



# MONTGOMERY COUNTY EXECUTIVE REGULATION

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

<b>Subject</b> Make Office Vacancy Extinct (MOVE) Grant Program	<b>Number</b> 12-24
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<b>Originating Department</b> Finance	<b>Effective Date</b>
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Montgomery County Regulation on:

## **MAKE OFFICE VACANCY EXTINGUISHED (MOVE) GRANT PROGRAM**

Department of Finance

Issued By: County Executive

Regulation Number: 12-24

COMCOR 20.76G.01

Authority: Montgomery County Code, Sections 20.73 and 20-76G

Council Review: Method 1 Under Code Section XX-XX

Register Volume 41, Issue 9

Sunset Date: None

Effective Date:

**SUMMARY:**

This regulation establishes policies and procedures for the administration of the Make Office Vacancy Extinct (MOVE) Grant Program.

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BACKGROUND INFORMATION: The Make Office Vacancy Extinct (MOVE) Grant Program is a sub-program of the Economic Development Fund established to support the rental cost incurred when eligible new or existing businesses locate, relocate, or expand in the County.

Section 1. AUTHORITY

In accordance with the procedures authorized in Section 20-76G of the Montgomery County Code, this Executive Regulation establishes an application and award process to administer the MOVE Grant Program.

Section 2. DEFINITIONS. For purposes of this Regulation, the following words have the following meanings unless the context clearly indicates otherwise.

- A. Director means the Director of the Department of Finance or the Director’s designee.
- B. Fund means the Economic Development Fund established in Section 20-73 of the Montgomery County Code.
- C. Business means any for-profit or non-profit corporation or firm that is not owned, primarily funded, or controlled by a government agency.
- D. Subsidiary means any corporation that is wholly or partially owned or controlled by the same principals or executive team of the Business applying to the MOVE Program.
- E. Completed Application means an application that includes all required fields and required supporting documentation which meets the eligibility requirements for the MOVE Program.
- F. Inaugural Commercial Lease means any executed commercial lease that is the Business’s first-ever commercial lease in the County.



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- G. Expanded Commercial Lease means any executed commercial lease or amendment to an existing commercial lease in the County that increases the total square footage leased by the Business in the County by at least 500 square feet in relation to the Business's previous lease in the County.
- H. Eligible Square Feet means the amount of square feet used to calculate the award for the MOVE Program for Businesses that meet the eligibility requirements of the MOVE Program.
- I. Office Space means a real estate location in a building leased and occupied by a business for a commercial purpose that is not for retail or restaurant. Craft alcohol production companies such as breweries, cideries, distilleries, and wineries, whose primary use of space is production are eligible despite their retail operations.
- J. Strategic Industries means any industry that is included in the approved Economic Development Strategic Plan detailed in Section 15A-4A of the Montgomery County Code.
- K. Third-Party Software means any computer application or software that is not hosted or maintained by Montgomery County Government and used to evaluate the real property use.

### Section 3. ELIGIBILITY

A Business is eligible for a MOVE grant if:

- A. The Business submits an executed Inaugural Commercial Lease or an Expanded Commercial Lease;
- B. The term of the Inaugural Commercial Lease or Expanded Commercial Lease is 36 months or greater;
- C. The Inaugural Commercial Lease or Expanded Commercial Lease is for Office Space in the



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County;

- D. The Business is in good standing with the Maryland State Department of Assessments and Taxation (SDAT);
- E. The Business submits its signed Articles of Incorporation or equivalent document;
- F. The Business submits a utility bill or equivalent document that is generated by a party that is not the Business or landlord for leased premises that has the same physical address as the leased premises in the Inaugural Commercial Lease or an Expanded Commercial Lease;
- G. The Business submits a complete business plan that clearly identifies the type and purpose of the business; and
- H. The Completed Application is submitted on or before 180 days of the execution date for the Inaugural Commercial Lease or Expanded Commercial Lease.

#### Section 4. EXCLUSIONS

A Business is not eligible for a MOVE Program award if:

- A. The subject Inaugural Commercial Lease or Expanded Commercial Lease is for a leased premises which is not labeled as Office Space by a Third-Party Software, does not have a real property address, or is a mobile trailer or other similar non-permanent structure.
- B. The subject Inaugural Commercial Lease or Expanded Commercial Lease is executed between a Business and its Subsidiary.
- C. Any Business where the sole proprietor primarily sells products or services underwritten by a third party.



