

Montgomery County Economic Development Corporation
Board of Directors Meeting
November 16, 2020
Via Zoom

Meeting Minutes

The following Directors were present:

Robby Brewer, Principal, Lerch, Early & Brewer (Chair)
Kevin Beverly, President & CEO, Social & Scientific Systems (Vice Chair)
Elana Fine, Chief Operating Officer, VWG Wealth Management (Secretary)
Carmen Larsen, Aquas Inc. (Treasurer)
Terry Forde, CEO, Adventist Healthcare
Angela Graham, President & CEO, Quality Biological
Matthew Lee, President & CEO at FASTech, Inc.
Sanjay Rai, SVP for Academic Affairs, Montgomery College
Ola Sage, CEO, CyberRx
Tien Wong, CEO, Lore Systems, Tech 2000, Opus8, Inc.
Jerome Fletcher, Assistant Chief Administrative Officer, Montgomery County (Ex-officio)
Andrew Friedson, Councilmember Montgomery County (Ex-officio)

Other members of the public were present, consistent with the requirements of the Open Meetings Act and in accordance with the Corporation's Bylaws. A full list of participants is enclosed.

Board Chair Brewer called the virtual meeting to order at 8:32 am. A quorum of the Directors was present. Ms. Hardy was designated to take minutes.

Approval of Consent Agenda

Dr. Rai moved to approve the Consent Agenda which included the minutes from the October 19, 2020 Board meeting as presented. Mr. Forde seconded the motion. The motion passed unanimously.

COVID-19 Targeted Adaptation and Recovery Study Update

Ms. Miller updated the Board on the status of the COVID-19 Targeted Adaptation and Recovery Study (administered by Westat). Ms. Miller noted that while the response rate for the initial launch of the survey was lower than desired, subsequent efforts to increase the response rate have been successful and have resulted in a response rate of 15.1%. Ms. Miller noted that the three-year longitudinal study will conclude in 2023 and that final conclusions and inferences will need to be deferred until more data is gathered. Ms. Miller was able to highlight the following areas of preliminary data about the survey participants:

- 41% were women-owned businesses
- 23% were minority-owned businesses
- 6.2% were veteran-owned businesses
- 45% were potentially at risk of closing
- 66% said revenues were down from the previous year
- 30% have lost employees since the pandemic started
- 26% have furloughed employees
- 54% received funds through the federal Paycheck Protection Program
- 13% used the Montgomery County Public Health Emergency Grant
- 3% participated in the MCEDC Telework Assistance Fund Program

Ms. Miller noted that the next deployment of the survey is expected to occur on December 11. This deployment is also expected to include the launch of the survey for the Maryland National Capital Regional Economic Development Alliance (MNCREDA) members to include the other five neighboring jurisdictions.

Mr. Brewer suggested that Ms. Miller can keep interested Board members informed between the next meeting scheduled in January by preparing a memo once new survey data conclusions are developed.

3R Initiative Update

Ms. Miller discussed the three components of the 3R Initiative (online marketplace, grant program, placemaking) and reported that MCEDC will soon be releasing \$5,000 grant awards to eligible restaurants and retail businesses. Ms. Miller noted that while there were 211 qualified applicants, MCEDC has funding for 130 applications but will be seeking supplemental funding through the state's \$8.2 million Governor's Restaurant Relief Grant program in order to fully fund all of the eligible restaurant applicants.

Of the 211 qualified 3R Initiative applicants:

- 47% were women-owned businesses
- 65% were minority-owned businesses
- 60/40 mix restaurant/retail

As part of the 3R Initiative, MCEDC is currently enrolling business into the online MoCo Marketplace, which will provide online infrastructure support to small business that do not have a strong e-commerce presence. MCEDC will also be working with Streetsense and other local partners (e.g. Visit Montgomery, Food Council) to conduct a "Small Business Saturday" campaign to encourage residents to buy local.

Ms. Graham inquired about how the priority areas were selected. Ms. Miller noted that MCEDC consulted with local chambers, Regional Service Center directors, and community organizations for input to determine the ten priority areas that will be the focus for additional placemaking opportunities.

Councilmember Friedson asked for clarification regarding the approval process for the 211 applications that are qualified and the 130 applications that MCEDC will fund. Mr. Wu stated that the County Council will be asked to amend its special appropriations bill to allow state Restaurant Relief Grant funding as a supplement to the MCEDC 3R Initiative and allow all 211 qualified applicants to be supported.

Research University Presence & Industry Engagement

Ms. Miller continued the Board's previous discussions about whether the presence of a research university could promote entrepreneurship, new business formation and talent in the County. Ms. Miller asked the Board for feedback on whether MCEDC should pursue this concept further.

