

PRINCE GEORGE'S COUNTY COUNCIL

COMMITTEE REPORT

2016 Legislative Session

Reference No.: CR-020-2016

Draft No.: 1

Committee: PUBLIC SAFETY AND FISCAL MANAGEMENT

Date: 04/07/2016

Action: FAV

REPORT:

Committee Vote: Favorable, 4-0 (In favor: Council Members Franklin, Turner, Lehman and Harrison)

CR-20-2016 is a Resolution endorsing a \$2,000,000 conditional loan given by the Maryland Department of Commerce's Maryland Economic Development Assistance Fund (MEDAF) for the 2U, Inc. relocation project. These state funds are matched through the County's Economic Development Incentive Fund (EDI) in the amount of \$1,500,000 to support the expansion and retention of businesses in the County. State Law requires County Council approval of the MEDAF funds.

Under this \$15,000,000 project 2U, Inc. will relocate to New Carrollton. The company will retain its 650 employees and commit to grow by an additional 665 full time jobs by 2019. The company has also committed to an additional 300 jobs by 2020. The funding from both the MEDAF loan and the EDI Fund will be used to support leasehold improvements at the facility.

The company's relocation to New Carrollton serves two critical economic development goals: (1) the successful retention of a high profile high technology company that was courted by other jurisdictions; and (2) the successful revitalization of one of Prince George's County's most important Metro accessible and transit oriented development (TOD) office assets.

David Ianucci, Assistant DCAO of the Office of the County Executive, provided the Committee an overview of the resolution.

The Office of Law reports CR-20 2016 to be in proper legal form with no impediments to its enactment.

The Office of Audits and Investigations reports that while the County will initially expend \$1,500,000 from the currently appropriated EDI Fund to support the proposed project, when both long-term direct and indirect revenues associated with the project are taken into consideration total County revenues should be significantly enhanced.

After discussion the Public Safety and Fiscal Management Committee voted 4-0 favorable on CR-20-2016.