



In the Business of Connection

## Fiscal Year 2022 Final Report

### BACKGROUND

Rockville Economic Development, Inc. (REDI) was incorporated in 1997 as a non-profit organization that provides economic development services to the City of Rockville. Now in its 25th year, REDI has a mission to identify and develop economic opportunities to help Rockville prosper. The organization is managed by professional staff and a board of directors comprised of representatives from Rockville's business community. Funding for REDI is largely from the City, but one of its signature programs, The Maryland Women's Business Center, is funded by Federal grants through the Small Business Administration (SBA) as well as contributions from other local county and city governments and foundations. More information can be found at [www.rockvilleredi.org](http://www.rockvilleredi.org) and [www.marylandwbc.org](http://www.marylandwbc.org).

### EXECUTIVE SUMMARY

Over the past few years, REDI's focus has been on helping local businesses adapt to the changing needs throughout the pandemic. Now as we are coming out of the pandemic, there is a need to respond to the shift in how businesses use office space as well as attract and retain employees. REDI continues to help steer the Rockville businesses forward to a stronger, more inclusive, competitive, and vital economy through leveraging strong partnerships with the State Department of Commerce, Montgomery County Economic Development Corporation (MCEDC), the Greater Rockville Chamber of Commerce, Visit Montgomery, Worksource Montgomery, the Maryland Tech Council and other area organizations that support our business community.

In Fiscal Year (FY) 2022, the REDI Board of Directors was led by Susan Prince, Chair of the Board, along with an officer slate that included Nancy Regelin (Vice-Chair), Jennifer Hester (Vice-Chair), and Todd Pearson (Secretary/Treasurer). The officers work with the Chief Executive Officer Cindy Rivarde to not only navigate the environment caused by the pandemic but to help strategize ideas on how to refocus REDI's strategic goals. New board members added this fiscal year included Michael Scott, Chief of Staff for Humanity Health, and Ben Anstrom, Mechanical Engineer at the Naval Surface Warfare Center. **An updated list of the Board members is attached as Exhibit A.**

Last year, the Board identified a key priority for REDI and the City of needing to have more communications regarding the advantages of Rockville as a business location, and Mayor and Council agreed, allocating additional funds for a new position. Amanda Bosland was hired as the Communications Manager to be the point of contact for REDI's external communication and expand REDI's digital footprint as well as create additional marketing collateral to support business attraction. Amanda managed the partnership with Visit Montgomery to successfully create and launch [www.explorockville.org](http://www.explorockville.org), which provides a platform not only for the message of what there is to see and do in Rockville, but also to give an avenue for local retailers and restaurateurs who were especially hard hit in the last few years to be included in a business directory. A new calendar of events is also an important tool for the City to announce and support a variety of events happening in Rockville including cultural, arts, entertainment, festivals, and other activities that will attract local participants and visitors. In addition to this effort, REDI created and launched a pilot commercial district branding for Rock East. By branding commercial districts, REDI will be able to better promote the businesses in those locations to drive customers through Explore Rockville. In FY2023, REDI intends to focus on highlighting businesses in Town Center, the Life Science area, and the international appeal of the Rockville restaurant scene.

Other key achievements in the REDI five strategic planning areas for FY 2022 include:

### **Business Retention/Attraction**

- Conducted a business survey of over 7,000 businesses within the Greater Rockville area to understand their business needs utilizing the services of Technometrica as a consultant. REDI held stakeholder meetings with business owners, and the brokerage and development community to understand how the City of Rockville is perceived compared to other cities in the region.
- Assisted with permit services for the attraction of Tetracore, which brought in a 93,000 SF lease at 77 Upper Rock and 150 jobs to the City.
- BF Saul's new mixed-use development project Twinbrook Quarter broke ground this year and the 18-acre site will feature Wegmans, the anchor tenant for the project, 270,000 SF of trophy office space in the first phase, & 4-star mid-rise multifamily housing.
- Revamped the Incentive Review Committee to refine the Small Business Impact Fund requirements to make the grant more accessible to the small business community as well as implemented a marketing plan to expand the reach of the program.
- Created and strengthened relationships within the development and brokerage community to market new development projects and space availability to attract new companies into the City such as Tetracore, and Arcellx.
- Entered into an agreement with the Federal Lab Consortium to promote tech transfer opportunities.

