

Montgomery County Economic Development Corporation
Board of Directors Meeting
April 19, 2021
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, COO, VWG Wealth Management (Secretary)
Carmen Larsen, Aquas Inc. (Treasurer); *departed at 9:20 am*
Anthony Featherstone, Executive Director, WorkSource Montgomery
Angela Graham, President & CEO, Quality Biological
Matthew Lee, President & CEO at FASTech, Inc.
Dr. 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)

The following Director was absent:

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 meeting to order at 8:30 am.

Pursuant to (§ 3-104) of the Open Meetings Act on motion by Dr. Rai and seconded by Mr. Lee, the members of the Board voted unanimously to move into a closed administrative session on April 19 at 8:33 am. The purpose of the session was to discuss the opportunity provided by the Office of the Inspector General for MCEDC to respond to their upcoming report.

The following individuals were present for the administrative session:

Robby Brewer, Kevin Beverly, Elana Fine, Carmen Larsen, Anthony Featherstone, Angela Graham, Matthew Lee, Dr. Sanjay Rai, Ola Sage, Tien Wong, Ben Wu, Bill Tompkins, Stacey Hardy, Brad Stewart and Kristin O'Keefe. No action was taken.

The closed session was adjourned at 9:18 am.

Board Chair Brewer called the virtual meeting to order at 9:19 am. A quorum of the Directors was present. Ms. Hardy was designated to take minutes.

Consent Agenda

Mr. Brewer presented the Consent Agenda which consisted of the minutes from the March 15, 2021 meeting. Ms. Hardy noted that the minutes should include Mr. Wong's name among the list of all attendees. Ms. Fine moved to approve the Consent Agenda and the March 15 minutes as corrected. Dr. Rai seconded the motion. The motion passed unanimously.

Revision of Conflict of Interest Policy & Statement

Mr. Brewer presented a draft of proposed revisions to MCEDC's Conflict of Interest Policy and the Conflict of Interest Annual Affirmation and Disclosure Statement. Ms. Fine moved to accept the proposed

changes to the Conflict of Interest Policy and the Disclosure form. Mr. Forde seconded the motion. The motion passed unanimously.

Venture Mentoring Service Presentation

The Executive Committee had expressed an interest in learning more about the Maryland Tech Council (MTC) Venture Mentoring Service (VMS) at a future board meeting. Mr. Rosendale presented an overview of the program. Since 2016, the VMS program has enrolled 68 companies and trained 163 mentors in the MIT venture mentoring methodology. Of those 68 companies, 38 are from Montgomery County. Mr. Rosendale noted that over \$100M in venture capital has been raised to date and highlighted the successes of local companies which benefitted from the VMS program including Remedy Plan Therapeutics, Seraxis, Zalgen, Givhero, Machfu and Pixspan.

Mr. Rosendale discussed the establishment of the Business Continuity Task Force, which is comprised of experienced business leaders and assists tech and life science entrepreneurs who are navigating the economic downturn due to COVID-19. The Council had appropriated Montgomery County funds to MTC in support of this task force to assist local tech companies impacted by the pandemic.

Ms. Fine inquired about the statistics of the Venture Mentoring Service as compared to previous years and the number of women and minorities represented.

Bio Boot Camp Pilot Project Update

Ms. Graham provided an overview of the Bio Boot Camp Pilot Project, which was designed to train workers displaced by COVID-19 for entry-level bio-manufacturing jobs over a four-week period. Sessions were conducted at the University of Maryland, Baltimore County and Montgomery College - Germantown. Of the 21 individuals who participated in the pilot, 76% (16) were offered a position with a local bio-manufacturing company. The program has been deemed a success. Ms. Graham noted that she will gather and incorporate feedback from the participating employers before another session of the Boot Camp is conducted in June. Ms. Graham discussed her satisfaction with the results of the program and commended Mr. Featherstone and WorkSource Montgomery for their leadership role in the success of the pilot. MCEDC helped fund the first round of the Bio Boot Camp and has been asked to continue its support in a proposed second round this summer.

Maryland General Assembly Sine Die Legislative Update

Having just completed Sine Die adjournment of the 2021 General Assembly session the week before, Delegate Lily Qi presented an overview of legislative impacts to impact the business community. Delegate Qi noted that the top priorities for the legislative session included pandemic-related relief for families and small businesses, police reform, education, health, etc. in legislation such as the bipartisan \$1 billion RELIEF Act, which was signed into law by the Governor. Delegate Qi thanked MCEDC, MTC and the Chamber of Commerce for providing informative and insightful briefings to the Montgomery County Delegation Economic Development Committee prior to the start of the session which helped ensure that the bills introduced would not negatively impact the business community.

Montgomery County highlights from the 2021 General Assembly session:

- Montgomery County received \$931M in state aid (\$30M more than last year) and \$126M for capital projects including \$6M for the Bus Rapid Transit (BRT) project
- Small businesses can keep \$9,000 in collected sales tax over a three month period; loans and grant received from the state can be forgiven
- Unemployment Insurance tax is being revisited – businesses are receiving higher tax bills
- The *Montgomery County Community Choice Energy* bill passed. This seven year pilot will allow Montgomery County government to serve as an energy aggregator and increase the supply of clean energy

