



REDI BOARD WORKING SESSION

Minutes

March 20, 2021 8:00 a.m.

VIA ZOOM

Board attendees: Becky Briggs, Dale Cyr, Rob DiSpirito, Marji Graf, Jennifer Hester, Kimberly Kelley, Bei Ma, Dan Mallon (pending Mayor & Council vote), Bridget Donnell Newton, Todd Pearson, Susan Prince, Nancy Regelin, and Morgan Sullivan.

Absent: Ahmed Ali, Richard Alvarez, Scot Browning, Angela Chaney, Carla Merritt, Suzanne Osborn, and Bill Tompkins.

Staff: Cindy Rivarde, Morgan Wortham, and Thomas Squire

Guests: Dr. Kevin Long (Montgomery College), David Levy (City of Rockville), Alan Tan (real estate broker), Ben Anstrom (resident), and Michael Scott (resident).

EXECUTIVE SUMMARY

Top Priorities for the REDI Board for FY2022 are (acknowledging that the Board did not work on small business support or MWBC during this working session):

1. Marketing

- a. **Diagnosis:** Rockville still does not tell its story comprehensively enough about quality of life, or reach a broader audience
- b. **Strategy:** Focus on highlighting livability in the greater Washington area emphasizing quality of life that includes diversity, housing, education, parks, arts and culture, restaurants, and events in order to attract the creative class by targeting businesses that enhance quality of life, as well as businesses, brokers and site-selectors looking to locate where employees will have a great quality of life and be near key industry sectors.
- c. **Tactics:**
 - i. Hire a full-time marketing person to further craft and tell story
 - ii. Brand Rockville Commercial Districts and support programming that will attract visitors and businesses
 - iii. Work to tell our story visually with video and photography
 - iv. Work with the City to create an Arts and Entertainment District
 - v. Work with the City on impactful projects like the Rockville Metro Station, Town Center, King Farm Farmstead, and RedGate Park.

2. Business Retention, Expansion and Attraction

- a. **Diagnosis:** Businesses do not know about Rockville's competitive advantages.

- b. **Strategy:** Work to gather data, benchmarks, and information about business needs to craft a formal business retention, expansion and attraction plan as well as to provide more precise information about how Rockville meets business needs.
- c. **Tactics:**
 - i. Survey businesses in Rockville to understand their needs including space needs, location and/or growth plans, amenity needs for employees
 - ii. Survey brokers and site-selectors to understand how Rockville is perceived
 - iii. Analyze who our competitors are – is Northern Virginia a competitor that we need to focus on?
 - iv. Analyze information about how our taxes and fees stack up to competitors.
 - v. Comparison of our educational institution resources, quality of life, and amenities to competitors.
 - vi. Review of Incentive Programs to make sure they continue to be as effective as possible.

3. Talent

- a. **Diagnosis:** Rockville and Montgomery County have a talent gap issue where the employment needs of businesses are not met by the output of our local educational institutions.
- b. **Strategy:** Continue to work with the business leaders and educational leaders to highlight the topics of concern and make sure critical conversations are occurring to address the gap.
- c. **Tactics:**
 - i. Work with the MCEDC, Worksource Montgomery, Department of Commerce, Montgomery College, MD Tech Council, USG, and MCPS to understand issues and facilitate conversations through our Workshop/Roundtable program
 - ii. Determine if Bio Health/Bio Tech are the areas of most need? Are there other sectors?
 - iii. Continue to champion the idea of a data portal between businesses and educational institutions – or other tool that will allow for planning to address the talent gap.
 - iv. Support and highlight the efforts of the Maryland Tech Council, Worksource Montgomery, Montgomery College, and USG to provide training programs and resources to help businesses close the talent gaps.

