



FY2014-2015 Strategic Plan

**Montgomery County Department of
Economic Development**



Vision

Establish Montgomery County as a globally competitive, highly diversified knowledge-based economy that encourages company retention and growth, new job creation and new company formation.

Background

Montgomery County is home to more than 1,000,000 residents and is the equivalent size of the 12th largest city in the United States, ahead of Austin, San Francisco, Fort Worth, Charlotte, etc. Its population is incredibly diverse; Montgomery County is now a majority minority jurisdiction. The County's population is also among the most highly educated in the country, and Bethesda is touted as having more graduate degrees per thousand residents than anywhere else in the United States. Nevertheless, the income range of County residents is quite substantial with a growing number of millionaires on the one hand and a surprisingly large percentage of school-age children eligible for FARMS (free and reduced meals) assistance on the other. It is clear that this is not a jurisdiction where one size fits all.

The County is home to approximately 33,000 businesses in a wide range of sectors. The County's economy rises and falls in a pattern similar to swings in the regional economy, but with less of an arc than most of our neighboring jurisdictions. Our proximity to the US capitol and its executive agencies has had a profound influence on our economy, sheltering us from the worst effects of prior recessions. Going forward, sequestration and future federal budget cuts may well alter those historical trends.

Our "basic" industry sectors, those that drive the economy irrespective of population trends, are largely knowledge-based: IT, life sciences, professional services, cybersecurity, etc. These are generally-speaking the more globally competitive sectors and ones where access to customers, workforce, and capital are more important than the size, age or wealth of the population.

Our "non-basic" industry sectors, those that are driven by our population trends, include retail, healthcare, residential banking and financial services, etc. These businesses exist to support the local basic sector and residents and change in relation to population changes (number, avg. wages, etc.).

This distinction between basic and non-basic industry sectors is important as we look at the allocation of resources because a growing basic sector will lead to growth in the non-basic sector.

Every company and every entrepreneur is precious, and Montgomery County will do all it can to create a climate in which every company can flourish and is supported. The range of DED activities, as a result, is fairly broad, from those that affect the County's master plans to those that mentor individual start-ups.

In a world of constrained resources, however, it is necessary to make choices. As a result, the planned activities for FY14 ND FY15 are clustered around six primary strategies:

- A Bird in the Hand (Company Retention)
- Bigger is Better (Company Growth)
- Smart Growth = Strategic Growth (Focus)
- Increasing the Size of the Table (MBWE)
- Building for our Future (Entrepreneurship)
- Telling the MoCo Story (Marketing)

A Bird in the Hand

Company Retention



Choice International Hotels' new headquarters under construction.

Strategy

Develop relationships with and retain existing businesses

Rationale

Every good client management program begins with attention to the base; Montgomery County's economic development approach is no exception. We want to keep the companies that are here.

Tactics

- Strategic account management through relationship development; strategic account companies are chosen because of their size, lease expiration, rate of growth, recognition through awards, recipient of county funds/services (EDF recipients, BIN graduates)
- Maintain a comprehensive database of County companies
- Strengthen business organizations to create stickier networking centers, a stronger voice for business interests, and increased opportunities to stay abreast of best practices

- Develop and implement a business appreciation program with multiple segments (web, e-blasts, recognition events, milestone acknowledgment)
- Communicate regularly with the local business community
- Monitor and influence Federal leasing requirements

Measurements

- Increase the number of companies and the total number of employees at companies assisted by DED
- Visit c-levels of 200 strategic accounts and 200 general accounts annually.
- Increase membership in County business organizations
- Recognize 250 companies as part of an annual appreciation program
- Produce weekly e-publications that market the County and its companies
- Retain all Federal agencies with locations in the County

Bigger is Better

Company Growth



WeddingWire, #309 on the Inc. 500 Fastest Growing Companies, moves to a new 25,000-square-foot headquarters in Chevy Chase.

