



**Committee:** PHED  
**Committee Review:** Completed  
**Staff:** Christine Wellons, Senior Legislative Attorney  
**Purpose:** Final action – vote expected  
**Keywords:** # MCEDC

AGENDA ITEM #5B  
June 23, 2022  
**Action**

## SUBJECT

Bill 5-22, Economic Development Corporation – Board of Directors - Membership

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

## EXPECTED ATTENDEES

N/A

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

Roll call vote on whether to enact Bill 5-22 with amendments, as recommended unanimously by the Planning, Housing & Economic Development (PHED) Committee.

## DESCRIPTION/ISSUE

Council Bill 5-22 would alter and expand the membership of the Board of Directors of the Montgomery County Economic Development Corporation.

## SUMMARY OF KEY DISCUSSION POINTS

The PHED Committee voted (3-0) to recommend the enactment of Council Bill 5-22 with amendments to:

- make the bill expedited; and
- phase in the appointment of new board members so that the two new members would be appointed on or after January 1, 2023.

## This report contains:

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|---|-----------|
| Staff Report                                      | Pages 1-3 |
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| Legislative Request Report                        | © 5       |
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**M E M O R A N D U M**

June 23, 2022

TO: County Council

FROM: Christine Wellons, Senior Legislative Attorney

SUBJECT: Bill 5-22, Economic Development Corporation – Board of Directors – Membership

PURPOSE: Final action – roll call vote expected

**COMMITTEE RECOMMENDATION:** The PHED Committee unanimously recommended the enactment of Bill 5-22 with amendments.

Bill 5-22, Economic Development Corporation – Board of Directors - Membership, sponsored by the Council President at the Request of the County Executive, was introduced on March 15, 2022. A public hearing was held on April 19, 2022 and a Planning, Housing and Economic Development worksession was held on June 13, 2022. Action is scheduled for June 28, 2022.<sup>1</sup>

The bill would:

- (1) expand and alter the membership of the Board of Directors of the Montgomery County Economic Development Corporation (MCEDC); and
- (2) generally amend the law regarding the Montgomery County Economic Development Corporation.

**BACKGROUND**

In his transmittal memorandum, the County Executive has provided the following background regarding Bill 5-22:

MCEDC is facing a critical juncture as six Board members are term limited and soon to depart. MCEDC is justly concerned that the loss of institutional knowledge from the Board all at once could set the Corporation back in their crucial mission of spearheading economic development for the County. This legislation will allow some overlap for two new Board members, as well as ensure that the current Board chair can remain on the board as a non-voting, ex-officio member to share his knowledge with and provide guidance to the new Board. Finally, the legislation reflects the past precedent by designating the CEO of Worksource Montgomery to

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<sup>1</sup> MCEDC

the Board. The Workforce Development Board has been sending the CEO of Worksource Montgomery to represent them at MCEDC. This Bill codifies this practice.

## **BILL SPECIFICS**

Bill 5-22 would increase the number of County Executive-appointed voting members of the MCEDC Board of Directors from 11 to 13. In addition, the bill would require that the immediate past chair of the Board, as well as the chief executive officer of the County's Workforce Development Organization, be included as ex-officio, non-voting members of the Board.

## **PUBLIC TESTIMONY**

There was no public testimony regarding the bill.

## **SUMMARY OF PHED WORKSESSION**

The PHED Committee voted (3-0) to recommend the enactment of Council Bill 5-22 with amendments to:

- make the bill expedited; and
- phase in the appointment of new board members so that the two new members would be appointed on or after January 1, 2023.

The Committee considered the following issues in connection with Bill 5-22.

### **1. Whether to Increase the Number of Voting Members**

As originally drafted, Bill 5-22 would increase the number of voting members of the MCEDC Board from 11 to 13. The Committee discussed the addition of two new voting members and agreed that the new members should be added. The Committee discussed that the new members would diversify and expand representation on the Board.

The Committee decided that the two new voting members should be appointed on or after January 1, 2023 so that there is time to advertise the new positions.

