



# Montgomery County Economic Development

## 1st Quarter 2017 Highlights Office of the County Executive

The beginning of 2017 brought new businesses, jobs and developments for Montgomery County. The County Executive's MOVE program has led to 45 new office tenants in several submarkets in Montgomery County and hundreds of new jobs since its inception three years ago. A new integrated business portal is shaping up to make it easier to start and grow a business here. The White Oak development is moving forward after much anticipation and promises to be a catalyst for revitalizing the East County. A second fiber connection was made with Ashburn, VA through private partnership and the county-wide bus rapid transit system has a new name: Flash.

Following a robust 2016, which saw the expansion of several global companies and major employers including Marriott International, GlaxoSmithKline, and Wedding Wire, and the relocation of Donohoe Development from Washington, DC, Montgomery County is actively advancing **Business Vitality, Talent, Creative Economies and Placemaking**—the key strategic areas outlined in the [Comprehensive Economic Strategy](#), to ensure our position as a global magnet for talent, entrepreneurship, and businesses.

Lily Qi, Assistant Chief Administrative Officer, Economic & Workforce Development

# Business Vitality

Growing quality jobs and building a strong tax base remains a top priority for Montgomery County government and leadership.

## Jobs by the Numbers:

- Montgomery County has added 7,163 jobs since a year ago this time.
- Unemployment rate dropped from 3.6% in January 2016 to 3.3% in 2017

## Attracting and Retaining Businesses with Smart Incentives—MOVE and EXPAND

- Since the inception of the County Executive’s MOVE program in 2014 to attract office businesses, Montgomery County **has welcomed 45 companies** that signed leases to take office space in the County. Among them, half (22) were newly formed businesses; 8 were expanding into Montgomery County; and 15 (or 1/3 of total) were businesses that relocated from another jurisdiction into the County. Among these relocated companies, 6 were from Washington, DC; 4 from other Maryland counties; 2 from Northern Virginia; 2 from Massachusetts and 1 from Vancouver, Canada.
- Building on the success of the MOVE program, the County Executive proposed \$1 million in funding the new EXPAND program. The program will incentivize expanding small and mid-sized companies already in Montgomery County to stay while offering additional benefits for those leasing vacant commercial office space and upgrading older vacant buildings in targeted areas of the County beyond the most popular central business districts. In addition, as part of the EXPAND program, a \$250,000 Building Improvement grant will seek to help landlords improve their property conditions to attract interested MOVE tenants.

## Rolling out the Red Carpet

- The county welcomed **Global Food Markets** in East County this March, filling an important void left by the departure of Safeway last year. The DC area grocery store chain specializes in making global food products, such as Indian, Asian, and Middle Eastern. At a grand opening ceremony with County Executive Ike Leggett, Jai Kim, head of Global Food Markets public relations, stated, “Our goal is to help bring great products into this community. We also wanted to provide a place where people who have limited access to transportation could get these types of diverse products right in the middle of their own neighborhood versus traveling far out.”

- **Marriott International, Inc.** selected a site to develop a new corporate headquarters and Marriott brand hotel in downtown Bethesda. The new 22-story office will be located at 7750 Wisconsin Ave and will open by 2022. The campus will include a new, flagship Marriot hotel, providing 8,000 square feet of meeting and conference space. “Montgomery County has been Marriott International’s home for more than 60 years, and we take great pride in the strong relationships we’ve developed and the contributions we have made as a committed community partner,” said Carolyn Handlon, Executive Vice President Finance & Global Treasurer for Marriott International. “That’s a tradition—and promise to the community—that started with Marriott’s founders 90 years ago. We look forward to continuing that legacy as we create our new, 21st century home in downtown Bethesda and continue our work as the world’s largest hotel company.”

## **Making it Easier to Start and Grow a Business in Montgomery County**

Strategy 1.1 of the Comprehensive Economic Strategy calls for continued and enhanced focus on improving the experiences and perceptions of doing business in Montgomery County. The Excellence in Business Services Initiative was launched by the County Executive and the Chief Administrative Officer in 2016 with extensive input from 765 Montgomery County businesses that helped identify and address hurdles related to doing business here. Under the guidance of the County Executive’s Economic Advisory Group and the departments’ collaboration, progress has been made in the past 10 months both system-wide and at department levels:

1. **Automating forms** that businesses must fill out to do business in Montgomery County. An inventory of more than 300 forms have been identified by departments that are related to doing business here. The Office of CountyStat is reviewing the data gathered to identify specific forms that could be turned into online forms by the end of June.
2. **Creating an integrated business portal** that ties together all relevant information across departments related to business interests and regulations. A prototype of the Montgomery County Business Portal has been completed and provided to senior managers and departments for review and feedback. User testing will be conducted in early April with planned launch in May.
3. **Improving the culture of customer service and solutions.** The staff team is working with the Office of Human Resources to form a cross-functional working group to highlight both best practices in customer services and continue to strengthen a culture of solutions.