Strategy

Increase capital investment and job growth in the county

Rationale

Growth is good! Every dollar paid into County coffers from commercial real estate taxes is one less dollar needed from the home-owner community; every job created in the County is one more opportunity for residents to work closer to home and for the County to gain additional income tax revenue.

Tactics

- Through CEO Roundtables, identify roadblocks to company growth, develop a priority list of issues and work on resolving them
- Expand EDF's Small Business Revolving Loan Fund
- Implement DED's newly acquired ability to take an equity position in companies funded through one or more EDF grants/loans.
- Expand the funds available for small business loans through county funds placed in local community banks; the community banks have agreed to lend 2x the amount that the county deposits with them to local businesses
- Leverage state and federal programs to help Montgomery County companies penetrate foreign markets and attract foreign investment
- Continue the Global Trade Speakers Series with partners MCCC and JHU
- Increase the amount of capital invested in Montgomery County start-ups by VC and angel investors
- Monitor local and state legislation to assure support for a healthy, robust economy
- Collaborate with County agencies to streamline economic development projects
- Manage and promote the use of enterprise zones to spur economic activity
- Maintain and grow the County's farmland through use of TDRs and BLTs; find other funding to augment County Preservation funds

- Conduct an annual farm tour and harvest sale.
- Support the workforce needs of County companies and residents through job fairs, job-seeker assistance, and specific employer recruitments

Measurements

- Increase job growth, new capital investment and net new commercial space occupied by company expansions with DED assistance
- Hold five CEO Roundtables and develop an improvement agenda
- Increase, over the prior year, the value of loans made to local small businesses through local community banks
- Support Montgomery County business participation in foreign trade missions; assure 5 companies participate in each mission (DBED is planning Brazil mission in 4Q 2013; Montgomery County is planning China trip in 3Q 2013)
- Increase the number of companies receiving international assistance from DED
- Increase the value of exports by Montgomery County companies each year
- Increase the amount of FDI each year
- Increase participation in the Global Trade breakfasts by 10% each year
- Increase VC/angel investments in County companies each year
- Work with partners to assure that the economic impact of proposed legislation is considered; testify on an as-needed basis
- Shorten the approval time for projects
- Achieve the designation of Glenmont and redesignation of Takoma-Langley Park as enterprise zones
- Increased use of TDRs and BLTs and increase funding for farmland preservation
- Increase the number of stops in the Annual Farm Tour and the number of attendees
- Increase the number of companies and job-seekers given workforce assistance each year

Smart Growth = Strategic Growth

Focus



The White Flint redevelopment sketch plan submission. The new facility will feature ample open space and pedestrian-friendly access.

Strategy

Smart Growth = Strategic Growth and Vice Versa

Rationale

Yes, growth is good; smart, strategic growth is better. Growth in industry sectors that are considered basic and that match the criteria outlined below are also the most competitive sectors. Other states and local jurisdictions are pouring millions into attracting, starting and growing companies in these strategic sectors. Our goal is to develop robust clusters in select industry sectors.

Land use follows a similar logic. We leverage our assets, in this case it is our transportation systems, communications capabilities, school locations, etc, to allow density where infrastructure already exists. We work to make these areas as “green” as possible by integrating live/work/play elements and by building them in a way which reduces our carbon footprint.

Tactics

- Focus on growing strategic industry sectors, i.e., business sectors, that:
 - 1 match county demographics (highly educated, ethnically diverse)
 - 2 leverage local assets, e.g, NIH, NIST, FDA, JHU, USG, Montgomery College
 - 3 pay sufficiently to support a family living in Montgomery County
 - 4 are growing regionally and/or nationallyCounty strategic sectors are: lifesciences, cybersecurity, health IT, federal contracting, general IT, green/clean technology, agribusiness
- Develop plans to address deficiencies in each strategic cluster
- Provide workforce services to the strategic sectors
- Accelerate development projects that rest on “smart growth” principles, e.g., Wheaton, White Flint, areas with existing infrastructure