Councilmember Friedson inquired about whether there were any efforts underway to expand the presence of biohealth companies beyond Shady Grove. Mr. Stewart noted that MCEDC focuses its efforts on attracting companies to the County and offering options that best suit their businesses. Mr. Stewart noted several challenges related to attracting urban bio including major cost differences in price per square foot and structural building requirements.

Ms. Fine noted that there does not appear to be a shared vision around this initiative. Mr. Brewer agreed and noted that additional conversations are needed to come to a consensus.

Ms. Miller suggested that the vision to work toward is less about real estate and more about helping to evolve the County's industries and to determine what they will need five to ten years from now.

Business Development Update

Mr. Stewart highlighted the following recent business development activities:

- Novavax announced its plans to expand into 122,000 square feet of space at 700 Quince Orchard Road in Gaithersburg to accommodate the R&D growth necessary to develop its COVID-19 vaccine candidate.

- China-based Genetron Health, a precision oncology company will be moving its U.S. headquarters from North Carolina's Research Triangle to Montgomery County. Genetron has plans to add up to 50 jobs in the next two years.
- Nicole Merlene is the newest addition to the Business Development team; Ms. Merlene will focus on attracting nonprofits and defense companies
- MCEDC is working on the development of an online Thought Leadership series targeted on developing certain industry sectors. Webinars will be conducted each month and feature experts that will address ways for local companies to be successful. Proposed topics include real estate, site selection, life sciences, nonprofits, etc.

President & CEO

Mr. Wu reported that the Commerce Cabinet met last week and agreed to address five key initiatives:

- *Support Montgomery County Economic Strategies* - Strategies have been released by various groups this year (e.g. 4 Business Connect, Economic Recovery Task Forces and the Economic Advisory Group);
- *Montgomery County Economic Development Customer Service Initiative* - The customer service initiative will be designed to improve customer engagement and address the efficiency and effectiveness of county agencies;
- *Montgomery County Regulatory Reform Initiative* - The regulatory reform initiative is intended to make regulatory actions with county government more effective and expedient;
- *Montgomery County Public-Private Marketing Partnership* – An industry partnership to help market and brand Montgomery County;
- *Unified Showcase Location Project* - The Cabinet members will focus efforts to improve economic development at a Montgomery County location. The first showcase location will be Silver Spring. The plan is to rotate the location every six months to one year.

Mr. Wu reported that Governor Hogan has authorized \$50M in state funds for the Restaurant Relief Grant program, of which Montgomery County's allocation is \$8.2M. MCEDC has been asked by the County Executive to administer the program on behalf of the County. MCEDC will appear before the Council this week to consider the special appropriation of funds for the program. Mr. Wu noted that the funds must be distributed before the end of the year.

Ms. O'Keefe provided an overview of MCEDC's outreach efforts to promote the 3R Initiative and the Restaurant Relief Grant program. Ms. O'Keefe noted that MCEDC is partnering with the County's public information office, Restaurant Association of Metro Washington, Maryland Restaurant Association, Visit Montgomery, the Food Council, Regional Services Directors, local Chambers and others to get the word out about the program. Ms. O'Keefe discussed social media efforts and the development of PSAs.

Mr. Tompkins stated that the MCEDC administration of the \$8.2M Restaurant Relief Grant program will most likely be conducted in-house, while a portion of the work may be outsourced.

Legislative Agenda Update

With her arrival at the meeting, Mr. Wu introduced Tricia Swanson, Vice President of Government Relations with the Montgomery County Chamber of Commerce to give the Board a legislative briefing on the upcoming Maryland General Assembly session which convenes in January 2021. Mr. Wu noted that MCEDC has partnered with the Chamber on several activities, one of which is to share information about activities in Annapolis and Rockville. Ms. Swanson discussed the new guidelines that have been implemented in Annapolis to legislate in a virtual environment. Ms. Swanson discussed pending legislation of interest to the business community including bills related to taxes (such as digital advertising), transportation and economic recovery.

Ms. Sage inquired about the framework that was designed to keep the Board apprised of legislative issues in the upcoming session. Mr. Brewer requested that Mr. Wu, Ms. Miller, Ms. Khan and Ms. Swanson convene to discuss this further and to determine its use in the new General Assembly session.

Ms. Swanson commended MCEDC for providing the data needed to support specific items of legislation.

