaison Committee
- Leadership Montgomery Board Match
- Leadership Montgomery Impact Council Meeting
- Leadership Solves Event
- Maryland Black Chamber of Commerce Networking Event
- Maryland Tech Council "Coffee with the CEO"
- Maryland/KwaZulu-Natal (S Africa) Sister State Delegation
- MBIA Quarterly Meeting
- MCCC 2022 Business Awards Dinner
- MCSBA Holiday Open house
- MD Black Chamber of Commerce & Maryland LGBT Chamber Joint Networking Event
- MEDA Quarterly Conference
- Minkoff - LS Groundbreaking
- MoCo Business Hall of Fame Awards
- MOCO Matters Biz Lunch

Work Plan Goal 1 Highlights

• **Networking Events Attended**

- Montgomery Country Leadership
- Montgomery County Black Collective Network
- Montgomery County Procurement Fair panel
- NAIOP Member-Guest Holiday Breakfast/Annual Mtg
- Office of Procurement - Access to Capital speaker
- Olney Chamber of Commerce Award celebration
- Palante Wellness and Finance Program Graduation
- Pinkney Innovation Complex Groundbreaking
- Purple Line Reception Update
- Quantum Policy & Ethics Center: White Paper Workshop
- Quantum World Congress
- REDI Anniversary Event
- REDI Incentive Review Committee
- SBA Innovation Ecosystem Summit
- Sirnaomics Ribbon Cutting Event
- Snyder Cohn Anniversary Event
- Tom Hucker Event
- Tour Interfaith Works/ Essential Needs Ctr
- UCLG World Congress
- Undbio Ribbon Cutting
- University of Maryland Economic Development Tour and Networking Event
- Urban Winery Grand Opening
- US Pan Asian American Chamber of Commerce
- USA Latinas Awards
- VIP Reception-Latinas USA
- Washington Business Journal/ On The Road Panel
- Wheaton Sustainable Innovation Zone Community Mixer
- Wheaton Sustainable Innovation Zone Stakeholder Meeting
- Wheaton Sustainable Innovation Zone Stakeholder Meeting
- Wreath Laying & Salon Dinner

Workplan Goal 2

Connect and enhance the traditional entrepreneurship ecosystem within the County to be more comprehensive including a focus on the following emerging industries:

- hospitality tech and quantum computing
- federal engagement/tech transfer opportunities within business sectors

METRICS AND PERFORMANCE INDICATORS

	Q1	Q2	Q3	Q4
MoCo Entrepreneurship and Innovation HUB established	Yellow	Yellow		
Hospitality Tech incubator established	Green	Green		
Programs enacted through workforce/education partners to develop/attract skilled workers	Yellow	Green		
MCEDC engaged in regional Quantum conference or workshops which are established to build awareness, create partners, and attract research/start-ups	Green	Green		
Two MOUs successfully executed with supporting activities evaluated for impact	Yellow	Yellow		
Federal engagement strategy components completed	Green	Green		

Work Plan Goal 2 Highlights

- **Entrepreneurship and Innovation HUB**
 - *Initial scope discussed and framework of strategy drafted*
 - *Resource database being developed*
- **Hospitality Tech Accelerator**
 - *Secured additional buy-in from hospitality brands and finalizing marketing collateral with ahead of launch of the first cohort of Hospitality Tech Accelerator. This first cohort will address sustainability challenges around emissions, water, and waste. (Hospitality HUB actually launched on Monday February 6th)*
- **Quantum Industry Engagement**
 - *MCEDC staff members attended World Quantum Congress in Washington, DC, sharing a booth with regional economic development entities under the umbrella of CONNECTED DMV*

Work Plan Goal 2 Highlights *(continued)*

- ***Business Resources Supporting Entrepreneurship***
 - *MCEDC has made significant progress developing an internal resource database of organizations with resource and programs designed to support Montgomery County's diverse entrepreneurial community, particularly those in MCEDC's target industries*