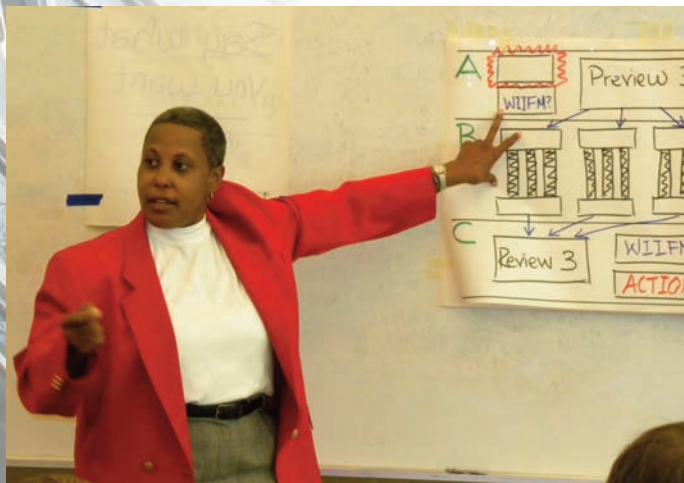
- Manage and further develop the County’s technology parks, e.g., Life Sciences Center, LifeSci Village, Montgomery College-Germantown
- Review County-owned land to assure it meets best and highest use
- Work with the development community on unique projects, e.g., an arena, arts venues, etc.

Measurements

- Complete an industry profile and action plan for each strategic sector
- Support the FFRDC at the National Cybersecurity Center of Excellence
- Job growth in each targeted sector over 3 years
- Increase the number of jobs from new company attraction
- Develop web site pages, marketing materials and outreach plans for each strategic sector
- Identify workforce services needed in each sector, develop a plan, and deliver the services
- Secure land-use approvals required for a structured parking garage to be constructed at the conference center site, necessary due to the realignment of the roads in White Flint.
- Ensure that the commercial vacancy rate at the SGLSC is lower than that of the overall County vacancy rate.
- Successfully influence the final White Oak Science Gateway Master Plan so that LifeSci Village can be developed to its highest and best use, build on its proximity to FDA, and generate substantial private sector investment in the area
- Identify under-utilized and vacant County-owned properties that have near-term private sector residential and mixed-used development potential
- Identify private sector partners to join with the County in developing public amenity projects, e.g., arena, art venue, etc.

Increasing the Size of the Table

MBWE



Sylvia Henderson of Springboard Training emphasizes the need for good marketing strategies to the county's small businesses.

Strategy

Increasing the Size of the Table

Rationale

Fifty years after Martin Luther King's "I Have a Dream" speech, disparities continue to exist. Minority businesses (businesses owned by African Americans, Asians-Americans, disabled, Hispanics, veterans and women) still lag behind in terms of growth. These tactics are intended to help close that gap.

Tactics

- Deliver services to small, MBWE and veteran-owned companies through program grants to partner organizations, e.g., LEDC, Hispanic Chamber of Montgomery County, Asian Pacific American Chamber, SCORE, SBDTC, Montgomery Women's Business Center, etc.
- Monitor grants and work with partners to help them achieve maximum effectiveness
- Strengthen minority and women business organizations by promoting their events, encouraging membership
- Assist small non-profits in coalescing as a sector and increasing their business acumen; develop training programs specific to the non-profit community
- Through the Small Business Navigator, resolve small business issues caught in the county bureaucracy; increase local business participation in the Local Small Business Reserve Program
- Expand the Local Small Business Reserve Program (LSBRP) to include MCPS, MC and local large business procurement needs

- Work intensively with a small number of minority businesses in a year-long mentorship program
- Establish the Montgomery County Small Business Awards event as a premier showcase of the county's small businesses
- Reach out to the small business community through participation at local tradeshow, conferences, and other business events

Measurements

- Increase the number of people reached through DED and partner technical assistance events and training sessions
- Increase membership in minority and women business membership organizations
- Deliver programs for small businesses (largely through partners) that provide training in business skills; increase the number of people reached through the training programs
- Increase the number of County companies participating in the LSBRP; increase value of the procurements awarded through the program
- Resolve or identify solutions for 75% of small business' issues brought to the Small Business Navigator within 30 days
- Graduate 15 businesses annually from the mentorship program; increase mentee company revenues and/or jobs by year-end
- Increase the number of submissions for the county small business awards by 25%; increase the number of attendees at the event by 20%
- Participate annually in 24 tradeshow, conferences, etc. with a DED booth on available services; add 500 names to the mailing list each year

Building for our Future

Entrepreneurship



Montgomery County's Business Innovation Network provides a fertile environment for start-ups.

