



Committee: PHED
Committee Review: Completed
Staff: Gene Smith, Legislative Analyst
Purpose: Final Action – vote expected
Keywords: Economic Development

AGENDA ITEM #15B
April 5, 2022
Action

SUBJECT

Resolution to adopt an Economic Development Strategic Plan per §15A-4A of the County Code

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- The Planning, Housing, and Economic Development (PHED) Committee held two worksessions on the draft Economic Development Strategic Plan (the “Plan”).
- After reviewing and discussing, the PHED Committee recommended several revisions to the Plan as detailed below. These revisions are listed in sequential order of the Plan. A copy of the PHED Committee recommended Plan is on ©79-141.
- The PHED Committee recommended the following revisions to the draft Plan.
 - a. Include additional text in the SWOT Section (Strengths, Weaknesses, Opportunities, and Threats) to provide additional background about MCEDC’s process and analysis when creating the SWOT chart.
 - b. Include summaries from relevant background reports within for each Strategic Priority to provide clarity and context about the recommendations included in the Plan.
 - c. Amend the recommendation under Strategic Priority C related to the expansion of the American Legion Bridge. This recommendation was the only project-specific recommendation in the Plan. The amended language removes direct reference to any specific transportation project and broadly describes the need to address regional connections and congestion. The amended language is now aligned with the other recommendations in the Plan.
 - d. Include additional text to the Metrics Section to provide context about understanding and reviewing the Plan’s metrics. The PHED Committee discussed and reinforced the need for the Plan to include baseline and measurable goals for the metrics, but it acknowledged that this work must continue after the Plan is adopted given the timeline this year. The Plan may be amended in two years per County Code.
 - e. Include additional metrics that are relevant to the goals and recommendations of the Plan.

DESCRIPTION/ISSUE

Council Bill 10-21, enacted May 27, 2021, shifted the responsibility of drafting the Plan from the County Executive to MCEDC. Section 15A-4A of the County Code details the requirements and procedure for the Plan. The Planning, Housing, and Economic Development (PHED) Committee will

review and consider amendments to the Plan in February and March; the Council must adopt the Plan by April 15, 2022.

SUMMARY OF KEY DISCUSSION POINTS

- The County Code required that MCEDC transmit the draft Plan to the Executive and the Council by December 31, 2021. MCEDC provided a draft version of the Plan on December 31, 2022 and a revised version on January 10, 2022 (see ©3-65).
- The County Code required the Executive to provide recommended amendments to the Plan by January 31, 2022. The Executive provided his recommended amendments to the Plan on January 31, 2022 (see ©68-78).
- The Council must hold a public hearing about the draft Plan submitted by MCEDC. A public hearing was held on February 8, 2022 at 1:30 PM.
- The draft and adopted Plan must include certain elements as detailed in the County Code (see ©66-67).
- The PHED Committee reviewed and amended the Plan during its March 14, 2022 worksession (see ©79-141).
- The Council supported the PHED Committee’s recommendation during its March 29, 2022 worksession.
- The Council must adopt the Plan by resolution by April 15, 2022. The Plan will be adopted as an attachment to the proposed Council resolution.

This report contains:

Proposed resolution
Attached Plan

© #1-2
© #3-65

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Resolution No.: _____
Introduced: February 1, 2022
Adopted: _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Economic Development Strategic Plan

Background

1. Section 15A-4A of the County Code details the responsibilities and requirements for the County's Economic Development Strategic Plan.
2. The Montgomery County Economic Development Corporation (MCEDC) must submit a draft Economic Development Strategic Plan (the "Plan") to the Executive and the Council by December 31, 2021. The draft Plan should include relevant economic development measures and input from partner agencies and organizations.
3. On December 31, 2021, MCEDC provided the draft Plan to the County Executive and the County Council. MCEDC provided a reformatted version of the draft Plan on January 10, 2021.
4. The County Executive must submit to the County Council any recommended revisions to the draft Plan as submitted by MCEDC by January 31, 2021.
5. The Council must hold a public hearing on the draft Plan and adopt, by resolution, the Plan by April 15, 2021.
6. Notice of a public hearing was given and a public hearing was held on the draft Plan.

Action

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

The County Council approves the FY 2022 – FY2025 Economic Development Strategic Plan as attached.

This is a correct copy of Council action.

Selena Mendy Singleton, Esq.
Clerk of the Council

Approved

Marc Elrich, County Executive

Date

DRAFT DOCUMENT

*Submitted to the County Executive
and the County Council
December 31, 2021*

REVISED March 22, 2022



MOVING FORWARD TOGETHER

Strategic Priorities for a Unified Approach to Economic Development in Montgomery County, MD

**Montgomery County Economic Development Strategic Plan
2021-2025**

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INTRODUCTION

- ▶ Xometry is proud to be an industry leader in manufacturing on demand and proud to call Montgomery County our home. We will continue to invest in the technology and talent we need to realize our vision of democratizing manufacturing.

— RANDY ALTSCHULER, CEO AND CO-FOUNDER, XOMETRY

INTRODUCTION

IMAGINING TOMORROW'S MONTGOMERY COUNTY

The Economic Development Strategic Plan imagines a future Montgomery County with a revitalized and reformed economic ecosystem that supports a growing and healthy local economy for residents to achieve their full potential and is the foundation of a livable Montgomery County. The plan foresees a stronger Montgomery County economy forged in equity and filled with growth opportunities.

Tomorrow's local economy recognizes fundamental elements of this healthy ecosystem. Below are the overriding principles that should guide the outcomes and development of new County economic development actions.

GROWTH IN INNOVATION. Montgomery County's innovation clusters must be nurtured for expansion. These industry sectors allow the County to press its strong competitive advantages. They drive the economy's dynamism, innovation and attractiveness to investors. They are the strategic targets of business formation, growth and retention. Coordinated efforts to bolster these sectors can nurture an environment for the creation and retention of quality jobs in the County.

HEALTHY LOCAL BUSINESS ENVIRONMENT. Thriving local enterprises, from retail to restaurants to farms, are crucial components to the quality of life for County residents, workers and businesses. Supporting the growth and stability of local small businesses will contribute to the vibrancy of commercial corridors, strengthen the supply chain and provide jobs and entrepreneurship opportunities to the County's diverse communities. Support for these enterprises includes public efforts to streamline regulatory processes that impact business operations.

ADVANCEMENT PATHWAYS AND TALENT PIPELINES. For the County to attract new residents and equitably distribute the fruits of economic development, educational career pathways must be accessible for workers from a variety of occupational backgrounds. Inclusive access to these education pathways that can provide degree credentials or certifications in the County is essential. In addition, growth-stage companies must be able to readily access a talent pool that meets immediate and future industry needs.


HIGH QUALITY OF PLACE. In today's marketplace, businesses are increasingly choosing to locate and expand in locations where large numbers of potential workers

want and can afford to live. To remain competitive, the County will need to continue creating attractive amenities, which include thriving local commercial corridors, affordable housing, robust public infrastructure and less congested transportation modes to appeal to residents, workers and businesses.

CAPACITY FOR SHARED ACTION. Intentional collaboration and relationship-building can nurture effective public-private partnerships and build civic and social capital in key areas. Resilient and agile communities have an overarching sense that everyone is “in it together” with a shared vision and a stake in the progress. Strong partnerships, communication channels and knowledge transfer allow the County’s public and private sectors to mobilize in response to challenges and emergencies; these include infrastructure development, climate action, racial equity and public health.

DIVERSIFIED ECONOMY. The County economy has experienced comparative stability due in part to the strong presence of the federal government. Although federal expenditures have helped to stabilize the economy in times of economic volatility, it can also act as a constraint on the County’s ability to capture a greater share of private sector growth during periods of economic boom. Nurturing a healthy and diverse mix of industry clusters can bolster the County’s economic health and help to weather external shocks like a global pandemic or recession.

INCLUSIVITY AND RACIAL EQUITY. Montgomery County has fully embraced the desire for an inclusive and more equitable economy, especially in under-represented and underserved communities. Racial justice and shared prosperity in economic development actions should not just be the absence of discrimination and inequities, but also the presence of deliberate systems to achieve and sustain equity.

There is  tremendous growth and immediate opportunities for many companies here... The reality of the pandemic is it has brought tremendous focus to Montgomery County as the Global Immunology Capital in life sciences.

— DOUGLAS FIRSTENBERG,
PRINCIPAL, STONEBRIDGE

ENVIRONMENTAL SUSTAINABILITY. A healthy economy is resilient to climate hazards such as supply chain and energy disruptions. The implementation of measures to mitigate climate change can provide economic opportunities locally, including new jobs in clean energy, vehicle electrification, infrastructure resilience and natural solutions. Climate solutions should be executed in a manner that provides access to opportunities for residents and businesses, harnesses the potential of the County’s diverse entrepreneurs and recognizes the economic potential of addressing climate change.

VISION AND VALUES: MOVING FORWARD TOGETHER

The Economic Development Strategic Plan provides direction and guidance on the vision and priorities that Montgomery County intends to pursue in expanding its economy, consistent with its values. The goal for the County’s economic prosperity is to attract, retain and expand businesses that will create jobs and make it regionally, nationally and globally competitive.

The vision for Montgomery County’s prosperity is a healthy economy that is diversified, thriving, equitable and innovative with sustainable job growth and advancement opportunities for all. To maximize the power of the County’s economy in ways that would create growth opportunities for its residents requires the collective strength of the community—from elected officials, government entities, industry, academic institutions, chambers of commerce, nonprofit organizations and community stakeholders. **It requires the Montgomery County community to *move forward together*.**

When the last countywide Economic Development Strategic Plan was adopted in November 2016¹, Montgomery County was described as “one of the most prosperous and successful communities in the United States... boasting world-class research institutions, globally recognizable brands, a highly educated and diverse populace, and attractive neighborhoods.” Five years later, despite today’s changed economic conditions resulting from the catastrophic impact of the COVID-19 global pandemic, that description still holds true.

The COVID-19 economic crisis also revealed stark truths about the greater need for an inclusive economy and the need to bridge Montgomery County’s income divide. By addressing the structural economic inequities that were further exposed during the pandemic, Montgomery County can be a regional and national leader in creating an inclusive economy—one that envisions broad economic prosperity, especially for populations that have faced systemic barriers.

1 [Montgomery County Comprehensive Economic Strategy: A Plan for Economic Prosperity](#)

By moving forward together, Montgomery County can expect to make significant post-pandemic economic progress. The expectation is that in the next four years, by the time of the next major strategic plan review, unemployment will be further reduced and leveled to the County's historic average, an increase in workforce development and educational attainment programs will sustain a robust talent pipeline, job growth in the well-paying targeted industries will rise, a focus on greater shared economic prosperity will combat the issues of income inequality and solutions for more affordable housing and less transportation congestion will better connect workers to their jobs.

HOW TO APPROACH THIS PLAN

There is no single ownership of Montgomery County's economic future. It is acknowledged that economic development has many collective components. To fully prosper, Montgomery County's economy requires a team approach from all members of the community championing synchronous and continued action.

The Economic Development Strategic Plan is neither a detailed work plan nor a binding document for stakeholders. Instead, it serves as a call to action on the overarching economic priorities needed to propel Montgomery County forward. It is designed to create outcomes that spur collaboration, point key stakeholders toward a direction forward and drive a unified focus on desired near and long-term results.

While this plan identifies critically important goals to strengthen Montgomery County's economy and create new opportunities for residents and businesses, it is not designed to be exhaustive. An industry sector that is not expressly referenced does not mean it has lesser significance or priority. For example, the travel and tourism industry is an important local sector but is not highlighted in the plan because the separate parallel activities and programs tied to it are more focused and comprehensive in nature. The same applies for other important sectors such as restaurants, retail and the service industry which complete a full 360-degree view of the County's economy.

The plan focuses on certain holistic components to strengthen Montgomery County's economic development, including: key targeted industries; workforce development; educational attainment; housing; transportation; environmental sustainability; and equity. These components are priorities because they have a significant impact on the ultimate success of whether a company will move to or stay in Montgomery County and whether they are willing to make the necessary investments needed to grow their business.

The plan is also designed to align with the County Council's four-pillars Economic Development Platform adopted in November 2019². The four pillars are: business development, workforce development, housing and transportation. Together, they would support the following desired outcomes: (1) a business-friendly, thriving and diversified economy; (2) greater innovation; (3) racial equity and social justice; and (4) environmental sustainability.

Additionally, the plan includes key metrics to assess Montgomery County's ability to address relevant economic development measures including creating jobs, growing wages, identifying and supporting strategic industries, retaining and attracting new companies and employers, growing the tax base, supporting and increasing entrepreneurial activity as well as other actions necessary to promote economic development.