DETAILED NOTES

- 1. **Welcome and Goals for Session (Susan Prince)**

Ms. Prince welcomed the board members and guests and thanked them for taking the time to provide strategic input on a Saturday.
- 2. **Presentation (Dr. Kevin Long)**

Dr. Kevin L. Long, Deputy Chief of Staff for Policy and Planning at Montgomery College, presented current workforce trends in the Rockville market. Dr. Long noted that it will be 2025 before Montgomery County will regain the jobs lost during the pandemic

and 2024 for Rockville. Area median salaries increased probably due to higher paid jobs in the bio and IT support sectors bouncing back faster, as well as the fact that many of the lost jobs were lower wage positions, especially in the hospitality and leisure sector. Childcare is re-emerging, but retail, hospitality, manufacturing, education, and health are still down. In reviewing top job growth areas, Dr. Long noted that an emphasis on STEM is critical for us, as we either need to import or grow talent, as we do not produce enough talent to fill the bench science jobs. He noted that USG does not show graduates in Montgomery County, but instead records the data for talent from the home institutions, which may skew the view of the available talent pool. Montgomery College is working to provide training for workers to move to “lifeboat jobs” where they have credentials to move into an industry in a short term where they can continue to learn and grow in their careers.

3. Review of 2021 Work (Cindy Rivarde)

Ms. Rivarde presented an overview of the prior Board discussions in 2019 and 2020 identifying strategic goals, as well as a retooled mission, vision and values. REDI focuses work in four overarching categories including Business Attraction, Retention and Expansion; City Projects; Small Business Support and Talent Alignment. The goal of the working session was to stay at a strategic level, defining the main problem that needs to be solved in each category for FY2022. It was noted that there would not be a focus on small business support or the MWBC for this session, until Morgan Wortham has more of an opportunity to build the Advisory Board to assist her in strategic thinking that will eventually be brought to the full Board.

4. Break Out Sessions

The attendees engaged in several breakout sessions to discuss top strategic goals for REDI for FY2022. Each session had four groups.

Break Out Session Number 1 - Talent Alignment Efforts

In the past, the Board discussed:

- There are siloed resource providers
- It is difficult for businesses to navigate the information about available resources
- There is not enough communication between businesses and educational institutions at strategic and tactical levels

Group 1: Todd Pearson reported

Companies are sharing and trading employees, especially in Bio and Real Estate. There is a real need to attract the younger generation, which means focusing on an environment and placemaking that is attractive. Walkability is important, and more affordable housing. Query whether we are aligned properly to our growing industries.

Group 2: Kim Kelley reported

- REDI has made great strides in addressing the issue of siloed providers with its workforce education series that brought employers together to discuss their needs with the educational institutions. REDI has also made great strides in helping businesses navigate information about available resources.

- REDI could be part of the strategic planning to redirect the employment/labor source to those jobs where there is strong growth.
- Worksource Montgomery is coming out strongly with a new alignment with the College and the business community. We need to understand the new positioning of Worksource Montgomery and find ways to partner.
- REDI still has not fully addressed the need for communication between businesses and educational institutions at strategic and tactical levels. It is still important for REDI to help businesses tap into available resources. There is a need for consistent and continual communication between employers, prospective employees and students.
- We also need to understand the talent gap better to know whether the workforce is not aligned with talent opportunities, or if there is not enough supply.
- What can REDI do to help close the talent gap especially in Bio?
- The top issues that REDI should address for FY 2022 are:
 - REDI is the communication vehicle to employers and future employees to ensure these communication channels are working.
 - In the Bio-tech sector, we are not sure if there is an alignment issue. We recommend interest groups and surveys to determine what their problem is and how REDI can support those efforts. Be sure that talent alignment in other sectors is an issue before we try to solve this issue.
- Metrics we should consider are:
 - Amount of outreach communications including one on one meetings with businesses.
 - Assistance to bio-tech employers who have decided to locate in Rockville
 - Number of new graduates who are employed in the bio-tech sector
 - Overall job growth in bio-tech sector
- Tactics recommended are:
 - Survey of businesses to identify their areas of success or needs
 - Create database of Rockville companies, which would be helpful
 - Consider a focus group for the bio-tech leadership – talk about the challenges they have getting the talent they need

Group 3: Dale Cyr reported:

This is a supply chain issue. There is a talent gap that is not being filled by the local institutions. Also the pandemic has accelerated remote work. We might want to look at the eco system of large, mid and startup bio companies, each of which has a different talent pool need. To understand this, we may need more help from Industry to understand what their needs for talent are, and what do they have to do to get people to move here.