Workplan Goal 3

Support underserved businesses prioritizing women- and minority-owned 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

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>YTD</u>
125 diverse businesses engaged through MCEDC pipeline to provide outreach and follow up; allowing for greater access to capital, supply chain opportunities, and capacity building	148	TBD			
Data collected to track and evaluate success of outreach efforts by type (demographics, geographic, type of outreach initiative, and outcome from connections)					

Work Plan Goal 3 Highlights

- **ACE Loan Fund Program**
 - **144** pre-qualification applications have been received to date:
 - **91** have been invited to apply for a loan
 - **50** have been referred to LEDC for assistance (Not in Good Standing with SDAT – need business counselor assistance)
 - **3** were ineligible to apply (based outside of Maryland; non-profit organization)
 - **9** loan applications approved to date for a total of **\$305,000**
 - **4** businesses in Montgomery County
 - **5** businesses in the required targeted zip code locations near casinos
 - **3** loans have closed and the businesses have received funding
- **Black Collective Collaboration**
 - MCEDC has engaged in a partnership with the Black Collective, representing black businesses, the MD Black Chamber of Commerce, and The Black Business Council to provide training videos and access to capital working sessions for black businesses in Montgomery County

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

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
Business plans endorsed by the Purple Line Corridor Coalition (PLCC) and Washington Metropolitan Area Transit Authority (WMATA), Montgomery Planning, and County government				

Work Plan Goal 4 Highlights

- **Purple Line Corridor Project**
 - *Purple Line Project has commenced with working meetings between MCEDC and the Purple Line Corridor Coalition to focus on community rebuilding opportunities in Lyttonsville, Silver Spring and Long Branch; Montgomery Housing Partnership continues to work with MCEDC on this effort*

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

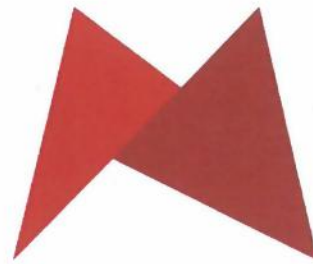
Continue brand building and marketing outreach for the general business community

METRIC AND PERFORMANCE INDICATORS

	Q1	Q2	Q3	Q4
Pre- and post marketing campaign surveys to key stakeholders about the county business climate and brand awareness instilled by campaign				
Analytics for the digital parts of the marketing campaign to determine effectiveness				

Work Plan Goal 5 Highlights

- **Be Next Campaign Continues**
 - *Media buys have mostly been LinkedIn, podcasts, trade publications, Google and radio. Highlights of initial results are:*
 - *LinkedIn 12-month goal; 8.2 million impressions, 878,000 or 11% YTD*
 - *Boston LinkedIn goal; 3.3 million impressions; 1.2 million or 36% YTD*
 - *Real estate trade publications goal; 500,000 impressions; 500,000 or 100% YTD*
 - *Lodging trade publications goal; 43,000 impressions; 58,000 or 135% YTD*
 - *iHeart podcasts; 2 million impressions (Oct-March); 865,000 or 43% YTD*
 - *Radio; 6.4 million impressions; 6 million or 94% YTD*
- **Getting Things Done in Montgomery County, MD Campaign**
 - *New webinar series developed that covers topics relevant to site selectors, business owners and anyone looking to find resources to grow, move and expand in Montgomery County.*
- **Celebrate Silver Spring: Arts, Brews & Business**
 - *The Communications and Marketing team spearheaded a new event to celebrate the partnership with the Silver Spring Arts & Brewery District.*



MONTGOMERY COUNTY
ECONOMIC DEVELOPMENT
CORPORATION **MARYLAND**

thinkmoco.com

Bill Tompkins, President & CEO – Bill@thinkmoco.com

**Montgomery County
Economic Development Corporation**

**Financial Statements
and Independent Auditor's Report**

June 30, 2022 and 2021

Montgomery County Economic Development Corporation

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Independent Auditor's Report