Strategy

Building for our Future

Rationale

A recent Kauffman Foundation (the world's largest foundation devoted to entrepreneurship) study found that ALL net new job growth since 1980 has come from companies that are less than five years old. New is good, and especially when the start-ups are in the County's strategic sectors. The amount of growth depends on multiple factors; the key ones are experienced management, available funding, and a supportive environment.

Tactics

- Complete the BIN study and begin implementation of recommendations to reposition the Business Innovation Network as the premier national network for high technology companies
- Continue to improve efficiency and effectiveness of the BIN's current operations in order to increase graduation rates and company retention
- Analyze the history of companies 5 years post graduation; determine any trends/issues which would suggest changes to the program
- Improve the quality of the BIN education program
- Partner with BHI to increase the number of local companies based on technology licenses from Maryland's federal and academic laboratories
- In conjunction with BHI, increase the win rate on SBIR and STTR grants for Montgomery County companies
- In conjunction with BHI, provide an increased level of review for early stage lifesciences and health IT companies, including assistance in pitch preparation

- Support entrepreneurial training programs, e.g., FastTrac, INNOVATE, etc.
- Support technology transfer through continuation of the Technology Transfer Speakers Series and the annual I2C (Innovation to Commercialization) Conference
- Increase the number of entrepreneurial events in Montgomery County, e.g., meet-ups, pitch contests, hackathons, etc)
- Partner in creating a national competition for life-sciences start-ups

Measurements

- Approve and fund the implementation plan for the BIN restructuring
- 80% of BIN tenants are technology-based companies; 10-15% of the companies graduate each year (15-20 companies); at graduation 85% of companies remain in Montgomery County
- Retain 50% of graduates in Montgomery County 5 years post graduation
- Develop BIN programs specific to the sectors and life cycle stages of the tenant companies; increase attendance at BIN programs by 25%
- Double the number of companies based on licenses from local labs
- Improve the SBIR/STTR win rate
- Graduate 40 students from entrepreneurial training programs each year
- Draw 10% more attendees to the T2 Speakers Series and 25% more to the annual conference
- Find a partner for and secure funding for a national lifesciences competition for start-ups; generate 75 entries

Telling the MoCo Story

Marketing



ChooseMontgomeryMD.com, the department's new website, provides a vehicle for communicating with businesses. Social Media integration is a major element.

Strategy

Telling the MoCo Story

Rationale

People make choices based on what they think they know...on their perceptions. It is our privilege to share the exciting Montgomery County business story through a variety of media that lets us reach our key clientele...the business person and entrepreneur...so they can make a well-informed decision, a Montgomery County decision.

Tactics

- Maintain an interactive, current web site that speaks to the needs of DED's various constituents
- Create an electronic calendar that is the "go-to" address for information on regional business activities
- Develop and implement a marketing strategy to increase the number of unique visitors to DED's website
- Communicate with a weekly e-blast to a growing electronic address list on topics of relevance to the business community
- Develop a social media strategy that is supported by all DED employees
- Generate earned media placements locally, regionally and nationally
- Develop marketing materials relevant to DED's various clients, e.g., agribusinesses, start-ups, developers, attraction prospects, global trade interests, etc.

- Develop marketing materials (annual report, "On The Move" flyers, promotional videos, etc.) relevant to DED's general audience
- Share good news...Recognize companies that win awards (Fast 500, Best Place to Work, Women Who Mean Business, etc.), achieve a major milestone (new contract, merger, acquisition, etc.), move into the county, renew a significant lease, etc.

