


MEMORANDUM

April 28, 2017

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: **Action:** Bill 8-17, Executive Branch – Business Services Center - Established

Planning, Housing and Economic Development Committee recommendation (3-0): approve the Bill with amendments.

Bill 8-17, Executive Branch – Business Services Center - Established, sponsored by Lead Sponsors Council President Berliner and Councilmember Riemer and Co-Sponsors Councilmembers Elrich, Navarro, Katz and Rice, was introduced on April 4. A public hearing was held on April 25 and a Planning, Housing and Economic Development Committee worksession was held on April 26.

Bill 8-17 would establish a Business Services Center in the Office of the County Executive and define the duties of the Center. The County Attorney's Office found no legal issues with the Bill. See ©5.

Background

The Business Services Center would be a dedicated office within County Government to assist, inform, and advocate on behalf of businesses, including helping businesses interact with County Government. It would provide dedicated constituent service for County businesses in the Office of the Executive. The existing small business navigator would become part of the Center. In addition to the existing duties of the small business navigator, the Center would:

- (1) provide constituent services for businesses operating in the County or planning to operate in the County, including:
 - (A) communicating about new and revised County laws and regulations affecting County businesses;
 - (B) public outreach;
 - (C) providing technical publications on County policies;
 - (D) operating workshops and conferences; and
 - (E) convening targeted business development events; and
- (2) serve as a point of contact for County businesses seeking to:

- (A) obtain a County contract; or
- (B) comply with County requirements and regulations; and
- (3) advocate for County businesses with other State, County, and local government agencies.

Public Hearing

All 5 speakers supported the Bill in concept. Ginanne Italiano, representing the Greater Bethesda Chamber of Commerce (©12-13), Marilyn Balcombe, representing the Gaithersburg/Germantown Chamber of Commerce (©14), Jane Redicker, Greater Silver Spring Chamber of Commerce (©15-16), and Ilaya Hopkins, Montgomery County Chamber of Commerce (©17-18), each supported the Business Services Center as an important tool to publicize new County laws and regulations affecting businesses and to enhance the work of the small business navigator. The Chambers also made some suggestions for amendments to the Bill in their written testimony. MCGEO President Gino Renne (©19) also supported the Bill as a method of reinstituting the work of the former Department of Economic Development in advocating for businesses operating in the County that has not been assumed by the private Montgomery County Economic Development Corporation (MCEDC).

At the hearing, Councilmember Leventhal referred to correspondence he recently exchanged with MCEDC President and CEO David Petr concerning the ability of MCEDC to serve the business assistance role formerly performed by the Department of Economic Development. A copy of Mr. Leventhal's correspondence is at ©20-23 and Mr. Petr's reply is at ©24-25.

PHED Worksession

Council President Berliner and Councilmember Navarro attended the meeting in addition to the members of the PHED Committee. The Executive Branch was represented by Assistant CAO Bonnie Kirkland and Assistant CAO Lily Qi. David Petr, President and CEO of the MCEDC answered questions from the Committee. Council staff was represented by Robert Drummer, Senior Legislative Attorney, and Gene Smith, Legislative Analyst. The Committee discussed the amendments proposed by the Executive and the need for the functions that would be assigned to the Group. Lead Sponsor Council President Berliner supported the Executive's proposed amendments. The Committee also discussed whether communicating to businesses about new laws and regulations should be done with current resources by the Public Information Office and how to fund the Group. Mr. Petr stated that MCEDC did not believe it should handle constituent service for individual businesses.

The Committee recommended (3-0) to approve the Bill with the Executive's amendments changing the name to the Business Solutions Group and modifying the description of the functions.

Discussion

1. What is the fiscal and economic impact of the Bill?

OMB estimated that the Bill would require the addition of 2 new Grade 25 Program Manager II positions at an annual cost of \$227,380. OMB also estimated an additional cost of \$70,000 each year for events and marketing. See ©7-8. Finance was unable to estimate the potential increase in the number of businesses operating in the County due to the new Business Services Center. See ©9-10.

2. The Executive's recommended amendments. The Executive submitted a memorandum generally supporting the Bill with some amendments. See ©26.

The Executive requested the following amendments (see ©11):

- a. change the name from Business Services Center to Business Solutions Group;
- b. change "public outreach" to "outreach" in the list of duties on line 38;
- c. change providing "technical publications" to "publications" in the list of duties on line 39;
- d. change "targeted business development events" to "targeted business events" in the list of duties on line 41;
- e. delete the requirement for the Center to serve as a point of contact for businesses seeking to "obtain a County contract or comply with County requirements and regulations" on lines 43-44; and
- f. change "advocate for County businesses" to "assist County businesses to interact" on line 45.

3. Should the Bill be enacted?

Providing constituent service for County based businesses is a core function for the County government. Each County department and office that interacts with a business operating in the County is charged with providing service to the business. Each of the tasks listed in the Bill for the Center (or Group if the Committee agrees to change the name) is important and useful. The question for the Council is whether these business constituent services can be fulfilled by each individual department or office under our current structure or do we need a central organization to provide a liaison between an individual department or office and a business.