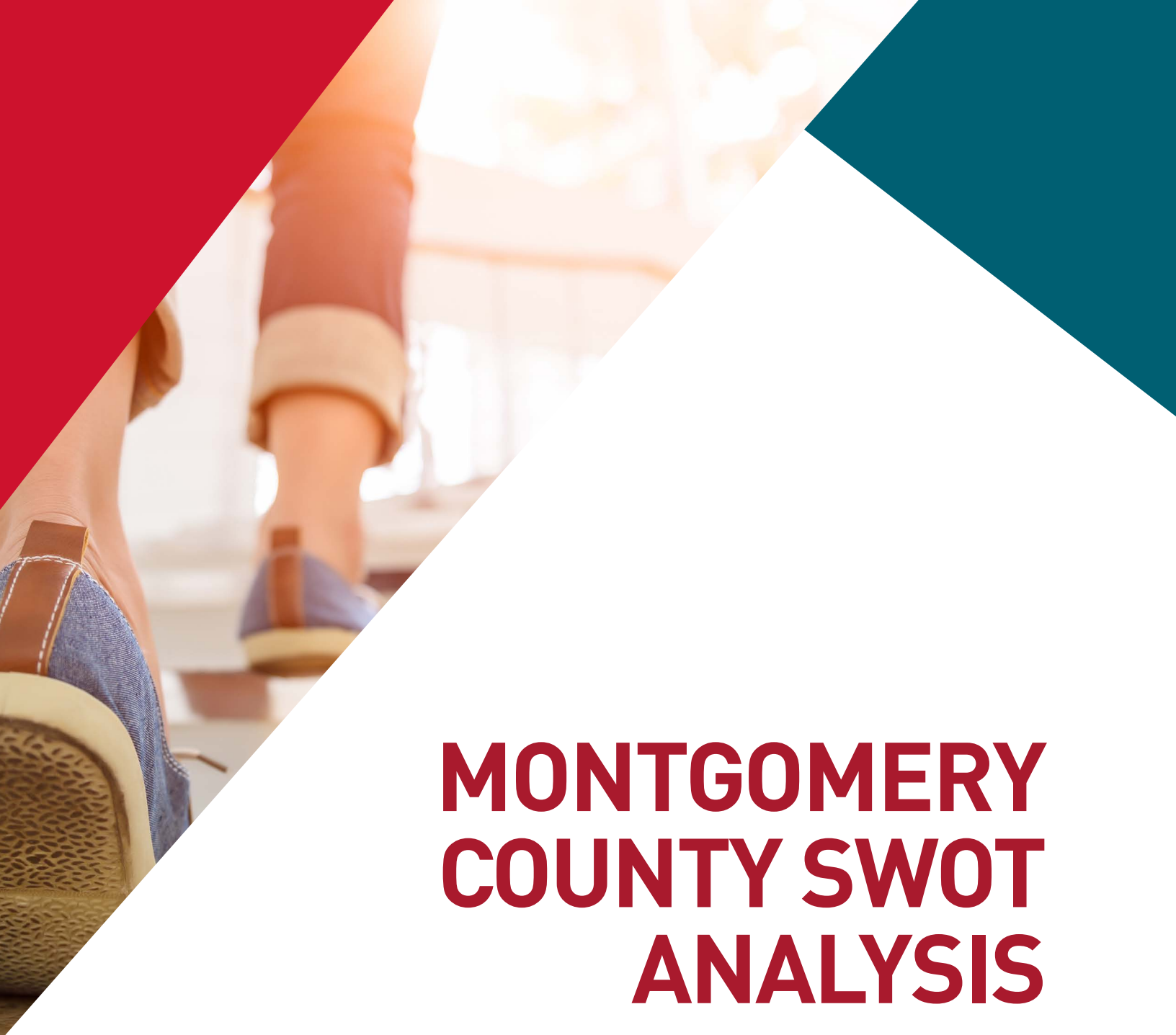
The plan recognizes that economic development success benefits the entire Montgomery County population and will lead to the creation of more jobs for its residents. This provides increased tax revenues for the County that will in turn lead to the services and enhancement of the local quality of life that is enjoyed by all.

REFERENCED REPORTS

Significant input was solicited in the drafting of the Economic Development Strategic Plan. Contributions were made from executive branch agencies and partner organizations such as the Montgomery Planning Board and WorkSource Montgomery, as well as leading economic development stakeholders from post-secondary academic institutions to chambers of commerce to other key community members.

The plan was also informed and guided by several significant recently released reports that contain numerous recommendations and action items in the strategic priority areas to retain existing businesses, attract new companies and improve the employment opportunities available to Montgomery County residents. While the plan captures certain themes and recommendations, those reports can also be referenced independently for a full review. Some of those reports are listed and can be accessed through weblinks found in [Appendix 3: Source Guide](#).

2 [Economic Development Platform for Montgomery County](#)



MONTGOMERY COUNTY SWOT ANALYSIS

MONTGOMERY COUNTY SWOT ANALYSIS

SWOT ANALYSIS

The primary goal of a SWOT analysis is to aid organizations in increasing awareness of the factors in making a business decision. SWOT accomplishes this by analyzing the internal and external factors that can impact the viability of a decision. A broad SWOT provides the basis for the development of a comprehensive economic strategy to aggressively pursue opportunities.

The County has benefitted from its location next to the Nation’s capital, its vast physical assets, and for its historical reputation as a great place to live work and play. In order to continue supporting the comforts that historical resident’s have become accustomed to, along with the needs of a growing and more diverse population, the County will need to accelerate economic growth and become more competitive along a variety of fronts including housing, transportation and neighboring jurisdictions” competitive offerings

As outlined in 2016, Montgomery County exists within and is supported by a region that is both robust and highly competitive and therefore does not allow for complacency. We cannot rest on our laurels and will need to create new opportunities based on our historical strengths and develop new strategies to combat existing threats which may inhibit our ability to deliver on a successful and thriving economy.

While the County has benefitted from its location, federal spending, and its education system, these are no longer enough to ensure the County’s long-term fiscal and economic health. Diversifying the County’s business sector portfolio beyond those primarily supported by the federal government, while further exploring new opportunities to better leverage federal institutions, will strengthen the economy.

Enhancing economic prosperity must be embraced. Prosperity should not be seen as at odds with the County’s quality of life; it is key to preserving and improving the well-being for residents and workers.

The SWOT chart which follows summarizes a compilation of strengths, weakness, and corresponding opportunities and threats that we have gathered as themes from prior reports and research. This list is not exhaustive, but instead a snapshot or compilation of themes designed to get the conversation going around better strategic choices to facilitate the County’s growth and success now.

SWOT

Strengths, Weaknesses, Opportunities and Threats

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<p>Connected to two major Metropolitan Statistical Areas</p> <p>Highly educated workforce</p> <p>Home to 18 federal agency headquarters</p> <p>Presence of a multitude of global brands</p> <p>Large foreign-born population with international connections</p> <p>Master planned, transit-oriented developments around Metro stations and planned bus rapid transit</p> <p>Open space and agricultural lands</p> <p>Strong arts and non-profit sectors</p> <p>High level of disposable consumer income</p> <p>Strong K-12 educational system</p> <p>Lower cost of commercial real estate than major urban competitors (Boston, NY, CA)</p>	<p>Limited affordable/mid-tier housing</p> <p>Slow planning and permitting process</p> <p>Complicated land-use and zoning policies</p> <p>Limited industrial real estate product</p> <p>Unfavorable perception of the business climate; overall high cost of doing business</p> <p>Inconsistent engagement and partnership between the government, the business community and municipalities</p> <p>Complex economic development structure</p> <p>Flat employment growth</p> <p>Weak entrepreneurial culture and lack of risk capital</p> <p>Complicated State and local incentive programs</p> <p>Limited existence of industry clusters outside of biohealth</p> <p>Global brands that are here are not associated with the County</p>	<p>Economic diversification beyond federal economy and biotechnology</p> <p>Political climate that favors aggressive entrepreneurship support</p> <p>Regional coordinated talent attraction</p> <p>Leveraging federal, academic and private R&D assets to stimulate private investment</p> <p>Proximity to foreign embassies and consulates to recruit FDI and international startups</p> <p>Collaboration with EDOs in Suburban MD, D.C. and Northern Virginia to sell Metro D.C. brand to targeted markets</p> <p>Strong political support for environmental initiatives may serve as a base to launch clean tech sector</p> <p>Better partnerships with the State for economic growth opportunities</p> <p>390 schools within 250-mile radius offering 2-year, 4-year, and graduate-level degrees</p>	<p>Slowing regional growth</p> <p>Federal budget uncertainty</p> <p>Declining middle skill/middle income jobs</p> <p>Aging workforce</p> <p>Local competition for younger workforce</p> <p>Preference among younger workers for urban centers in D.C. and Northern Virginia</p> <p>Increasing cost to provide government services</p> <p>Contraction of corporate leased space due to remote work and the resulting reduction of tax base</p> <p>Regional transportation infrastructure in dire need of funding and upgrades</p> <p>Limited affordable housing stock in the pipeline in the County and the Metro D.C.</p> <p>Tightening labor markets</p> <p>The “Great Resignation”</p>



STRATEGIC PRIORITIES

STRATEGIC PRIORITIES: THE PATH TO MOVE FORWARD TOGETHER

PRIORITY A. ACCELERATE INNOVATION ECONOMIC DRIVERS AND ENTREPRENEURSHIP

RELEVANT BACKGROUND SUMMARY: 2016 Comprehensive Economic Strategy: A Plan for Economic Prosperity: Summary

To achieve the goals set forth in the Economic Development Strategic Plan, the following four strategic priorities are identified with specific objectives and actionable items. With all stakeholders working together, the objectives can become outcomes that further equitable economic prosperity for the County.

The 2016 Comprehensive Economic Strategy (CES) demonstrated that Montgomery County is an important contributor to the Washington regional economy, accounting for more than one in six residents in the Washington MSA and retained strong population growth. The County had seen strong job growth in healthcare industries and employed more than 50,000 people, the largest employment source in the region.

However, the Plan noted that continued reliance on federal spending would be a challenge to the County's future economic vitality. In particular, the Professional Services sector was in part dependent on federal contracting, and while the Computer Systems Design and Services sector had seen explosive growth nationally (44% over ten years), it had grown by just 5% over that time in Montgomery County. Further, many of the jobs that had been expected to be in demand were expected in low wage, low skill occupations, that middle skill jobs were underrepresented and had been declining over time, and that the County would face employment challenges related to an aging workforce.

The County retained many strengths, including a highly educated workforce, 18 federal R&D institutions and facilities, the biotech sector, and the presence of global brands. On the other hand, employment growth was flat, there was a weak entrepreneurial culture, and an unfavorable perception of the business climate. In addition, regional growth was slowing and there was intense regional and national competition in various employment sectors. The 2016 CES saw opportunities to restructure the economic development process and diversify the economy away from the federal base and developed four broad goals: to compete nationally for investment and jobs, be home to a diverse talent pool, be an international hub for entrepreneurship and innovations, and be a model for quality places, infrastructure and amenities desired by both employers and residents.

RELEVANT BACKGROUND SUMMARY: Connecting the DOTS: Accelerating Economic Growth in Montgomery County, MD

According to a group of 20 businesspersons asked to examine Montgomery County's overall record in growing businesses and jobs, if Montgomery County were a business, its economy likely would be termed an underperforming asset. Various surveys consistently indicate that the single most important factor in a population's well-being is having a good job. Based on national data, growing the number of County jobs by just one percentage point will require increasing the County's GDP by approximately 1.7 percentage points, which requires a strong business sector.

In the decade just prior to the onset of the COVID-19 pandemic, job growth in Montgomery County (7%) lagged Arlington, VA (12%), Washington, D.C. (12%), Fairfax, VA (9%), and Prince George's (8%). Among a group of national competitor counties and areas in Silicon Valley, San Diego, Boston and Research Triangle, Montgomery County's job growth far lagged the average 27% growth rate achieved by the other members of the national group. Similarly, from 2010 to 2019, Montgomery County produced inflation-adjusted GDP growth of 12%, compared with an average of 92% in Silicon Valley, 53% in Research Triangle and 28% in both San Diego and Boston.

*Growing businesses generally requires four areas of assets: **(1) ideas and knowledge** (e.g. the Universities at Shady Grove, Montgomery College, and the nearby University of Maryland), **(2) human assets** (developed in programs granting certificates in trades, community colleges, or from highly motivated individuals), **(3) financial assets** (over 70% of the venture capital in the U.S. is invested in California, Massachusetts, and New York) which would increase the County's attractiveness to emerging, fast-growing businesses. Montgomery County arguably can make the greatest impact by enhancing **(4) its business ecosystem**, reversing the perception that the County is unfriendly to business—a reflection of the County's licensing, regulation, reporting, responsiveness and overall attitudes—is the single most important action the County could take to bolster business and job growth.*

Three industry sectors in the County have substantial nascent growth potential: Life Sciences, Hospitality, and the emerging field of Quantum Technology. Focused around future growth in these sectors, the MCEDC Economic Advisory Panel provided 20 specific recommendations, of which the highest priorities are: to significantly increase life sciences laboratory infrastructure; create a global pandemic prevention center; establish an accelerator for hospitality tech startups; create a quantum-ready workforce; prepare an economic development plan for the Purple Line corridor; establish a public-private entrepreneurship innovation center; reform the County's business incubator network; and launch a marketing initiative to rebrand economic development in the County.

OBJECTIVE: Grow key innovation clusters from life sciences to advanced technologies. Promote entrepreneurship by nurturing private industry innovators and enhancing commercialization opportunities.

To re-position Montgomery County to better capture sustained long-term economic growth, the plan identifies the need to diversify the local economy away from being federal government reliant by nurturing a vibrant mix of private industry clusters that are deeply rooted in the County. Industry clusters evolve over time as geographic concentrations are made up of interconnected companies, specialized suppliers, service providers and associated institutions.

Companies prefer to be in an industry cluster because the density of resources increases business productivity and competitiveness. The presence of multiple industry clusters in key sectors can bolster the County's economic health. They help to weather external shocks such as a recession, pandemic, the exit of a major employer or industry and other market disruptions.

There are multiple industry sectors which are important to Montgomery County's economy. This plan addresses some specific opportunities that will help the County's economy thrive. For those industries not specifically listed below but which are also part of the fabric of the local economy, there will still be continued attention given to develop other initiatives to support their important economic role in the County.

