



GSSCC Candidate Questionnaire County Executive & County Council

Name: Marc Elrich

Email Address: info@marcelrich.org

Web Address: www.marcelrich.org

Elected Office You are Seeking: Montgomery County Executive

Party Affiliation: Democrat

Relevant Non-governmental Professional Experience/Positions Held: Before I first ran for public office in Takoma Park many years ago, I was in the private sector for 16 years, including as a manager in the automotive department for Montgomery Ward, where I often trained new managers when opening new stores and led on troubleshooting in stores when departments were underperforming. I was a founder and one of the original worker managers of the Takoma Park food co-op, too; I understand the issues involved in meeting payroll and know what it takes to run an organization effectively.

1. **GSSCC believes that a thriving business community brings prosperity for all of our citizens by increasing the number of good private sector jobs and expanding the tax base to support necessary public services.**
 - **Please list all the initiatives/legislation you have supported/or would support to foster the growth of existing businesses and encourage new business creation.**

I supported the creation of the Montgomery County Economic Development Corporation (MCEDC) and I supported retaining, and now adding back in, economic development staff to the county to work through the regional service centers. I've supported navigator funding and reform of regulatory processes related to occupancy and code requirements, particularly related to re-use of existing space. I would like to expand incubator programs to foster development of entrepreneurs, provide more business training and support to small businesses, and help to facilitate loan programs. I'm interested in using county funds in local deposit policies to incentivize banks to increase small business lending, and I'd like to develop a program that would help retiring business owners find buyers for their businesses (with the possibility of helping existing employees). I'd look to revise county procurement policies to provide more incentives/preferences to buy from local businesses.

- **Please describe your plan for increasing the tax base – rather than tax rates – in the County.**

I think we need to do more to foster small business creation to fill existing vacant space, of which there is over 10 million square feet today. That's why I'm interested in incubators and business centers that help people develop business opportunities and provide adequate training so they improve their chances of being successful. I also want to look at growing the light-industrial area because there's a lot of potential there and you can see where other jurisdictions are encouraging light-industrial uses. I've opposed rezonings that would replace light-industrial areas in the county.

In addition, I want to strengthen our workforce by strengthening our education programs. I'd like to promote more dual degree programs in county high schools and provide more training in trades and certificate programs

while strengthening Montgomery College's role in helping people get certificates that require additional education. Right now we have a mismatch between available jobs and the skill levels of our workforce, and I will put effort into creating a workforce that is itself an attraction to local investment.

- **What is your plan for making Montgomery County more attractive to businesses looking to expand or relocate (i.e. increased tax incentives, subsidies, streamlining the development approval process)?**

As noted above, I supported the creation of the MCEDC and always supported the economic development component of regional service centers, even after it was eliminated. I want to look at the building code requirements that face tenants and which I've been told have made tenant build-out more expensive than it needs to be. I will put together a working group to see whether some of the required improvements can be put off when an occupant is not doing a major renovation. If the anecdotes I've been told are true, I think there's room for improvement.

Because study after study also shows that quality of life is the most important driver of economic growth, I will also continue to focus on good schools, strong communities, reduced traffic congestion, better transit alternatives, and parks and recreation facilities. I would implement the bus rapid transit (BRT) system I designed to address many of our county's worst transportation bottlenecks, which are a concern to many businesses looking to come here. If built right, BRT will become a truly rapid transportation option that connects homes and workplaces far better than our current system.

Lastly, I will help people start and grow their own businesses by creating a robust variety of incubators. I've seen very substantial projects in Baltimore that help people with product concepts develop skills needed to produce their products, provide machinery that can be used in the manufacturing process, and help develop business skills that are necessary for actually running a business. We can start projects like that here in Montgomery County.

2. Montgomery County leaders have continued to approve increases in the County's operating budget that require spending at levels exceeding private sector growth. GSSCC believes the County government needs to do a better job of living within its means. This is even more important given the recent announcement of a \$120 million revenue shortfall for the current fiscal year.

- **Did you or would you have supported the 2016 property tax increase?**

Yes.

- **Did you or would you have supported the 2016 recordation tax increase?**

Yes.

- **Did you or would you have supported the eventual phase out of the County's exorbitant energy tax?**

No, especially because the tax, which is not "exorbitant," was intended to raise general revenues and the county is facing a major revenue shortfall. Additionally, the energy tax covers the federal agencies and other organizations located in our county that are exempt from other county taxes. Northern Virginia has a 3% gross receipts tax that raises more money and comes exclusively from all businesses in the county. That's a substantial tax that we don't have.

