



**Committee:** Directly to Council

**Committee Review:** N/A

**Staff:** Gene Smith, Legislative Analyst

**Purpose:** To receive testimony/final action - vote expected

**Keywords:** COVID, Economic development

AGENDA ITEM #8

November 17, 2020

**Public Hearing/Action**

## SUBJECT

Special appropriation to the FY21 Operating Budget, Montgomery County Economic Development Corporation Non-Departmental Account, Restaurant Relief Grant Program; and amendment to FY21 Operating Budget Resolution 19-472, Section G, Designation of Entities for Non-Competitive Contract Award Status: Montgomery County Economic Development Corporation

## EXPECTED ATTENDEES

Tina Benjamin, Office of the County Executive

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- N/A

## DESCRIPTION/ISSUE

The Executive requests approval of the subject resolution to implement the Restaurant Relief Grant Program. This program is fully funded through a State grant as part of Governor Hogan's \$250 million "Maryland Strong: Economic Recovery Initiative." The Executive proposes that the Montgomery County Economic Development Corporation (MCEDC) implement the program for the County.

## SUMMARY OF KEY DISCUSSION POINTS

- Action is tentatively scheduled following the public hearing.
- The source of funding is a State grant and the grant agreement between the County and State govern the use of the funds – provide grants to restaurants in order to promote and encourage stabilization within the restaurant and hospitality industry.
- The resolution conditions the funding for entities that: 1) directly provide food service (restaurants, food trucks, caterers, wineries, and breweries); 2) has a principal place of business in the County; 3) is in good standing with Maryland; 4) requires financial assistance permitted by the State grant; and 5) has not received funding from the County through other COVID-19 grant programs.
- MCEDC will administer the grant for the County. The resolution also amends Section G of the FY21 Operating Budget resolution, so the County can amend its contract with MCEDC to implement this funding.

## This report contains:

Executive memo

CAO memo

Proposed resolution

© #1

© #3

© #5

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OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Marc Elrich  
County Executive

**MEMORANDUM**

November 4, 2020

TO: Sidney Katz, President, County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Special Appropriation #21-495 to the FY21 Operating Budget  
Montgomery County Government, Montgomery County Economic Development  
Corporation Non-Departmental Account, Restaurant Relief Grant Program,  
\$8,230,497

I am recommending a special appropriation to the FY21 Operating Budget of the Montgomery County Economic Development Corporation (MCEDC) Non-Departmental Account in the amount of \$8,230,497. This appropriation will fund the creation of the County's Restaurant Relief Grant Program.

Fifty million dollars of Governor Hogan's \$250 million "Maryland Strong: Economic Recovery Initiative," was earmarked for direct relief for restaurants, funds that have been allocated to local jurisdictions to administer and disburse. The Maryland Department of Commerce has conveyed that Montgomery County's allotment for this program totals \$8,230,497, funds whose use and requirements will be governed by a grant agreement between the Department of Commerce and the County. According to the State, the purpose of this grant program is to enable Montgomery County to provide grants to restaurants in order to promote and encourage stabilization within the restaurant and hospitality industry.

The Montgomery County Economic Development Corporation, collaborating with the County's Business Advancement Team, has agreed to administer the County's Restaurant Relief Grant Program, including promotional activities, application reviews, grant disbursements, and required reporting activities all in accordance with the Maryland Department of Commerce's grant agreement governing the use of these funds.

We are proposing that local entities eligible to receive a financial award up to \$10,000 include: restaurants, food trucks, caterers, wineries, and breweries that directly provide food service, individual locally owned franchised restaurants, and restaurants in hotels and in arts/entertainment/recreational facilities. An entity will be eligible to receive assistance from the Restaurant Relief Grant Program if it: 1) has its principal place of business in Montgomery County; 2) is in good standing with the State of Maryland; 3) requires financial assistance to pay for the expenditures permitted by the State through its appropriation to Montgomery County; and 4) has not used, and will not use, funds received from this grant program for the same purpose as funds received through other Montgomery County grant programs. A business that has permanently closed will not be eligible for the Restaurant Relief Grant Program.

MCEDC and the County will market this program in conjunction with the existing 3R and Reopen Montgomery grant programs and will work with business organizations throughout the community to publicize the availability of these collective funding sources.