INNOVATION ECONOMIC DRIVER: LIFE SCIENCES

In certain national rankings, Montgomery County is among the top national biotechnology clusters behind Boston, San Francisco, San Diego and North Carolina's Research Triangle³. Montgomery County has the potential to elevate as a top-three biotechnology cluster based on recent momentum in attracting venture capital, private investment and infrastructure development as well as the maturation of local early-stage companies.

3 [JLL Research Report: Life Sciences Outlook 2019](#)

Recommendations

Strategies to raise the County's prominence in the national market to a top-three position include:

- Aggressively recruit life sciences companies to Montgomery County to increase the density of its biohealth establishments
 - Create bold and consistent marketing campaigns that clarify the County's strengths and opportunities for business attraction
 - Partner to launch a regional brand that highlights the Greater Washington D.C. metropolitan area tech talent
- Work to retain and support existing growth-stage life science companies
 - Establish an agile business retention and expansion program that resolves local challenges and service gaps to help anchor successful existing companies locally
 - Support minority-owned businesses by highlighting success stories and helping to ensure equitable access to ecosystem resources
- Develop public-private partnerships that stimulate applied research with commercialization potential in the County
 - Create a pandemic-preparedness research center that leverages the County's commercial advantage in vaccine development
 - Facilitate collaboration between research institutions and local industry to advance research at the intersection of biohealth and adjacent technologies
- Promote public resources for entrepreneurs seeking to commercialize new life sciences products in the County
 - Launch marketing campaigns focused on unique resources such as the NIH Applicant Assistance program, TEDCO Proposal Lab and County SBIR match to attract and support serial entrepreneurs
 - Evaluate and restructure the County SBIR match program and life sciences incubator in Germantown to enhance the launch and graduation of new companies
- Implement innovative workforce development solutions to resolve the most pressing talent needs of local companies
 - Facilitate collaboration between local academic institutions and County life sciences companies to implement large-scale training programs. Programs

should be held at multiple locations and include wrap-around services to facilitate equitable access

- Prioritize neighborhood-level land use planning to enhance infrastructure and locations that appeal to life sciences companies
 - Invest to make parts of the County that have already been developed or planned for life sciences growth more attractive to residents and workers
 - Explore innovative ways to facilitate adaptive reuse of real estate to meet industry demand for small-scale lab and manufacturing space and ensure a continuum of affordable suburban and urban lab supply
- Simplify development processes to meet the needs of growing life sciences companies
 - Streamline development project approval process and expand inter-agency coordination and cooperation
- Engage the life sciences community to advance the County's climate action goals
 - Given the sector's significant energy needs, establish partnerships with County government, research institutions and businesses to test and showcase resiliency and energy innovation utilizing County assets and infrastructure
 - Engage biotechnology firms that wish to pursue import substitution strategies and small-scale manufacturing to minimize supply chain disruptions, thereby creating greater self-sufficiency and reducing transportation emissions

INNOVATION ECONOMIC DRIVER: ADVANCED TECHNOLOGY

In Montgomery County's innovation-led economy, the retention and growth of the prominent life sciences industry is critical; however, businesses in other advanced technology industries are also a high priority.

Today's small and emerging businesses are the innovators and job generators of tomorrow. These growing businesses are more likely to stay in a community that has nurtured their growth and to which they are well connected. Programs to support these industries can play a critical role in encouraging successful local startups to remain in the County and continue to expand their business. Identifying the hurdles and addressing the challenges facing these sectors can help maintain competitiveness in the wider marketplace and prevent businesses from moving out of the County.

Three advanced technology sectors that hold substantial promise for industry growth in Montgomery County include the following opportunities: Hospitality Technology; Quantum Computing Technology; and Cybersecurity.

Innovation Economic Driver: Hospitality Technology

Montgomery County's hospitality industry is distinctive from many other jurisdictions. The County has hotels, caterers and restaurants, just as other communities, however, it is also home to some of the largest hospitality headquarters, hotel management companies, real estate investment trusts and has an emerging hospitality tech sector.

Marriott International, the world's largest hotel chain, has been headquartered in Montgomery County for more than 60 years. Choice Hotels, one of the world's largest hotel franchisers, has also been headquartered in the County for more than 70 years. Both companies are building new, state-of-the-art global headquarters in the County to continue their substantial global growth.

Hospitality management companies often oversee the day-to-day operations at individual hotels and several of the largest in the industry are headquartered in the County. For example, Sodexo, a French-based food services and facilities management company, has its North American headquarters in the County. HMSHost is another example.

Besides management operations, real estate investment trusts (REITs) are a key component of the hospitality industry, especially in the financing and development of hotels. REITs are companies that own, operate or finance income-producing real estate. In addition to others, Host Hotels & Resorts, the world's largest REIT, is headquartered in the County.

Given the density of the hospitality sector, Montgomery County can nurture innovation in hospitality technology companies that build upon existing corporate headquarters. Hospitality tech companies are focused on industry-specific digital solutions in the hospitality industry. Some companies within this space are already located in the County and have raised more than \$40 million in venture capital since 2016⁴.

4 Pitchbook.com, 2019

Recommendations

Strategies to elevate the emergence of the hospitality technology sector include:

- Expand relationships with existing hospitality anchor institutions and startups to inform economic development efforts within this industry
- Target growth stage hospitality technology and headquarters companies for relocation efforts
- Establish an incubator or accelerator for hospitality tech startups to expand and support the connected networks of local national hospitality headquarters
- Create workforce training initiatives with industry to meet hospitality tech talent demand
- Plan showcase summits to spark business growth in emerging industry sectors including hospitality technology

Innovation Economic Driver: Quantum Computing Technology

Although quantum computing is still a nascent technology, it will be transformative and dramatically increase capabilities beyond what is currently possible. It can both enhance and disrupt life as we know it, with future quantum computers having high-value applications in life sciences, drug development, national security, cryptography, energy and many more critical industry sectors.

Rapid quantum technology development and commercialization is expected globally in the next decade. The opportunity is now for Montgomery County to leverage its unique federal, academic and industry assets and seize a competitive advantage as a quantum leader, especially to attract national and international business investment locally. The Greater Washington region also has a wealth of quantum assets clustered across industry, academia, government and nonprofits that complement the County's assets.

Regional collaboration will support quantum growth that can make the Greater Washington region a major quantum hub by market size and talent pool, which will in turn allow Montgomery County to press its competitive advantages to be a national quantum leader. These aggregated assets include leading corporations and employers engaged in innovative quantum research, application development and product commercialization; one of the nation's largest, most diverse clustering of higher education and research institution centers dedicated to quantum research; and the federal government presence of agencies and laboratories focused on developing quantum computing and commercialization.

Recommendations

To be a national quantum leader, Montgomery County will need to develop a foundation and bring together these building blocks. Strategies include:

- Advance local research and development collaboration through scientific disciplines and industry sectors, as well as facilitate technology transfer from laboratories to the private sector, federal agencies and others
- Create a quantum technology workforce through educational programs that provide students and personnel with the training, qualifications and skills to work in quantum tech across the private and public sectors and academia
- Support the growth of emerging quantum companies, private sector investment and the attraction of national and international businesses to locate in Montgomery County for their quantum research and development
- Concurrently develop local and regional partnerships with regional entities for federal government grants and research funding
- Pursue collaborations with neighboring University of Maryland, a leading quantum hub with 200 scientists and researchers in the field, along with partnerships with multiple federal research labs driving quantum

Innovation Economic Driver: Cybersecurity

Maryland has one of the largest concentrations of university-trained cyber engineering graduates in the world, as well as one of the largest concentrations of science, technology, engineering and mathematics (STEM) professionals in the U.S.⁵ With 16 National Centers of Academic Excellence sponsored by the National Security Agency (NSA) and Department of Homeland Security, Maryland has more nationally recognized colleges designated as Cyber Centers of Excellence than any other State.

In Montgomery County, the academic and federal presence of the cybersecurity industry provides several workforce opportunities for private cybersecurity companies to establish and expand. The existence of large pools of cybersecurity professionals within the federal government looking to enter private employment also provides opportunities for local companies to be established and grow. Several cybersecurity innovations and the serial entrepreneurs behind those large and small enterprises have come out of government agencies such as the National Security Agency (NSA).

5 MD Department of Commerce: [Rankings & Statistics](#)

Locally, the Rockville-based National Cybersecurity Center of Excellence (NCCoE) is a part of the National Institute of Standards and Technology (NIST). The NCCoE is a collaborative hub for industry, government and academia to address the most pressing cyber needs of businesses. The NCCoE provides the County's cyber companies a unique opportunity for local collaboration with a federal laboratory.

Recommendations

Strategies to elevate the emergence of the cybersecurity sector include:

- Leverage existing workforce strengths to lure cybersecurity investment to Montgomery County while also fostering cyber security entrepreneurship
- Market the cybersecurity industry as a regional asset and attract company headquarters relocations in Montgomery County due to its presence in the Greater Washington area
- Create a consulting team of cybersecurity experts who can assist companies in evaluating and purchasing new, local cybersecurity technologies to expand the cyber security industry ecosystem
- Create networking opportunities for existing cybersecurity companies to access potential customers including reverse pitch events

ENTREPRENEURIAL ECOSYSTEM BUILDING

RELEVANT BACKGROUND SUMMARY: MCEDC Analysis of Business Incubator Network in Montgomery County and Recommendations

Montgomery County has legacy investments in existing business incubator facilities. Developing a more diverse and robust innovation and entrepreneurial ecosystem in Montgomery County is a recognized County priority. Business incubation is an effective and proven tool to support an entrepreneurial ecosystem. The business innovation network should reinforce successful existing models and reimagine others, have a more inclusive concept of business incubation, develop a county-wide entrepreneurial support program encompassing women-owned enterprises and economically and socially disadvantaged individuals, and have both adequate funding and staffing to support the expanded programs.

The MCEDC recommends taking a comprehensive approach to managing the County incubator facilities by creating an Entrepreneurship and Innovation Center. The center would bring together the existing public and private incubators along with other resources to provide support for entrepreneurs, training, coaching, networking

opportunities, access to capital networks, and other programs and facilities which advance Montgomery County's goal to become a strong center of business innovation.

Start-ups and emerging businesses would be targeted across key industry sectors such as life sciences, technology, hospitality, quantum computing, and nonprofits, while engaging with community anchor institutions. Small, minority, women, and veteran-owned businesses would be recruited to participate in the incubation network, and there is an opportunity to welcome international businesses to Montgomery County by providing international soft-landing assistance. New staff positions requested by the County will provide more direct control over programming and provide a more visible County presence in the incubators.

*MCEDC identified specific key industry sectors that Montgomery County should target through proactive economic development efforts. These include life sciences, hospitality technology, quantum computing, and cybersecurity and advanced technologies. The County has a plan to convert 10 offices into 4 **life sciences** wet lab spaces. Working with the **hospitality** work group, MCEDC and the County should examine the creative Israeli model for establishing corporately sponsored business incubators, in a facility designed to support the hospitality industry. The County should advocate for the inclusion of a **quantum computing** incubator in Connected DMV's continuing efforts to develop a regional Quantum Innovation Growth Cluster. Working with federal, academic and industry partners in the **cybersecurity and advanced** technologies sectors, the County should enhance existing efforts to strengthen entrepreneurial start-up/scale-up support programs, including building upon the Maryland Tech Council's Venture Mentoring Service, BioHealth Innovation's NIH sponsored Entrepreneurs in Residence, TEDCO's NIST funded Science and Technology Entrepreneurship Program.*

A nurturing entrepreneurial ecosystem allows for the fast flow of talent, information and resources that help entrepreneurs quickly find what they need at each stage of growth. A thriving entrepreneurial ecosystem has many components. Montgomery County has the elements for a more nurturing ecosystem, but needs to advance the elements that remain under-developed or disconnected and in need of a strong ecosystem catalyst.

Recommendations

The primary focus of an entrepreneurial ecosystem is to move knowledge and resources from the people who have it to the entrepreneurs who need it. The following programs can assist in these efforts:

- Montgomery County Business Incubator Network

Business incubation is an effective and proven tool to support the entrepreneurial ecosystem. Changes in communications technology, the utilization of physical space, and the development of new business incubation/acceleration models, require a reimagining and reinvigoration of the County's current business incubation support program. Montgomery County's incubator system should have the following major components:

- A focused high-value use of existing incubator facilities that will require reinforcing successful models and reimagining others
- A more inclusive concept of business incubation, supporting a more diverse set of incubation organizations and models, through coordination, best practice sharing and sustained but competitive funding
- A sophisticated County-wide entrepreneurial and innovation support program encompassing women owned enterprises and economically and socially disadvantaged individuals
- Adequate funding to support the necessary internal and external resources to execute these components
- Robust staffing to provide oversight to these expanded programs
- Access to capital resources including the Maryland Tech Council's Venture Mentoring Program which prepares early-stage technology companies for venture capital fundraising

- Montgomery County Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Program

After having launched the Montgomery County SBIR/STTR matching program in 2018, the country's first County-based match program, it is appropriate to review the metrics of the program to determine whether reforms and greater impact can be achieved with the funds provided by the County.

