

Bill No. 14 -12  
Concerning: Economic Development  
Fund – Amendments  
Revised: September 11, 2012 Draft No. 7  
Introduced: March 20, 2012  
Enacted: September 18, 2012  
Executive: September 20, 2012  
Effective: December 20, 2012  
Sunset Date: None  
Ch. 17, Laws of Mont. Co. 2012

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President Berliner and Councilmembers Riemer, Ervin, Elrich, Leventhal, Navarro,  
and Rice

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**AN ACT** to:

- (1) require the Executive to propose and update an economic development strategic plan for the County, subject to Council approval;
- (2) establish criteria for offers of financial assistance from the Economic Development Fund that promote the County’s approved economic development strategic plan;
- (3) require the Council to approve certain offers of assistance from the Economic Development Fund; and
- (4) generally amend the County economic development laws.

By amending

Montgomery County Code  
Chapter 20, Finance  
Sections 20-75 and 20-76

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<b>[Single boldface brackets]</b>	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
<b>[[Double boldface brackets]]</b>	<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. Sections 20-75 and 20-76 are amended as follows:**

**20-75. Use of Fund.**

(a) The Director may spend or allocate funds from this Fund consistent with the economic development strategic plan approved under Section 20-76 ~~[[and on the basis of criteria defined]]~~ in a Regulation adopted under method (1), including the following criteria:

- (1) the proposed assistance will materially improve the County’s economy and advance County economic development objectives and strategies; or
- (2) the assistance is necessary to:
  - (A) bring a significant number of new jobs to the County;
  - (B) add a significant number of new jobs to an existing operation in the County;
  - (C) retain a significant number of jobs at an existing operation in the County or
  - (D) respond to other economic development objectives.

(b) The Director must provide the Council with all fiscal analyses and other supporting documents for any proposed offer of assistance to a private employer valued at more than \$100,000. The supporting documents must include:

- (1) the name, industry, location, employee compensation profile, and estimated current and future taxes paid by the prospective recipient;
- (2) the estimated employment and tax revenue gains resulting from the proposed assistance;
- (3) each assumption, variable, and model used to generate estimates of employment and tax revenue gains;

- 28           (4) the number of new residents estimated to move into the County  
 29           resulting from gains in employment by the proposed recipient;  
 30           (5) the number and cost of new students estimated to enroll in  
 31           County public schools;  
 32           (6) an analysis of how the proposed assistance supports the overall  
 33           goals of the economic development strategy; and  
 34           (7) offers, if any, made by or expected from other competing  
 35           jurisdictions.

36           (c) The Executive must notify the Council at least [2] 5 working days  
 37           before the Executive tentatively offers assistance valued at more than  
 38           \$100,000 to a private employer, including all fiscal analyses and other  
 39           supporting documents described in subsection (b). During a Council  
 40           recess of one week or longer, the Executive must notify the Council at  
 41           least [5] 10 working days before the Executive tentatively offers  
 42           assistance valued at more than \$100,000 to a private employer. If  
 43           during either notice period the Council President notifies the Executive  
 44           that more time is necessary for the Council to [comment] review the  
 45           tentative offer, the Executive must wait an additional [2] 5 working days  
 46           (or [5] 10 working days during a Council recess) before [offering]  
 47           making a tentative offer of assistance to the private employer.

48           [(c)] (d) The ~~[[Council]]~~ Executive must ~~[[approve each]]~~ not provide  
 49           ~~[[offer of]]~~ assistance to a private employer valued at more than  
 50           \$500,000 unless the grant or loan is approved by the Council in a  
 51           special or supplemental appropriation. The amount of any discount  
 52           from market value in the sale of County property offered as part of the  
 53           assistance must be included in the value of the assistance. The

54 Executive must submit an economic development agreement to the  
 55 Council within 60 days after all parties to the agreement execute it.

56 (e) The notice required under subsection [(b)] (c) must also specify the  
 57 proposed terms of any assistance offered, including any repayment  
 58 provisions.

59 [(d)] (f) Unless expressly inconsistent with any other federal, state, or County  
 60 law, the terms of any assistance from the Fund must require the  
 61 recipient to meet certain performance criteria specified in the offer of  
 62 assistance, including a repayment agreement unless the Executive  
 63 [describes] justifies why repayment of assistance is not required.

64 [(e)] (g) \* \* \*

65 **20-76. Economic Development Strategic Plan, Administration.**

66 (a) The Executive must submit, by method 1 regulation, [[a proposed]] an  
 67 economic development strategic plan for the County to the Council for  
 68 approval on or before July 1, 2015 and [[of]] each [[even numbered]]  
 69 fourth year thereafter. [[The Council may amend the proposed strategic  
 70 plan and must approve a final strategic plan by resolution.]] The  
 71 success or progress of the strategic plan must be measurable and the  
 72 plan must include measures to address:

- 73 (1) job creation;
- 74 (2) private sector compensation and benefits;
- 75 (3) target industries;
- 76 (4) target geographic areas;
- 77 (5) workforce education and training;
- 78 (6) growth in tax base;
- 79 (7) economic opportunity for residents;
- 80 (8) encouragement of entrepreneurs and small business;

- 81           (9) land use; and
- 82           (10) other actions necessary to promote economic development in the
- 83                 County.

84       (b) The Executive may adopt Regulations under method (1) to administer  
85       this Fund.

86       [(b)] (c) The Executive must report by March 15 each year on the status and  
87       use of the Fund. This report can be included in the Executive’s  
88       proposed operating budget. The annual report must:

- 89           (1) describe the success of each award of financial assistance in  
90                 satisfying the economic development goals supporting the  
91                 assistance;
- 92           (2) identify any assistance agreement where the recipient did not  
93                 satisfy the performance criteria in the agreement; and
- 94           (3) track the progress of the Fund in satisfying the overall goals of  
95                 the approved economic development strategic plan.

96       **Sec. 2. Transition.**


97       The County Executive must submit the initial ~~[[proposed]]~~ method 1  
98       regulation containing an economic development strategic plan to the Council for  
99       approval not later than 180 days after this Act becomes law. In addition to the  
100       requirements of 20-76(a), the initial proposed economic development strategic plan  
101       must:

- 102           (a) analyze the County’s economic development structure;
- 103           (b) compare the County’s structure with peer jurisdictions;
- 104           (c) identify and analyze different alternative government and non-  
105                 government entities that could perform each core function of economic  
106                 development;

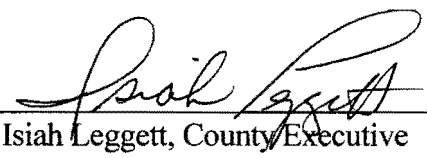
107 (d) determine the total amount of public and private money spent in each  
108 peer jurisdiction to achieve current levels of service; and

109 (e) recommend changes, if appropriate, to the County's structure.

110 *Approved:*

111  9/19/2012  
Roger Berliner, President, County Council Date

112 *Approved:*

113  9/20/2012  
Isiah Leggett, County Executive Date

114 *This is a correct copy of Council action.*

115  9/24/12  
Linda M. Lauer, Clerk of the Council Date