Group 4: Rob DiSpirito reported:

We need to attract a younger workforce. To do this, placemaking like focusing on E. Gude and Town Center to make Rockville attractive is important. We need to understand some of the issues confronting younger workers like the cost of living, wages, and educational debt. How can we assist the talent pool to meet their needs to be able to live in our community, and how can we support employers in doing this. It is suggested that we obtain research on the return on investment employers gain from unique assistance programs to employees. It is also important to look at how internships can promote opportunities for students to grow into positions.

Overall Conclusion:

There is a talent gap issue that REDI (and Workforce Montgomery) need to understand better in order to be able to address the needs of businesses and future employees with more targeted alignment. It is suspected that this gap is most prevalent in the Bio Health/Bio Tech sectors, but also appears to be an issue in Real Estate, and may be so in other sectors.

Break Out Session Number 2 - Business Attraction and Retention

In the past the Board discussed:

- Rockville is not competitive with other communities
- REDI does not provide valuable information or services to businesses, site selectors and/or brokers
- Rockville's Incentive Programs are not effective enough

Group 1: Kim Kelley reported.

It is not necessarily fair to compare Rockville to Fairfax County in Virginia. There are many potential businesses specifically wanting to be located in Rockville and Montgomery County. There is a lot of demand for Chinese businesses to locate from New York and other markets to Rockville, and there is much interest in bio-tech and lab space. Rockville is competitive and desirable. From a life sciences perspective we are extremely competitive. The pricing in Rockville is excellent and now it's at \$40/sq ft. it is very competitive pricing compared to other areas. We are at a discount which is a huge draw.

The talent pipeline in the life sciences is a national issue and we are making good strides in this area. REDI has started to communicate how competitive we are but we can do more. It's all about recruiting and employment for Rockville. Quality of life and talent pipeline. What was promoted to attract Amazon that Rockville could use to promote its value for potential employers. Communicate number of graduates who are graduating from MC and USG. More focus on the assets in the County and be more explicit about how we can help employers who consider moving to Rockville.

Some more work on the workforce needs. What is the business mix that Rockville is going for in its area? From a comparable stand point, how do we approach the attraction piece? From a retention piece, approach has to be identified. What is Rockville trying to become?

Rockville is attractive but needs to do a better job of telling its story. It's impossible to do enough of that type of marketing. Telling who's here, who's growing, and who's just arrived. In Northern VA they do a better job of touting their benefits and talents.

Cindy is considering a marketing person for REDI. Bring on a full-time person to communicate how great Rockville is and help keep the information flowing. Need to get a message out that makes us most competitive in the marketplace, business attraction, talent attraction, business retention should be our three areas of focus.

Greatest value to the City is to be a marketing arm for the City of Rockville. We have to market furiously and deliver a better product. Have institutions and companies that are doing great things but we don't do enough to promote our assets because we can't promote Rockville too much.

Other jurisdictions have clearly stated visions and strategies and are more clear about who they're trying to attract. Montgomery County has some of that but it's not too well defined. Rockville should develop its own stated vision and strategy based on who's here, what industries do we want to attract and then promote that strongly.

The qualities of Rockville include bio-tech, Asian-American demand in Rockville associated with higher income with that demographic. With 20% AA in Rockville, there's room to grow. Growth of AA enterprise has additional growth opportunities.

Need more money for the incentive program for the City, but incentives are the icing for a business deciding to locate – not the motivator. Currently, we don't have very many assets to leverage. The MOVE grant allows us to leverage the County program and helps to incentivize companies to come to Rockville versus another location in Montgomery County.

Group 2: Dan Mallon reported.

We need more information.

We need to understand who our competition is, and how we are identifying them as a competitor. Is this Frederick, Gaithersburg, Northern Virginia?

We have a challenge of having the right space/location to meet the targeted industry needs. There is a lot of older space. How do we encourage redevelopment, and how can it be affordable? A Real Estate Reuse/Redevelopment strategy should be considered.