### **2. Purpose of Including the Immediate Past Chair as an Ex-Officio Member**

Under the bill, the immediate past chair of the MCEDC Board would become an ex-officio, non-voting member of the Board for purposes of continuity. According to MCEDC, retaining a past chair as a board member is a typical practice in private organizational settings. Having a past chair serve in an ex-officio capacity can allow the organization to benefit from the past chair's accumulated wisdom, experience, and connections with the community.

The Committee agreed that the immediate past Chair should serve as a nonvoting, ex-officio member of the Board.

**3. Whether to Substitute a Voting Member from the Workforce Development Board with a New Non-Voting Member: the CEO of the County’s Workforce Development Organization**

Under current law, the County Executive is directed to appoint a member of the Workforce Development Board as one of the *voting* members of the MCEDC Board. Under Bill 5-22, this Workforce Development Board member would no longer be on the MCEDC Board. Instead, the CEO of the County’s Workforce Development Organization would become be an *ex-officio, non-voting* member of the MCEDC Board.

According to MCEDC, the purpose of this change is to codify current practice, in which the CEO of the Workforce Development Organization has been designated by the Workforce Development Board to serve on the MCEDC Board. MCEDC believes that the law should reflect this practice, especially because having the Worksource Montgomery CEO serve on the MCEDC Board is vital to the ongoing coordination between Worksource Montgomery and MCEDC. As with the other *ex-officio* members of the MCEDC Board, the Worksource Montgomery CEO would be a non-voting member under the bill.

The Committee agreed that the CEO of the County’s Workforce Development Organization should be a nonvoting, *ex-officio* member of the Board.

**4. Expedited Nature of Bill 5-22**

MCEDC requested that the Council make Bill 5-22 into an expedited bill. Six members of the Board are expected to leave at the end of June, and MCEDC would like to be able to benefit immediately from having the past chair serve as an *ex-officio* member of the MCEDC Board.

The Committee agreed that the bill should be expedited, but specified that the two new members of the Board should be appointed on or after January 1, 2023.

The amendments adopted by the PHED Committee are reflected in the bill at ©1.

**Next step:** Roll-call vote on whether to adopt Expedited Bill 5-22, as amended by the PHED Committee.

| This packet contains:                             | <u>Circle #</u> |
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| Bill 5-22   | 1               |
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Expedited Bill No. 5-22  
Concerning: Economic Development  
Corporation – Board of Directors -  
Membership  
Revised: 6/23/2022 Draft No. 2  
Introduced: March 15, 2022  
Expires: September 15, 2023  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: \_\_\_\_\_  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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

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**AN EXPEDITED ACT** to:

- (1) expand and alter the membership of the Board of Directors of the Montgomery County Economic Development Corporation; and
- (2) generally amend the law regarding the Montgomery County Economic Development Corporation.

By amending  
Montgomery County Code  
Chapter 15A, Economic Development  
Section 15A-3

|                              |  |
|------------------------------|--|
| <b>Boldface</b>              | <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 15A-3 is amended as follows:**

**15A-3. Board of Directors.**

- (a) To qualify as the Montgomery County Economic Development Corporation, the Corporation's Board of Directors must have [11] 13 voting members appointed by the County Executive and confirmed by the County Council. [The County Executive should appoint a member of the Workforce Development Board as one of the members of the Corporation's Board of Directors.] The immediate past chair of the Corporation's Board of Directors and the chief executive officer of the County's Workforce Development Organization must be ex-officio, non-voting members of the Corporation's Board of Directors. The Corporation's Board of Directors must [also] include one [officio] non-voting member appointed by the County Executive; and one non-voting member appointed by the County Council; and should have one non-voting member appointed by the Maryland Secretary of Commerce.
- (b) Each voting member serves a 3-year term. The individual terms of the voting members must be staggered. Of the voting members first appointed, four must be appointed for a 1-year term, four must be appointed for a 2-year term, and three must be appointed for a 3-year term. The Executive may extend the term of a voting member first appointed for an additional 6 months or less to coincide with the end of a fiscal year. A voting member appointed to fill a vacancy serves the rest of the unexpired term. A voting member continues in office until his or her successor is appointed and confirmed.