I recommend that the County Council approve this special appropriation in the amount of \$8,230,497 and specify the source of funds as State Funds.

I appreciate your prompt consideration of this action.

ME:tb

Attachments: •Special Appropriation #21-495 and amendment to Fiscal Year Operating Budget Resolution 19-472, Section G, Designation of Entities for Non-Competitive Contract Award Status  
•Memorandum from Chief Administrative Officer to Amend Resolution 19-472 Section G, Designation of Entities for Non-Competitive Contract Award Status



**OFFICES OF THE COUNTY EXECUTIVE**

**Marc Elrich**  
*County Executive*

**Richard S. Madaleno**  
*Chief Administrative Officer*

**MEMORANDUM**

November 4, 2020

TO: Sidney Katz, President, County Council

FROM: Richard S. Madaleno, Chief Administrative Officer *RSM*

SUBJECT: Amendment to the Fiscal Year 2021 Operating Budget  
Resolution 19-472, Section G, Fiscal Year 2021 Designation of Entities for  
Non-Competitive Contract Award Status

The Office of the County Executive (CEX) is requesting to amend the Fiscal Year (FY) 2021 Operating Budget Resolution 19-472, Section G, FY21 Designation of Entities for Non-Competitive Contract Award Status to add a new contract with the Montgomery County Economic Development Corporation in the amount of \$8,230,497 to administer a Restaurant Relief Grant Program.

As part of the Governor's \$250 million "Maryland Strong: Economic Recovery Initiative," Montgomery County has been allocated \$8,230,497 from the State for direct relief for restaurants in the County. The Montgomery County Economic Development Corporation has agreed to administer the County's Restaurant Relief Grant Program -- including promotional activities, application reviews, grant disbursements and required reporting activities -- in accordance with the Maryland Department of Commerce-Montgomery County Grant Agreement governing the use of these funds.

Sidney Katz, President, County Council  
November 4, 2020  
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The amended FY21 Operating Budget Resolution 19-472, Section G, FY21 Designation of Entities for Non-Competitive Contract Award Status will read as follows:

The Office of the County Executive (CEX) will establish a contract with the Montgomery County Economic Development Corporation in the amount of \$8,230,497. The purpose of this contract will read as follows, "Develop and administer the Montgomery County Restaurant Relief Grant Program in accordance with State guidelines and requirements."

I have determined that this action serves a public purpose and is in the public interest. Therefore, I recommend that the Council amend the Miscellaneous Provision in Section G of Resolution 19-472 for the FY21 Designation of Entities for Non-Competitive Award.

RM:tb

Attachment: Amendment to Section G, FY21 Designation of Entities for Non-Competitive Contract Award

c: Fariba Kassiri, Deputy Chief Administrative Officer  
Avinash G. Shetty, Director, Office of Procurement  
Jennifer Bryant, Acting Director, Office of Management and Budget  
Lisa Mandel-Trupp, Esq., Chief of Staff to Council President

Resolution No.: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: County Council

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**SUBJECT:** Special Appropriation #21-495 to the Fiscal Year 21 Operating Budget Montgomery County Government, Montgomery County Economic Development Corporation Non-Department Account, Support for COVID-19 Response – Restaurant Relief Program, \$8,230,497 (Source of Funds: State Aid), and Amendment to Fiscal Year Operating Budget Resolution 19-472, Section G, Designation of Entities for Non-Competitive Contract Award Status

**Background**

1. Section 308 of the Montgomery County Charter provides that a special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.
2. On March 11, 2020, the World Health Organization declared coronavirus COVID-19 a pandemic and it has spread rapidly throughout the world. As of November 1, 2020, the Montgomery County Government COVID-19 data dashboard reported 26,114 confirmed cases and 833 confirmed deaths in the County. To slow the spread of the disease, Maryland Governor Hogan first declared a State of Emergency on March 5, and has issued several Executive Orders with actions that include, but are not limited to: closing schools; prohibiting activities by non-essential businesses that restrict traditional on-site operations; limiting the number of people that can gather; and closing all gyms, movie theaters, and bars and restaurants (excluding carryout and delivery service).
3. The efforts to contain the spread of the disease and the disease itself continues to have a crippling impact on Montgomery County's local business community, in particular its restaurants and related food service facilities.
4. On October 23, Maryland Governor Hogan announced a \$250 million 'Maryland Strong: Economic Recovery Initiative,' which will provide funding from the State's Rainy Day Fund to directly assist restaurants, small businesses, local entertainment venues, arts organizations, and Main Streets across the state. Fifty million dollars of this initiative has

been earmarked for direct relief for restaurants, funds that have been allocated to local jurisdictions to administer and disburse.

