

Future Agenda Item, by Mark Pierzchala

Study of Rockville's Economic Competitiveness

Motivation: As the federal, state, and county governments adjust their spending and employment levels to deal with budget shortfalls and debt, Rockville should anticipate how these higher-government adjustments will impact its economy.

For example, if federal employment should stagnate or diminish, this could result in stagnant or lower Income Tax revenue and lower property values in Rockville (because of lesser housing demand). We should remember that Rockville, Montgomery County, and much of Maryland, DC, and Virginia experienced large economic benefits as a result of the growth of government and that government employment at all levels is one of the pillars of the Rockville economy.

Rockville uses its revenues to provide a superior level of service and comprehensive programs to its residents. In order to maintain this level, it is necessary to ensure an adequate revenue stream. A way of doing this as the government sector diminishes, is to encourage private economic development of the kind we want. That is, to attract great companies (and start-ups) and good jobs to Rockville, and to encourage redevelopment of aging properties in the City.

But we have heard many anecdotes from the school system, developers, business people, and even residents about how difficult it is to do business in Rockville.

Study: Rockville would contract with a qualified vendor to evaluate how its taxes, laws, rules, political structure, regulations, procedures, and ways of doing business impact decisions to stay in, to move to, or to build in Rockville. The study would also evaluate the positive attributes of Rockville, including its City services and programs, its income and educational levels, its public and private schools, transportation networks, its proximity to government and business, and so on. The study would compare Rockville to its competitors which including jurisdictions in the greater Baltimore-DC area. The study would consider Rockville in the context of its location in Montgomery County and State of Maryland, and its proximity to Washington, DC.

Specific study topics would include zoning (including the Adequate Public Facility Ordinance), tax levels, development processes, permitting, inspections, sign ordinances, and other related items. The study may, for example, suggest ways to streamline rules and regulations to improve attractiveness to business. There may be areas where the City imposes additional burden without corresponding benefit to residents. The study should point out choices businesses have when deciding where to do business, including locating right outside our borders.

Agenda item: We would ask City Staff to come back with possibilities for conducting such a study and an estimated cost and time frame. Perhaps it is possible to contract with an academic institution, or perhaps it would be necessary to issue an RFP.

Paying for the study: We would pay for this out of the General Fund reserve, or provide money for it in the FY2012 budget.