

Resolution No.: 20-363  
Introduced: December 12, 2023  
Adopted: December 12, 2023

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: Council President at the Request of the County Executive

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**SUBJECT:** Maryland Economic Development Assistance Authority and Fund Loan to assist in the retention of Sodexo Operations, LLC in Montgomery County (\$687,927).

**Background**

1. The County Executive endorses a conditional loan of \$687,927 to Sodexo Operations, LLC (the Company) from the State of Maryland under the Maryland Economic Development Assistance Authority and Fund (“MEDAAF”), which is codified under Md. Code Ann., Econ. Dev. §§5-301-5-349.
2. MEDAAF provides conditional grants and loans to businesses engaged in eligible industries locating to, or expanding in, a “priority funding area” in the State of Maryland. Proceeds from the grant or loan may be used by the borrower to reimburse it for the acquisition or construction of buildings or real estate, and acquisition, construction and installation of machinery, equipment, furnishings, fixtures, leasehold improvements, site improvements, or infrastructure improvements.
3. On November 9, 2023 the County executed a conditional grant of \$70,000 from the County’s Economic Development Fund Grant & Loan Program (“EDFGLP”) to assist the Company’s retention in the County. This conditional grant is funded from the current EDF fund balance. With the conditional grant, Montgomery County has met the requirement of financing a part of the costs of the Company’s retention and expansion in the County, which is equal to at least 10% of the financial assistance to be provided from MEDAAF, as required by §5-319(d) of the Economic Development Article.
4. The State will disburse the MEDAAF loan to the Company upon the State entering into a MEDAAF Agreement with the Company. The County is not a party to this MEDAAF Agreement with the Company.
5. The Company is the leading provider of integrated food and facilities management services in the United States, Canada, and Mexico, operating across multiple industry sectors including, but not limited to, corporate, education, government, sports/entertainment, specialized residential, and air travel. Sodexo, Inc. is the result of a 1998 merger between Sodexo Alliance, headquartered in France, and Marriott Management Services, at that time one of the largest food services companies in North America. In June 2001, Sodexo acquired

complete control of Sodexo Marriott Services and changed its name to Sodexo, Inc. Presently, Sodexo's North American headquarters, operating as Sodexo Operations, LLC, is located at 9801 Washingtonian Boulevard in Gaithersburg. The company, inclusive of its prior iterations has been in Montgomery County for over 50 years.

6. After considering various locations in the DMV, the Company will remain in Montgomery County. It will relocate its headquarters to 915 Meeting Street, North Bethesda, which is situated in the Pike and Rose project. It will occupy approximately 52,000 square feet and anticipates \$6,000,000 in relocation costs, tenant improvements, and furniture, fixture and equipment expenditures. It will maintain an employment base of 275 full-time employees for the duration of the County and State's incentives.

**Action**

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

The County Council hereby endorses the State's grant of a \$687,927 MEDAAF conditional loan to support and defray Sodexo Operations, LLC's costs in connection with its retention in Montgomery County.

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

This is a correct copy of Council action.



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Sara R. Tenenbaum  
Clerk of the Council