To the Board of Directors
Montgomery County Economic Development Corporation

Opinion

We have audited the financial statements of Montgomery County Economic Development Corporation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Montgomery County Economic Development Corporation as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Montgomery County Economic Development Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Montgomery County Economic Development Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Montgomery County Economic Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Montgomery County Economic Development Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

CohnReznick LLP

Bethesda, Maryland
October 17, 2022

Montgomery County Economic Development Corporation

**Statements of Financial Position
June 30, 2022 and 2021**

Assets

	2022	2021
Assets		
Cash and cash equivalents	\$ 2,172,132	\$ 6,288,019
Accounts receivable - trade, net	23,854	16,390
Contributions receivable	24,500	250,344
Prepaid expenses	163,774	75,239
Property and equipment, net	442,768	538,703
Intangible asset, net	-	5,586
	\$ 2,827,028	\$ 7,174,281
Total assets		

Liabilities and Net Assets

Liabilities		
Accounts payable	\$ 253,140	\$ 185,158
Accrued expenses	261,072	318,011
Deferred rent	497,065	571,580
Refundable advance	153,331	3,475,831
	1,164,608	4,550,580
Total liabilities		
Commitments and contingencies		
Net assets without donor restrictions		
Undesignated	416,352	1,402,133
Board designated	900,000	900,000
	1,316,352	2,302,133
Total net assets without donor restrictions		
Net assets with donor restrictions	346,068	321,568
Total net assets	1,662,420	2,623,701
Total liabilities and net assets	\$ 2,827,028	\$ 7,174,281

See Notes to Financial Statements.

Montgomery County Economic Development Corporation

**Statement of Activities
Year Ended June 30, 2022**

	<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>Total</u>
Revenue and support			
Contributions - Montgomery County	\$ 4,430,426	\$ -	\$ 4,430,426
Contributions - other	25,000	3,347,000	3,372,000
Contributed services	-	-	-
Interest income	723	-	723
Net assets released from restriction	<u>3,322,500</u>	<u>(3,322,500)</u>	<u>-</u>
Total revenue and support	<u>7,778,649</u>	<u>24,500</u>	<u>7,803,149</u>
Operating expenses			
Program activities	8,037,175	-	8,037,175
Supporting activities	<u>727,255</u>	<u>-</u>	<u>727,255</u>
Total expenses	<u>8,764,430</u>	<u>-</u>	<u>8,764,430</u>
Changes in net assets	(985,781)	24,500	(961,281)
Net assets, beginning	<u>2,302,133</u>	<u>321,568</u>	<u>2,623,701</u>
Net assets, end	<u>\$ 1,316,352</u>	<u>\$ 346,068</u>	<u>\$ 1,662,420</u>

Montgomery County Economic Development Corporation

**Statement of Activities
Year Ended June 30, 2021**

	<u>Net assets without donor restrictions</u>	<u>Net assets with donor restrictions</u>	<u>Total</u>
Revenue and support			
Contributions - Montgomery County	\$ 4,748,546	\$ 17,036,793	\$ 21,785,339
Contributions - other	-	79,300	79,300
Contributed services	1,239	-	1,239
Interest income	495	-	495
Net assets released from restriction	<u>17,612,025</u>	<u>(17,612,025)</u>	<u>-</u>
 Total revenue and support	 <u>22,362,305</u>	 <u>(495,932)</u>	 <u>21,866,373</u>
Operating expenses			
Program activities	21,556,010	-	21,556,010
Supporting activities	<u>814,205</u>	<u>-</u>	<u>814,205</u>
 Total expenses	 <u>22,370,215</u>	 <u>-</u>	 <u>22,370,215</u>
 Changes in net assets	 (7,910)	 (495,932)	 (503,842)
Net assets, beginning	<u>2,310,043</u>	<u>817,500</u>	<u>3,127,543</u>
Net assets, end	<u>\$ 2,302,133</u>	<u>\$ 321,568</u>	<u>\$ 2,623,701</u>

See Notes to Financial Statements.