The Council must weigh the cost to add 2 new Grade 25 positions along with other much needed expenses as the Council deliberates on the FY18 operating budget and the County's 6-year fiscal plan. Since labor and benefits costs for each employee tend to rise each year, one of the most effective methods to control the growth of overall labor costs is to limit the number of new positions created. Enactment of the Bill must be accompanied by an addition to the Executive's operating budget or a corresponding reduction to be implemented.¹

Committee recommendation (3-0): approve the Bill with the amendments requested by the Executive.

¹ The PHED Committee recommended a \$300,000 reduction in the MCEDC budget that may be used to fund the Group in FY18.

This packet contains:

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Bill No. 8-17
Concerning: Executive Branch -
Business **[[Services Center]]**
Solutions Group - Established
Revised: April 26, 2017 Draft No. 3
Introduced: April 4, 2017
Expires: October 4, 2018
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Council President Berliner and Councilmember Riemer
Co-Sponsors: Councilmembers Elrich, Navarro, Katz and Rice

AN ACT to:

- (1) establish a Business **[[Services Center]] Solutions Group** in the Office of the County Executive;
- (2) define the duties of the **[[Center]] Group**; and
- (3) generally amend the laws governing the organization of the Executive Branch.

By amending

Montgomery County Code
Chapter 2, Administration
Section 2-25B

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

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

Sec. 1. Section 2-25B is amended as follows:

2-25B. [Small Business Navigator] Business ~~[[Services Center]]~~ Solutions Group.

(a) *Definitions.* As used in this Section:

~~[[Center]]~~ Group means the Business ~~[[Services Center]]~~ Solutions Group.

Navigator means the Small Business Navigator designated by the Executive under subsection (c).

Small business means a privately owned business that meets the requirements of Section 11B-65(a).

(b) *Establishment of*~~[[Program]]~~ ~~[[Center]]~~ Group. The Executive must create and administer a [Small Business Assistance Program] Business ~~[[Services Center]]~~ Solutions Group [with] that includes a Small Business Navigator. [to help small businesses comply with County policies and regulations] The ~~[[Center]]~~ Group must be part of the Office of the County Executive.

(c) *Small Business Navigator.* The Executive must designate an employee as the Small Business Navigator. Among other duties, the Navigator must:

- (1) advise the Executive, the Council, the Chief Administrative Officer, County Department heads, the Planning Board, and any other appropriate government agency, of any action needed to assist small businesses to comply with County requirements and regulations;
- (2) promote communications between a small business and each County department or agency that the small business must interact with;

- 26 (3) develop and maintain a database of information necessary for a
 27 small business to comply with County requirements and
 28 regulations;
- 29 (4) advise small businesses on how to comply with County
 30 requirements and regulations; and
- 31 (5) identify changes to regulations and requirements that would
 32 improve turnaround, eliminate duplication, resolve conflicts in
 33 authority, and eliminate unnecessary regulations and requirements.
- 34 (d) Additional duties for the [[Office]] Group. In addition to the duties of the
 35 Small Business Navigator described in subsection (c), the [[Office]]
 36 Group must:
- 37 (1) provide constituent services for businesses operating in the County
 38 or planning to operate in the County, including:
- 39 (A) communicating about new and revised County laws and
 40 regulations affecting County businesses;
- 41 (B) [[public]] outreach;
- 42 (C) providing [[technical]] publications on County policies;
- 43 (D) operating workshops and conferences; and
- 44 (E) convening targeted business [[development]] events; and
- 45 (2) serve as a point of contact for County businesses seeking to[:
 46 (A) obtain a County contract; or
- 47 (B)] comply with County requirements and regulations; and
- 48 (3) [[advocate for]] assist County businesses to interact with other
 49 State, County, and local government agencies.
- 50 (e) Reports. On or before September 15 of each year, the Executive must
 51 report to the Council on the activities and recommendations of the
 52 [Navigator] [[Center]] Group.

LEGISLATIVE REQUEST REPORT

Bill 8-17

Executive Branch – Business Services Center – Established

DESCRIPTION: Bill 8-17 would establish a Business Services Center in the Office of the County Executive and define the duties of the Center.

PROBLEM: There is no central office in County government for a business to receive constituent service.

GOALS AND The Business Services Center would be a dedicated office within County Government to assist, inform, and advocate on behalf of businesses, including helping businesses interact with County Government. It would provide dedicated constituent service for County businesses in the Office of the Executive. The existing small business navigator would become part of the Center.

OBJECTIVES:

COORDINATION: Office of the County Executive

FISCAL IMPACT: To be determined.

**ECONOMIC
IMPACT:** To be determined.

EVALUATION: N/A

**EXPERIENCE
ELSEWHERE:** N/A

**SOURCE OF
INFORMATION:** Robert H. Drummer, Senior Legislative Attorney

**APPLICATION
WITHIN
MUNICIPALITIES:** N/A

PENALTIES: N/A



OFFICE OF THE COUNTY ATTORNEY

Isiah Leggett
County Executive

Marc P. Hansen
County Attorney

MEMORANDUM

TO: Lily Qi
Assistant Chief Administrative Officer

FROM: Edward B. Lattner, Chief *EBL*
Division of Government Operations

DATE: April 7, 2017

RE: Bill 8-17, Executive Branch - Business Services Center - Established

Bill 8-17 would establish a Business Services Center in the Office of the County Executive and define the duties of the Center. The existing small business navigator would become part of the Center.

