Gaithersburg
A CHARACTER COUNTS! CITY

Distributed to M&CC:11/14/16
Enterprise Zone

November 7, 2016

The Honorable Nancy Floreen
Montgomery County Council President
100 Maryland Avenue
Rockville, Maryland 20850

Re: Olde Towne Enterprise Zone ~~in Gaithersburg~~

Dear Council President Floreen: NANCY

The City of Gaithersburg would like express our strong support of the Government and Operations Committee position to make no substantive changes to the existing Enterprise Zone in Olde Towne, and reiterate the salient points made by Councilmember Navarro in her memo of October 20, 2016. Upon expiration of the designation, the County should evaluate whether continued assistance in the form of the impact tax exemption is needed to promote neighborhood reinvestment.

As a State program, Enterprise Zone status is conferred upon a geographic area that meets specific criteria established by State law, not local priorities. The County impact tax exemption has caused greater investment in the Olde Towne Enterprise Zone, far eclipsing the effects of the Maryland job creation and real property tax credits. To eliminate the impact tax exemption prior to, or upon expiration of, the Olde Towne Enterprise Zone designation fails to recognize the known success of this tool.

The Maryland Department of Commerce has proposed eliminating its Enterprise Zone program and will present an alternative structure for geographically-based incentive focus areas during the next session of the General Assembly. Admirable though that effort might be, a statewide solution will necessarily reflect the economic circumstances and priorities from disparate communities. Maintaining control of a County tool, effective in generating locally desirable goals should not be affiliated exclusively with a State program in flux.

The City looks forward to continuing to work with you on mutual issues of concern. Please feel free to contact me or Director of Economic Development Tom Lonergan, if you have any questions.

Sincerely,

Jud Ashman

Jud Ashman, Mayor
City of Gaithersburg

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