Montgomery County Economic Development Corporation

**Statement of Functional Expenses
Year Ended June 30, 2022**

	Program	Supporting		Total
		General and administrative	Fundraising	
Salaries	\$ 2,186,775	\$ 384,460	\$ 9,031	\$ 2,580,266
Benefits and payroll taxes	474,081	83,349	1,958	559,388
Marketing, public relations, website	541,626	-	-	541,626
Rent expense	131,321	23,088	542	154,951
Events/sponsorships	392,235	-	-	392,235
Membership and subscriptions	216,950	-	-	216,950
Business development	150,652	-	-	150,652
Depreciation expense	81,305	14,294	336	95,935
Accounting and audit	-	99,925	-	99,925
IT equipment and software	49,760	8,748	205	58,713
Miscellaneous subcontractors	-	12,099	-	12,099
Business travel	25,674	-	-	25,674
Office expenses	15,499	2,725	64	18,288
Human resources	-	49,689	-	49,689
Meals and entertainment	-	8,753	-	8,753
Professional development	14,356	-	-	14,356
Parking	-	3,656	-	3,656
Insurance	-	15,033	-	15,033
Legal	-	5,015	-	5,015
Telephone	6,688	1,176	28	7,892
Equipment lease	6,395	1,124	26	7,545
Amortization expense	4,734	832	20	5,586
Internet and television	3,154	554	13	3,721
Security	1,923	338	8	2,269
Miscellaneous expenses	75	-	-	75
Telework assistance fund	-	-	-	-
Bank fees	-	166	-	166
3R Initiative	-	-	-	-
Restaurant relief fund grants	-	-	-	-
Restaurant relief fund phase II grants	-	-	-	-
Restaurant relief fund phase III grants	-	-	-	-
Strategic initiatives	411,472	-	-	411,472
Grant application development	-	-	-	-
Nonprofit grant program	3,322,500	-	-	3,322,500
Total expenses year ended June 30, 2022	\$ 8,037,175	\$ 715,024	\$ 12,231	\$ 8,764,430

Montgomery County Economic Development Corporation

**Statement of Functional Expenses
Year Ended June 30, 2021**

	Program	Supporting		Total
		General and administrative	Fundraising	
Salaries	\$ 2,077,650	\$ 479,773	\$ 8,210	\$ 2,565,633
Benefits and payroll taxes	452,300	104,446	1,787	558,533
Marketing, public relations, website	100,340	-	-	100,340
Rent expense	111,555	25,761	441	137,757
Events/sponsorships	53,556	-	-	53,556
Membership and subscriptions	187,811	-	-	187,811
Business development	195,000	-	-	195,000
Depreciation expense	77,223	17,833	305	95,361
Accounting and audit	-	100,555	-	100,555
IT equipment and software	40,338	9,315	159	49,812
Miscellaneous subcontractors	-	14,158	-	14,158
Business travel	1,501	-	-	1,501
Office expenses	7,573	1,749	30	9,352
Human resources	-	10,007	-	10,007
Meals and entertainment	-	25	-	25
Professional development	20,999	-	-	20,999
Parking	-	1,477	-	1,477
Insurance	-	21,667	-	21,667
Legal	-	11,465	-	11,465
Telephone	6,163	1,423	24	7,610
Equipment lease	5,476	1,264	22	6,762
Amortization expense	4,934	1,140	20	6,094
Internet and television	2,539	586	10	3,135
Security	1,686	390	7	2,083
Miscellaneous expenses	8	-	-	8
Telework assistance fund	456	-	-	456
Bank fees	-	156	-	156
3R Initiative	1,010,000	-	-	1,010,000
Restaurant relief fund grants	7,909,993	-	-	7,909,993
Restaurant relief fund phase II grants	4,945,000	-	-	4,945,000
Restaurant relief fund phase III grants	3,770,000	-	-	3,770,000
Strategic initiatives	523,329	-	-	523,329
Grant application development	50,580	-	-	50,580
Nonprofit grant program	-	-	-	-
Total expenses year ended June 30, 2021	\$ 21,556,010	\$ 803,190	\$ 11,015	\$ 22,370,215

See Notes to Financial Statements.