I see no legal issues. Because it is not a defined term, it might be helpful to describe the "Office" identified in line 33 as the "Office of the County Executive."

ebl

cc: Bonnie Kirkland, Assistant CAO
Marc P. Hansen, County Attorney
Robert H. Drummer, Senior Legislative Attorney

17-013623
Bill 8-17 OCA review



ROCKVILLE, MARYLAND

MEMORANDUM

April 21, 2017

TO: Roger Berliner, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
Alexandre A. Espinosa, Director, Department of Finance

SUBJECT: FEIS for Bill 8-17, Executive Branch – Business Services Center – Established

Please find attached the fiscal and economic impact statements for the above-referenced legislations.

JAH:fz

cc: Bonnie Kirkland, Assistant Chief Administrative Officer
Lily Qi, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurmi, Special Assistant to the County Executive
Patrick Lacefield, Director, Public Information Office
David Platt, Department of Finance
Dennis Hetman, Department of Finance
Pofen Salem, Office of Management and Budget
Naeem Mia, Office of Management and Budget

**Fiscal Impact Statement
Council Bill 8-17
Executive Branch – Business Services Center – Established**

1. Legislative Summary.

Bill 8-17 would establish a Business Services Center within the Office of the County Executive and define the duties of the Center.

The Center would include the existing Small Business Navigator position and would expand services offered to the business community. The Center would assist, inform and advocate on behalf of businesses, with a focus on providing constituent services to Montgomery County businesses and to assist with their interactions with Montgomery County Government.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

The Bill does not impact revenues but will impact expenditures. It is anticipated that up to two additional full-time equivalent Program Manager II positions, Grade 25, would be required to deliver the expanded scope of services as identified in Bill 8-17. The total cost estimate of two staff positions is approximately \$227,380 (each position is estimated at \$109,190 for PC and \$4,500 for OE). In addition, a budget of approximately \$70,000 is needed for events and marketing in order to comply with the duties presented in the proposal Bill. The total annual expenditures are approximately \$297,380.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

There is no estimated change to County revenues. The total expenditures for the next six fiscal years are estimated at approximately \$1.78M, including \$1.36M for personnel cost ($=\$227,380 \times 6$) and \$420,000 for events and marketing ($=\$70,000 \times 6$).

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Not applicable.

5. An estimate of expenditures related to County's information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.

Not applicable.

6. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

Not applicable. The Bill does not authorize future spending.

7. An estimate of the staff time needed to implement the bill.

As indicated in #2, it is anticipated that up to two full-time equivalent Program Manager II positions, Grade 25, will be required to deliver the expanded scope of services as identified in Bill 8-17 at an estimated cost of approximately \$227,380.

8. An explanation of how the addition of new staff responsibilities would affect other duties.

The additional new staff is anticipated to be fully occupied with delivering the expanded services to County businesses as required by the proposed Bill.

9. An estimate of costs when an additional appropriation is needed.

Not Applicable.

10. A description of any variable that could affect revenue and cost estimates.

If the duties of this group are either significantly increased or decreased, the number of staff members needed would be impacted.

11. Ranges of revenue or expenditures that are uncertain or difficult to project.

Costs for marketing and programming are difficult to project because the scope of what will be needed and/or provided depends on legislative activity and the needs of the business community.

12. If a bill is likely to have no fiscal impact, why that is the case.

Not Applicable.

13. Other fiscal impacts or comments.

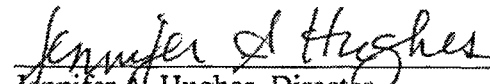
None.

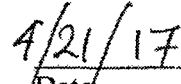
14. The following contributed to and concurred with this analysis:

Judy Stephenson, Office of the County Executive

Lily Qi, Office of the County Executive

Pofen Salem, Office of Management and Budget


Jennifer A. Hughes, Director
Office of Management and Budget


Date

Economic Impact Statement
Bill 8-17 Executive Branch – Business Services Center - Established

Background:

This legislation would:

- Establish a Business Services Center (Center) in the Office of the County Executive; and
- Define the duties of the Center.

The Center would include the small business navigator and additional duties would include:

- Providing constituent services for businesses operating in Montgomery County (County) or planning to operate in the County;
- Serving as a point of contact for the County businesses wanting to obtain a County contract or seeking to comply with County requirements and regulations; and
- Advocating for County businesses with State, County, and local government agencies in Montgomery County.

1. The sources of information, assumptions, and methodologies used.

The source of information is from the Statistics of U.S. Businesses, U.S. Census Bureau (Census Bureau). The Department of Finance (Finance) assumes the focus of Bill 8-17 is to assist small businesses both within the County and those small businesses who plan to operate in the County. For purposes of this economic impact statement, Finance assumes a small business employs less than twenty workers. There are no methodologies used in the preparation of the economic impact statement.