- The *Essential Workers Protection* bill passed with strict conditions. The \$3/hr retroactive hazard pay was removed from the final bill
- The *MDOT Promises Act* and the *P3 Reform* bills both failed to pass
- An Office of Statewide Broadband (within the Department of Housing and Community Development) has been established to ensure high-quality broadband across the state
- The sunset for the following tax credits has been extended: R&D, Biotech and Cybersecurity Investment; the investor tax credits have been reduced from 50% to 33%
- The *Opportunity Zone Tax Deduction Reform Act* passed requiring state taxpayers to include capital gains from opportunity zone investments to their federal taxable income; such gains were previously excluded from federal tax
- *Whistleblower Reward Program* bill passed; tax fraud whistleblowers receive a reward equal to a percentage of the uncollected tax revenues
- *Income Tax Credit for Catalytic Revitalization Projects* bill passed; allows for a tax credit equal to 20% of certain rehabilitation expenses
- *Local Tax Relief for Working Families Act* passed; gives counties the option of making the piggyback tax progressive and requires that counties collect a minimum of 2.25%
- The *Regional Institution Strategic Enterprise (RISE) Zone Program* bill passed; provides rental assistance to businesses located in RISE zones
- *Maryland Technology Development Corporation Pre-Seed Builder Fund* bill passed; allows TEDCO to administer fund to support the development of start-up companies run by entrepreneurs from socially or economically disadvantaged backgrounds
- *Corporate Diversity – Board, Executive Leadership and Mission* bill passed; requires businesses that receive more than \$1M in state benefits (e.g., tax credits, grants, etc.) to meet certain criteria related to diversity
- *Comprehensive Technical Assistance Program* bill passed; established a support system within TEDCO to help businesses secure venture funding
- *Green Bank/Clean Energy – A state green bank* was established to fund clean energy projects through the Maryland Clean Energy Center
- *Transforming Manufacturing in a Digital Economy Workgroup* bill passed; establishes a workgroup to determine how to leverage R&D assets to produce more of what is researched in the state (e.g., vaccine production, clean energy batteries)
- *State Department of Assessments and Taxation – Filing Fees* bill passed; extends a businesses' good standing status for one year if they fail to file an annual report

Delegate Qi also discussed efforts to waive the state's \$300 business filing fee and the \$100 business closure fee.

Mr. Forde congratulated Delegate Qi on her successes during the legislative session. Mr. Beverly asked clarifying questions about the state's decision to serve as an energy aggregator.

Ms. Graham commented that the pandemic made it easier for the business community to participate in the legislative process, since meetings were conducted virtually. Ms. Graham noted that continuing to do so will allow more of the business community to be engaged.

MCEDC Economic Action Plan

Mr. Brewer reported that the first meeting of the Economic Advisory Panel was conducted on April 7. A follow-up meeting will be held on May 6 and each month thereafter through July. Mr. Brewer noted that Mr. Toth will take over the staffing of the EAP process when Ms. Miller departs.

Business Development Update

In lieu of a report, Mr. Stewart referenced recent press releases on business development successes.

President & CEO Report

Mr. Wu formally announced that Ms. Miller will be leaving the organization at the end of the week and recognized her for the key role that she has played in the organization's success. Mr. Wu noted that Ms. Miller will be joining BHI as their VP of Economic Development.

Mr. Fletcher then introduced Ms. Costello as the new Special Projects Manager for the County Executive's office. Ms. Costello provided brief remarks.

Mr. Wu highlighted the following activities during his report:

- An appropriation request to support the Global Pandemic Preparedness & Biodefense Institute will be presented to the Council for approval
- The PHED Committee has asked MCEDC to continue focusing on its federal engagement strategy given its potential importance to the Montgomery County economy
- MCEDC will present a draft of its FY22 budget to the PHED Committee in an April 22 worksession
- The County Council and the PHED Committee will conduct public hearings on bills 10-21 and 11-21; a date for the hearings has not yet been set for either bill
- MCEDC is in the process of developing the structure to administer the Restaurant Relief Program Phase III and a fund to assist nonprofit organizations

Treasurer's Report

In Ms. Larsen's absence, Mr. Brewer referenced the financial statements for the period ending March 31. No questions or concerns were raised by the Board.

Workforce Development Report

Mr. Featherstone reported that WorkSource Montgomery is in the process of developing its four year strategic plan and is conducting stakeholder engagement sessions. Mr. Featherstone noted that the draft strategic plan will be posted for public comment for 30 days beginning on May 1. Mr. Beverly encouraged Mr. Featherstone to take advantage of the NCEDC Board's knowledge with respect to building a quality workforce.

New Business

Mr. Beverly reported that the Governance Committee will meet to discuss the possible expansion of the Board. Mr. Brewer noted that there will be six vacancies on the Board at the end of the fiscal year due to term limits.

Adjournment

The meeting was adjourned at 10:39 am.

MCEDC Board Meeting Attendees
April 19, 2021
Via Zoom

1. Kevin Beverly, Social & Scientific Systems
2. Robby Brewer, Lerch, Early & Brewer
3. Judith Costello, Montgomery County Government
4. Ronald Daversa
5. Sharon Disque, Gaithersburg Office of Economic Development
6. Elana Fine, VWG Wealth Management
7. Anthony Featherstone, WorkSource Montgomery
8. Jerome Fletcher, Montgomery County Government
9. Angela Graham, Quality Biological
10. Romola Ghulamali, MCEDC
11. Stacey Hardy, MCEDC
12. Carmen Larsen, Aquas Inc.
13. Matthew Lee, FASTech, Inc.
14. Sarah Miller, MCEDC
15. Kristin O'Keefe, MCEDC
16. Delegate Lily Qi, Maryland General Assembly
17. Dr. Sanjay Rai, Montgomery College
18. Cindy Rivarde, Rockville Economic Development, Inc.
19. Martin Rosendale, Maryland Tech Council
20. Ola Sage, CyberRx
21. Gene Smith, Montgomery County Government
22. Brad Stewart, MCEDC
23. Bill Tompkins, MCEDC
24. Benjamin Wu, MCEDC
25. Tien Wong, Lore Systems, Tech 2000, Opus8, Inc.