



THE GREATER BETHESDA CHAMBER of COMMERCE

Better business. Stronger community.

TO: Montgomery County Council

FROM: Pete Kimbis, Chair, Budget Analysis Subcommittee, Greater Bethesda Chamber of Commerce

DATE: April 7, 2026

RE: Formal Opposition to the FY2027 Recommended Operating Budget

Statement of Position: Values vs. Fiscal Reality

The Greater Bethesda Chamber of Commerce (GBCC) respectfully opposes the FY2027 Recommended Operating Budget. Facially, we agree on values; yet how we achieve them differs. Policy and budgeting cannot create equity without first creating a strong economic base.

The Chamber respectfully urges the Council to: (1) reject the proposed property tax increases, (2) restore full funding to the Montgomery County Economic Development Corp. (MCEDC), (3) modernize and fund Permitting Services, (4) clarify long-term funding for GROWTH Districts and BRT Expansion, and (5) grant the Bethesda Urban Partnership its full request.

While we applaud the County's long-term investments in life sciences and the North Bethesda innovation corridor, we cannot endorse a fiscal plan that balances today's ledger at the expense of tomorrow's stability. We agree with the County Executive that "budgets reflect priorities," but we believe this budget misses the mark. The Executive states that slow employment growth could create "headwinds" that lead to disappointing revenue, yet this budget fails to address this possibility proactively.

This budget balances recurring operational expenses through non-recurring revenue and reserve depletion, actions that contribute directly to a projected \$257.3 million structural deficit in FY28.

I. Reject Property Tax Increases that Fail to Consider Scheduled Assessments

County revenues are rising, but so are the tax demands. From FY22–FY26, tax-supported revenue climbed 6.1% a year, more than double the prior decade's pace. Yet this budget still seeks a 6.3-cent property tax increase and fails to account for scheduled assessment increases.

A small Cordell Avenue Bethesda restaurant—a staple, a landmark—saw its real estate tax bill grow from \$35,189 in 2022 to an estimated \$43,877 in 2026: a 24.69% cumulative increase over five years. For a restaurateur running on a razor-thin 5–8% margin, an unbudgeted \$9,000 annual expense is not a minor adjustment, but a new hire that will not happen and a paycheck that is no longer there for a family in need.

II. Restore Full Funding to the Montgomery Economic Development Corp. (MEDC)

Shifting federal funding and a decimated federal workforce create adversity, yet we see the promise of the Institute for Health Computing, AI-driven health advancements, and new transit-oriented partnerships. These opportunities can only be secured if matched with the right policies. Our concern is that the budget disempowers the departments needed to attract new employers and help existing businesses thrive.

The proposed budget includes a commendable \$50 million investment in the North Bethesda health computing institute, reinforcing our commitment to innovation. This initiative has the potential to attract high-quality jobs and drive private investment. We appreciate the County Executive's ambition in recruiting the biotech, life sciences, and supercomputing industries.

Before we begin new relationships with multinationals, first let's demonstrate how well we treat businesses that already call Montgomery County home. We strongly encourage the County Executive and Council to restore the Montgomery County Economic Development Corporation (MCEDC) to its FY2024 budget. MEDC is tasked with attracting new businesses to the County and is frustrated in its purpose when understaffed and underfunded. We should be investing more in MEDC now, during uncertainty, rather than hampering its capacity.

III. Modernize and Fund Permitting

Underfunded permitting services and constrained economic development resources slow approvals, deter investment, and weaken our competitiveness. We must ensure we can effectively attract new businesses and retain existing ones, creating a vibrant environment where companies can succeed in Montgomery County.

If our collective goal is truly a more equitable and inclusive society—and we believe it is—we must ensure our businesses can begin, expand, and—most importantly—stay. *The question is not* how, but when will we begin prioritizing job creation and modernizing permitting. If we do not, the ideals we strive for become harder—and eventually impossible—to meet.

IV. Clarify Long-Term Funding for GROWTH Districts and BRT Expansion

While the vision for transit-oriented growth is strong, the long-term funding strategy for GROWTH Districts and BRT is unclear. A key concern remains: Will the County rely on targeted taxes, fees, or assessments on the very same developers and businesses we expect to build out these transit corridors? If so, this approach risks placing a disproportionate financial burden on the very stakeholders we are counting on to invest. At a time when neighboring jurisdictions are offering incentives, we offer costly complexity. The funding model must be clear, balanced, and competitive. Without that balance, this budget risks becoming a barrier to growth rather than a driver.

V. Grant the Bethesda Urban Partnership its Full Request

Bethesda serves as the County's primary economic engine. Yet this budget interferes with that engine by cutting Bethesda Urban District (BUD) reserves by 44.9% and denying the Bethesda Urban Partnership (BUP) its full request for administrative support granted to other districts.

VI. Summary

A projected \$257 million deficit tells a troubling tale. When pressure mounts, the County cuts its growth engines first, leans on higher taxes, and raids its reserves. That posture signals uncertainty to employers who need stable rules, swift permitting, and a serious commitment to growth. Growing the pie through private-sector growth is the surest path to fiscal responsibility and shared prosperity. Without steady economic growth, the ideals we strive for become unattainable.

The GBCC respectfully urges the Council to recommit to an efficient, predictable government by (1) rejecting the proposed property tax increases, (2) restoring and fully funding the Montgomery County Economic Development Corporation (MCEDC) to its FY24 levels, (3) modernizing and funding Permitting Services, (4) creating clear and transparent funding and logical growth strategies for GROWTH Districts and BRT, and (5) granting the Bethesda Urban Partnership its full request.

Our prosperity depends on growing the tax base—not the tax rate. We stand ready to work with the Council and the Executive on a revised budget that protects core services, supports job creation, and avoids deepening the structural deficit that threatens our future competitiveness.

Respectfully submitted,

Pete Kimbis, Chair, Budget Analysis Subcommittee
Greater Bethesda Chamber of Commerce