- **Other than raising taxes, what ideas do you have for creating an economy that will meet the growing needs of county residents?**

As noted above, studies shows that quality of life, not low taxes, is what helps create a thriving economy, and that's one reason why I would continue to prioritize strengthening schools and reducing congestion as County Executive. I am also interested in helping small businesses start and thrive through the creation of incubators and small business assistance programs.

That said, it is not realistic to expect us to be able to meet our needs through growth alone, and that's why I intend to partner with the county's workforce to rethink how our government operates. I believe we can pivot people and capital away from less important tasks and toward the priorities we aren't currently addressing. And I am the candidate who could be effective in this effort because I have a good relationship with the union that represents the county's workforce.

- **Would you support consolidation of some County Government functions in order to reduce costs? If so, please describe which programs or services you would recommend be consolidated, reduced, or eliminated.**

I have explained how I would begin to rethink government in my First 90 Days Financial To-Do List, which you can find [on my website](#). In this list, I lay out how I would initiate a long-term financial plan, increase the net profit contribution from the Department of Liquor Control, begin a structural review of county departments in partnership with the county workforce, implement a labor-management partnership called gainsharing (in which both parties agree on targets for improving performance and reducing cost and everyone receives a share of the savings generated), leverage a business process improvement system called Lean, assess the appropriateness of county reserve levels, improve data practices, review non-competitive county contracts, establish an innovation fund, increase government accountability, and develop budgets that prioritize spending and ensure that the county meets financial commitments in a sustainable way.

3. In recent years, our members have faced an increasing number of federal, state, and expanded local regulations that directly impact their ability to remain viable.

- **Did you or would you have supported the additional increase to the Montgomery County minimum wage to \$15 by 2020?**

Yes, and I worked to create a compromise with Sidney Katz that eventually passed that addressed some of the concerns of small businesses and certain nonprofit providers.

- **Did you or would you have supported mandatory sick leave, even for part-time employees?**

Yes, and I would note that I created the compromise that eventually passed by working with both advocates and various chambers of commerce.

- **Do you support an employer's right to hire and schedule its employees according to its individual needs?**

I don't support the right to alter schedules with no notice, which makes it impossible for employees to schedule daycare and doctor appointments and to plan days off. Employees should not be expected to be available for work and then told not to come in, or to come in to work and be told they have to punch out and go home. Scheduling didn't used to be this way. People were given clear schedules and they were expected to show up.

I do not think that it's in the public interest to be able to turn people on and off as if they are machines. Arbitrary and last-minute scheduling can make it impossible for people to find work to support themselves. If an employee needs to work a second job, how do you expect them to take that job if they don't know when and how long they're expected to work at their first job?

- **Do you support legislation that dictates minimum work hours or scheduling requirements?**

That depends on the legislation.

- **What policy ideas do you have to enhance the success of our member job-creators?**

I have laid out many ideas above, which include creating the type of community in which businesses want to locate, helping small businesses to start and thrive, and ensuring that our regulatory environment is sensible, fair, and efficient.

4. Prior to considering any legislation, the County Council seeks a Fiscal Impact Statement to determine the impact of that legislation on the County's budget.

- **Would you support a law that requires the same kind of analysis to determine the fiscal economic impact on businesses and non-profits, prior to consideration and enactment of any new law or regulation?**

No, I would not support such a law. As we learned during the minimum wage effort, these assessments are highly subjective, and in fact, may have major errors. However, as people who have worked with me know, I always want to engage and hear from residents about their concerns and perspectives.

- **Would you require that this analysis include interviews and discussions with actual business owners?**

I have spoken to and will continue to speak with anyone who wants to talk to me, small business owners, big businesses, and chambers of commerce included. I spoke with lots of businesses during both efforts to raise the minimum wage and added some provisions to address some of their concerns.

- **Why or why not?**

Businesses have ample opportunities to speak to members of the county government. I have always had an open door policy and will continue to have one, and we also have public hearings. As County Executive, I will continue County Executive Leggett's policy of convening a business roundtable for regular meetings to discuss ideas and issues of concern to the business community.

5. Many of our small- and medium-sized business members feel that the policies adopted most recently by County government reflect a lack of appreciation for the contributions they make to our community. Please describe your understanding of the difference between the challenges faced by large multinational companies and small locally owned/operated businesses. Provide three specific examples of how you will support small businesses and ensure opportunities for them to grow and expand.

In my nearly 12 years on the Montgomery County Council, I have talked to hundreds of small business owners and learned about the challenges they face. I have a deep appreciation for the role they play in sustaining our vibrant, prosperous community.