- Evaluate and redesign, if necessary, the County SBIR/STTR program to better leverage the accompanying federal SBIR/STTR R&D funding with a complementary structured effort to help companies secure outside financial investment
- Better leverage any available county, state and federal funds to provide County SBIR/STTR recipients with more useful technical assistance resources that will:
 - Increase the number of SBIR/STTR grants received and outside capital invested

- Move companies further towards commercialization
- Continue the successful record of supporting women-owned small businesses and economically disadvantaged and distressed individual-led companies
- Federal Technology Licensing and Commercialization
A strategy to maximize Montgomery County’s federal agency presence should be further developed to help support an agency’s critical national mission while also spurring local economic development. This unique local federal capacity would support new business creation, facilitate technology transfer, commercialize innovation and create partnerships to target the following priorities:
 - Supporting entrepreneurial success and early career professionals
 - Leveraging laboratory proximity and engagement
 - Creating access to early-stage capital
 - Initiating and matching federal funding opportunities
 - Strengthening partnerships and collaboration

PRIORITY B. PROVIDE GREATER WORKFORCE AND EDUCATIONAL OPPORTUNITIES

RELEVANT BACKGROUND SUMMARY: Universities at Shady Grove (USG) Strategic Plan

The Strategic Planning process has involved stakeholders from across the USG community meeting regularly, analyzing background data and reports, learning from the Strategic Planning Workshop Series, and engaging in enlightening discussions about the vision of USG 2.0. The intent of the workshops is to develop bigger ideas about how USG can continue to enrich and support learning, workforce development and economic growth within and beyond Montgomery County.

Each group was issued a goal and prompt questions for discussion. Below are the identified goals:

- *Make a compelling case and plan for the successful implementation of USG 2.0 and transformative change in the educational ecosystem of the County and State.*
- *Develop and implement a culture that values diversity, equity, and inclusion as foundational to the work of USG 2.0 and our partners to achieve mission excellence.*
- *Develop an unparalleled innovative framework for a fiscal model that is diversified, scalable and sustainable and that builds on the value of USG’s expertise and services for all partners.*

- *Collaborate to create equity-centered, evidence-informed, life-long learning pathways across Montgomery County that offer learners preeminent education and meet the future workforce needs. Key features include comprehensive academic planning, a career-ready focus, employer inclusion, support services to meet every learner where they are, and collaboration with all academic partners.*
- *Create an innovative, comprehensive, pathway-focused method for academic planning that is continuously informed by evidence to meet the needs of the workforce and future learners.*
- *Develop, support and implement resilient infrastructure, facilities, services and operational practices that fosters long term planning; sustains renewal and growth; adjusts to meet regulatory compliances; and enhances safety and security through collaboration, efficiency, knowledge management, and analytics to support the transformation to USG 2.0.*
- *Build a collaborative, equity-centered learner experience at USG centered on career competencies, experiential learning, and cutting-edge mentorship.*
- *Lead a system-changing approach to shared economic prosperity, equity, and ecological sustainability through learner/student success that meets future workforce needs, and through conscientious decision making that impacts the distribution of wealth in the County and the region.*

RELEVANT BACKGROUND SUMMARY: WorkSource Montgomery Local Area Workforce Plan (2020-2024)

The federal Workforce Innovation and Opportunity Act addresses the needs of job seekers by establishing a workforce system that helps them access education, training and supportive services to gain employment and succeed in the labor market. The County's Local Workforce Development Plan focuses on job seekers who may be unemployed or underemployed by developing new services to maximize access to employment, access to and development of necessary skills and credentialing and eliminating barriers to employment. The key employment sectors to be targeted are Professional, Scientific and Technical Services (with a focus on IT/Cybersecurity), Biotechnology/Life Sciences, Healthcare and Social Assistance, Hospitality (including Retail, Accommodation and Food Service) and Construction.

WorkSource Montgomery (WSM) has been awarded multiple grants for enhancing talent development through targeted career pathways programs aimed at closing the skills gap and eliminating barriers to employment. One goal is to increase employer engagement and career pathway partnerships in strategic industries. This includes

a pipeline training program for people interested in cybersecurity and healthcare, coordinating hiring events in the hospitality sector as well as working with partners to develop hospitality apprenticeship programs and programs to create pathways in the construction industry.

The cultivation of industry-led partnership will include convening focused capacity building groups, the creation of training curricula, technical training and work/learning experiences. Outreach and recruitment strategies include pipeline development in partnership with MCPS, community-based organizations, and professional and business associations. The implementation of the Plan focuses on the County Executive's vision for a more equitable and inclusive County that includes thriving youth and families, a growing economy and greener county with easier commutes and better affordability, safe neighborhoods, and effective government.

RELEVANT BACKGROUND SUMMARY: *Montgomery College Strategic Plan, 2020-2025 (MC2025)*

Montgomery College 2025 focuses on sustaining momentum on initiatives that demonstrate success and can be brought to scale. The plan aims to strategically amplify these successes and the lessons learned; align and integrate the activities and strategies of various other College plans; and focus on developing a renewed culture in which transparency, continuous improvement, and empowerment through data has residence in all College activities.

The MC2025 strategic plan and its goals reflect the College's engagement with a broad array of internal and external stakeholders about the future of education, work, the County, the College and partnerships.

Specifically, the report outlines that education and market-relevant skills are key to individual and County economic success. The goal of MC is to mobilize local and regional partnerships with local employers and educational partners to effectively respond to labor market needs and expand economic opportunities for students, county residents and businesses.

OBJECTIVE: Create a robust talent pipeline within target sectors that supports industry growth and diversificatio; invest in an educational system that prepares residents and workers with the skills and mindset needed to meet the industry needs of tomorrow.

WORKFORCE DEVELOPMENT OPPORTUNITIES

Job growth and access to talent are two key components that support a healthy economy. Montgomery County's human capital is a strength. The County has Maryland's largest employer base with over 576,000 jobs or about 17% of the State's total. The professional services sector is the County's largest, employing nearly one in four workers.

While recent regional comparative job growth has been sluggish, Montgomery County continues to be an employment powerhouse. The County holds 24%, or one in five jobs, in the Greater Washington Metropolitan Statistical Area (MSA).⁶

To stimulate greater job growth and help companies access the talent that they require to expand, the County should address existing local talent gaps. The County will need to focus short-term efforts on helping to align the skills of the available workforce with the demand for talent in key industries. This can be achieved through a prioritized and coordinated focus on marketing, training, sector strategies and academic curriculum development for degree credentialing and certifications.

Expanding a demand-based talent pipeline will support the County's workforce needs for business retention and attraction. Most job growth generally comes from retaining employers and helping them grow locally. The County needs to also continue aggressively seek attraction opportunities to expand the local job base. Accordingly, County workforce resources should concentrate as listed below.

- Supporting accelerated job growth and retention in key industry sectors by working closely with the business community and educational institutions to address skills gaps
- Creating more equity and opportunity for the County's growing and diverse population
- Increasing the earning capacity of the County's workforce to meet the lifestyle to which residents have become accustomed
- Generating a talent management system which supports households and wage earners at all income levels including targeting small and minority owned businesses

6 Bureau of Labor Statistics

Recommendations

The County can support a stronger talent pipeline in the following ways:

- Incentivize employers to retain jobs in Montgomery County
- Incentivize workers to stay in the County by improving quality of life amenities
- Provide more affordable housing options
- Work with employers in key industry sectors to aggressively market to employee bases in target geographies of the country and the Greater Washington region
- Apply more dedicated resources and support centers to small/local businesses to strengthen opportunities for sustainable job growth
- Align the County's educational ecosystem using a pathway model to support private sector demand including building flexibility into the system and using community partners to better connect the educational system to the workforce system
- Focus on systems building and job quality to ensure an equitable work system
- Recreate an Early Care and Education (ECE) initiative to support a strong future workforce and to allow parents with childcare needs to focus on more active participation in the workforce
- Support a strong entrepreneurial ecosystem to encourage the growth of new businesses
- Provide training and support programs to individuals with barriers to employment, including veterans, speakers of non-English languages, individuals with disabilities, ex-offenders, low-income individuals and their families and homeless individuals and their families

EDUCATIONAL ATTAINMENT OPPORTUNITIES

A high performing educational system in Montgomery County serves as an asset that encourages residents to stay, attracts new residents and provides the backbone for talent for companies for years to come.

It is critical to align education, workforce development and economic development to ensure that there is a 360-degree view of how we manage our talent pipeline by creating an educational ecosystem. There is also a high demand for workers in priority industries and the Montgomery County educational system, from the public schools to the post-secondary academic institutions, to link long term workforce needs to skills demands.

Since Montgomery County's high-potential target sectors drive its economic growth and require a highly skilled and trained workforce, the County must be equipped to generate and compete nationally for this talent. At the same time, the desired expansion of economic opportunities must be available to County residents, and this can often be achieved through educational degree credentials or certifications.

Yet, there are concerns of a growing educational disparity between Montgomery County's more prosperous residents and the faster growing households with residents at mid-to-lower income levels. For the economy to be most competitive, larger segments of the County's population need to be trained and educated to help support a growing and thriving economy. When residents are not creating business opportunities or finding jobs at the same pace as others, there is a gap in the full economic growth potential for the County.

The County's academic system, beginning with Early Care and Education (ECE), going through the Montgomery County Public Schools (MCPS), and including the local post-secondary academic institutions such as Montgomery College (MC) and the Universities at Shady Grove (USG), should take a holistic and integrated approach to education as part of a priority mission to support economic development. At a time when the projected rate of skilled labor shortages continues to increase, there is a clear advantage to having home grown talent that remains in the County.

Recommendations

- Develop a workforce education and skills development program to prepare residents for entry-level jobs in specific industry sectors with academic institution partners and WorkSource Montgomery
- Collaborate with County educational institutions to develop training and placement programming for high-need occupations, such as computer sciences and engineering, life sciences, healthcare and general startup business leadership
- Engage academic institutions as economic drivers to develop innovation and workforce linkages to encourage greater interaction between the education, innovation and entrepreneurial sectors
- Support a comprehensive approach to early care and education to allow for:
 - Readiness across diverse residents to enter the K-12 system fully prepared to learn and advance
 - Provide residents with the necessary support resources to allow them to be fully engaged in the workforce

- Support and expand early exposure to advanced educational trends such as computer coding, app and software development, as these skills provide students with a future advantage in being hired and creates an added investment in the County's future workforce
- Provide pathways to success beyond a focus on STEM programs and provide training for entrepreneurship at an early stage
- Better align educational pathway models with the needs of the business community by expanding and strengthening partnerships and working in a more collaborative way

PRIORITY C. BUILD LIVABLE COMMUNITIES THAT CONNECT RESIDENTS TO JOBS

OBJECTIVE: *Build more housing stock that residents can afford and that supports the growing population of households. Provide multi-modal transportation infrastructure which supports an economical, safe and environmentally sustainable way for people to conveniently move throughout the County based on the places where they live, work and play.*

HOUSING TO SUPPORT A DIVERSE WORKFORCE

RELEVANT BACKGROUND SUMMARY: *Metropolitan Washington Council of Governments: The Future of Housing in Metropolitan Washington: Summary of Metropolitan Washington County of Governments Report*

A 2019 report from the Metropolitan Washington Council of Governments (MWCOG) that analyzed regional employment forecasts and projected housing growth expects that the greater Washington region will require about 75,000 housing units more than currently planned by 2030, and about 100,000 more than planned by 2045.

The Washington region added about 25,000 housing units annually in the 1990s, and about 30,000 a year in the 2000s, mainly single unit homes in outer suburbs. The economic crash of 2008, however, caused that number to plummet to about 10,000, which had increased to 21,000 in 2018.

By 2030, employment forecasts show 413,000 additional jobs with about 245,000 planned housing units, or annual housing production of about 25,000 units per year. Based on the employment forecasts, MWCOG forecasts a housing shortfall of 75,000 units. An additional 320,000 housing units are forecasted to be needed regionwide by 2030: in other words, an annual increase in the 2020s of 32,000 a year. The region is therefore expected to need about 7,000 additional housing units annually above current planned levels.

In 2020, the region was about 50,000 housing units short. The report notes that 75% of housing should be in the lower (less than \$1,300) to middle (\$1,300 to \$2,500) monthly cost range, and that 75% should be targeted to “activity centers” and/or higher capacity transit systems. Housing costs factor significantly into employer decisions about where to locate, and when housing is available at costs people can afford, it makes it easier for employers to attract and retain employees across all levels.

RELEVANT BACKGROUND SUMMARY: Housing Needs Assessment

The Housing Needs Assessment has two components: an analysis of current demographic, economic and housing market conditions in the County, as well as a detailed household and housing demand forecast for the County out to 2045. Since 2010, the Washington, D.C. region has added more than 150,000 households. Montgomery County captured only 5% of that growth, having one of the lowest growth rates in the region. Half of new households are lower-income (earning under \$50,000 a year).

The income level needed to afford the median-priced home (\$125,621 in 2018) is rising faster than the median household income (\$108,188). Between 2014 and 2018, housing supply tightened rapidly for households earning less than 65% of Area Median Income (AMI). In 2014 there was a 5,700-unit surplus of housing at 65% AMI, which receded to 800 units in 2018. Every submarket in Montgomery County faces a supply gap for households earning up to 60% AMI. Submarkets with relatively affordable stock have also faced the most significant pricing pressure, leading to the loss of affordably priced units.

The housing need forecasts factor both demographic trends and future economic growth in Montgomery County and the greater Washington, D.C. region. Between 2020 and 2040, the County is expected to add more than 60,000 new households, which includes both working and non-working households, such as new residents who are seniors or persons with disabilities. More than half of the new housing needed to accommodate new households over the 2020 to 2040 period is projected to be multifamily rental housing. Planners expect that the greatest shares of new households in the 2020 to 2040 period will have incomes between \$25,000 and \$49,999 (26.6%) and \$125,000 and over (23.9%).

RELEVANT BACKGROUND SUMMARY: Department of Housing and Community Affairs Annual Report: FYs 2020 and 2021

Montgomery County’s Department of Housing and Community Affairs (DHCA) is working to preserve and increase affordable, safe, attractive housing and neighborhoods while fostering equitable and harmonious relationships among

residents of our communities. In this context, DHCA seeks opportunities to close racial equity gaps and fight climate change impacts.