In addition, departments are responding to business feedback and taking measures to improve their communication and business services.

- **Department of Environmental Protection** became the first in the nation to establish a local Green Bank in 2016, a public private partnership to promote, enhance, and support private sector financing for clean energy projects. The Department's leadership also sought the guidance of the County Executive's Economic Advisory Group to improve the regulatory environment and processes and has started a series of business roundtables to identify areas of improvement. DEP is also partnering with WorkSource Montgomery to certify workers in maintenance of Green Infrastructure projects. Training and certification will take place in the fall to help cultivate a workforce pipeline for the growing industry.
- **The Department of Finance** recently met with the Maryland Land Title industry representatives to improve business practices related to property transfers. Officials are also collaborating with the Department of Liquor Control to create more consistent and transparent payment patterns and less costly liquor promotions, fostering a more business-friendly environment for liquor businesses.
- **The Office of the County Executive** staff is working with local food businesses to identify specific actions that the Department of Health and Human Services could consider to make it easier to start and grow a food business in the County. The staff is also looking into ways to expand local small business utilization for small purchases. An analysis of current spending patterns will be complete this month. The next step is to identify local small businesses that can provide the goods and services now being purchased from businesses outside of the county.

## **Growing Target Industries**

Montgomery County's target industries, as stated in the Comprehensive Economic Strategy, based on market opportunities and the County's existing assets and strengths, include Biohealth cluster industries, cyber/IT cluster industries, financial, professional and business services industries, and advanced manufacturing as well as corporate and regional headquarters.

The Economic Development Corporation is focusing on marketing and growing businesses in target industries in its first full year of operations:

- **Marketing.** Starting this summer, the EDC's marketing team will launch a Montgomery365 campaign that will highlight 365 reasons you can be successful in business here. A series of

CEO videos are in production and can be viewed on social media, and radio, e-newsletters and airport signage will soon launch.

- **Business Development.** MCEDC is currently working on 39 active cases of business retention, expansion and attraction with eight of them in advanced stages.
  - *Growing Cybersecurity Industry.* The Cybersecurity Working Group made of cybersecurity executives has identified five priorities to facilitate the growth of the nascent but important industry. The Cyber Report and Key Priorities were announced recently at the National Cybersecurity Center of Excellence.
  - *Identify Baseline Entrepreneurship Assets.* The MCEDC is evaluating the dynamics related to administering the Microlending proposed by the County Council. Staff is meeting and asset mapping the many incubator, accelerator and co-working spaces in the county, defining the physical spaces and programs available. Additional working groups are being developed to engage private business in determining opportunities for start-up growth and acceleration.

The biohealth industry continues to show strong growth trajectory. The goal of making sure the Washington-Baltimore region reaches “Top 3 by 2023” as a national bio hub, which was first developed by industry leaders, has become a rallying call for industry, academic and government leaders. Strong growth inevitably led to challenges with talent supply, wet lab space availability, and funding to meet the industry growth demand.

- Emergent BioSolutions, a major bio defense company in Gaithersburg, was awarded a new \$100 million BARDA (Biomedical Advanced R&D Authority) contract.
- Redox, a portfolio company from the BioHealth Innovation’s (BHI) Health IT accelerator program in Baltimore, received a \$9 million Series A Venture Capital investment.
- The Office of the County Executive is working with the City of Gaithersburg and City of Rockville as well as real estate companies to address the shortage of wet lab space in Montgomery County, especially along the life sciences corridor, which creates challenges in attracting biotech companies or helping local companies expand in Montgomery County. MCEDC is identifying current incentives available and the incentive packages offered by competing markets.
- Several client companies and portfolio companies of BioHealth Innovation, Inc. are planning to apply for the new University System of Maryland \$25 million Venture Fund.

- The National Cancer Institute has committed to a new 70,000 square feet laboratory on the Johns Hopkins Montgomery County Campus. The lab is expected to start construction in 2017 and complete by 2019. The new lab will merge two current facilities in Frederick and Gaithersburg (which are more than 25 miles apart) into one centralized space. This would further enhance the County's and Region's cancer R&D asset including talent supply and opportunities for industry partnership.
- The Annual BioHealth Capital Region Forum, which started three years ago jointly hosted by MedImmune and BioHealth Innovation, will take place on April 19 and 20. The event has drawn over 800 registrants and 35 sponsors, both significant increases over last year.