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Section 5.      AWARD CALCULATION AND LIMITATIONS

- A. All awards will be funded on a first-come, first-served basis based on the date of receipt of a Completed Application and subject to the availability of funding.
- B. Awards will be based on the Eligible Square Feet and the type of lease.
  - 1. For an Inaugural Commercial Lease, the Eligible Square Feet equals the total square footage of the leased premises in the Inaugural Commercial Lease.
  - 2. For an Expanded Commercial Lease, the Eligible Square Feet equals the total square footage of the leased premises in the Expanded Commercial Lease minus the total square footage of the leased premises of the previous lease for the Business.
- C. No single award may exceed \$150,000.
- D. Strategic Industries are evaluated based on the submitted business plan, stated use in the Inaugural Commercial Lease or Expanded Commercial Lease, and other publicly available materials.
- E. Awards will be calculated as follows:

<u>Eligible Square Feet</u>	<u>Award per Eligible Square Foot</u>	<u>Maximum Award</u>
<u>Less than 7,500</u>	<u>\$8.00</u>	<u>\$60,000</u>
<u>7,501 – 10,000</u>	<u>\$10.00</u>	<u>\$100,000</u>
<u>More than 10,000</u>	<u>\$12.50</u>	<u>\$150,000</u>
<u>Strategic Industry</u>	<u>\$15.00</u>	<u>\$150,000</u>

6. If the calculated award exceeds the remaining available appropriated funds for the MOVE



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Program in a County Fiscal Year, the awardee will receive an award based on the remaining available appropriation. If additional funds are subsequently appropriated in the same County Fiscal Year, the awardee will receive additional funding, up to the maximum calculated award.

7. The MOVE Program funds all awards on a County Fiscal Year basis. If the number of awards exceed the appropriated funds for the MOVE Program during the County Fiscal Year, applications will continue to be received on a first come, first served basis. If additional funds are subsequently appropriated, awards will be provided in the order that the Completed Applications are received and approved.
8. A Business is limited to one MOVE Program award per County Fiscal Year, which runs from July 1 through June 30.
9. A Business and its Subsidiaries are limited to three MOVE Program awards total. This limitation includes all legal changes to a Business, including a change in the legal structure or name of a business or its acquisition by another business.

## Section 6. POST-AWARD REQUIREMENTS AND COUNTY CLAWBACK

- A. The awardee must remain in the County for a minimum of 36 months.
- B. The awardee must maintain the Eligible Square Feet for 36 months.
- C. The awardee must submit an annual report to the County by January 15 for the previous calendar year for three years after receiving a MOVE Program award. The report must be certified by an officer or director with appropriate authority stating that the information provided is true and accurate. The annual report must contain the following:
  1. A copy of the most recent lease payment or utility bill to confirm occupancy of the office space.



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2. A high-level summary of the Business, including leadership team names and titles, relevant contact information for the Business, number of employees as of the date of the MOVE Program award and date of report, and estimated annual revenue as of the date of the MOVE Program award and date of report.
  3. Indication as to whether the Business plans to extend its lease if the Inaugural Commercial Lease or Expanded Commercial Lease was for 36 months.
  4. Demographic data for the Business's ownership.
- D. Businesses that do not comply with the above Post-Award Requirements must repay a pro rata portion of the award. Repayment is calculated based on the number of months out of compliance divided by 36 multiplied by the award amount.

## Section 7. MOVE PROGRAM OPERATIONS

- A. The Director must establish a separate account in the Economic Development Fund and track all activities of the MOVE Program.
- B. The MOVE Program awards are subject to annual appropriation and the availability of funds.
- C. The County or designee will maintain an online portal to accept Completed Applications for the MOVE Program. Applications must be time stamped by the system for review purposes.
- D. A program manager will be designated by the Director of Finance to administer the MOVE grant program.
- E. Businesses may remedy any incomplete or out of compliance eligibility requirements. For the purposes of determining first come, first served, the Completed Application date is based



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on the date the Business rectifies all incomplete or out of compliance eligibility requirements.

- F. The Director will make final determination on all applications.
- G. The County will provide a formal notification to all applicants about award status, and when applicable, reason(s) for denial. All awardees will be provided a conditional grant award letter stipulating the process to receive the award and the post-award requirements.
- H. The County and its partners will promote and market the MOVE Program through various media, both online and in print, to ensure outreach to a wide audience of businesses.

## Section 8. REMEDIES FOR FRAUDULENT APPLICATIONS OR MISUSE OF FUNDS

- A. The remedies under Section 20-76H of the Montgomery County Code, supplement any other remedy available under the law, including any remedy under Section 20-75(f)(2).
- B. An applicant who submits a false or fraudulent application, or withholds material information, to obtain assistance under this program has committed a Class A violation.
- C. An applicant who violates subsection (B), or who uses assistance from the Fund for an unauthorized purpose, is liable for all court costs and expenses and reasonable attorney's fees incurred by the County to recover any payment, interest, or penalty.

## Section 9. REPORTING

The Director of Finance reports to the Council on the activities of the program on or before March 31<sup>st</sup> of each year. The report includes:

- A. The number of businesses participating in the MOVE Program.





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- B. The dollar amount of grants made.
- C. An analysis of how the calculation of the amount or rate of the grant program has kept up with inflation and other market considerations.
- D. An evaluation of the impact of each grant on the operation of the business.
- E. How the program is advancing economic development in the County.

Section 10. EFFECTIVE DATE

This Executive Regulation takes effect upon approval by the County Council.

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Marc Elrich  
County Executive

Approved as to form and legality:

Trevor Ashbarry  
Trevor Ashbarry,  
Chief, Finance and Procurement

8/21/24  
Date