Montgomery County Economic Development Corporation

**Statements of Cash Flows
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Changes in net assets	\$ (961,281)	\$ (503,842)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	101,521	101,455
(Increase) decrease in		
Accounts receivable - trade	(7,464)	8,830
Accounts receivable - other	-	-
Contributions receivable	225,844	49,656
Prepaid expenses	(88,535)	(44,594)
Increase (decrease) in		
Accounts payable	67,982	52,582
Accrued expenses	(56,939)	85,468
Deferred rent	(74,515)	(65,339)
Refundable advance	<u>(3,322,500)</u>	<u>3,475,831</u>
Net cash (used in) provided by operating activities	<u>(4,115,887)</u>	<u>3,160,047</u>
Cash flows from investing activities		
Purchases of property and equipment	<u>-</u>	<u>(6,884)</u>
Net cash used in investing activities	<u>-</u>	<u>(6,884)</u>
Net (decrease) increase in cash and cash equivalents	(4,115,887)	3,153,163
Cash and cash equivalents, beginning	<u>6,288,019</u>	<u>3,134,856</u>
Cash and cash equivalents, end	<u>\$ 2,172,132</u>	<u>\$ 6,288,019</u>

See Notes to Financial Statements.

Montgomery County Economic Development Corporation

Notes to Financial Statements June 30, 2022 and 2021

Note 1 - Organization and purpose

The Montgomery County Economic Development Corporation ("MCEDC", the "Organization") was formed on October 5, 2015 as a nonstock corporation under the laws of the State of Maryland. MCEDC's formation was authorized on June 30, 2015 by way of the approval of Bill 2515 of the County Council of Montgomery County, Maryland (the "County"). MCEDC's sole purpose is serving as the County's economic and development corporation and implementing the County's economic development strategic plan and related programs. MCEDC is primarily supported by and operates under a contract with the County that establishes a framework for MCEDC to operate in order to carry out its purpose. The contract is renewable on an annual basis.

Note 2 - Summary of significant accounting policies and other matters

Basis of accounting

These financial statements have been prepared on the accrual basis of accounting and are intended to present net assets, revenue, expenses, gains and losses, based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions - Include revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of the Organization.

Net assets with donor restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue is reported as increases in net assets without donor restrictions unless uses of the related assets are limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at a bank. Cash balances held at the bank are insured by the Federal Deposit Insurance Corporation. Cash balances held at the bank may from time to time exceed federally insured amounts. Management does not feel there is a risk of loss due to balances that exceed insured amounts.

Accounts receivable

Accounts receivable - trade, consist of amounts due from third parties as a result of various contractual agreements. Management determines any needed allowances for doubtful accounts of trade receivables by reviewing and identifying any troubled collectible amounts as necessary. The Organization has not experienced any collection difficulties with its trade receivables and, therefore, has not provided for an allowance for doubtful accounts. Recoveries of any written-off amounts would be recorded when received.

Montgomery County Economic Development Corporation

Notes to Financial Statements
June 30, 2022 and 2021

Property and equipment

Property and equipment are carried at cost, net of accumulated depreciation and are depreciated for financial reporting purposes using the straight-line method over the estimated useful lives of the assets. The respective original useful lives are as follows:

Assets	Estimated useful life (years)
Leasehold improvements	10
Furniture and equipment	8

Deferred rent

The Organization records rent expense on a straight-line basis on its office lease that contains fixed annual rental increases. The difference between rent expense and payments made under the lease is reflected as deferred rent.

Contributions

Contributions are recognized as revenue in the period received. Contributions with donor-imposed restrictions are reported as support and added to net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. As of June 30, 2022 and 2021, MCEDC's contributions with donor restrictions totaled \$3,347,000 and \$17,116,093, respectively.

Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where the Organization has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right to return any advanced funding if the Organization fails to overcome the barrier or hurdle. Conditional contributions are not recognized until the conditions on which they depend are substantially met. Any funding received prior to overcoming the barrier or hurdle is recognized as a refundable advance. As of June 30, 2022 and 2021, MCEDC's conditional contributions totaled \$153,331 and \$3,475,831, respectively, and are presented as refundable advance on the accompanying statements of financial position. Contributions to be received over periods longer than one year are discounted at an interest rate commensurate with the risk involved. As of June 30, 2022 and 2021, all contributions receivable were collectible within one year from the date of the statement of financial position.

Contributed services

MCEDC recognizes contributed services at fair value if the services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying statements of activities as contributed services are offset by like amounts included in expenses.

During the years ended June 30, 2022 and 2021, MCEDC received contributed professional services, with a fair value on the dates of donation, of \$0 and \$1,239, respectively.

Various members of MCEDC's Board of Directors have made significant contributions of their time to establish MCEDC. No amounts have been recognized in the accompanying financial statements because the criteria for recognition of such efforts were not satisfied.

Montgomery County Economic Development Corporation

Notes to Financial Statements June 30, 2022 and 2021

Marketing and advertising

Marketing and advertising costs are expensed as incurred.

Income taxes

MCEDC is exempt from federal income tax in accordance with section 501(c)(3) of the Internal Revenue Code, except for income taxed on "unrelated business income", if any. For the years ended June 30, 2022 and 2021, MCEDC did not have any "unrelated business income" subject to income taxes; accordingly, no provision or benefit for income taxes has been recorded in the accompanying financial statements and MCEDC has not identified any uncertain tax positions that qualify for recognition or disclosure in the notes to the financial statements.

MCEDC is required to file and does file tax returns with the IRS. While no tax returns of the Organization are currently being examined by the IRS, tax returns since 2019 remain open for examination.

Intangible asset

During the year ended June 30, 2017, MCEDC incurred costs related to the development of its website, "thinkmoco.com". Website costs include the cost to develop, enhance, manage and monitor MCEDC's website and online operations. MCEDC accounts for such costs in accordance with the accounting guidance pertaining to internal-use software and website development costs. Accordingly, qualifying website costs are capitalized and are amortized over their anticipated useful lives (currently five years) using the straight-line method. Other costs, such as maintenance and training, are expensed as incurred. Amortization expense for the years ended June 30, 2022 and 2021 was \$5,586 and \$6,094, respectively. Accumulated amortization as of June 30, 2022 and 2021 was \$30,470 and \$24,884, respectively.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Upcoming accounting pronouncement

Financial Accounting Standards Board ASU 2016-02, *Leases* (Topic 842) supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for MCEDC's year ending June 30, 2023. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. MCEDC is currently evaluating the impact of the adoption of the new standard on the financial statements.

Subsequent events

Material subsequent events have been considered for disclosure and recognition in these financial statements through October 17, 2022, the date the financial statements were available to be issued.

Montgomery County Economic Development Corporation

**Notes to Financial Statements
June 30, 2022 and 2021**

Note 3 - Liquidity and availability of resources

The table below represents the Organization's financial assets for general expenditures as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial assets at year end		
Cash and cash equivalents	\$ 2,172,132	\$ 6,288,019
Accounts receivable - trade, net	23,854	16,390
Contributions receivable	<u>24,500</u>	<u>250,344</u>
Total financial assets	<u>2,220,486</u>	<u>6,554,753</u>
Less amounts not available to be used within one year		
Net assets with donor restrictions - cash and cash equivalents	321,568	71,224
Net assets with donor restrictions - contributions receivable	24,500	250,344
Refundable advance	<u>153,331</u>	<u>3,475,831</u>
	<u>499,399</u>	<u>3,797,399</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,721,087</u>	<u>\$ 2,757,354</u>

As discussed in Note 1, the Organization is primarily supported by the County. While the contract with the County is renewable on an annual basis, the Organization does not believe there to be any risk the contract will not be renewed. Accordingly, the Organization believes that the anticipated renewal of the contract, which would provide an equivalent level of support as prior years, in combination with financial assets on hand at June 30, 2022, is more than sufficient to pay the general expenditures of the Organization for one year from June 30, 2022.