## **Training Vet-Owned Businesses for Greater Success: Veterans Institute for Procurement**

The Montgomery County Chamber of Commerce Foundation, in partnership with Montgomery County government, established the National Veterans Institute for Procurement (VIP) eight years ago to train veterans from around the country to grow their businesses and do business with federal agencies. To date, the VIP Institute has trained 87 veteran-owned businesses in total, introducing veteran business owners from around the country to Montgomery County's opportunities, mentors and resources.

Last year Ahmedur Ali, CEO of TISTA and a VIP graduate from Montgomery County was selected as the Small Business Person of the Year for Maryland by the SBA Washington District Office. In total, VIP has graduated 824 service disabled veteran owned small businesses and veteran owned small businesses from 40 states, Guam, and D.C. A survey of 321 VIP GROW graduates that veterans increased their revenue by an average of 51% within their first year of graduation.

## **Talent**

WorkSource Montgomery was spun out of the former Department of Economic Development to be a convener and coordinator of all workforce development related programs and resources. It has focused on developing career pathways for job seekers and meeting the demand of job creators.

- **Helping job-seekers.** WSM has served over 9,000 Montgomery County job-seekers since our launch in July. WSM and the Montgomery County Public Libraries have partnered to start Pop-Up Job Centers at the community libraries.

- **Career exposure for high school juniors and seniors.** In partnership with MCPS, WorkSource Montgomery is launching the Summer R.I.S.E. program, a 3-week youth career exploration program to expose high school students to careers through the engagement of local employers. MCPS High School juniors & seniors will engage in a career readiness and financial literacy program prior to being placed at the employers for experiential learning. More information is available online at <http://worksourcemontgomery.com/summer-rise/>.
- WSM is also advancing **industry-led career pathways** in key growth industries in biohealth, healthcare, construction, and IT/cyber through targeted job training and placement.
- Nestle USA, which is relocating from California to Arlington, has contacted our WorkSource Montgomery to help fill its 350 jobs in the region due to relocation. Arlington won the relocation deal over Atlanta due to “strong schools and available real estate.”

## Creative Economies (Entrepreneurship)

- **BioHealth Innovation, Inc.**, a public-private partnership established by Montgomery County to advance biomedical research commercialization, received a renewal contract with the National Institutes of Health to sponsor up to six Entrepreneur in Residence with a potential value of \$2.2 million over the contract period if fully realized for an initial 18 months with a potential extension for an additional 18 months. BHI is working with WSM and the Office of the County Executive to resume the PostDoc program that went dormant due to lack of funding a few years ago to meet the talent demand of the growing biotech industry.
- **NIST Technology Showcase.** The Office of the County Executive and MCEDC partnered with the National Institute of Standards and Technology and hosted a one-day Montgomery County Technology & Entrepreneurship Showcase featuring two emerging industries--Green & Energy Efficiency and Advanced Manufacturing to introduce local entrepreneurs to NIST technologies for commercialization opportunities. The goal is to build tech-based companies by leveraging the unrivaled federal R&D assets.
- **Business Innovation System.** Since taking over the management of the County’s two incubators—the Rockville Innovation Center (RIC) and the Germantown Innovation Center (GIC), BHI has been taking on a new approach to proactively assess the needs of each individual company within the incubators to ensure proper mentoring and exit strategies. An announcement about the Silver Spring Incubator management will be made by the end of June, 2017.

- **The Tech Council of Maryland** has merged with the Chesapeake Regional Tech Council. The new organization, **Maryland Tech Council (MTC)**, chose to remain in Montgomery County and is actively working with Montgomery County businesses and partners to advance tech entrepreneurship. MTC continues to execute the County's **Venture Mentoring Service (VMS)** program started last year, which provides mentorship to area tech and life science firms that are preparing for their first venture or institutional financing. The program has so far matched 20 entrepreneurs and 15 companies with mentors who have helped mentee companies secure \$1.7 million in fundraising capital. The VMS is aiming to provide 75 trained mentors to 30 companies by the end of 2017.
- **The Big Idea ConnectPreneur** program, which is now the region's largest entrepreneur and investor networking and ideas pitching event, held another sold-out program at the Bethesda Hyatt in March. MCEDC is a sponsor for this highly popular event. Since ConnectPreneur first came to Montgomery County in 2016, there have been three highly successful events that brought big ideas, investors and business partners together.