Reducing housing costs is a major DHCA initiative. Montgomery County has more than 20,000 households that are severely housing-cost burdened, earning less than \$31,000/year and spending more than half their income on rent. Further, one in four new households in 2030 will have incomes less than 50% of area median income.

The plan DHCA is pursuing involves increasing the number of rent-regulated housing units; funding rent support for people in Montgomery County who are most vulnerable; ensuring preservation of current affordable housing; using policy tools to stabilize housing and protect residents from displacement; and ensuring affordable housing opportunities are distributed equitably across the County. More broadly, DHCA's program to maintain rental housing in a safe and sanitary condition is the most systematic among large jurisdictions in the region and its neighborhood revitalization program focuses on strengthening commercial areas.

DHCA's community goals are to create opportunities for affordable home ownership, deliver value to tenants and landlords, keep housing safe and neighborhoods attractive, improve residential areas and commercial areas through neighborhood revitalization, deliver value to homeowner in common ownership communities, and to support community-based partners.

Housing costs factor significantly into employer decisions about where to locate. When housing is available at costs people can afford, it makes it easier for employers to attract and retain employees across all levels.

The Greater Washington region added about 25,000 housing units annually in the 1990s and about 30,000 a year in the 2000s, mainly single unit homes in the outer suburbs. The economic crash of the 2008 Great Recession, however, caused that number to plummet to about 10,000, which has since increased to 21,000 in 2018.⁷

There is a need for greater housing stock to meet the Greater Washington region's anticipated demand. A 2019 Metropolitan Washington Council of Governments (MWCOG) report⁸ analyzed regional employment forecasts and projected housing growth. The report indicated that the region would require about 75,000 housing units more than currently planned by 2030, and about 100,000 more than planned by 2045.

7 Metropolitan Washington Council of Government report: The Future of Housing in Greater Washington

8 Metropolitan Washington Council of Government report: [The Future of Housing in Greater Washington](#)

By 2030, regional employment forecasts show 413,000 additional jobs with about 245,000 planned housing units, or annual housing production of about 25,000 units per year. 320,000 additional housing units are forecast to be needed by 2030, which would result in an annual increase in the 2020s of 32,000 a year.

Therefore, the region is expected to need about 7,000 additional housing units annually above current planned levels. 75% of housing should be geared to the lower to middle monthly cost range, and that 75% should be targeted to “activity centers” and/or higher capacity transit systems.

Addressing housing needs to match household growth over the next 20 years is complex and challenging. Montgomery County is projected to grow by 60,000 households between now and 2040, according to the 2020 Montgomery County Housing Needs Assessment⁹. The goal is to provide housing options for all which includes affordable housing within multiple household income ranges: (1) \$25,000; (2) \$26,000–\$125,000; and (3) greater than \$125,000.

Montgomery Planning projects that over the next 20 years, 26.6% of new households will have income levels between \$25,000 and \$49,000, while 23.9% of new households will have income levels above \$125,000.¹⁰ There is currently a gap in available housing supplies for both lower-income and middle-income households, and the gap is projected to grow each year unless an innovative approach to managing housing stock availability is created.

To eliminate the current gap, new housing must address household growth and the housing will need to grow at the following rate:

2020-2025

OWNER/RENTER	PERCENTAGE
Single-Family Owner	13.9
Multifamily Owner	27.5
Single-Family Renter	4.4
Multifamily Renter*	54.2

*Multifamily includes townhomes, duplexes, apartments and condominiums

9 Montgomery Planning: [Montgomery County Housing Needs Assessment, July 2020](#)

10 Montgomery Planning: [Montgomery County Housing Needs Assessment, July 2020](#)

Recommendations

Montgomery County should coordinate public sector efforts with the private sector to address short-term housing needs and increase the supply for all income levels in the following ways:

- Amend zoning policy to facilitate more compact high-density housing where appropriate
- Provide enhanced access to capital programs through direct subsidies and partnerships with financial institutions to allow for more robust and fair lending, especially to communities of color
- Incentivize the repurposing of non-residential structures into residential structures, especially as businesses rethink their office needs based on a more flexible post-pandemic schedule
- Develop public/private partnerships with developers to create diverse housing stock in part or in whole using County-owned land
- Partner with the County's largest employers to assist in sourcing housing for new employees
- Work with partner jurisdictions in the Greater Washington region to help balance the supply/demand housing gap regionally
- Continue to tightly coordinate housing and transportation programs with employment centers and County amenities to assure travel time efficiency and workforce quality of work/life balance for both residents and commuters

TRANSPORTATION AND ENVIRONMENTAL SUSTAINABILITY

RELEVANT BACKGROUND SUMMARY: Thrive Montgomery 2050

With a highly educated workforce, proximity to the national capital, and a culture of openness to newcomers, the County has evolved into a complex jurisdiction with major employment centers and mature residential neighborhoods but is also struggling to attract businesses and house residents, while also grappling with a legacy of racial inequality. In 1993, a refinement of the historic "Wedges and Corridors Plan" established a "residential wedge," directing most growth to the "Urban Ring" and I-270 corridor, which removed the eastern portion of the County as an area suitable for corridor-focused development, which discouraged public and private investment in the area, and consigned more than one-third of the County to zoning for single-family homes, which left many neighborhoods dependent on automobiles and distanced from amenities.

Today, 85% of the County's land is already developed or otherwise constrained. Therefore, Thrive Montgomery 2050 proposes:

- Maintaining a constrained growth area that focuses growth in existing centers of activity and corridors, and reintroducing East County growth corridors as a key to both economic competitiveness and racial equity.*
- Addressing environmental resilience by emphasizing walking, biking and transit, and focusing growth in targeted areas in a more limited number of locations, rather than disbursing it.*
- Improving public health and encouraging active lifestyles by introducing the importance of social connectedness and health in land use planning and incorporating arts and culture into public and private infrastructure.*

Thrive Montgomery 2050 applies the principles of “urbanism” to guide future growth. A variety of housing sizes and types near employment and retail helps to ensure that people of diverse income levels can live and work in the same area. More compact development also has other advantages including efficient use of scarce land, reduced expenditure for building and maintaining infrastructure and encourage active lifestyles. The principles of urbanism are equally relevant to suburban, urban and rural areas, at appropriately calibrated intensity and scale.

RELEVANT BACKGROUND SUMMARY: *Montgomery County Climate Action Plan: Building a Healthy, Equitable, Resilient Economy*

Montgomery County's Climate Action Plan (CAP) was announced in May 2021 with a goal to reduce greenhouse gas emissions 80% by 2027 and 100% by 2035, compared to 2005 levels. There are 86 climate actions in the plan which, when implemented, will result in Montgomery County being one of the most forward thinking and resilient counties in the country relative to sustainability. This in turn should make the County a more attractive and competitive place for us to retain, grow and attract businesses.

The key themes of the plan include reducing emissions in the energy, building and transportation sectors, placing racial equity at the center, reducing climate risk, identify ways to pay for climate action, enhanced climate governance and engaging the community as partners in climate action. Strategic items from the report include initiatives to address climate change as an economic stimulus and demonstrate the economic opportunities afforded by climate action, approach climate action through a health-centered frame that enhances the physical healthiness of residents and workers, create new jobs in key industry sectors and demonstrate how a non-polluting economy protects workers and eco-systems.

The CAP intends to create advancement opportunities by eliminating barriers to CAP-related jobs with career pathways, with a focus on underrepresented communities. Quality of life standards as a low carbon environment enhance air quality, mental and physical health, and green space infrastructure. Civic capacity will leverage County and private sector resources to create collective solutions to community building impacted by the positive outcomes of climate actions.

RELEVANT BACKGROUND SUMMARY: *Connecting Our Communities: MCDOT's Vision for Transportation in Montgomery County, MD*

This report summarizes three key initiatives for MCDOT: Safety and Vision Zero, Environment and Climate Resiliency, and Economic Growth and Equitable Access.

Safety and Vision Zero: *Local infrastructure was largely developed in the 1950's through 1980's with the goal of moving cars long distances at high speeds. That is not our vision for the Montgomery County of the future. The County has been transitioning from the earlier model to one emphasizing transit, biking, and walking. Montgomery County is one of the first county governments in the United States to initiate a Vision Zero plan, which aims for a goal of no roadway fatalities by 2030.*

Environment and Climate Resiliency: *Montgomery County has launched one of the nation's most aggressive climate action plans, and MCDOT has committed to a zero-emissions bus fleet by 2035. This year, the first four all-electric transit vehicles were rolled out, ten more electric buses will be in circulation in the upcoming months. In addition, MCDOT is encouraging public and commercial adoption of electric/zero-emission vehicles and fleets and is implementing transportation demand management strategies to significantly reduce the use of single-occupancy vehicles.*

Well-planned infrastructure such as bike lanes, paths, and last-mile transportation options support alternative modes of transportation, and MCDOT is expanding the role of its Commuter Services office to actively promote alternative transportation options and incentives to communities for all types of travel. In addition, MCDOT is encouraging public and commercial adoption of electric/zero-emission vehicles and fleets and implementing transportation demand management strategies to significantly reduce the use of single-occupancy vehicles.

Economic Growth and Equitable Access: *Population and jobs are growing throughout the region. Reliable and predictable funding for transportation services and infrastructure allows us to make the investments we need for our economy to be successful. By focusing on equity, inclusion, and sustainability, MCDOT is making investments that are transforming the County's infrastructure, and services, to better*

meet community needs now and in the future. We are continuously finding ways to improve our transit systems, increase transportation access, and build infrastructure that is inclusive of multi-modal transportation, with all of services seen through a lens of equity to better connect our communities.

A healthy transportation plan builds the infrastructure to facilitate ease of movement through and across the County and can be a key tool in assuring equity for all residents by providing efficient and affordable access to key employment centers and County amenities regardless of location. A healthy plan can also support a sustainable energy program which could help reduce greenhouse gas emissions in our transportation systems. Currently, carbon emissions from the transportation sector account for 42% of all such emissions in the County.

The Montgomery County Department of Transportation has developed a long-term plan for the role of transportation in our community¹¹. With its stated conclusion that transportation allows for inclusion, connectiveness and advancement, three transportation priority areas are recommended:

- Supporting the County’s Safety and Vision Zero¹² plans to eliminate severe injuries and death along roadways
- Supporting environmental sustainability through the implementation of the County’s climate action plans for transportation
- Helping the County achieve its economic growth and development goals in an equitable way

¹¹ [Connecting Our Communities: MCDOT’s Vision for Transportation in Montgomery County, MD; November 2021](#)

¹² [Vision Zero Fiscal Years 2022-2023 Work Plan](#)

Recommendations

Montgomery County's transportation network and infrastructure should facilitate connectiveness to all communities to ensure that access to jobs in both existing and new employment centers be prioritized, using multiple modes of transportation to accommodate these needs. To further this goal, the following actions should be considered:

- Accelerate delivery of the Bus Rapid Transit (BRT) to enhance transportation options
- Identify workarounds to support construction interruptions as the light-rail Purple Line is being built to help local businesses and communities
- Identify appropriate transportation capital projects that strengthen connection within the region that also reduce commute times and vehicular miles traveled
- Continue to provide east-west connections in both MidCounty and UpCounty areas for better access to jobs
- Focus on improvements in areas that facilitate walkability and placemaking
- Reduce the reliance on carbon-based gas emitting vehicles
- Support greater electric vehicle (EV) charging stations throughout the County to promote greater access and ease of use
- Make EV options a mainstay for all vehicles in the County
- Build and enhance walkability options as an alternative to moving vehicles within the County

PRIORITY D. CREATE AN INCLUSIVE ECONOMY FOR SHARED PROSPERITY

OBJECTIVE: Create business opportunities and build a local community ecosystem which supports a more inclusive economy addressing racial equity issues.

COMMUNITY WEALTH BUILDING

Community wealth building helps to ensure that a broader array of residents participate in and benefit from an expanded economy. It can help to reduce the racial wealth gap and other economic disparities by supporting a comprehensive web of local businesses within communities and creating sustainable assets for wealth creation at the local level.

The disparity between Montgomery County's more prosperous residents and those who are not thriving continues to grow. Overall growth, as measured in the County's GDP, has not ensured shared prosperity, especially for communities of color. The County's

entire population must be able to contribute to Montgomery County’s economic well-being if it is to be competitive. An inclusive economy, including racial, gender and geographic equity is a keystone for all economic development initiatives.¹³

To be truly impactful with diversity, equity and inclusionary initiatives, the County needs to think very differently about the structure of future assistance programs and community interactions. The County should initiate strategies that focus on the wealth expansion of low-income and non-white residents. These efforts could include debt reduction help, shifting from renting to homeownership and transforming workers to entrepreneurs. This plan focuses on concerted efforts to support entrepreneurial education, mentors and incubators targeted to low-income and non-white entrepreneurs.

Recommendations

Actions to support greater entrepreneur and innovator diversity should include the expansion of robust entrepreneurship innovation hubs networked throughout the County with:

- Networking opportunities with successful entrepreneurs
- Training and development tools geared for business startups
- Expanded mentoring opportunities
- Access to talent to assist with business plan execution
- Broader access to purveyors of capital
- Promote and cultivate an entrepreneurship culture within the entire County and people of all ages, beginning with an expanded curriculum in the public school system

¹³ [Connecting the Dots, Accelerating Economic Growth in Montgomery County, MD; Montgomery County Economic Development Corporation Economic Advisory Panel, October 2021](#)

SMALL, WOMEN AND MINORITY OWNED BUSINESS GROWTH

Investments in the success of small and minority businesses help expand community wealth building, leading to better racial equity and social justice outcomes in the economic ecosystem. These businesses are typically underrepresented when participating at a sustainable level within the local economy.