Additionally, in a prior year, the Board of Directors of the Organization established an operating reserve to assist in maintaining financial stability for the Organization. The reserve is based on three months of operating expenses. As of both June 30, 2022 and 2021, the reserve balance is \$900,000 and is included in cash and cash equivalents on the accompanying statements of financial position.

Note 4 - Functional allocation of expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited. Supporting services consist of general and administrative expenses and fundraising expenses. The expenses that are allocated include personnel costs, repairs and maintenance, office expenses, utilities, marketing, legal, insurance, depreciation and amortization, and occupancy. The expenses are allocated on the basis of estimates of time and effort. Expenses directly attributable to a functional area are directly charged to that area.

Montgomery County Economic Development Corporation

**Notes to Financial Statements
June 30, 2022 and 2021**

Note 5 - Property and equipment

Property and equipment consisted of the following at June 30, 2022 and 2021:

	2022	2021
Leasehold improvements	\$ 856,639	\$ 856,639
Furniture and equipment	102,714	102,714
	959,353	959,353
Less accumulated depreciation	516,585	420,650
	\$ 442,768	\$ 538,703

For the years ended June 30, 2022 and 2021, depreciation expense was \$95,935 and \$95,361, respectively.

Note 6 - Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes:

	2022	2021
Subject to expenditure for specified purpose:		
General programs	\$ 39,070	\$ 14,570
3R initiative	250,000	250,000
Restaurant relief fund	56,998	56,998
	\$ 346,068	\$ 321,568

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2022 and 2021:

	2022	2021
Satisfaction of purpose restrictions		
General programs	\$ -	\$ 173,230
Telework Assistance Program	-	- (a)
3R initiative	-	900,000 (a)
Restaurant relief fund	-	16,538,795
Nonprofit Grant Program	3,322,500	-
	\$ 3,322,500	\$ 17,612,025

(a) During the year ended June 30, 2021, \$459,000 of funds previously restricted for the Telework Assistance Program purpose were authorized by the donor to be reclassified to support for the 3R Initiative purpose.

Montgomery County Economic Development Corporation

**Notes to Financial Statements
June 30, 2022 and 2021**

Note 7 - Retirement plan

MCEDC sponsors a contributory defined contribution plan (the "Retirement Plan") covering eligible salaried employees. The Retirement Plan allows for safe harbor matching contributions by MCEDC to eligible participants. For the years ended June 30, 2022 and 2021, the Retirement Plan expense was \$91,667 and \$88,555, respectively, and is included as a component of benefits and payroll taxes on the accompanying statements of functional expenses.

Note 8 - Commitments and contingencies

Leases

MCEDC entered into a 10-year lease for an office space in Rockville, Maryland. Rental payments on the lease commenced beginning April 20, 2017. Rent expense for the years ended June 30, 2022 and 2021 was \$284,915 and \$248,987, respectively. Additionally, effective May 1, 2017, MCEDC entered into a memorandum of understanding (the "MOU") with two third-party organizations (the "sub-tenants") to use a portion of MCEDC's leased office space. The MOU calls for the sub-tenants to pay a stated amount of license fees to MCEDC in advance each month, as well as a share of the operating costs on a yearly basis that MCEDC is subject to per its lease agreement. In addition, the MOU calls for the sub-tenants to pay a pro-rata share of administrative expenses each month in arrears. For the years ended June 30, 2022 and 2021, MCEDC recognized \$129,964 and \$111,230, respectively, of reimbursements related to the MOU, which is recorded net of rent expense. Rent expense, net of sub-tenant reimbursements, was \$154,951 and \$137,757 for the years ended June 30, 2022 and 2021, respectively.

MCEDC is also obligated under certain leases for office equipment through 2023.