## Placemaking and Smart Growth

Quality places play an increasingly important role in facilitating economic opportunities for residents and businesses. Montgomery County continues to make significant investments in building vibrant and connected communities, including advancing transit and fiber connections and building attractive destinations.

### Infrastructure: Public Transit

- **Bus Rapid Transit.** The Montgomery County Department of Transportation (MCDOT) and the Maryland Department of Transportation (MDOT) have been planning for the Veirs Mill Road, Route 355, and U.S. 29 business rapid transit (BRT) routes.
  - The Veirs Mill Road BRT study is nearing a major milestone that will complete the planning phase for the project this Spring.
  - The MD 355 project will be completing a Conceptual Alternatives Report this Spring, at which point leadership for the project will transition to MCDOT for the next project phase.
  - Design on the US 29 BRT project has begun and is moving forward with plans to have the line running by late 2019/early 2020. Additionally, the name FLASH has been

selected by the community for the BRT system and MCDOT has actively engaged the community by continuing its GetOnBoardBRT education efforts.

- **Corridor Cities Transitway** is a 16-mile bus rapid transit system that connects the Shady Grove metro to Clarksburg and the major centers of employment along the life sciences corridors. MDOT has added \$5 million to their transportation program to continue design efforts on the Corridor Cities Transitway.

## Infrastructure: Fiber and Broadband

- The Department of Technology Services is leading the County's partnership efforts to expand direct fiber routes to Ashburn, Virginia data centers and expand wireless access for the community.
- **New connection with Ashburn, VA.** Following the connection by USA Fiber that created the shortest distance routes crossing Potomac River to offer businesses access to high quality, super speed access to Ashburn data centers, another company, Lightower, has opened short distance route and partnered with local data center Atlantech Online to create easy access for Montgomery County Businesses. These connections enable interested companies like Zayo to negotiate with USA Fiber to access existing conduit under Potomac and extend directly to Life Sciences Center-Gaithersburg.
- **Expanding business access to County infrastructure.** The just-completed FiberNet Organizational Study recommended development of services catalog and cost center tracking to not only support government agencies, but also expanding private businesses access to County infrastructure. Leasing proposals were created to support expansion of fiber to medical centers within the County (subject to third-party award of contracts).
- **The East County Fiber Highway** construction is estimated to be complete by September 2017, offering backbone support for fare collection, wifi, and real-time tracking for "Flash," the County's first Bus Rapid Transit line on Route 29.
- **Next generation wireless.** Expanding partnerships with mobile broadband service providers to leverage County streetlights to deploy next generation wireless technology and expand public wifi in downtown Silver Spring and Bethesda, and Pike & Rose areas of Rockville. County zoning text amendment is in progress to update zoning rules to facilitate reasonable wireless densification (more antennas), small cell (smaller antenna) and micro-level (below 45 feet) next generation antenna deployment.

- **Business forums** to support use of local data centers, building design best practices to expand competitive broadband access to tenants, and cybersecurity opportunities.

## **Building Vibrant and Attractive Destinations**

**White Oak Science Gateway.** The White Oak Science Gateway (WOSG) Master Plan, approved in 2014 by the County Planning Board and County Council, seeks to leverage the Food and Drug Administration to make White Oak a global innovation hub and a vibrant live, work and play destination.

In February 2017, significant progress was made when the County Council approved the County Executive's proposed amendment to the Capital Improvement Program (CIP), the General Development Agreement (GDA) between the County Government and Global Life Sciences Inc. and the Local Area Transportation Improvement Program (LATIP) for the WOSGateway projects. The Council also approved \$47M for demolition of on-site County buildings in preparation for construction of master-planned roads and improvements for the redevelopment of WOSGateway project.

This agreement is a land sale of County property, known as Site 2 (former WSSC property off Industrial Pkwy), to Global Life Sciences to join the adjacent properties. This will create the new Viva White Oak mixed use bio-life sciences campus. The 285-acre project will have new commercial, housing and office opportunities for the White Oak community adjacent to the FDA Campus. The LATIP is a fee paid by developers to fund transportation improvements. The proportion is based on a subdivision's share of net additional peak-hour vehicle trips generated by all master-planned development in the White Oak Policy Area approved. In the case of the Gateway, the fee paid by a developer per each trip generated by a new project will be \$5,010.00 per trip. Currently, the only project under construction in White Oak is the Adventist Hospital, bringing 190 new beds to the region. In pipeline for breaking ground in 2017 and 2018 are the Hilton Hotel, Viva White Oak, Town Center, and the Hillandale Gateway. All are mixed-use developments rezoned in 2014.