### **City Projects**

- Partnered with City Staff on putting together a presentation for the discussion with Mayor & Council on how to support and encourage improving and revitalizing neighborhood shopping centers in Rockville. REDI provided data on the state of

the retail market and described the landscape of shopping centers throughout the City.

- Partnered with City Staff to hire a consultant to present an Economic Impact Assessment to the Mayor & Council for changing the land use designation on Research Boulevard.
- Assisted City staff on presenting to the Mayor & Council annexation strategies, focusing on three distinct areas. Also created a Value-Add document highlighting the benefits for annexing into the City.
- Worked alongside the City on the Annexation of the King Buick Site, which will bring about 365 units of multifamily housing to the King Farm area.
- Participated in the hiring of a consultant and preparation of a market analysis to discuss the possible options for the King Farm site.
- Participated in the discussion of the project Reimagining RedGate which has resulted in support for such uses as an arboretum, trails, and an amphitheater.
- Participated on the City's Rebranding committee by working with City staff on creating Request for Proposal (RFP) for the website redesign and selection of a firm.
- Continued to work with City Staff on the Rockville Metro Station redevelopment and provided feedback on the design options presented by WMATA.
- Worked with the City's communication department on the launch of Explore Rockville and Rock East District.

### **Workforce Alignment**

- Participated on the panel of the "Discussion of Regional Talent/Educational Pipelines and Needs" forum with Connected DMV.
- REDI promoted Workforce Montgomery's Montgomery County Plan 2020-2024 and hosted Executive Director Anthony Featherstone to present to the Board at the February meeting.
- Continued Talent Alignment Conversations with Montgomery College, Universities of Shady Grove (USG), Worksource Montgomery, the Maryland Department of Commerce, Connected DMV, and the Montgomery County Public School System.
- Encouraged the expansion of MCEDC's 2019 Talent Gap Study to update data and expand on the talent needs of businesses in the County
- Promoted the creation of the Rock East District to attract talent to the City.

### **Marketing**

- Successfully launched the City's first commercial district, Rock East District, which was a pilot project to promote local tourism and support small businesses rebounding from the pandemic. REDI, along with the City of Rockville, the Greater Rockville Chamber and Visit Montgomery, partnered with the local businesses to throw a series of events during the first week of September. This placemaking project highlighted the unique businesses, services and recreation assets through

branding and was part of a broader strategy to attract and retain businesses and talent in Rockville.

- Partnered with Visit Montgomery to create and launch the City's first-ever tourism website, Explore Rockville. The website is used as a tool to highlight things to do and see in the city and includes a business directory where Rockville retailers, restaurateurs, and service providers can list their business.
- Hired full-time Communications Manager with tourism, economic development, and marketing communications experience, who also serves as staff to the REDI Marketing Committee.
- Increased REDI's digital marketing communications audience and reach.
- Developed and strengthened partnerships with local and regional organizations.

### **Small Business Assistance/Maryland Women's Business Center (MWBC)**

- Added seven new Advisory Council members who participated in three, strategic planning sessions to provide fresh insights that help guide MWBC's direction and growth.
- MWBC Business Consultants completed certifications in the GrowthWheel Framework to better assist small businesses with actionable plans for sustainable growth.
- With MWBC assistance, Maryland entrepreneurs raised \$2.6 million of capital infusion in FY 2022, \$852,000 in equity capital, and \$1.7 million in business grants and loans.
- Organized and facilitated more than 70 workshops for entrepreneurs, drawing more than 2,500 attendees who received vital information to support their business needs.
- Hosted a successful WEgrow Maryland program, yielding 10 female entrepreneur graduates who are more prepared to improve their long-term financial stability.
- Supported MWBC becoming a leader in childcare industry support and bilingual training that supported 329 Montgomery County home-based childcare programs through one-on-one counseling sessions and the development of a workshop series designed to strengthen financial practices and take advantage of government relief programs. Staff presented "Understanding your Business Finances" and "Market your Business on a Budget" in English and Spanish at the Maryland State Family Child Care Association Conference.
- Renewed the license agreement with Federal Realty to continue MWBC's successful Retail Incubator located in Rockville Town Square. Approved five new women-owned retail businesses into the competitive program.
- Expanded the Retail Incubator to Union Station with a partnership with the DC WBC.
- Helped 11 of 15 Shop Local vendors receive funds from the Maryland RELIEF Act Online Sales and Telework Grant Assistance administered through MCEDC.