Recommendations

As with entrepreneurs and innovators, additional tools and targeted efforts should be directed to small and minority businesses and others who were disenfranchised. A successful focus will include:

- **Access to Capital:** Creating program partnerships with financial and capital resources in the region for businesses including financial institutions, banks, credit unions lending programs and government supported financial programs, in combination with facilitating access to capital through investors, grants and angel networks
- **Training:** Including mentorship and professional training in areas such as accounting, legal, marketing and operations management to give businesses resources required to operate efficiently; for non-native English speakers, programs such as English for Speakers of Other Languages (ESOL) offer courses and translation services oriented towards immigrant communities that could be helpful in this training
- **Networking:** Connecting and referring business owners to Chambers of Commerce and business associations that include ethnic and geographical-focused groups; assist with the maintenance and public awareness of such networks
- **Messaging:** Developing customized messaging tools for small and minority businesses to better communicate business opportunities, access to business resources and business support activities such as training; use targeted media and translation services extensively
- **Management Expertise:** Providing access to senior level managers who serve as loaned executives to businesses to teach, mentor and assist with business oversight as small businesses implement their operating plans and business models
- **Public/Private Sector Partner Support:** Allocating public and private sector resources to strengthen business trade associations that provide services to minority and small businesses
- **“No Wrong Door” for Small Businesses to Access Montgomery County Government Services:** Ensuring easy access to government resources and services regardless of which agency or entity a business initially contacts; this can be accomplished by educating all County employees who interact with businesses (including those in licensing, permitting, planning, procurement, among others) to know about available small business resources so they can make appropriate referrals or suggestions.



RECOMMENDED KEY METRICS

RECOMMENDED KEY METRICS

Metrics for the Economic Development Strategic Plan have been developed to measure quantifiable outputs and outcomes from the strategies and recommendations tied to this plan only. An effective metric should have three characteristics: 1) Clarity of communication—the average person reading a measure should understand what is being tracked and why; 2) Proxy strength—because we don't want to overload ourselves with too many measures, a measures movement should signify that other related activity is moving in the same direction, and 3) Technical reliability—there must be a clear and consistent data source and methods for reporting over time.

The metrics listed below are a combination of actual outputs (numbers of businesses recruited), data collection (market capitalization of businesses or demographic information), and aspirational metrics, where we want to collect data, especially around outcomes, but we do not have a current base to establish objective metrics at the current time. An example would be the number or increase in the number of in-county residents obtaining jobs at businesses in the County priority industries as a result of educational programs established in the plan to address workforce needs.

Metrics record information. Success is driven by the context and interpretation of the metrics relative to specific goals and intended outcomes. As an example, average county commute time may increase overall (not good) but options which offer alternatives to car use, resulting in significant reductions in greenhouse emissions and improved walkability indexes or bus rapid transit options (good) need to be evaluated in their entirety.

Where existing baselines measures or historical data exist, the exact metrics will be developed accordingly. In all other circumstances, data and information will be gathered periodically through the implementation of this plan to establish more objective and quantifiable metrics during the duration of this plan.

In all cases, metrics reflect the activities of all County agencies, partners, and contractors (MCEDC) identified in this plan. Metrics will be compiled annually, at the end of each fiscal year.

PRIORITY A. ACCELERATE INNOVATION ECONOMIC DRIVERS AND ENTREPRENEURSHIP

OBJECTIVE: Grow key innovation clusters from life sciences to advanced technologies. Promote entrepreneurship by nurturing private industry innovators and enhancing commercialization opportunities.

- Growth of clusters compared to State growth of same cluster including industry location quotient
- Job employment and growth in identified clusters compared to State and Regional growth trends
- Number of recruited businesses by specific industry, including total jobs from recruited businesses
- Number of expanded/retained businesses by specific industry, including total jobs from those businesses
- Number of new businesses started by specific industry
- Market capitalization of County businesses by specific industry
- Amount of private investments in County businesses for each industry including businesses participating in the County's BIN
- Number of annual SBIR grants
- Total new square footage built/leased by specific industry
- Number of graduating businesses from the County's Business Incubator network (BIN)

PRIORITY B. PROVIDE GREATER WORKFORCE AND EDUCATIONAL OPPORTUNITIES

OBJECTIVE: Create a robust talent pipeline within target sectors that supports industry growth and diversification. Invest in an educational system that prepares residents and workers with the skills and mindset needed to meet the industry needs of tomorrow.

- Net job growth by strategic industry and countywide
- Percent of jobs created/retained above County average wage by strategic industry and countywide
- Number of new workforce pipeline initiatives created for each industry in Priority A
- Number of total individuals that successfully completed training/credentials for new pipeline initiatives, including relevant demographic information of the individuals relative to programs outlined in this plan
- Number of individuals placed in priority industry businesses (e.g., a life science credential in a life sciences business, including relevant demographic information of the individuals
- Number of private businesses participating in creation and refinement of pipeline initiatives through programs established in this plan.

PRIORITY C. BUILD LIVABLE COMMUNITIES THAT CONNECT RESIDENTS TO JOBS

OBJECTIVE: *Build more housing stock that residents can afford and that supports the growing population of households. Provide multi-modal transportation infrastructure which supports an economical, safe and environmentally sustainable way for people to conveniently move throughout the County based on the places where they live, work and play.*

- Annual capital dollars invested in County infrastructure vs. CIP budget
- Number of projects meeting objectives by percentage
- Number of new residential units built relative to DOT and COG s projections
- Number of net new affordable units built or converted from existing housing stock
- Walkability scores for County business districts and/or key corridors
- Number of new Bus Rapid Transit routes constructed
- Number of new electronic vehicle stations installed
- Median price of new residential units built by County region
- Average County commute time or travel time index

PRIORITY D. CREATE AN INCLUSIVE ECONOMY FOR SHARED PROSPERITY

OBJECTIVE: *Create business opportunities and build a local community ecosystem which supports a more inclusive economy addressing racial equity issues.*

- Number of attracted, retained, and new businesses started that are small, women, or minority-owned
- Percent of County investment in distressed areas vs. plan
- Percent of small businesses assisted through plan
- Percent of minority and women owned businesses assisted
- Number of newly created mentorship programs for small, women, and minority-owned businesses
- Number of businesses that remain a going concern for more than three years (based on accounting definitions, meaning active tax paying licensed) after participating in a mentorship program



RECOMMENDED KEY STAKEHOLDERS

ACTIVITY	R (RESPONSIBLE) A (ACCOUNTABLE) C (CONSULTED) I (INFORMED)	TIMETABLE IMMEDIATE AS OF 12/31/21	TIMETABLE FUTURE	
PLAN SUBMISSION	MCEDC	Dec. 31, 2021	Bi-Annually	
PLAN REVIEW / CEX	County Executive	Jan. 1 - 31, 2022	Bi-Annually	
PLAN REVIEW / APPROVAL	County Council	Feb. 1 - Apr. 15, 2022	Bi-Annually	
PRIORITY A. ACCELERATE INNOVATION ECONOMIC DRIVERS AND ENTREPRENEURSHIP				
INNOVATION ECONOMIC DRIVER: LIFE SCIENCES				
Courting Biohealth Companies to Relocate	MCEDC	R	Active	Ongoing
	BHI	C		
Retain Existing Growth-Stage Biohealth Companies	MCEDC	R	Active	Ongoing
	Industry Partners	C		
	Montgomery Co. Govt.	C		
Public/Private Partnerships: Stimulating Applied Research Commercialization	Montgomery Co. Govt.	R,A	Jan. 1, 2022	Ongoing
	MCEDC	C,I		
	Industry Partners	R		
Promoting Public Resources for Entrepreneurs: Marketing	MCEDC	R	July 1, 2022	Ongoing
	Industry Partners	R		
	Montgomery Co. Govt.	A		
Workforce Development Solutions	Academic Institutions	R,A	July 1, 2022	Ongoing
	Industry Partners	R,A		
Prioritizing Neighborhood-Level Land Use	Montgomery Co. Planning	R	July 1, 2022	Ongoing
Streamlined Permitting and Development Process	Montgomery Co. Govt. - Permitting	R,A	Active	Completed: July 1, 2022
	Commerce Cabinet	A,C,I		
Energy Resilience	Montgomery Co. Govt.	R,A	July 1, 2022	Ongoing
INNOVATION ECONOMIC DRIVER: HOSPITALITY TECHNOLOGY				
Match Anchor Institutions with Startups	Industry Partners	C,I,A	July 1, 2022	Ongoing
	MCEDC	R		
	Startups	I,C,A		
Target Growth Stage Companies for Relocation	MCEDC	R	July 1, 2022	Ongoing
Hospitality Incubator	Montgomery Co. Govt.	R,A	July 1, 2022	Ongoing
	MCEDC	R		
	Private Industry	R,A		
Workforce Training Initiatives	WSM	R,A	Sep. 1, 2022	Ongoing
	Private Industry	R,A		
	MCEDC	I		
Showcase Summits	MCEDC	R	July 1, 2022	Ongoing
	Industry Partners	R,A		

INNOVATION ECONOMIC DRIVER: QUANTUM COMPUTING TECHNOLOGY				
Local Research and Development Collaboration	Academic Institutions	R,A	Active	Ongoing
	Connected DMV	C,I		
Quantum Technology Workforce Creation	Academic Institutions	C,I,A	July 1, 2023	Ongoing
	WSM	A		
	Industry Partners	R,A		
	MCEDC	C,I		
Support Emerging Quantum Companies	Industry Partners	A,C,I	July 1, 2022	Ongoing
	Montgomery Co. Govt.	C,I		
	MCEDC	R		
Local/Regional Strategies for Grants/Funding	Montgomery Co. Govt.	R,A	July 1, 2022	Ongoing
	Industry Partners	R,A		
	MCEDC	I,C		
INNOVATION ECONOMIC DRIVER: CYBERSECURITY				
Industry Buildout	Industry Partners	R,A	Active	Ongoing
Cybersecurity Marketing	MCEDC	R,A	Active	Ongoing
	Industry Partners	C,I		
Cybersecurity Experts Consulting Team	MCEDC	R,A	July 1, 2022	Ongoing
	Target Companies	C,I		
	Industry Partners	R,A		
ENTREPRENEURSHIP ECOSYSTEM BUILDING				
Ecosystem/Incubator Expansion	Montgomery Co. Govt.	R,A	July 1, 2022	Completed: Dec. 2022
	MCEDC	R,A		
	Industry Partners	C,I		
Ecosystem/SBIT/STTR Expansion	Montgomery Co. Govt.	C,I	Active	Ongoing
	MCEDC	R		
	Industry Partners	R,A		
Ecosystem/Federal Engagement Strategy	MCEDC	R,A	Active	Ongoing
	Industry Partners	R,A		
PRIORITY B. PROVIDE GREATER WORKFORCE & EDUCATIONAL OPPORTUNITIES				
WORKFORCE DEVELOPMENT OPPORTUNITIES				
Workforce Development/Entry Level Jobs	Industry Partners	R,C,I	July 1, 2022	Ongoing
	MCEDC	C,I		
	WSM	C,I		
Workforce Development/Strengthening the Pipeline in High Need Occupations	Industry Partners	R,C,I	July 1, 2022	Ongoing
	Academic Institutions	R,A		
	Montgomery Co. Govt.	C,I		

EDUCATIONAL ATTAINMENT OPPORTUNITIES				
Education and Skills Development	Academic Institutions	R,A	Active	Ongoing
	WSM	C,I		
Collaboration	Industry Partners	C,I	Active	Ongoing
	Academic Institutions	R,A		
	Montgomery Co. Govt.	C,I		
Early Care and Education	Montgomery Co. Govt.	C,I	July 1, 2022	Ongoing
	ECE Entity	R,A		
	Industry Partners	R,A		
	Community Partners	R,A		
Advanced Educational Trends	Academic Institutions	R,A	Sep. 1, 2022	Ongoing
Pathways Beyond STEM	Academic Institutions	R,A	Sep. 1, 2022	Ongoing
Pathways Alignment	Academic Institutions	R,A	Active	Ongoing
	Industry Partners	C,I		
PRIORITY C. BUILD LIVABLE COMMUNITIES THAT CONNECT RESIDENTS TO JOBS				
HOUSING TO SUPPORT A DIVERSE WORKFORCE				
Zoning Policy Realignment	Montgomery Planning	C,I	July 1, 2022	Sep. 1, 2023
	Montgomery Co. Govt.	R,A		
Capital Programs	State/Federal Govt. Partners	R,A	Sep. 1, 2022	Ongoing
	Montgomery Co. Govt.	R,A		
	Industry Partners	C,I		
	Community Partners	C,I		
Incentive Repurposing	Montgomery Co. Govt.	R,A	Sep. 1, 2022	Sep. 1, 2023
	Industry Partners	C,I		
	Community Partners	C,I		
Public/Private Partnerships	Montgomery Co. Govt.	R,A	Sep. 1, 2022	Ongoing
	Industry Partners	R,A		
TRANSPORTATION AND ENVIRONMENTAL SUSTAINABILITY				
Safety and Vision Zero Initiative	Montgomery Co. Govt.	R,A	Active	Ongoing
Transportation Related Climate Action Plans	Montgomery Co. Govt. - Transportation	R,A	Active	Ongoing
	Montgomery Co. Govt. - DEP	C,I	Active	Ongoing
Equitable Economic Growth Initiatives	Montgomery Co. Govt.	R,A	Active	Ongoing
	Industry Partners	C,I		
	Industry Partners	A,I,C		