**White Flint Redevelopment.** Both public and private projects are in various stages of completion to begin changing the White Flint area from a series of auto-dominated strip centers to a more vibrant mixed use community served by all modes of transportation. The first phase of Pike & Rose included almost 500 new residential units, while changing the retail landscape to be rich with public art and urban vitality. Phase 2 of Pike & Rose, which is much larger, is well underway with new residential, hotel, and retail offerings that will begin delivery this fall and winter. The Montgomery County Department of Transportation installed new protected bike lanes on Nebel Street and Woodglen

Drive; completed a section of Chapman Avenue to better connect residents and drivers between Old Georgetown Road and Randolph Roads; and is constructing the first phase of Market Street and the realigned Executive Boulevard, which should be complete by the end of the year. A new 650 space structured garage is under construction to serve the Conference Center, and site plans were approved in recent months for Gables Residential and Saul Centers mixed use projects to go forward in the very near future.

**Wheaton Redevelopment.** Montgomery County Department of Transportation (MCDOT) continues to work towards the completion of the Wheaton Redevelopment Project. Currently staff is working on the interior design process for all agencies, comments to the final design package have been submitted. General contractor bidding was completed in November 2016 and the guaranteed maximum price for the project will be determined by the end of May 2017. Sheeting and shoring, erosion and sediment control, and the foundation permit applications are currently under review, and the geothermal system waiver has been approved by MDE. MCDOT is also working closely with adjacent property owners to obtain tie-back agreements. The project is expected to complete by first quarter 2020 and M-NCPPC and Departments are expected to move in by first quarter 2020.

**Garage 5/55 Silver Spring.** On December 9, 2016 Montgomery County Department of Transportation (MCDOT) released a Request for Development Proposal (RFDP) for a mixed-use development project in Silver Spring, Maryland. The RFDP seeks creative, viable proposals from qualified teams for the design and construction of a multi-purpose arena (indoor sports arena, public assembly and/or entertainment facility) as well as the development of retail and residential facilities on the site of the County-owned Bonifant-Dixon Public Parking Garage (Parking Garage 5, Garage 55 and Bridge) located at 1100 and 1101 Bonifant Drive Silver Spring, Maryland.

MCDOT held a well-attended pre-submission conference on Feb 1, 2017 to answer any questions potential proposers may have regarding submitting proposal. Final proposals and responses for the RFDP are due on April 10, 2017.

**Downtown Silver Spring Redevelopment.** The Silver Spring Regional Area coordinated efforts with local merchants to mitigate impact of a major redevelopment of a parking lot in Silver Spring. Working with the Department of Transportation, the Department of Permitting Services, the Urban District, the developers, and the community, parking hours have been adjusted, additional directional signs are now in place, and a system for timely communication has been established to ensure the viability of these small businesses during and after the disruptions caused by the construction.

## Other updates:

- Economic Development Award – Montgomery County and its contractor DataStory Consulting were selected for a 2017 Marketing Award from the Maryland Economic Development Association. “Data-Driven Decisions Through the Lens of a Map” was a project that created an interactive, data-driven presentation that was shared with the leadership team of Marriott International. Using interactive maps, the “datastory” highlighted the many strengths of Montgomery County to demonstrate its prime suitability as a home for Marriott’s headquarters.
- The Montgomery County Conference Center continues its financial success, with a banner year in 2016 and a \$1.8 million net profit. Since opening in November 2004, the facility has generated close to \$17 million in profits that have gone into the County’s general fund, while serving the meeting and conferencing needs of the local community.
- Montgomery County will be applying to the Maryland Department of Commerce to have the Burtonsville/Briggs Chaney area designated as a State Enterprise Zone. The benefits of this designation include property tax credits for new developments and building expansions/renovations, tax credits for new job creation and exemption from local development impact taxes.
- The County is shifting two of our largest facilities, the Clarksburg Correctional facility and the Police and Fire Headquarters, to microgrid to protect from power outages and generate clean power using solar energy systems and natural gas generators. It’s the first of its kind in Maryland and the region.

Economic vitality requires intentional and concerted efforts of partners across sectors. While the new Montgomery County Economic Development Corporation is tasked with facilitating business growth to expand our jobs and tax bases, the public sector’s work, from infrastructure investment to talent cultivation to government services, continues to shape our attractiveness as a place to do business.

For more information, please contact:

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Visit [www.montgomerycountymd.gov/ep](http://www.montgomerycountymd.gov/ep) for more information on Montgomery County’s economic priorities.