2. A description of any variable that could affect the economic impact estimates.

According to the Census Bureau, there were 18,962 firms with less than 20 employees operating in the County in calendar year 2014, the latest date that data are available. Of those firms, there were 19,056 establishments that employed 72,919 with a payroll of \$3.778 billion. The County's share of small businesses (firms and establishments) was 20.6 percent of total statewide small businesses with employees below 20, and 19.3 percent of total statewide employment.

The variables that could affect the economic impact estimates are the number of small businesses operating in the County and plan to operate in the County, employees in those small businesses, and total employee's annual income.

Economic Impact Statement
Bill 8-17 Executive Branch – Business Services Center - Established

- 3. The Bill's positive or negative effect, if any on employment, spending, savings, investment, incomes, and property values in the County.**

The establishment of a Business Services Center could have a positive impact on the County by increasing the number of small businesses, employment in small businesses, and incomes to both businesses and employees. However, we do not have specific data on how the creation of the Business Services Center might impact small businesses in the County.

- 4. If a Bill is likely to have no economic impact, why is that the case?**

Bill 8-17 could have an economic impact. Please see paragraph 3.

- 5. The following contributed to or concurred with this analysis:** David Platt, Dennis Hetman, Mary Casciotti, and Rob Hagedoorn, Finance;



Alexandre Espinosa, Director
Department of Finance

4/20/2017
Date

PROPOSED AMENDMENTS TO BILL 8-17, EXECUTIVE BRANCH – BUSINESS SERVICES CENTER

On lines 2, 4, and 10 and 11, in each instance, strike “Services Center” and substitute “Solutions Group”.

In lines 4, 9, and 12, in each instance, strike “Center” and substitute “Group”.

In lines 32 and 33, in each instance, strike “Office” and substitute “Group”.

In line 38, strike “public”.

In line 39, strike “technical”.

In line 41, strike “development”.

Strike beginning with the colon in line 42 through “(B)” in line 44.

In line 45, strike “advocate” and substitute “assist” and in the same line, after “businesses” insert “interacting”.



THE GREATER BETHESDA
CHAMBER *of* COMMERCE

Smart Business, Bright Future

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TESTIMONY BY GINANNE M. ITALIANO
ON EXPEDITED BILL 8-17 EXECUTIVE BRANCH – BUSINESS SERVICES CENTER-
ESTABLISHED
BEFORE THE MONTGOMERY COUNTY COUNCIL
APRIL 25, 2017

Good afternoon. I am Ginanne Italiano testifying on behalf of The Greater Bethesda Chamber of Commerce and our more than 600 members, the majority of whom are small businesses and potential beneficiaries of the proposed Business Services Center.

I am testifying in support of Bill 8-17 which would establish a Business Services Center in the Office of the County Executive. We believe the concept of the Business Services Center is excellent, especially if it takes on the roles of:

- **Communicator** to the general population and community at large about new and revised county laws and regulations affecting businesses in the County;
- **Educator** to small businesses about laws and regulations through all means of communication, workshops and conferences and partnering with local business organizations and chambers of commerce within the County to their members and other businesses; and
- **Point of Expertise and Resource** for regulation and and new laws that will affect small business in the County.

Over the past several years, it has become much more difficult for businesses to keep up with all of the increases in taxes, fees, fines and new regulations. It is unreasonable for the County government to expect local businesses to know what these changes are. When the County first passed the Bag Tax several years ago, they launched an extensive and targeted communications campaign through various means – everyone knew the bag tax was in effect in Montgomery County as soon as it started because there had been a long-term communications strategy in advance of the effective date. Unfortunately, the same cannot be said for the increases in minimum wage or ban the box or even sick leave. The new Business Services Center, can be the conduit for this type of information, working collectively with all appropriate government agencies, chambers of commerce and others to make sure everyone is aware - in advance of new regulations taking effect – not after the fact.

We agree that the Small Business Navigator should be part of the Business Services Center and work closely with all other agencies to keep up-to-date on proposed and new regulations that would affect businesses.

We would like to work with you on the specific language of this legislation as it pertains to two areas in the bill regarding "additional duties for the Office." These include "convening targeted business development events," and "advocate for County businesses with other State, County, and local government agencies." We don't understand either the need for these roles and expected outcome.

We would like to thank Council President Berliner and other members of the County Council for their sponsorship of this legislation and your consideration of my remarks today.



Gaithersburg-Germantown Chamber of Commerce, Inc.

x

910 Clopper Road, Suite 205N, Gaithersburg, Maryland 20878 (301) 840-1400, Fax (301) 963-3918

Bill 8-17 – Executive Branch – Business Services Center

Marilyn Balcombe

April 25, 2017

Thank you for the opportunity to comment on Bill 8-17, to establish a Business Services Center in Montgomery County. The Gaithersburg-Germantown Chamber represents over 400 businesses, most of whom are small businesses, and many of whom could use these services.