\* \* \*

26        **Sec. 2. Expedited Effective Date; Transition.** The Council declares that this  
27        legislation is necessary for the immediate protection of the public interest. This Act  
28        takes effect on the date on which it becomes law. The 2 voting members added to  
29        the Board of Directors of the Montgomery County Economic Development  
30        Corporation under Section 1 of this Act must not be appointed before January 1,  
31        2023.



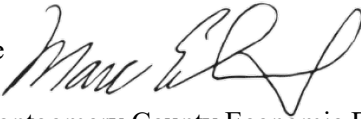
OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich  
County Executive

MEMORANDUM

February 7, 2022

TO: Gabe Albornoz, President  
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Introduction of Bill XX-22; Montgomery County Economic Development Corporation Board of Directors

I am submitting the attached legislation on behalf of the Montgomery County Economic Development Corporation (MCEDC). This will expand and amend the MCEDC Board of Directors by (1) increasing the number of voting Board members from 11 to 13; (2) adding the Immediate Past Chair of the MCEDC Board as a non-voting, ex-officio Board member; (3) removing a member of the County's Workforce Development Board as a non-voting, ex-officio Board Member; and (4) designating the CEO of the County's Workforce Development Organization as a non-voting, ex-officio member of the Board.

MCEDC is facing a critical juncture as six Board members are term limited and soon to depart. MCEDC is justly concerned that the loss of institutional knowledge from the Board all at once could set the Corporation back in their crucial mission of spearheading economic development for the County. This legislation will allow some overlap for two new Board members, as well as ensure that the current Board chair can remain on the board as a non-voting, ex-officio member to share his knowledge with and provide guidance to the new Board. Finally, the legislation reflects the past precedent by designating the CEO of Worksource Montgomery to the Board. The Workforce Development Board has been sending the CEO of Worksource Montgomery to represent them at MCEDC. This Bill codifies this practice.

If you have any questions, please contact Benjamin Wu at MCEDC or Jake Weissmann in the County Executive's Office.

ME:yew

Enclosure: Proposed Bill

cc: Benjamin H. Wu, President & CEO, Montgomery County Economic Development Corporation



## LEGISLATIVE REQUEST REPORT

### Bill XX-22 *MCEDC Board Expansion*

|   |   |
|---|---|
| <b>DESCRIPTION:</b>                             | This Bill expands the Board of Directors of the Montgomery County Economic Development Corporation by two, increasing the number of Board members to 13. In addition, the bill adds both the immediate past chair of the Board, as well as the CEO of the County's Workforce Development Organization as non-voting ex-officio members of the Board of Directors. Lastly, the bill removes a member of the County's Workforce Development Board as a Board member.                            |
| <b>PROBLEM:</b>                                 | With the Board facing a wave of retirements due to term limits this summer, this bill will allow for some continuity on the Board, both with the new appointees, and with the ex-officio role of the immediate past Board Chair. Finally, the bill clarifies a seat at the Board for Worksource Montgomery by swapping the CEO of the organization for the member of the County's Workforce Development Board, who would often appoint the Worksource Montgomery CEO as their representative. |
| <b>GOALS AND OBJECTIVES:</b>                    | Increase continuity of knowledge on the Board, and ensure the County's economic development arm can best function   |
| <b>COORDINATION:</b>                            | Montgomery County Economic Development Corporation, and Office of the County Executive  |
| <b>FISCAL IMPACT:</b>                           | Office of Management and Budget.  |
| <b>ECONOMIC IMPACT:</b>                         | Office of Legislative Oversight.  |
| <b>RACIAL EQUITY AND SOCIAL JUSTICE IMPACT:</b> | Office of Legislative Oversight   |
| <b>EVALUATION:</b>                              | To be done.   |
| <b>EXPERIENCE ELSEWHERE:</b>                    | Unknown   |
| <b>SOURCES OF INFORMATION:</b>                  | Montgomery County Economic Development Corporation  |
| <b>APPLICATION WITHIN MUNICIPALITIES:</b>       | N/A   |
| <b>PENALTIES:</b>                               | N/A   |