Measurements

- Incorporate the BIN and T2 web sites into the DED site; add an agribusiness section
- Review each page for accuracy and completeness 2x/year
- Double the number of unique visitors to the web site each year
- Develop 25 new partner accounts for the website calendar; assure that there are always 150+ future events listed on the calendar
- Develop and implement a social media strategy that results in an active LinkedIn and/or Facebook account and/or tweeting by 50% of DED employees
- Produce marketing materials for key constituencies, e.g., Farmers Markets and Farm Directory; BIN overview and individual pieces for each center; an annual report, etc.
- Achieve six feature stories a year in local media, four in regional media and one in national media
- Transform the DED lobby into a marketing center promoting the County's business community and DED's programs



Addendum

**Highlights of Major DED
Successes and Initiatives**

FY2014-2015 Strategic Plan

 **MONTGOMERY**
ECONOMIC DEVELOPMENT
MONTGOMERY COUNTY, MARYLAND
Locate. Innovate. Accelerate.

Background

In order to allocate our resources for FY14-15 most effectively, it is useful to consider our past efforts and outcomes. Economic development is a discipline with a relatively long-term horizon. Results may take years and, in some cases, even decades to achieve. DED has consistently contributed to the success of our local economy through strategic, targeted initiatives, programs and activities.

Today, despite the economic downturn felt most significantly from 2008-2010, Montgomery County has more than 33,000 private sector businesses. In fact, employment in the County grew between 2010 and 2012 by nearly 25,000 jobs - from 631,154 jobs in 2010 to 655,824 jobs in 2012. That represents a 3.9% job growth rate. During the same period, job growth in Fairfax City & County was 3.6% and the District of Columbia was 2.8% (Based on EMSI data).

During this time, Montgomery County also managed to maintain one of the lowest unemployment rates in the nation – at 4.8% for April 2013 - and tied only with Howard County as the lowest in Maryland.

We are home to the corporate headquarters of industry leaders such as Choice Hotels International, Discovery Communications, GEICO, Hughes Network Systems, Lockheed Martin, Marriott International and United Therapeutics.

Incentive Programs (FY09-FY13)

Economic Development Fund Grant & Loan Program/Technology Growth Program

Through these two programs, Montgomery County committed more than \$50.74 million to 47 companies; the funds will be paid over 15 years if the companies meet negotiated milestones.

Small Business Revolving Loan Program

\$464,500 in loans were made to 10 companies since 2008.

Business Attractions, Retentions and Expansions

Since 2008, DED assisted with nearly 300 projects that resulted in:

- 9,936 new jobs;
- 27,217 retained jobs;
- 1,683,092 square feet of new commercial space on the County's property tax rolls; and
- \$1.7 billion in new capital investments.

Selected attraction projects since 2008 include:

- Bethesda Blues & Jazz Supper Club
- Brown Advisory
- Costco
- Cricket Communications
- Infosys Public Services, Inc.
- International Baccalaureate
- Kohl's
- Live Nation/Fillmore
- Microsoft Mid-Atlantic
- Tasly Pharmaceuticals
- Teva Biopharmaceuticals

Selected retention and expansion projects include:

- Advanced Bioscience Laboratories, Inc.
- Aeras
- Amplimmune
- Boeing-DRT
- Choice Hotels International
- CPSC

- Discovery
- FINRA
- HHS
- Holy Cross Hospital
- Kaiser Permanente
- Lockheed Martin
- MesoScale Diagnostics
- NCI
- NOAA
- Novavax
- NRC
- OpGen
- Qiagen
- Social & Scientific Systems, Inc.
- Sodexo
- Thales Communications
- TV One/Radio One
- United Therapeutics
- US Pharmacopeia
- Zyngenia, Inc.

Key Initiatives/Projects

First Local Biotech Investment Tax Credit Program

– FY10 passage by the County Council of the Montgomery County Biotech Investment Tax Credit was supported by the County Executive’s budgets with \$500,000 in FY12 and \$500,000 in FY13. Ten local companies received investments totaling \$6 million under the program. Montgomery County is the first local jurisdiction in the country with this program.