We often get questions from our chamber members about various laws and regulations impacting their business. Depending on the issue, we refer them to the Small Business Navigator or refer them to resources outside the County Government such as the Small Business Administration and the Women's Business Center in Rockville. In addition to member calls, we get calls and walk-ins from a variety of businesses with a range of questions on a very regular basis. Regardless of whether they are members of the Chamber, we work with them and try to point them in the right direction. For some, they just need a little help to get started, for others, they need some pretty significant hand holding. The Business Services Center would be a great resource for all of these businesses.

For me, there are two critical components of this Bill. The first would be communicating new laws and regulations affecting businesses, which would include providing technical publications on various County policies. As we learned from the Sick and Safe Leave legislation, there needs to be a comprehensive strategy for communicating changes in legislation to businesses, particularly small businesses that do not have in-house Human Resource staff. The communication roll-out of the Sick and Safe legislation was a disaster. I know that the Office of Civil Rights held a number of seminars on the topic, but my guess is that the seminars reached a very small number of businesses in the County.

The other critical component would be to continue and enhance the Small Business Navigator role. This needs to be done by coordinating rather than duplicating services. The Business Services Center must have a strong working relationship with all the departments within County Government, particularly Office of Procurement, Department of Permitting, various code enforcement agencies, as well as MCEDC. My hope would be that the Business Services Center would also work directly with local Chambers of Commerce to help our members navigate through County government. To be truly effective, the Business Services Center must be more than a 311 service for businesses. It must help businesses find the solutions they need to succeed.

Other than the importance of coordinating existing services, my only other concern about the Bill as written is the inclusion of "public outreach". I don't understand what that would entail and I wouldn't want to see the Business Center lose its business focus.

Thank you for your consideration and encourage you to support this Bill.



OUR MISSION:

Working to enhance the economic prosperity of greater Silver Spring through robust promotion of our member businesses and unrelenting advocacy on their behalf.

**Public Hearing – Bill 8-17 – Executive Branch-Business Services Center-Established
Montgomery County Council - Tuesday, April 25, 2017**

The Greater Silver Spring Chamber of Commerce, represents more than 460 employers, mostly small businesses, that provide more than 17,000 jobs in greater Silver Spring. We thank you for the opportunity to comment on Bill 8-17, which would establish a Business Service Center in Montgomery County.

It is all too common for chamber members to reach out to us for assistance in navigating the laws and regulations affecting their operations in Montgomery County. Often, we get questions about new laws, where to get information, how to comply. This was the case with both the minimum wage bill, passed in 2013, and the recent mandatory sick leave bill. Unfortunately, the County Office of Human Rights, tasked with enforcing these laws, is simply not equipped to effectively communicate about them. Our Chamber is also the “go to” source for business owners who run into problems trying to get their locations open or expand existing operations. We typically hear from those experiencing problems navigating the County’s regulatory and permitting system.

The establishment of the Small Business Navigator in the Office of the County Executive was a welcome first step. But given the myriad new regulations and laws that affect business in Montgomery County, additional resources are needed to assist, inform, and navigate on behalf of businesses. That’s why we support the establishment of a broader Business Services Center, which we see as an important expansion of the Navigator’s responsibilities. Indeed, the duties of the Small Business Navigator, defined in current law, mirror what we believe should be the primary responsibilities of the Business Services Center.

For our members, the two most important elements of this bill are: 1) communicating about new policies, laws, and regulations that affect business, and 2) increasing the capacity of the navigator role.

The responsibility for communicating about new and revised County laws, providing technical publications, and holding workshops on new regulations should be moved from the Office of Human Rights to the Business Services Center. As laws are enacted and updated, it will be important to push this information out to the business community in a timely manner. This can be accomplished through mailings (electronic and paper) and in coordination with chambers of commerce, the County’s new business portal website, news releases, and in-person presentations, scheduled at locations throughout the county that are convenient for small businesses to attend. It will also be important to have staff promptly well-schooled on the new laws and available to answer questions directly, without requiring businesses to go through the County’s 311 operators.

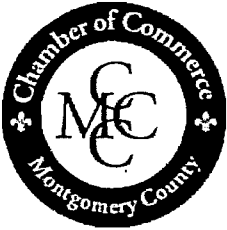
The second, and likewise critical, role of the Business Services Center should be to enhance and expand the Small Business Navigator function, by providing constituent-type services to County businesses and to work on their behalf navigating the challenges of County government. The Center’s end goal should be finding solutions that reflect a culture of “YES! we will get your business up and running.” That is why it is important for the staff within the Business Services Center to have strong working relationships with all County Government departments, but specifically the Office of

Procurement, Department of Permitting, and various code enforcement agencies. We also see the Business Services Center helping business to deal with some bi-county and state agencies and, possibly, local utilities (Pepco, WSSC., etc.).