**Fiscal Impact Statement**  
**Council Bill XX-22 & Montgomery County Economic Development Corporation**  
**Board of Directors**

**1. Legislative Summary.**

The attached Bill XX-22 serves to propose legislation that would expand and amend the Montgomery County Economic Development Corporation (MCEDC) Board of Directors by increasing the number of voting Board members from (11) to (13). The Bill also adds both the immediate past Chair of the Board, as well as the CEO of the County's Workforce Development Organization as non-voting ex-officio members of the Board of Directors. Lastly, the Bill removes a member of the County's Workforce Development Board as a non-voting member of the Board.

**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.**

There is no change in County revenues and expenditures related to Bill XX-22, Montgomery County Economic Development Corporation (MCEDC), as section 15A-3(d) indicates that a member of the MCEDC Board must not be compensated for service. However, members may be reimbursed for necessary travel expenses. These expenses are assumed to be reimbursed from MCEDC's operating budget funded by the County.

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

There is no impact to County expenditures or revenue over the next six fiscal years.

**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.**

This Bill does not authorize future spending.

**7. An estimate of the staff time needed to implement the Bill.**

Not Applicable.

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

Not Applicable

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

There are no additional appropriations required to implement Bill XX-22.

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

Any variable cost estimates should be supported by the existing MCEDC budget allotment. Revenue variability is not applicable to Bill XX-22.

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

Not Applicable

**12. If a Bill is likely to have no fiscal impact, why is this the case.**

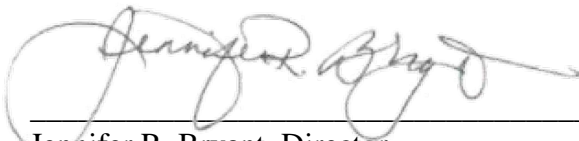
Bill XX-22 does not result in any additional expenses to be incurred by the County. Expenditures related to the travel reimbursement entitlement should be resolved through MCEDC's existing budget appropriation.

**13. Other fiscal impacts or comments.**

Not Applicable.

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

- Jake Weissman, County Executive Office
- Montgomery County Economic Development Corporation
- Felicia Hyatt, Office of Management and Budget



Jennifer R. Bryant, Director  
Office of Management and Budget

**2-10-22**

Date

# Economic Impact Statement

Office of Legislative Oversight

## Bill 5-22

## Economic Development Corporation – Board of Directors – Membership

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates that enacting Bill 5-22 would have an insignificant impact on economic conditions in the County in terms of the Council's priority indicators.

### BACKGROUND

#### *Bill Description*

According to the County Executive's transmittal memorandum, the Montgomery County Economic Development Corporation (MCEDC) "is facing a critical juncture as six Board members are term limited and soon to depart. MCEDC is justly concerned that the loss of institutional knowledge from the Board all at once could set the Corporation back in their crucial mission of spearheading economic development for the County."<sup>1</sup> The goal of Bill 5-22 is to increase the continuity of knowledge on the Board of Directors of the Montgomery County Economic Development Corporation (hereinafter "the Board") and improve its functioning.<sup>2</sup> The Bill would attempt to achieve these goals by expanding and altering the membership of Board in the following ways:

- (1) increasing the number of County Executive-appointed voting members of the Board from 11 to 13; and
- (2) requiring the immediate former Chair of the Board and the Chief Executive Officer of the County's Workforce Development Organization be included as ex-officio, non-voting members of the Board.<sup>3</sup>

### INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

Per Section 2-81B of the Montgomery County Code, the purpose of this Economic Impact Statement is to assess Bill 5-22's impacts on County-based private organizations and residents in terms of the Council's priority economic indicators.<sup>4</sup> OLO concludes that expanding and altering the membership of the MCEDC Board would have no significant, direct impacts on local economic conditions. However, OLO notes that these changes could have indirect economic impacts, depending on

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<sup>1</sup> Elrich to County Council, Memorandum, February 7, 2022.