Green Investment Incentive - Bill 40-12 implements one of the recommendations from the County’s Green Economy Task Force. It authorizes the County to provide qualified applicants a Green Organization Supple-

ment. The County would supplement up to 50% of the recipient's investment in a qualified green organization, depending on the percentage set in the annual operating budget resolution, with a maximum allocation per recipient of \$25,000. DED’s FY14 budget includes \$500,000 to fund the program.

National Cybersecurity Center of Excellence – U.S. Senator Barbara Mikulski secured \$10 million in federal appropriations as part of the National Institute of Standards and Technology’s FY12 budget to create this new Center in Gaithersburg to encourage cybersecurity-related technology transfer. The Center is developing as the result of close collaboration between NIST, the Maryland Department of Business and Economic Development and Montgomery County.

Support for BioHealth Innovation, Inc. (BHI) – BHI is a regional innovation intermediary formed to connect market relevant research assets in Central Maryland to appropriate funding, management and markets to facilitate the development of commercially viable bio health products and companies. It is a private-public partnership in the form of a 501 (c)(3) nonprofit. From FY12-FY15, DED will provide a total of \$1.5 million to BHI to support their operations and help leverage private sector contributions.

National Recognition – The national spotlight shone brightly in Montgomery County in 2012, as eleven local companies made Inc.’s Top 500 Fastest Growing Companies list, over 30 made Inc.’s Top 5000 Fastest Growing Companies list, Money Magazine named Bethesda the country’s top earning town, and Gaithersburg and Germantown ranked in the Top 25 on its Top 100 Best Places to Live list.

New Farmer Pilot Project – Launched last summer, this unique program trains and mentors new farmers by allowing them to lease individual, long-term farm sites to support agricultural entrepreneurship in Montgomery County.

Arts Summit - In September, 2012, DED co-sponsored, in conjunction with the Arts and Humanities Council of Montgomery County, MD, the release of the Montgomery County Arts & Economic Prosperity IV Study at an Arts Summit hosted at United Therapeutics Corporation's Silver Spring headquarters. The Study found that the County's nonprofit arts and culture industry generates \$151 million in annual economic activity, supporting 2,955 full-time equivalent jobs and generating \$10.2 million in state and local government revenue.

Non-Profit Conference - In February 2013, DED and Non-Profit Montgomery co-hosted a press event at Discovery Communications' Silver Spring headquarters to release a new report, *Beyond Charity: Nonprofit Business in Montgomery County*. Supported with funding from DED and the County's Department of Health and Human Services, the report found that 1 in 10 workers in Montgomery County is employed by a non-profit and that in 2011, the County's 43,371 non-profit employees earned \$2.2 billion in total wages. It also showed that non-profit jobs in the County grew even during the height of the recession, increasing 9.1 percent between 2007 and 2011.

Small Business Support

DED continued, launched or supported numerous programs over the past 4-5 years to support the continued growth and success of the County's 33,000-plus local businesses including:

- Business Innovation Network (BIN): 5 facilities housing 160 companies and 850 employees
- New Small Business Navigator position in DED
- Local Small Business Reserve Program
- Health IT Breakfast Forums
- Global Trade Forums
- Federal Markets & Property Summit
- Bagels & Business Procurement Breakfasts
- Meet the Lenders Financing Seminars
- Business Mentorship Program
- Women's Power Conference
- First Annual Montgomery County Small Business Awards

Tech Transfer Initiatives

DED organized an inaugural conference, *Innovation2Commercialization: Making Tech Transfer Count*, in Rockville, attracting more than 100 researchers, federal lab and university tech transfer officers, investors, and entrepreneurs.

Through the monthly Tech Transfer Speakers Series, DED provided introductions for more than 400 researchers and entrepreneurs to local federal laboratory and university tech transfer leaders and programs.



Montgomery County Department of Economic Development
111 Rockville Pike, Suite 800 Rockville, Maryland 20850