We do have a few concerns about the bill, as currently drafted. Specifically:

- Public outreach – Use of the word “public” could imply that the Center would communicate with the general public, which is not within the purview of what we believe to be its mission. We would suggest replacing this language with “comprehensive communications with County businesses,” as this can include such things as maintaining an up-to-date web portal of information for businesses, outreach about new government regulations, and information about County programs beneficial to businesses.
- Operating workshops and conferences – Because of our concern about “mission creep,” we suggest specifying that these workshops must be “to assist businesses in complying with new or existing County regulations.” This could include workshops conducted with specific County departments (e.g. Permitting Services) on how best to navigate the system and avoid delays.
- Convening targeted business development events – We see “business development” as the mission of the Montgomery County Economic Development Corporation (MCEDC). The new Business Service Center should complement, not duplicate the function of MCEDC. Therefore, we suggest deleting this language and keep the Center’s focus on providing “constituent services.”
- Serving as a point of contact for businesses seeking to obtain a County contract – Likewise, we have concerns about how this function relates to the Office of Procurement. While we recognize that the Business Service Center might assist businesses who are facing challenges in the County’s procurement process, we do not see it as a primary point of contact for County procurement. Instead, we suggest “assisting County businesses seeking to navigate the procurement process.”
- Advocate for County businesses – The use of the word “advocate” is correct as it relates to advocating for businesses with County departments, bi-county agencies, state agencies, and public utilities. However, we are concerned that its meaning may be misconstrued. While perhaps not a strong, consider replacing “advocate for County businesses with other State. . .” with “help and support County businesses as they interact with other State. . .” This, we think would clarify the function.

Thank you for the opportunity to comment on this proposed legislation.



THE VOICE OF MONTGOMERY COUNTY BUSINESS

10

Jim Young, Chairman
Dusty Rood, Chair-elect
Jerry Shapiro, Immediate Past Chair
Georgette "Gigi" Godwin, President & CEO

Bill 8-17 Executive Branch – Business Services Center – Established
Public Hearing
April 25, 2017

SUPPORT with Amendments

To function most effectively, employers need to have a clear understanding of the rules, regulations, and laws that impact them. This is important in a dynamic marketplace where business needs and requirements change as they grow and policies are frequently updated and modified at the federal, state and local level.

MCCC and its members appreciate the acknowledgement that the business community is an important stakeholder in the overall success of our community and has unique needs when interfacing with the County government. The focus of this new entity should be to disseminate information to the business community specific to interfacing with County government.

There are important ways this focused effort will support the business community:

- **Coordinate Federal, State and Local Policy**
Montgomery County continues to be home to a robust federal government contracting industry sector that is made up of myriad types of businesses. These businesses are focused first and foremost on federal compliance to continue to operate. There are also State laws that are unique to Maryland that must be followed. In addition, at the local level, Montgomery County and even municipalities frequently enact their own laws that businesses must also adhere to. An entity inside County government that monitors how these work together would be a tremendous asset.
- **Communicate Through Targeted Publications and Outreach**
As County laws are enacted and updated, it is important to push this information out to the business community. This can be through mailings (electronic and paper), website, press releases and in-person presentations.
- **Offer Compliance Workshops**
Where it makes sense on issues that impact a broad range of businesses, workshops to help businesses understand the laws and how to comply could also be run from this entity.
- **Maintain the Business Portal**
As the new business portal comes online, it will be important for it to be actively managed so that the information is up-to-date and relevant for businesses starting, growing and evolving.

We are concerned about possible areas of duplication or overlap, specifically with regard to

- 'targeted business development events'
- serving as a point of contact for businesses seeking to obtain a County contract (Office of Procurement), and
- the role of 'advocate for County businesses.'

Specifically, we recommend striking the following language:

- Line 41 (E) convening targeted business development events
- Line 43 (A) obtain a County contract
- On Line 45, we recommend striking the existing language and substituting "Provide insights, information and analysis on issues relevant to employers in the County to inform policy at the State, County and local government agencies."

To the greatest extent possible, the roles and responsibilities of this entity should be clearly delineated and articulated.

The proposed legislation solidifies the presence of a point of contact within the Office of the County Executive to support business success that, in turn, contributes in a multitude of ways to overall community well-being. As a Chamber of Commerce whose mission is to accelerate the success of our members, we look forward to working with the staff of this new entity to ensure that our MCCC members who have a need to interface with the County government are able to get the information they need in a seamless and efficient manner that allows them to continue to operate in a competitive marketplace.

Testimony of Gino Renne in support of Bill 8-17 – Establishing a Business Services Center in the Office of the County Executive and Creating Position of Small Business Navigator.

Two years ago, when the County chose to privatize the Office of Economic Development, my members working at the agency expressed that one of their greatest concerns upon privatization is that small businesses would not get the services they needed out of the newly privatized agency.

Small businesses are vital to creating stable economies. Close to 95% of businesses in Montgomery County can be characterized as small. Helping new and existing businesses in Montgomery County navigate through regulations and licensing hurdles will help our County's economy. When the Office of Economic Development and, more specifically, the small business navigator were in place, new businesses had an ally. With the establishment of the Montgomery County Economic Development Corporation, small businesses lost that direct connection to the County Government. That connection needs to be restored.

MCEDC is more of a marketing agency than a navigator. It can help bring in new business to the County, but we worry that it is limited to what it can do to help retain those businesses. And how can it help the really small businesses? Will it help the 2-10 employee mom-and-pop retailers or small service firms who don't need tax breaks or other incentives to stay here but need to comply with new regulations or tax laws?