<sup>2</sup> Legislative Request Report, Bill 5-22.

<sup>3</sup> Bill 5-22; Wellons to County Council, Memorandum, March 9, 2022.

<sup>4</sup> Montgomery County Code, Sec. 2-81B.

# Economic Impact Statement

## Office of Legislative Oversight

whether the new Board members' views on economic development and growth would be similar or dissimilar to the views of current members.

### VARIABLES

Not applicable

### IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

#### Businesses, Non-Profits, Other Private Organizations

Not applicable

#### Residents

Not applicable

### DISCUSSION ITEMS

Not applicable

### WORKS CITED

Elrich, Marc to Gabe Albornoz. [Memorandum](#). February 7, 2022.

Montgomery County Code. [Sec. 2-81B, Economic Impact Statements](#).

Montgomery County Council. [Bill 5-22, Economic Development Corporation – Board of Directors – Membership](#). Introduced on March 15, 2022.

Wellons, Christine to County Council. [Memorandum](#). March 9, 2022.

### CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative

# Economic Impact Statement

## Office of Legislative Oversight

process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the Bill under consideration.

### CONTRIBUTIONS

Stephen Roblin (OLO) prepared this report.

# Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

## BILL 5-22: ECONOMIC DEVELOPMENT CORPORATION — BOARD OF DIRECTORS — MEMBERSHIP

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Bill 5-22 will have little to no impact on racial equity and social justice in the County.

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### PURPOSE OF RESJ IMPACT STATEMENTS

The purpose of racial equity and social justice (RESJ) impact statements is to evaluate the anticipated impact of legislation on racial equity and social justice in the County. Racial equity and social justice refer to a **process** that focuses on centering the needs of communities of color and low-income communities with a **goal** of eliminating racial and social inequities.<sup>1</sup> Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.<sup>2</sup>

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### PURPOSE OF BILL 5-22

The purpose of Bill 5-22 is to expand the number of voting members of the Montgomery County Economic Development Corporation (MCEDC) from 11 to 13 members and add the past chair of the MCEDC and Chief Executive Officer of the County's Workforce Development Board as non-voting members.<sup>3</sup> Bill 5-22 would also remove a member of the Workforce Development Board as a non-voting MCEDC Board member. These changes will enable the current chair to remain on the Board and add two new members to overlap with current members, thus supporting the continuity and transfer of institutional knowledge among Board members. Bill 5-22 was introduced to the Council on March 15, 2022.<sup>4</sup>

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### ANTICIPATED RESJ IMPACTS

OLO anticipates that expanding and modifying the membership of the MCEDC Board will have little to no impact on racial and social inequities in Montgomery County relative to economic development.

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### CAVEATS

Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging, analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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### CONTRIBUTIONS

OLO staffer Elaine Bonner-Tompkins, Senior Legislative Analyst, drafted this RESJ impact statement.

Office of Legislative Oversight

March 29, 2022

(11)

# RESJ Impact Statement

## Bill 5-22

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<sup>1</sup> Definition of racial equity and social justice adopted from “Applying a Racial Equity Lens into Federal Nutrition Programs” by Marlysa Gamblin, et.al. Bread for the World, and from Racial Equity Tools <https://www.racialequitytools.org/glossary>

<sup>2</sup> Ibid

<sup>3</sup> Montgomery County Council, Bill 5-22, Economic Development Corporation – Board of Directors – Membership, Introduced March 15, 2022

<sup>4</sup> Christine Wellons memorandum to County Council, Bill 5-22, Economic Development Corporation – Board of Directors – Membership, March 9, 2022