I know that small businesses are at a big disadvantage compared to large, multinational corporations. They have less access to capital, a harder time attracting talented employees, slimmer margins with which to absorb rising costs, and more difficulty dealing with confusing and burdensome regulations.

My staff and I have worked with small businesses, helping them navigate obstacles related to county government. I have been able to block misapplication of code requirements and I got the Executive to remove the final fire inspection and associated fees from new construction projects.

I have championed policies to empower workers, like a higher minimum wage and sick leave, not because I don't appreciate the contributions of small business, but because I believe these policies are fair and in the long run will make Montgomery County a more attractive place to live and work. In the case of the minimum wage legislation, I listened to the concerns of small business owners and supported changes to give them more time to phase in the higher wage.

Specific examples of how I will support small businesses as County Executive include:

- Help small businesses become more energy efficient to make them more sustainable (which will reduce the energy taxes they pay) and help the county achieve zero greenhouse gas emissions by 2035.
- Use Lean process improvement to streamline procurement, permitting, and other regulatory functions that create red tape for small businesses. We need to differentiate between which steps and requirements add value and which are wasteful and confusing.
- Expand work-based learning opportunities in our public schools, including Montgomery College, to prepare young people of all backgrounds for jobs that small businesses are having a hard time filling.
- Add development specialists back to the regional service centers to provide greater contact with small businesses, identify needs of small businesses in particular areas, and help develop plans that might assist small businesses. I supported the creation of the MCEDC but felt we lost focus on local businesses in the process and tried to add support for local businesses back then - navigators are not sufficient.

6. The Silver Spring Central Business District was envisioned to become a smart-growth live/work/play community. However, in recent years, Silver Spring has evolved into a primarily residential neighborhood (bedroom community), with virtually no commercial office development in the past 10 years. Local retailers and restaurants are feeling the brunt of having fewer and fewer customers during office hours. What will you do to address this and help bring more businesses back to Silver Spring?

For many reasons, commercial office development in our region has not recovered from the Great Recession. Federal agencies have downsized and consolidated into government-owned space and private companies have expanded the use of telework and smaller, more flexible workplaces (in addition to downsizing and reducing square footage and the number of employees). This is the "marketplace" at work - a more efficient use of office space and employees makes complete economic sense, but it also reduces demand for office space and does create vacancies that previously were filled. You can't fault companies for making those decisions, even though they have negative impacts on the office market in general. As a result, Montgomery County has some 10 million square feet of vacant office space.

I do not think that the CR zone, which allows either/both commercial and residential development, is particularly helpful. If every property owner takes the short-term view that residential property is hot and they want to build it, then we will lose locations that are near the Metro and are prime locations for commercial development. Historically, planners consciously planned downtowns with a mix of commercial and residential space. While the theory of a mixed-use building could be great, what currently passes as mixed-use - one small retail establishment on the ground floor of every high-rise residential building - is not mixed-use, and the retail is unsustainable without enough of a commercial presence.

The good news is that the Silver Spring Central Business District is just the kind of place employers are looking for: it's walkable and transit-oriented, with arts and entertainment amenities and a growing population of young professionals. But while we created an arts and entertainment district, we've never done much with it. So as support of the arts has diminished from Discovery and AFI's parent, and because the Fillmore really hasn't contributed to the effort, the county has dropped the ball. Elliott Rattley at The Classics told me that diminished support was one of his major issues. I would thus look at ways to put more focus on the arts in Silver Spring. Taking the long view, Silver Spring's office vacancy rate was 24% in 1995 and is about half that today, much lower than many other areas of the county. The commercial office market is still sorting itself out, but I believe we have a big opportunity to attract new commercial office development to Silver Spring.

My first priority will be to find a tenant (or tenants) for the Discovery Building, which will be vacated in mid-2019. Our job is to market Silver Spring as the bustling urban center it has become and commit to building on its strengths by supporting arts and entertainment venues, promoting the nighttime economy, expanding transit connectivity, and keeping its streets clean and safe. I continue to believe that Silver Spring ought to be a location that's attractive to businesses needing to be close to the FDA and Capitol Hill. As County Executive, I will support zoning policies and infrastructure investments that attract new jobs and grow the county's tax base.

7. The Route 29 Corridor in Eastern Montgomery County has suffered from a lack of commercial and other development for many years. Traffic congestion has increased, and most of it is through traffic to the Beltway or downtown D.C. Few, if any new employment opportunities have been created to provide jobs that would take these cars off the road. What are you going to do to ensure economic development that brings new businesses to Silver Spring including downtown and the East County/Rt. 29 Corridor?

