



Committee: PHED
Committee Review: At a future date
Staff: Gene Smith, Legislative Analyst
Purpose: To introduce agenda item – no vote expected
Keywords: Incubators

AGENDA ITEM #3G
January 11, 2022
Introduction

SUBJECT

Supplemental appropriation to the FY22 Operating Budget, Montgomery County Government, Incubator Programs Non-Departmental Account, \$954,266 (source of funds: general fund reserves)

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

DESCRIPTION/ISSUE

The Executive recommends this supplemental appropriation to fund certain expenditures related to the County's incubators (see ©1-3). This supplemental appropriation will fund additional expenditures that include: 1) tenant security deposits; 2) essential operating expenses for the Silver Spring Innovation Center; 3) facility repairs for the National Cybersecurity Center of Excellence; 4) repairs for all innovation centers; and 5) operating expenses for the "Entrepreneurship Ecosystem".

SUMMARY OF KEY DISCUSSION POINTS

- The source of funds for this appropriation is the general fund reserves. As noted by the Executive, the County provided funding to the Maryland Economic Development Corporation and Launch Workplaces for the County's incubators in previous fiscal years. Some of the County's funding was returned to the County's reserves because the organizations did not spend all of it. The Executive proposes using this funding for the incubators.
- A public hearing is tentatively scheduled for January 25, 2022 at 1:30 PM. A Planning, Housing, and Economic Development Committee review will be scheduled at a future date following the public hearing.

This report contains:

Executive memorandum
Proposed resolution

© #1
© #2-3

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OFFICES OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

Richard S. Madaleno
Chief Administrative Officer

M E M O R A N D U M

December 17, 2021

TO: Gabe Albornoz, Council President

FROM: Marc Elrich, County Executive

SUBJECT: Supplemental Appropriation #21-532 to the FY22 Operating Budget
Montgomery County Government
Office of the County Executive, Business Advancement Team
Incubator Non-Departmental Account, \$954,266.11

I am recommending a supplemental appropriation to the Fiscal Year 2022 Operating Budget of the Office of the County Executive, Business Advancement Team in the amount of \$954,266.11 to support the operational needs of the Montgomery County Incubator Program, from monies returned to the County by the Maryland Economic Development Corporation and Launch Workplaces. These funds will provide for tenant security deposits, essential operating expenses for the Silver Spring Innovation Center, facility repairs for the National Cybersecurity Center of Excellence (requested by NIST), Entrepreneurship Ecosystem operating expenses and repairs for the Silver Spring, Rockville and Germantown Innovation Centers.

These funds were previously appropriated by the County and held by MEDCO for incubator financial purposes. Recently the County's financial relationship with MEDCO was fully terminated and these funds have been returned.

I recommend that the County Council approve this supplemental appropriation in the amount of \$954,266.11 and specify the source of funds as the General Fund (as monies returned to the County by MEDCO and Launch Workplaces have been deposited into the General Fund).

I appreciate your prompt consideration of this action.

ME:rs

Attachment: Supplemental Appropriation #21-532

cc: Ruth Semple, Business Advancement Team, Incubator Program Manager
Jennifer Bryant, Director, Office of Management and Budget
Lisa Mandel-Trupp, Chief of Staff, Council President's Office

Resolution No.: _____
Introduced: _____
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Council President at the request of the County Executive

SUBJECT: Special Appropriation to the Fiscal Year 2022 Operating Budget
Montgomery County Government, Incubator Programs – Economic Development
Partnership Non-Departmental Account, \$954,266.11 (Source of Funds: General
Fund Reserves)

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week’s notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. The County Executive has requested the following FY22 supplemental appropriation for the Incubator Programs – Economic Development Partnerships Non-Departmental Account:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$954,266.11	\$954,266.11	General Fund Reserves

3. This supplemental appropriation is needed to fund essential costs of the Silver Spring, Rockville, and Germantown Innovation Centers, the National Cybersecurity Center of Excellence, and the Entrepreneurship Ecosystem Development Program.
4. The County Executive has requested a supplemental appropriation to the FY212 Operating Budget in the amount of \$954,266.11 for the Incubator non-departmental account, managed by the Business Advancement Team in the Office of the County Executive. The source of funds will be the General Fund Reserves.
5. The public was notified, and a public hearing was held.

Action

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

A supplemental appropriation to the FY 2022 Operating Budget for the Incubator Programs – Economic Development Partnership Non-Departmental Account:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$954,266.11	\$954,266.11	General Fund Reserves

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council