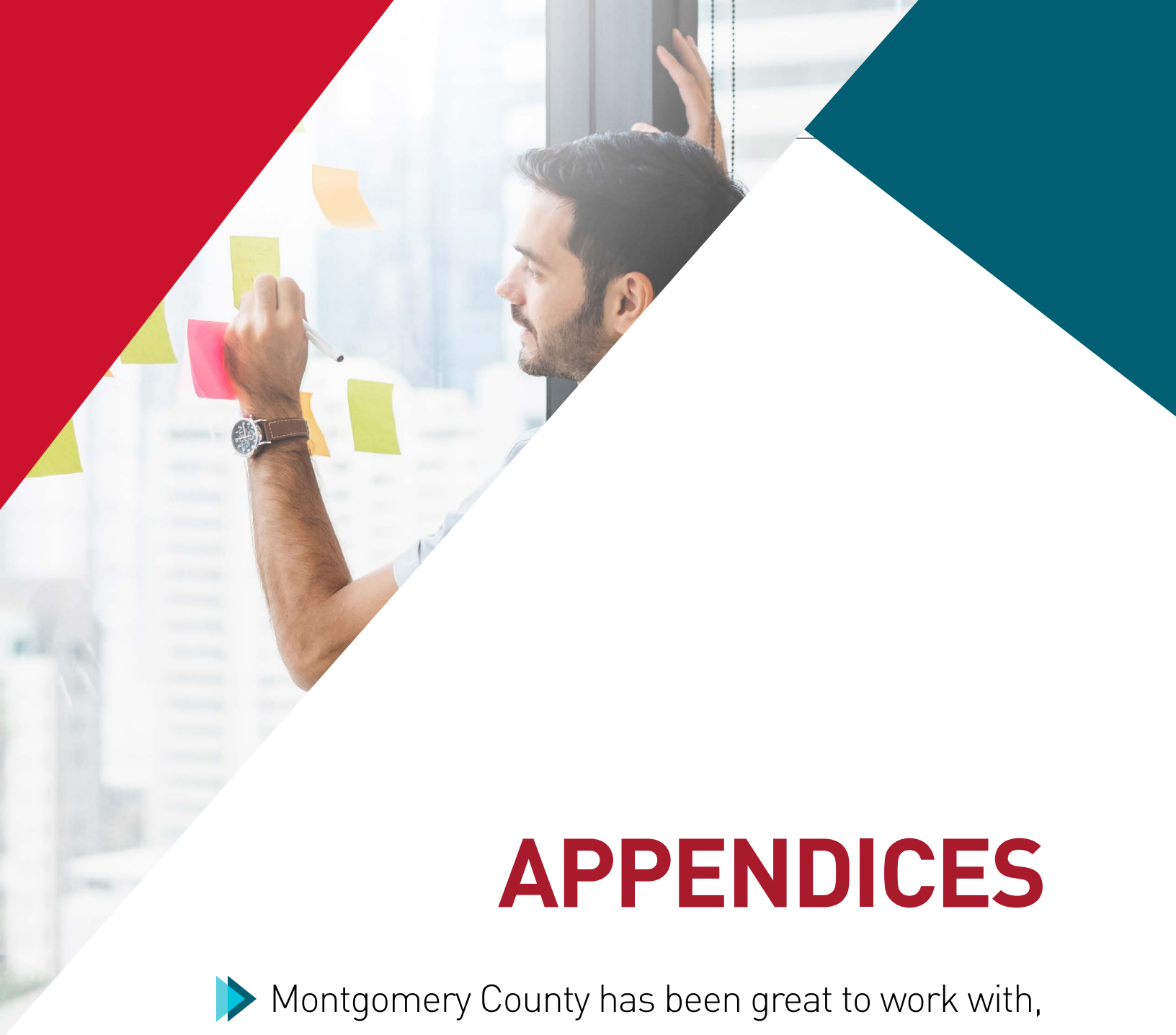
PRIORITY D. CREATE AN INCLUSIVE ECONOMY FOR SHARED PROSPERITY

COMMUNITY WEALTH BUILDING

Networking	Industry Partners	R	Active	Ongoing
	Business Networks	R,A		
Training and Development	Industry Partners	R,A	July 1, 2022	Ongoing
	Community Partners	C,I		
Mentoring	Industry Partners	R,A	Active	Ongoing
Business Plan Execution	Industry Partners	R,A	July 1, 2022	Ongoing
	Montgomery Co. Govt.	C,I		
Access to Capital	Industry Partners	R,A	Active	Ongoing
	Montgomery Co. Govt.	C,I		
	MCEDC	C,I		
Promotion and Cultivation	Community Partners	R,A	Active	Ongoing
	Montgomery Co. Govt.	R,A		
	MCEDC	R,C,I		

SMALL, WOMEN AND MINORITY OWNED BUSINESS GROWTH

Access to Capital	Montgomery Co. Govt.	C,I	Active	Ongoing
	Industry Partners	R,A		
	MCEDC	R,C,I		
Training	Industry Partners	R,A	July 1, 2022	Ongoing
	Montgomery Co. Govt.	R,C,I		
Networking	Industry Partners	R,A	Active	Ongoing
	MCEDC	C,I		
Messaging	MCEDC	R,A	July 1, 2022	Ongoing
	Montgomery Co. Govt.	C,I		
	Industry Partners	C,I		
Management Expertise	Industry Partners	R,A	July 1, 2022	Ongoing
	MCEDC	C,I		
Public/Private Partner Support	Industry Partners	R	Ongoing	Ongoing
	Montgomery Co. Govt.	C,I		
"No Wrong Door" Policy	Montgomery Co. Govt.	R,A	July 1, 2022	Ongoing



APPENDICES

▶ Montgomery County has been great to work with, especially over the last couple of years. They get it. I have found the leadership at Montgomery Planning and DPS (Department of Permitting Services) very accommodating to achieve necessary goals in a certain timeline.

— JAY BRINSON, VP OF DEVELOPMENT, FEDERAL REALTY

APPENDICES

APPENDIX 1 – MONTGOMERY COUNTY AT A GLANCE

In many ways, Montgomery County is not your typical American county.

Montgomery County is the largest of Maryland’s 24 jurisdictions and, in the most recent 2020 decennial census, became the first in the State’s history to top a million residents. If the County were one of the 50 U.S. States, its population would be larger than seven other States.

While the County is growing more slowly than in past decades, its population is still projected by the Metropolitan Washington Council of Governments to increase by about 200,000 people over the next 30 years¹⁴. As a result, the County will need to accommodate this growth moving forward.

Montgomery County is one of the economically strongest counties in the country with many attributes to attract business growth. Montgomery County is the largest contributor to Maryland’s economy and has the highest per capita income in the State of Maryland, putting the County in the top 1% for income and net worth in the country¹⁵. Montgomery County’s economic power, as measured by GDP, is larger than that of 12 States.

Montgomery County’s talent pipeline has few peers in the country. It has one of the most highly concentrated populations of educated, highly skilled workers. Among large counties in the country, Montgomery County is ranked first in the nation in percentage of residents having earned an advanced degree.

Diversity is one of its greatest strengths. Montgomery County is known for its racial, ethnic and international diversity, with four of the most diverse cities in the U.S. and a third of the population that is foreign-born and speaks 150 languages. Demographically, the rest of America will not be as diverse as Montgomery County for another 30 years.

Notwithstanding all these substantial assets, Montgomery County’s economy faces near-term obstacles. The current COVID-19 pandemic has had a considerable impact, creating record job losses and driving the unemployment rate to an all-time high of 8.6% in April 2020.

¹⁴ [Thrive Montgomery 2050 Draft](#)

¹⁵ U.S. Bureau of Economic Analysis, 2019

Even as Montgomery County continues to make significant economic recovery progress by many measures, there are singular challenges that must be addressed for the County to be fully competitive. For example, Montgomery County’s innovation-led economy is increasingly confronted with aggressive competition regionally, nationally and globally. This is especially clear as its jurisdictional peers in the Greater Washington region are continuously intensifying efforts to advance their competitive postures with prioritized economic development initiatives and actions. Montgomery County must do the same in key industry sectors or else jeopardize its hard-won stature.

A LARGE EMPLOYMENT BASE FACING COMPETITION

Montgomery County remains by far the largest employment base in the State of Maryland¹⁶, but job growth in the 2010s lagged many counties in the State. While Montgomery is second only to Washington, D.C and Fairfax among Greater Washington region jurisdictions, its growth rate has been lower than Washington, D.C. and Arlington, which have both attracted significant numbers of younger, working-age adults.

A HIGHLY EDUCATED AND TALENTED WORKFORCE

- 59% of adults over 25 in Montgomery County have a bachelor’s degree or higher.¹⁷
- 31.4% of adults over 25 in Montgomery County have an advanced degree.¹⁸
- Maryland has the second highest concentration of STEM jobs of any State in the U.S.¹⁹
- Maryland is a top 2 State for professional and technical workers.²⁰
- Maryland has the second highest concentration of employed doctoral biological sciences and health workers per 100,000.²¹
- Maryland is the #3 State in science, engineering and technology establishments as a share of all business establishments at 12.7%.²²
- Maryland is #4 in the 2020 ITIF State New Economy Index²³, a measure of a State’s economy as knowledge-based, globalized, entrepreneurial, information technology-driven and innovation-based.

16 Worksource Montgomery “Local area Workforce Plan 2024”

17 U.S. Census 2019

18 U.S. Census 2019

19 MD Department of Commerce: [Rankings & Statistics](#)

20 Maryland Department of Commerce

21 Maryland Department of Commerce

22 Maryland Department of Commerce

23 [The 2020 State New Economy Index | ITIF](#)

A HIGH COST OF LIVING

Housing costs factor significantly into employer decisions about where to locate, and when housing is available at costs people can afford, it is easier for employers to attract and retain employees across all levels.

Cost-of-living and housing is comparatively high in many employment centers around the Washington region. While the County’s cost of living is somewhat lower compared to other area jurisdictions like Washington D.C., Fairfax and Arlington, the County’s overall cost of living is 39% above the U.S. average, and housing costs are nearly twice the U.S. average. Critically, Montgomery County’s living and housing costs are far above other high-growth counties.

COMPARISONS: REGIONAL COST OF LIVING INDEX²⁴

LOCATION	OVERALL	HOUSING
Arlington County	168.7	294.8
Washington, D.C.	154.3	244.8
Fairfax County	152.0	238.4
Loudoun County	147.7	221.3
Montgomery County	139.4	195.0
Prince George’s County	121.3	128.9

COMPARISONS: COST OF LIVING INDEX IN SIMILAR U.S. GROWTH COUNTIES²⁵

LOCATION	OVERALL	HOUSING
Montgomery, MD	139.4	195.0
Denver, CO	128.7	184.7
Maricopa, AZ	108.0	118.7
Wake, NC	105.6	124.8
Orange, FL	105.3	108.2
Davidson, TN	102.8	112.8
Mecklenburg, NC	100.5	102.4
Dallas, TX	99.5	92.9
Gwinnett, GA	99.3	99.7
Harris, TX	97.9	83.2

A HIGHLY DIVERSE AND INTERNATIONAL POPULATION

Montgomery County is a melting pot of cultures and nationalities that is reflected in its residents. People of all nationalities and ethnicities call the region home. Its diversity is fueling the establishment of new businesses and the transformation of ideas and discoveries to the marketplace.

²⁴ BestPlaces.net

²⁵ BestPlaces.net

- **47%** of businesses are women-owned²⁶
- **45%** of businesses are minority-owned²⁷
- **138 different languages** are spoken in County public schools²⁸
- **57%** of our residents are non-white²⁹
- One in every three residents was born outside the U.S.³⁰ different languages are spoken in our public schools³⁰

ATTRACTIVE BUSINESS MULTI-MODAL CONNECTIVITY³¹

Montgomery County is a key region within the country's prime commercial East Coast corridor that is centrally proximate to half of the U.S. population.

- Three international airports within 30 miles, creating a global gateway for international business
- One of the busiest regional metro systems in the country with six lines and 91 stations
- Bus Rapid Transit (BRT) is in Montgomery County and expanding with dedicated lanes, green light priority signaling and more frequent service
- One third of the U.S. population is within a day's drive of Montgomery County

MAJOR FEDERAL ASSETS

As a neighboring jurisdiction to Washington, D.C., Montgomery County has the enviable position of being a magnet for federal entities and institutions. These agencies partner in many ways with private sector advancements.

- 38 federal labs³² are in the State of Maryland with a federal R&D investment of \$15.4 billion (2017)
- 18 federal agencies either have headquarters in or a significant presence in the County, including:
 - The Food and Drug Administration (FDA) which protects the public health and ensures the safety and security of drugs, biological products and medical devices

26 U.S. Census 2012, Survey of Business Owners

27 U.S. Census 2012, Survey of Business Owners

28 Montgomery County Public Schools

29 U.S. Census

30 U.S. Census

31 Maryland Department of Commerce

32 Federal Laboratory Consortium

- The National Institute of Health (NIH) which is the world's largest biomedical research agency with 27 Institutes and Centers
- The National Institute of Standards and Technology (NIST) which has a mission to promote U.S. innovation and industrial competitiveness by advancing measurement science, standards and technology in ways that enhance economic security and improve the County's quality of life. NIST actively seeks opportunities to participate in cooperative research and development programs with non-federal entities, particularly U.S. industry partners and collaborators.