5. Montgomery County has entered into an agreement with the Maryland Department of Commerce for a grant in the amount of \$8,230,497. The purpose of this financial grant is to enable Montgomery County to make grants to restaurants within the County in order to promote and encourage stabilization within the restaurant and hospitality industry.
6. County State grant agreement stipulates that Montgomery County may permit restaurants to fund the following expenses from grant proceeds provided by the State:
  - Working capital, such as rent, payroll, and job training;
  - Purchase of equipment and services to expand outdoor dining, such as tents, heaters, warmers, and carts;
  - Infrastructure improvements, such as HVAC system upgrades;
  - Technology to support carryout and delivery;
  - Purchase of PPE and disposable food containers and utensils;
  - Sanitization services; and
  - Any other costs permitted under a COVID-19 restaurant assistance program offered by Montgomery County.
7. The Montgomery County Economic Development Corporation (MCEDC), collaborating with the County's Business Advancement Team, will administer the County's Restaurant Relief Grant Program, including promotional activities, application reviews, grant disbursements, and required reporting activities in accordance with the Maryland Department of Commerce-Montgomery County Grant Agreement governing the use of these funds.
8. MCEDC will partner with the County and other economic development partners to broadly market the initiative to the County's business community.
9. The Council through this special appropriation is creating the Montgomery County Restaurant Relief Grant Program. Local entities eligible to receive a financial award up to \$10,000 include: restaurants, food trucks, caterers, wineries and breweries that directly provide food service, individual locally-owned franchised restaurants, and restaurants in hotels and in arts/entertainment/recreational facilities. An entity will be eligible to receive assistance from the Restaurant Relief Grant Program if it: 1) has its principal place of business in Montgomery County; 2) is in good standing with the State of Maryland; 3) requires financial assistance to pay for the expenditures permitted by the State through its appropriation to Montgomery County; and 4) has not used, and will not use, funds received from this grant program for the same purpose as funds received through other Montgomery County grant programs. A business that has permanently closed will not be eligible for the Restaurant Relief Grant Program.
10. A FY21 Operating Budget special appropriation is requested for the Montgomery County Economic Development Corporation Non-Departmental Account:



<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$8,230,497	\$8,230,497	State Funds

11. Section 11B-14 (a) (4) of the Montgomery County Code states that “a contract may be awarded without competition if the Chief Administrative Officer makes a written determination that the contract award serves a public purpose and proposed contractor has been identified in a grant or appropriation resolution approved by the Council.” The result of this action is to amend the Fiscal Year (FY) 2021 Designation of Entities for Non-Competitive Contract Award status to include a new contract with MCEDC to develop and administer the Montgomery County Restaurant Relief Grant Program.
12. The Chief Administrative Officer has determined that funding for the contract with this entity serves a public purpose and that such an expense would be in the public interest.
13. Notice of public hearing was given and a public hearing was held.

### **Action**

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

A special appropriation to the FY21 Operating Budget for the Montgomery County Economic Development Corporation Non-Departmental Account:

<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
\$0	\$8,230,497	\$8,230,497	State Funds

This special appropriation must be used for the Restaurant Relief Grant Program under the guidelines described in paragraphs 6 through 9.

This resolution amends Resolution 19-472, Section G, FY21 Designation of Entities for Non-Competitive Award Status to allow the Office of the County Executive to enter into a contract with the Montgomery County Economic Development Corporation with the purpose to “Develop and administer the Montgomery County Restaurant Relief Grant Program in accordance with State guidelines and requirements.”

This appropriation is needed to act without delay in the public interest.

This is a correct copy of Council action.

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Selena Mendy Singleton, Esq.  
Clerk of the Council