Future minimum lease payments due under all lease arrangements as of June 30, 2022, are summarized as follows:

2023	\$	354,847
2024		361,929
2025		371,882
2026		382,109
2027		325,688
		<hr/>
	\$	<u>1,796,455</u>

Federal grants

The Organization participates in federally assisted grant programs, which are subject to financial and/or compliance audits by the grantors or their representatives. Any adjustments to costs allowed under these grants as a result of a financial and/or compliance audit will be reflected in the period which they are determined. Management does not anticipate any significant adjustments as a result of such audits.

Montgomery County Economic Development Corporation

**Notes to Financial Statements
June 30, 2022 and 2021**

Note 9 - Risks and uncertainties - COVID-19

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state and local authorities. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on MCEDC's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on customers, employees and vendors, all of which are uncertain and cannot be determined at this time.



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FY24 Recommended Changes	Expenditures	FTEs
FY24 Recommended	1,957,533	0.00

☼ Montgomery Coalition for Adult English Literacy

This NDA provides funding for the Montgomery Coalition for Adult English Literacy (MCAEL). MCAEL's mission is to strengthen and build adult English language learning programs and instruction to further individual and family success at work, school, and in the community. Funding for MCAEL supports grants to approximately 20 community organizations for 27 programs that provide adult English classes. Additionally, MCAEL receives operating funding to fully support the network by: providing technical assistance, coordinating new program initiatives, and developing training and networking opportunities for over 60 community organizations. MCAEL convenes the ESOL community, connects with businesses and other organizations, and leverages funding to improve program quality and coordination. MCAEL also provides critical information for the community to educate and engage them about the need for and benefits from adult English classes. The County's contribution is implemented by a contract between the Department of Public Libraries and MCAEL.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	2,113,623	0.00
Increase Cost: MCAEL Operating and Grant Expenses	163,409	0.00
FY24 Recommended	2,277,032	0.00

☼ Montgomery County Economic Development Corporation

This is the private non-profit corporation established by Council Bill 25-15 that serves as Montgomery County's lead economic development organization. The Economic Development Corporation is responsible for implementing the County's economic development strategic plan and related programs that include marketing, business retention and attraction, entrepreneurship, and promoting the development of the County's economic base.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	6,200,000	0.00
Increase Cost: Three Percent Inflationary Adjustment for the Montgomery County Economic Development Corporation	186,000	0.00
FY24 Recommended	6,386,000	0.00

☼ Montgomery County Employee Retirement Plans

The mission of this NDA is to manage prudent investment programs for the members of the Employee Retirement Plans and their beneficiaries. Expenditures associated with this program are funded from the Employees' Retirement System (ERS), Retirement Savings Plan (RSP), and the General Fund on behalf of the Montgomery County Deferred Compensation Plan (DCP) trust funds and are, therefore, not appropriated here. This NDA manages the assets of the ERS through its investment managers in accordance with the Board's asset allocation strategy and investment guidelines. The Board also administers the investment programs for the RSP and DCP. The Board consists of 13 trustees including the Directors of Human Resources, Finance, and Management and Budget; the County Council Executive Director; one member recommended by each employee organization; one active employee not represented by an employee organization; one retired employee; two members of the public recommended by the County Council; and two members of the general public.

FY24 Recommended Changes	Expenditures	FTEs
FY23 Approved	0	0.00
FY24 Recommended	0	0.00

☼ Montgomery County Green Bank

The Montgomery County Green Bank seeks to leverage public and private investments to reduce greenhouse gas emissions and is funded with both County and private money. Residents and businesses can obtain financing for things like weatherization, high efficiency HVAC systems, and renewable and clean energy projects. Bill 44-21 requires the County to appropriate 10 percent of the revenue received by the County from the fuel energy tax each year to the Montgomery County Green Bank. The amount reflected below represents 10 percent of the estimated energy tax revenue to be collected in FY24.

FY24 Recommended Changes	Expenditures	FTEs
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