All businesses in Montgomery County need a strong advocate in the county government. They need a point of contact to ensure they comply with County regulations and to help them understand changes in County law. Our belief is that the creation of the Business Services Center and the re-establishment of the position of a Small Business Navigator under the Office of the County Executive as outlined in Bill 8-17 would take steps to repair problems that may have been created since privatization. Local 1994 urges you to support this legislation.



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

MEMORANDUM

TO: Councilmembers

FROM: George Leventhal, Councilmember *George Leventhal*

SUBJECT: Montgomery County Economic Development Corporation

DATE: April 25, 2017

In an attempt to better understand certain roles and responsibilities within the Montgomery County Economic Development Corporation (MCEDC), and how these roles relate to tasks previously done by the Department of Economic Development, I transmitted the attached memorandum to President and CEO David Petr. This memorandum covered issues including the types of referrals that should be made for local businesses experiencing financial difficulties, advice regarding future land use decisions and the potential synergies between MCEDC, WorkSource Montgomery and Visit Montgomery.

Mr. Petr shared his response to my memorandum which is also attached. I believe Mr. Petr's responses represent a good starting point for a more robust discussion about the MCEDC in the April 26 Planning, Housing and Economic Development Committee. Limited portions of both memoranda have been redacted to respect the privacy of a local business dealing with a financial hardship.



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

MEMORANDUM

TO: David Petr, President and CEO – Montgomery County Economic Development Corporation

FROM: George L. Leventhal, Councilmember

DATE: April 13, 2017

SUBJECT: Montgomery County Economic Development Corporation

As a Councilmember, I am routinely approached by County small business owners who need assistance identifying the various development and financial assistance programs that will enable them to strategically grow their businesses in a financially prudent manner. In the past, I would refer these constituents to the County's Department of Economic Development (DED).

While the launch of the Montgomery County Economic Development Corporation (MCEDC) has served as a welcome benefit for the County, it is unclear whether some of the related functions, which were formerly handled by DED, are now being provided by MCEDC. Please provide me with a written explanation of the staffing and products and services provided to assist County small businesses through MCEDC. In addition, below are some examples of situations where I need specific information and recommendations on how to proceed.

As you know, part of a Councilmember's job is connecting County residents with the services that they need. We need a clear and concise roadmap on appropriate service referrals to make sure we are supporting our local small businesses.

[REDACTED]

- After the closure of Safeway at the Briggs Chaney Shopping center, the area was in desperate need of a new grocery store for area residents. Finding a new tenant for the space was assigned to Jewru Bandeh, Director of the East County Regional Services Center. While Mr. Bandeh was able to attract the new Global Food Store at Briggs Chaney Shopping Center, this is not clear what role MCEDC played in marketing the vacancy or what work was done to facilitate new businesses in this area. Does MCEDC have the proper personnel in place to provide outreach to potential tenants and new businesses both inside and outside Montgomery County? What targeted marketing appeals are currently occurring and what is planned over the next twelve months?
- The Council is charged with making a multitude of land use decisions. We decide what the future of the County will look like through the master plan and sector plan process and take action on zoning text amendments when needed to expand or limit zoning rules. All of these decisions have implications for current and future businesses in Montgomery County. While we rely on the Planning Board and Planning Staff for their recommendations and listen to community groups and residents through these processes, an organized position from the business community is rarely presented. For example, MCEDC was not present in the Council's discussion of the Westbard Sector Plan or the Bethesda Downtown Sector Plan. Does MCEDC have the staff with the necessary experience to provide advice on how the land use decisions that the Council makes will impact the business climate in Montgomery County? What role do you envision MCEDC having in the master plan process going forward?
- I understand that MCEDC along with WorkSource Montgomery and Visit Montgomery will be sharing space. In addition to the space sharing arrangement, what relationship with each of these entities have to each other? What are the potential synergies that may exist between MCEDC and these organizations?
- Lakeforest Mall in Gaithersburg has been in financial jeopardy for some time. Has MCEDC made contact with the City of Gaithersburg's Department of Economic Development regarding the mall's recent default and potential foreclosure? What role will MCEDC play in making recommendations about potential options for the mall's future?
- As you may know, the Barnes and Noble, located at 4801 Bethesda Avenue in Bethesda, recently announced plans to close at the end of this calendar year. The loss of this anchor on Bethesda Row is an unexpected blow to Bethesda residents who not only shop at the store but use it as a community gathering place. What role will MCEDC play in helping to identify a new tenant?
- Another situation which requires the attention of the MCEDC is the Burtonsville Crossing shopping center. The shopping center has languished for many years following the rerouting of Route 29 in 2006. Afterwards, the shopping center's anchor tenant, Giant Food, moved across the street to a new shopping center, but it held onto its lease at

Burtonsville Crossing, thereby preventing any competing grocery store from moving in. Without a grocery store to anchor the shopping center, the other retail stores slowly closed up shop, and now, only one or two non-rent paying tenants remain.

In 2014, the county's Department of Economic Development issued an RFQ to spur redevelopment of the shopping center and to repurpose the adjacent park-and-ride lot owned by the county. The EDENS development company, which owns the shopping center, was selected to develop the parking lot; however, last month, the county sent a letter to the EDENS informing them that they would not be moving forward with their development proposal for the site.