We also need to understand the pressure of costs for businesses including redevelopment, taxes and fees. How can we issue a clear statement of what we are doing to help businesses meet these challenges. Incentives should be focused on helping to create more job growth.

Group 3: Jennifer Hester reported.

We attract outside talent by having a great quality of life. We need to have a wholistic community that is both known for specific industries and as a nurturing community. It is important to understand the data on who lives and works in Rockville, and where people are only living or working here. What is the difference in Rockville being a place to live versus a place to do business? The City projects of E. Gude, King Farm and Redgate are important to helping us create the right balance for living/working.

Bio tech is not the only industry to pursue, green/clean technology is also important. We are not competitive with Fairfax because of taxes, but our bio/pharma is trending, and quantum computing is coming.

We need to re-evaluate our current incentive programs to see if they are meeting our goals. Having a paternalistic outlook in helping businesses may not be the best decision – and we need to understand the exit ramp for the business needing assistance (Small Business Impact Fund). We are providing both monetary and non-monetary assistance – sustainability of business is the goal.

Group 4: Ben Anstrom reported.

Rockville is not competitive: We need to understand and advocate more at a state and county level regarding policies and laws that are holding businesses back and not allowing us to be more competitive. The story with White Flint (which is adjacent to Rockville) hurts us, as the costs are deterring

development. How can we work to lower costs? We should look at how we can leverage our opportunity zone better. It was mentioned that we did not provide all fee reductions possible in the OZ. Can we lower our impact fees and other fees? Montgomery County has a reputation for having a lot of taxes and fees. Our region is not competitive to Virginia and DC.

We need to understand business needs. Business visitations are helpful in developing relationships where business owners feel comfortable expressing their needs.

We need to be a location that talent wants to be. Suggested tactics are to do the business survey to understand business needs. Concern about Choice Hotel leaving. Focus on Town Center – how do we increase density? How can we have desirable development surrounding Town Center?

We have made strides in making it easier for businesses to navigate information and resources. It has helped businesses for REDI to be a liaison with the government. The new website provides a lot of necessary information on resources. Could this be augmented with more information about the money available for incentives, and how quickly it can be paid? It is important for us to survey the grantees of our incentive programs so that we can show the impact.

Overall Conclusion:

Rockville needs to be tell the story about its competitive advantages but REDI does not have enough information to fully state its business attraction and retention plan. We need:

- **Information on who our competitors are – No. Virginia may not be the competition to focus on**
- **Information on how our fees and taxes stack up to our competitors**
- **Information from the businesses on their space needs, and how we can position our existing real estate to meet those needs**
- **Comparison of our resources like educational institutions, quality of life, and amenities to our competitors.**

Once we fine tune this information, we can also refine the story we are telling about Rockville so we are more clear about who we are trying to attract to Rockville and why.

Break Out Session Number 3 - Marketing

In the past the Board discussed:

- Rockville lacks a coherent sense of place and brand for business
- Rockville lacks a sense of excitement to attract and retain talent
- Rockville does not have a clear sense of the business/site selector/broker needs

Group 1: Becky Briggs reported.

REDI is not telling the Rockville story well enough – we need to be more clear. Virginia seems more proactive, and their Governor is very involved in making calls. How can we work with MCEDC to have broad enough thinking. How can REDI be a strategic advisor to the County and State? People really like Rio and Crown – those are exciting places.

REDI has focused on retention in the past and developed a reputation as being a point of contact. However, now we can focus more on attraction, looking at the question of who are we, who is moving here, what leases are coming up. What are the advantages of Rockville. What can we do to bring business here. We could focus on the message to come play in Rockville – and promote local tourism.

Group 2: Bei Ma reported.

Town Center owner is not vibrant enough. We lack a coherent sense of place and branding as well as excitement. Pike and Rose (and Rio) have excitement. How can we work with developers? It would be great to have an electric vehicle car show.

We are also missing some major brand names in the Asian Community – like the HMart grocery store. The Town Center also needs an anchor. Alan Tan reports that Rockville has a great reputation, and he is not able to find enough space for his clients.