As noted above, I am interested in helping small businesses start and thrive through the creation of incubators, through a focus on adding development specialists back to the regional service centers, and through addressing the county's transportation issues. I would again stress the research [showing](#) that services for small businesses - such as customized job training and support services that can provide advice on, for example, technology - and initiatives that improve the quality of life in an area are more effective than tax incentives at promoting business development, and that's as true for the Route 29 Corridor as it is anywhere else.

I also think that the White Oak plan, or plans for the 29 Corridor, should look at commercial development directly along Route 29 going up to Briggs Chaney. This is one of the most heavily trafficked corridors in the county and development that directly faces onto Route 29 should benefit.

8. The Chamber supports a balanced approach to transportation policies that take into account the needs of our member businesses, their employees, their customers, and their vendors. That balance

must accommodate those who use public transit, drive on our roads, travel by bicycle and on foot, and need sufficient parking options at their destination.

- **Please describe your approach to finding the right balance of transit, roads, parking, and other transportation options.**
- **How will you assure the future success of the Metro?**
- **What will you do to address the needs and concerns of businesses that expect to be harmed financially during the construction of The Purple Line?**

I first designed the proposed bus rapid transit (BRT) network because we need a real solution to the traffic congestion across our county and we need to give people a real alternative to cars - we need transit that works and is affordable. Implementing the BRT network would be a top priority for me. I envision Ride On evolving to more intensely serve neighborhoods and connect them to the main BRT lines so that we can move transit closer to people's doorsteps, and so we won't need to use Ride On for the long convoluted routes that the buses run today.

In general, I think we need to focus less on on road construction and more on changing "mode share" (the percent of commuters using different modes of transportation for their commutes; a 50% non-auto mode share means 50% of commuters are not traveling by car). We need to implement a combination of improved transit and policies that support transit, including comprehensive parking policies, with the goal of reducing trips by single-occupancy vehicles. We can build within the existing footprint of the roadways and minimize new construction by using the highly directional nature of traffic in Montgomery County to our advantage, using reversible lanes that provide capacity during the time of day and in the direction that needs traffic relief; doing so reduces both capital costs and environmental impacts. As I've said before in [commentary](#) on Governor Hogan's proposals, it makes neither environmental nor economic sense to use a sledgehammer where a scalpel will suffice.

Lastly, even though the state has now committed a dedicated source of funding for Metro, Metro will still have important needs. I believe a good option would be to raise money through station-area tax or assessment districts. Developers have made lots of money from this publicly owned and operated asset and need to share in the costs as well as the benefits by paying a Metro station policy tax on commercial development around the stations. This idea is not new and has had support in the past from Metro leaders.

I have the experience necessary to unite Metro-area jurisdictions around this idea. I serve on the Council of Governments (COG) Transportation Planning Board (TPB), and my longstanding proposal to focus on regional cooperation and adopt common policies came out as the top-rated proposal in a package of five proposals that the TPB is recommending as regional priorities. The years I've spent raising and discussing these issues have already helped move our transportation policies forward.

Finally, I am committed to helping businesses that will be affected by Purple Line construction and would welcome thoughts from the business community on what actions I can take to do that. I have been working with business owners on and near Bonifant because I am concerned about access to their businesses during the construction phase. I feel that this is the county's responsibility - we asked for the project and knew there would be impacts, and to point to the state for the whole solution is just irresponsible.

9. What is your vision for the future of greater Silver Spring and Montgomery County over the next 5 years?

By restructuring the government, investing in small, local businesses, planning our growth more purposefully, and continuing to stand up for the progressive principles the residents in this county value, I believe we can reduce congestion and school overcrowding and fill much of the vacant office space in the county. Over the next five years, I would like to see us engaged in truly smart growth in which we add density at the core in our

master plans, preserve affordable housing on the edges, and increase or at least preserve the presence of light-industrial business. I do not want to preside over a slow but steady glide path towards not being able to meet our rising needs; instead, I want to change the way we operate now so that the county remains one of the most attractive places to live and work in the country.

10. If elected, how will you measure your success at the end of your term?

To measure success at the end of my term, I will compare what I planned to do with what I was able to achieve. I am a believer in outcomes-based budgeting and intend to evaluate our government programs based on how well they are accomplishing what they are designed to accomplish. If I am able to implement programs and initiatives aimed at closing the opportunity gap, improving quality of life, promoting economic development, and making our government operations more efficient - and if I am able to monitor those programs and adapt them to make sure we are constantly making progress on those objectives - I believe my term will have been a success.