As a result, EDENS is now faced with two options: Either attempt to retenant the shopping center with low-end retailers such as Dollar Store or sell the property to a developer who would likely build townhomes. Neither of these outcomes are particularly ideal, but with engagement from the MCEDC, I believe we can achieve a better result for the Burtonsville community.



April 24, 2017

The Honorable George Leventhal
Council Office Building
100 Maryland Avenue, 5th Floor
Rockville, MD 20850

Dear Councilmember Leventhal:

Thank you for inquiring about the functions of the new Montgomery County Economic Development Corporation (MCEDC).

As you know, MCEDC was created to proactively address the long-term economic health of Montgomery County. Transforming from a "government town" into a sustainable and innovative ecosystem takes discipline and focus, and MCEDC's board takes that mandate seriously.

MCEDC's board is differentiating the new organization from the former Department of Economic Development, which suffered from being spread too thin as it attempted to respond to nearly every business constituent's request. There were simply not enough resources at DED to address the needs of thousands of businesses every year and simultaneously lay the groundwork for big, transformative economic initiatives.

To avoid repeating that scenario, MCEDC is dedicating the next 18 months to two things: 1) We are bolstering Montgomery County's entrepreneurial infrastructure, which will produce new fast-growing businesses, diversify our existing companies, and ultimately create a more prosperous economic ecosystem. This infrastructure includes many things from raising new funds to cultivating talent; and 2) We are reaching out to the target industries highlighted in the comprehensive economic strategy. This targeted business outreach includes retention visits as well as recruitment leads in biohealth, IT/Cyber, financial services, advanced manufacturing and corporate/regional headquarters.

However, this isn't to say that our neighborhood retail districts need to suffer. The county could empower its existing Department of Housing and Community Affairs to address several of the small business/small retail needs listed in your memo. For example, the department's Neighborhood Revitalization section already works in local retail centers and central business districts. They've done outreach in Burtonsville, Silver Spring, Glenmont, and Germantown, to name a few. This community-centric "main-street" approach to retail development, when combined with the existing façade programs, CDBG funds, and an additional financial commitment within the county's budget, would go a long way toward addressing neighborhood issues like vacant storefronts or closing grocery stores.

[REDACTED]

In terms of the master-plan process, MCEDC certainly has staff capable of participating in meaningful land use discussions. In the next 30 days, our Strategic Initiatives team plans to engage more fully with MNCPPC staff and our board to identify specific planning issues related to the business climate, and we will implement an interagency communications strategy.

The Burtonsville park-and-ride project was initiated well before the MCEDC was created, and poses several market challenges. Having said that, if the County Executive asks MCEDC to participate in the repurposing of the county-owned property, we certainly will engage in conversations with them. Similarly, MCEDC is happy to consult on the Lakeforest Mall situation. To date, we have not been approached by our partners at the City of Gaithersburg, or by the mall owners, but we can discuss reaching out to them with our board members.

Finally, your question regarding synergies with WorkSource and Visit Montgomery is timely, with all three entities now sharing the same space. To date, we've joined forces with WorkSource to promote the Summer RISE program, we've renewed the kitchen incubator discussions and we're beginning conversations regarding cyber-specific talent needs. We've also held a joint branding/marketing meeting with Visit Montgomery, the Office of Ag and the Food Council to promote locally made products, and we continue to develop ideas for tourism as it relates to agriculture and artisan businesses. The creative energy among the three groups is strong, and our personalities work well together.

We understand that the transition to an industry-led model of economic development is challenging. We are continually evaluating and redefining our approaches to things, and we appreciate your patience as we move through the next 18 months. We always welcome your questions and comments as you fulfill your role as a steward of the public's funds. We encourage you, and any interested parties, to attend our monthly board meetings, which are held the second Monday of every month, from 9am-11am.

Sincerely,



David Petr
President & CEO




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

April 24, 2017

TO: Róger Berliner, President
Montgomery County Council

FROM: Isiah Leggett 
County Executive

SUBJECT: Bill 8-17, Executive Branch - Business Services Center

I am writing to express my general support for Council Bill 8-17 to establish a Business Services Center with some amendments that we will be transmitting separately for the PHED Committee work session.

Improving the experiences and perceptions of doing business in Montgomery County, especially as it relates to interacting with the County government, has been a priority of our work. It is reflected in a series of initiatives and moves such as permit streamlining, development ombudsman, and moving the position of Small Business Navigator into the Office of the County Executive. Most recently, we have developed a new integrated business portal for starting and growing businesses here, and a push for organization-wide improvements such as digitalization of forms and a culture of solutions across county departments.

We welcome the support for expanding our capacity to serve our growing business community. It is my understanding that this bill intends to improve the County government communication with and services for the business community by creating additional positions that would focus on regulatory communication and outreach and better problem-solving in collaboration with our departments, agencies and economic development partners. Creation of new positions, of course, should be considered in the context of the competing budget priorities with which we are faced. Additionally, we have several suggested technical and clarifying amendments to the bill that will help it achieve its intended purposes.

Thank you for your efforts to improve Montgomery County's services to our business community.