It is important for Rockville to highlight its position as an arts and culture center. Visarts is an anchor. We should highlight the creativity in our community – like Zenimax. Where can we have theater, arts, and other anchor destination spaces.

We should also look at highlighting restaurants – with a restaurant week, or other marketing of Rockville as a food destination.

We may also want to support an increase in 4 year programs in education, especially to meet the needs of the Bio Pharma industry sectors.

We should do more with photography and video. We should also look at a variety of messaging platforms.

Group 3: Kimberly Kelley reported.

REDI has done well with the new websites and improved marketing in the last two years. We are moving in the right direction.

Now we need to highlight a sense of place and brand for business. Question: what businesses are here, what businesses are coming and working on a brand in support of wayfinding. Need to segment the brands but can have an overall brand and then segments in the brand to represent the eclectic landscape of Rockville, which has really changed over the years. This can be explored with the business survey.

Rockville has been a bedroom community for Washington D.C., but now there is a growing walkable urban lifestyle in addition to the suburban area. We need to understand how we fit into the overall region.

How will the pandemic change talent needs as well as the use of office space. The concept of where employees will live may be changing, and may result in smaller office space footprints. We will need to understand the market and whether we should promote smaller footprints. Should we focus on Rockville as “the” place to live. How do we attract young families and professionals to live and work in Rockville.

The focus on Rockville Town Center is a focus on a small part of the City. We need to show how Town Center fits into the whole. It will leave a huge hole if Choice moves its headquarters out of the downtown.

What can we do to create excitement in Rockville that will attract businesses and employees? We should make this an effort branding-wise. We might want to look at companies with technology and

“cool” brands. How can we connect this into the E. Gude pilot effort and creation of an Arts and Entertainment District?

One of our important goals is to help bring talent to the area to support our businesses. Could we explore incentives for talent attraction – or for arts and cultural offerings? We need to compete with Silver Spring and other surrounding areas. We should highlight the craft breweries and entertainment factors to attract people during off-work hours. We should develop green space and connect Gude to Town Center. “Look what’s happening in Rockville in the arts and for families.”

We should look at what channels people look to for information on Rockville like Instagram, Twitter, etc. As a business connector, how can we help employers have things for their employees to do. What can we do to also highlight academic programs, and jobs to support recovery from the pandemic. Can we help interns find opportunities? We may want to emphasize more entertainment factors – to market and promote things to do. We should highlight our gathering places to help attract workers and help people see what is happening. We could look at tour buses/fam tours, and maybe have a trolley for Rockville from the government center to town center to be able to eat and get back to work. Town Center to East Gude to open up people’s interest. Needs more wayfinding.

Think about things that attract people to Rockville and piggyback off of those. What celebrations that could be leveraged?

Group 4: Michael Scott reported.

We need to implement a strategy for the younger generational view. Our mantra at all events should be “Why Businesses Love Rockville.” We may want to incorporate this into our board meetings – to encourage the conversation with why we love Rockville – so this becomes engrained.

Diversity should be a key focus to differentiate Rockville. It is know for its diversity nationally, and therefore has a sense of wellness that is attractive to businesses and residents. Rockville is not just a business destination, it’s a choice of life decision.

REDI should look for areas to support the growth of business. We could tailor the conversation about livability to talk about diversity, housing, transit, education, parks and the arts. What impactful coverage could we get?

The visibility of key events is also helpful. The carshow at Glenview is really impactful – could we have an environmental car design show in downtown?

It should be REDI’s top priority to bring on a full-time marketing position.

Overall Conclusion:

We should focus on projects and messaging to show exciting events, dining, businesses, and culture available in Rockville. We want to show we are creative and attract the creative class. We need to move to the next level of marketing with a full-time marketing person and communications across a variety of communication platforms. We need to grow our visual story with video and photography – as well as creating an arts and entertainment district, branding districts, and supporting events that will attract visitors. It is also important for us to focus on the livability of Rockville in the greater Washington D.C. region emphasizing diversity, housing, education, parks and the arts.

Closing Discussion

The meeting adjourned shortly after noon.