KEY OPPORTUNITY INDUSTRIES FOR GROWTH³³

Life Sciences

- Known as the Immunology Capital Next to the Nation's Capital
- 480 biotech companies in the County, accounting for 14,000 jobs
- The 4th highest concentration of biotech in the U.S.
- 224 venture capital deals and \$2.56 billion in private investment since 2015

Hospitality

- Half of all publicly traded hospitality companies in the U.S.
- 20 hospitality companies including Marriott, Choice, Sodexo and Host Hotels & Resorts

Quantum Computing Potential

- Partnership with the University of Maryland (200 researchers engaged in quantum computing science) and the Johns Hopkins Applied Physics Lab
- Partnership potential with public-sector federal research labs such as National Institute of Standards and Technology (NIST), National Institutes of Health (NIH), Intelligence Advanced Research Projects Activity (IARPA), Department of Energy (DOE), National Security Agency (NSA) and private sector companies

A LEADER IN ENVIRONMENTAL SUSTAINABILITY

Montgomery County continues to be a national leader in responding to the challenges of climate change. The forward-thinking policies and plans reflected in Montgomery County's newly released Climate Action Plan³⁴ make the County more attractive

33 Reach Advisors, 2020

34 [Montgomery County Climate Action Plan: Building a Healthy, Equitable, Resilient Community; Montgomery County, June 2021](#)

and competitive to retain, grow and attract businesses that seek to be more environmentally friendly and reduce their carbon footprint.

- Reduce GHG emissions 80% by 2027 and 100% by 2035
- Generate solar, CHP and other low emissions energy on County facilities
- Design new County buildings to achieve a minimum LEED Silver certification, with many achieving LEED Gold
- Reduce fuel consumption through growing green fleet operations

MONTGOMERY COUNTY ECONOMIC SECTOR OVERVIEW³⁵

Montgomery County is combined with Frederick County in the same Metropolitan Statistical area. Here are employment sectors of note:

- The two largest employment sectors as of September 2021 are professional and business services (131,500 employed, or 23%) and government (110,500, or 19% of employed)
- Health and education services are the number three sector, with 89,000 employed, or 16% of the County workforce
- Ambulatory health services (caregiving and nursing homes) employ 36,200, or nearly half of health services

MONTGOMERY COUNTY LIVABLE COMMUNITY AMENITIES

- **42** National Blue-Ribbon schools³⁶
- **421** Parks across 37,100 acres & 270 miles of trails³⁷
- **350** Cultural and Entertainment organizations
- **93,000-acre Agricultural Reserve**, one of the country's best examples of land conservation³⁸

35 Bureau of Labor Statistics

36 Montgomery County Public Schools

37 Montgomery Parks

38 Office of Agricultural Service

APPENDIX 2 – COVID-19 PANDEMIC IMPACT ON MONTGOMERY COUNTY

Prior to the COVID-19 pandemic, Montgomery County was experiencing historically low unemployment rates. As the pandemic's effects first took hold, business restrictions and shutdowns drove Montgomery County's unemployment rate to a record high in 2020.

A year later, Montgomery County's unemployment rate fell below the state. Montgomery County has experienced a gradual economic recovery that trends closely with the regional average; however, Food Services jobs and Retail jobs were particularly hard hit and are still facing an uncertain recovery.

Montgomery County responded to the devastating impact of the pandemic with an array of outreach efforts and recovery programs including \$86.7 million in direct business assistance, which was the most support provided by any jurisdiction in the region.

There is a concern that pandemic-impacted job losses have been concentrated in lower-wage sectors and will therefore widen economic disparities. Working families in the County may recover at a slower pace because of rising income inequality and limited opportunities for higher-paying jobs. Economic recovery could be especially difficult for workers in low-wage service and support occupations as evidenced by the slow recovery of these industries.

Despite many prominent industry sectors being hit by the pandemic, the life sciences sector has remained strong. Several Montgomery County biohealth companies played a critical role in the development of lifesaving COVID-19 vaccines and treatments. In 2020, almost \$8 billion in federal, private and foundational funding was invested in Montgomery County biohealth companies for COVID-19 vaccine and immunotherapeutic developments, and four of the top ten recipients of federal 2020 Operation Warp Speed funding for coronavirus vaccine research have a presence in Montgomery County.

In addition to the billions of dollars in funding from Operation Warp Speed, Montgomery County companies have also received substantial 2021 investments in private funding and venture capital. Despite the pandemic, several companies have chosen to locate in Montgomery County, reflecting the County's strength in growing its life sciences, advanced technology and other leading industry sectors.

The expansion of the local biohealth industry is also prompting growth in commercial real estate and laboratory infrastructure. With rising demand and just 5.2% availability for the County's existing lab space, an additional 1.6 million square feet (SF) of Montgomery County lab space is currently in development to accommodate this demand surge. This is a significant infrastructure investment that will add to the gradual recovery of the County's economy and is critical to maintain a global industry leadership position in the life sciences.

APPENDIX 3 – ECONOMIC DEVELOPMENT STRATEGIC PLAN: SOURCE GUIDE

Montgomery County Comprehensive Economic Strategy, A Plan for Economic Prosperity: One County, One Vision

November 2016

Issued from the Office of the County Executive

Sets a vision that Montgomery County will be a global magnet for creative companies, technologies and people; the last Council-ratified Economic Development Strategic Plan.

Connecting the Dots: Accelerating Economic Growth in Montgomery County, MD

October 2021

Issued from the MCEDC Economic Advisory Panel

Recommendations and Action Items from a panel of 20 business leaders co-chaired by Norm Augustine and DeRionne Pollard; convened by the Montgomery County Economic Development Corporation (MCEDC).

Thrive Montgomery 2050

April 2021

Issued by the Montgomery County Planning Board

The report is the update to Montgomery County's General Plan, its long-range policy framework for guiding future land use and growth; the last update to the General Plan was in 1993.

The Housing Needs Assessment

July 2020

Issued by the Montgomery County Planning Board

Provides background to develop a comprehensive housing policy that meets the needs of current and future residents; contains housing principles, goals, targets, strategies and priorities to be adopted via the General Plan.

The Future of Housing in Metropolitan Washington

September 2019

Issued by the Metropolitan Washington Council of Governments (COG)

Report by regional officials and housing and planning directors to address the Greater Washington area's unmet housing needs.

Montgomery College Strategic Plan, 2020-2025

June 2019

Issued by Montgomery College

Current operating strategic plan used by Montgomery County's local two-year community college.

Universities at Shady Grove Strategic Plan

On-Going, 2021-2022

Issued by the Universities at Shady Grove

As a University System of Maryland institution, USG is undergoing a strategic planning exercise that is convening workshops and reviewing data to create a USG 2.0 set of goals and principles.

Montgomery County Climate Action Plan: Building a Healthy, Equitable, Resilient Community

June 2021

Issued by the Office of the County Executive

Report to help achieve Montgomery County's ambitious climate goals— to reduce greenhouse gas emissions 80% by 2027 and 100% by 2035.

Connecting Our Communities: MCDOT's Vision for Transportation in Montgomery County, MD

November 2021

Issued by the Montgomery County Department of Transportation

Highlights MCDOT's three priority areas: Safety and Vision Zero, Environment and Climate Resiliency and Economic Growth and Equitable Access.

WorkSource Montgomery Local Area Workforce Plan, 2020-2024

January 2022

Issued by WorkSource Montgomery

Countywide workforce operating plan consistent with federal and state laws; WorkSource Montgomery focuses on linking local and regional economic development and workforce efforts.

Council Bill 10-21: Economic Development Strategic Plan

May 2021

Issued by the Montgomery County Council

Council-passed legislation to transfer the drafting authority of the Montgomery County Economic Development Strategic Plan from the County Executive to the MCEDC.

Council Bill 10-21 Staff Report

May 2021

Issued by the Montgomery County Council

Council staff report that accompanied the legislative consideration of Bill 10-21.

Council Resolution 19-300: Economic Development Platform

November 2019

Issued by the Montgomery County Council

Council-passed resolution that established a platform of four pillars for Montgomery County economic development.

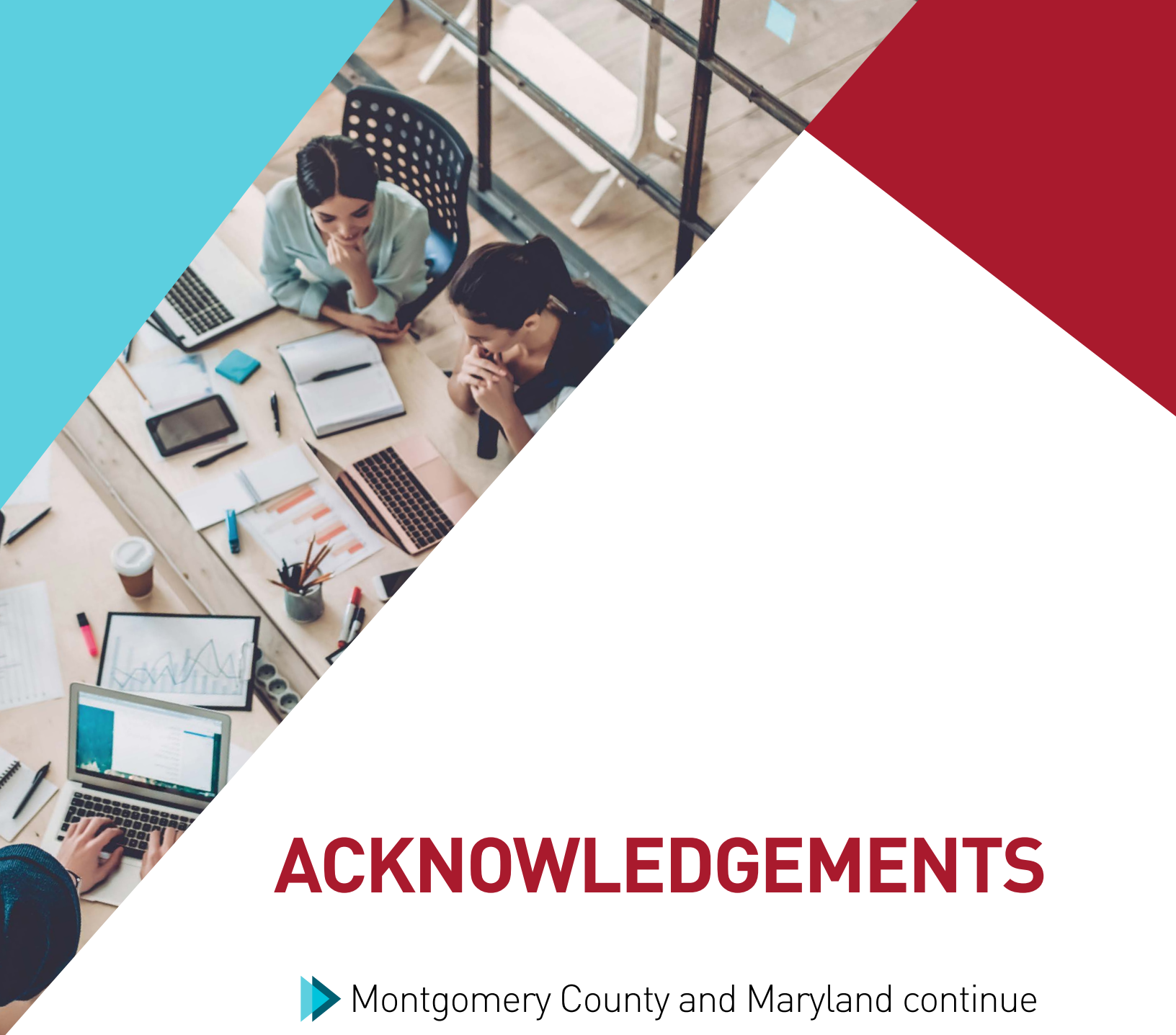
APPENDIX 4 - ECONOMIC DEVELOPMENT STRATEGIC PLAN: LEGISLATIVE HISTORY AND STATUTORY REQUIREMENTS

Since the creation of the last Montgomery County Economic Development Strategic Plan in 2016, a statutory change has been made that affects all future strategic plans going forward. The County Council took action to transform Montgomery County's economic development strategic approach with the passage of Bill 10-21 on May 27, 2021.

The Council-passed legislation shifted responsibility for drafting the plan from the County Executive to the Montgomery County Economic Development Corporation (MCEDC) and consolidated leadership over the strategy development to MCEDC. The Council concluded that this action would have a positive, long-term impact on economic conditions in Montgomery County.

Consistent with the enacted legislation, the plan is submitted to both the County Executive and the County Council for the Council's eventual ratification. The County Executive will provide input on the MCEDC draft plan, and the Council will hold a public hearing on the draft plan and adopt the final version by resolution.

The intention is the plan will not be a static document. Starting two years after Fiscal Year 2022, MCEDC will update the plan based on any changes in County priorities and market dynamics. The County will then formally adopt a new Economic Development Strategic Plan every four years with biennial updates.



ACKNOWLEDGEMENTS

▶ Montgomery County and Maryland continue to be wonderful to work with...We are delighted to continue expanding our presence here in Germantown.

— SEAN D. AUGERSON, VP OF QIAGEN

ACKNOWLEDGEMENTS

The Montgomery County Economic Development Strategic Plan is built on information drawn from the community since 2016 including direct input and guidance from local businesses, residents and County government leaders. The Plan has been developed on the foundation of an extensive outreach process that included over 35 meetings with stakeholders, over five years of engagement with local businesses along with analysis of data and reports developed for the County in the past decade.

As part of the plan's preparation, information gathered from meetings was vetted through data assessment to ensure that plan recommendations were supported by market realities. Additionally, the plan and its findings will be reviewed through an extensive process including review and comment by the County Executive, County Council and members of the general public. A special thank you to MCEDC staff for their dedication and invaluable contributions to the development of this plan.

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