President & CEO's Report (Continued)

MCEDC 5-Year Legislative Reauthorization

Immediately after the board meeting, Mr. Wu noted that the Executive Council will be joining staff at a Council PHED Committee hearing to consider the MCEDC reauthorization bill. MCEDC's authorization will expire at the end of December and legislation will be introduced to formally reauthorize MCEDC as the County's Economic Development Organization for another five-year period. MCEDC will make a presentation and answer questions regarding future priorities. Mr. Wu noted that WorkSource Montgomery will need to go through a similar reauthorization process in June 2021.

Video Lottery Terminal Loan Fund Manager Application

Mr. Wu reported that MCEDC has applied to be a fund manager for the state's Video Lottery Terminal (VLT) Loan Fund. Mr. Wu commended Mr. Tompkins for his timely efforts in completing a difficult application. If selected, MCEDC will be able to address access to capital needs for small, minority, and women-owned Montgomery County businesses. MCEDC would become a fiduciary to manage the loans. Mr. Tompkins discussed elements of the program and noted that a decision is expected by the end of the year.

MCEDC/Business Roundtable Economic Forum

Mr. Wu discussed MCEDC's ongoing partnership with the Montgomery County Business Roundtable. Mr. Wu noted that an Economic Forum to discuss the results of the Reach Advisors study will take place on November 18 and will address key initiatives related to life sciences, hospitality and quantum computing as next steps. Ms. Miller discussed the individuals that will be featured on the panel after the Reach Advisors presentation.

WorkSource Montgomery Update

Mr. Wu reported that Leonard Howie officially left his position with WorkSource Montgomery at the end of October, leaving the MCEDC Board short one member until his successor is named. Mr. Wu noted that Mr. Howie's position will be reclassified from President & CEO to an Executive Director position. The WSM Board is currently reviewing candidates.

Economic Advisory Group

Mr. Wu reported that the Economic Advisory Group (EAG), chaired by Doug Firstenberg, released its roadmap with recommendations last Thursday. Mr. Wu noted that several EAG objectives can serve as areas for long-term strategic efforts.

Mr. Wu noted that Ms. Graham, Ms. Benjamin and Mr. Fletcher have been very involved with the EAG. Ms. Graham discussed one of the short-term strategies recommended by the EAG; a pilot "bootcamp" designed to train individuals for entry-level positions in the life sciences manufacturing space. The pilot will be based on a curriculum and will be focused on bio companies with specific talent needs. If successful, the pilot could potentially be scaled and expanded into other industries. Mr. Brewer thanked Ms. Graham for her work with the EAG.

Audit & Finance Committee Report

Ms. Larsen reported that the audited financial statements for FY20 were reviewed and approved by the Finance and Audit Committee on October 19. Ms. Larsen noted that MCEDC received an unmodified opinion and that no internal control deficiencies were identified or considered material. Ms. Larsen

highlighted several elements in the report including the fund balance and ratio of expenses across functional areas. Ms. Larsen reported that an extension to submit the 990 has been filed with the IRS.

Mr. Brewer commended Ms. Larsen, the Finance & Audit Committee and Ms. Hardy for their efforts to ensure a successful and clean audit. Ms. Sage inquired about any discussions that the auditor had around risk management, especially as it relates to cybersecurity. Ms. Hardy offered to share documentation provided to CohnReznick during the audit.

Treasurer's Report

Ms. Larsen discussed the financial statements for the period ending October 31.

Adjournment

The meeting was adjourned at 10:33 am.

**MCEDC Board Meeting Attendees
November 16, 2020
Via Zoom**

1. County Executive Marc Elrich, Montgomery County Government
2. Councilmember Andrew Friedson, Montgomery County Council
3. Tina Benjamin, Montgomery County Government
4. Kevin Beverly, Social & Scientific Systems
5. Robby Brewer, Lerch, Early & Brewer
6. Ronald Daversa
7. Laurie Edberg, Montgomery County Government
8. Elana Fine, VWG Wealth Management
9. Jerome Fletcher, Montgomery County Government
10. Terry Forde, Adventist Healthcare
11. Cindy Gibson, Montgomery County Council
12. Angela Graham, Quality Biological
13. Stacey Hardy, MCEDC
14. Nadia Khan, MCEDC
15. Carmen Larsen, Aquas Inc.
16. Matthew Lee, FASTech, Inc.
17. Sarah Miller, MCEDC
18. Kristin O'Keefe, MCEDC
19. Dr. Sanjay Rai, Montgomery College
20. Ola Sage, CyberRx
21. Gene Smith, Montgomery County Government
22. Brad Stewart, MCEDC
23. Bill Tompkins, MCEDC
24. Tien Wong, Lore Systems, Tech 2000, Opus8
25. Benjamin Wu, MCEDC