- Twenty-two women veteran entrepreneurs, including six from Maryland, completed the new, 14-week VetBizLadyStart program in partnership with the DC WBC, the ODU WBC, and the US Department of Veteran Affairs.
- Presented a three-part workshop series on leadership development in the food and beverage industry sponsored by a Kent Island Chik-Fil-A franchisee, which drew over 70 attendees.
- Approximately 75 people attended one of three in-person events held in partnership with Verizon to learn more about Verizon's Small Business Digital Ready platform.
- Served nearly 500 minority businesses, of which 118 were in the City of Rockville.
- Implemented Coffee & Connections sessions for Prince George's County entrepreneurs.
- Grew our relationship with the County Executive's office by providing a tour and photo opportunity with the retail incubator and participating in the County's town hall presentation to showcase County resources for small businesses.
- Staff acted as mentors through the Maryland Tech Council program to support technology and life science entrepreneurs, achieving this strategic goal.
- Re-vamped MWBC's monthly newsletter and blog, which resulted in high engagement—average email open rates of 35% and an average 251% more time spent on MWBC's website versus the average MWBC site visit.

## **REDI YEAR IN REVIEW**

### **Market Overview**

The region is starting to ease its way out of the effects of the pandemic. Economic recovery has been complicated and challenging because of the lingering effects of the pandemic and cycle of responses to new strains of COVID-19. Supply chains are still constrained, the economy is staring at the possibility of a recession, and inflation continues to rise. Other challenges to the region include new trends that were created or accelerated at the onset of the pandemic: telework or hybrid work environment, increased demand for open space, labor shortages, retail/restaurant industry transformation, and the affordable housing crisis. These ongoing trends have affected traditional commercial real estate fundamentals and require a new perspective. The vacancy amongst office assets is still elevated as office users are rethinking their space needs. Economic development has been at the forefront of conversations, partnering with the development community to create amenities that attract businesses and encourage employees to come back to the office. Internationally, it is acknowledged that Economic Development needs to work with Destination Marketing to communicate the advantages to businesses of the attractions of a location in order to entice talent to return to work or attract new employees.

With soaring healthcare costs and an aging global population, the country has accelerated life sciences discovery and innovation, and Rockville has benefitted by its strong life science sector and proximity to the National Institutes of Health. With companies fueling billions into the biotech sector, it is no surprise the City saw an uptick



in sale and leasing activity. Over the past few years, the life sciences and healthcare sectors have been a leading source of U.S. employment growth. As of 2019, Professional, Scientific, and Technical Services jobs represented the bulk of employment at 21.9%, which is a 3% increase from 2018. Healthcare & Social Assistance jobs account for the second largest employment base in the City with 12.1%, less than a 1% increase from 2018. According to Data USA, compared to other cities, Rockville has an unusually high number of residents working in Life, Physical, & Social Science Occupations: 7.36 times higher compared to surrounding cities. This high concentration of skilled workers positions Rockville well to attract and retain the companies. According to CBRE's 2022 Life Science Research Talent report, the Washington DC Metro ranked #2 for its leading talent pool in the country of which a significant concentration of that talent is located in the City of Rockville.

Rapid technological advances have helped bolster the life science industry to new levels, and the City has been on the receiving end of that growth as Rockville has been recognized one of the main locations for Immunology companies within Montgomery County. Softening market fundamentals for 2<sup>nd</sup> generation office space have prompted existing owners to offload assets and sell to owners looking to convert those spaces into wet lab space. To help offset the vacancy rates, the City has continuously funded the MOVE and Expansion program administered by REDI. This program was put in place to encourage businesses to relocate and expand within the City limits and help suppress the elevated vacancy rates the City experienced prior to the pandemic.

New owners are driven by the increased demand from domestic and international biotech and life science companies that have expressed interest in relocating to the City. Their desire for newer, well-amenitized, affordable space has fueled the development pipeline. Out of all the deals executed between 2020-2022, 85% of the new owners have plans to convert office to wet lab space. For example, one of the most significant conversion projects in the area is Boston Property's 30-acre site called the Shady Grove Innovations District. At completion, this project will offer users new products in a well-amenitized cluster of biotech tenants. A recent conversion announcement was the sale of 1 Preserve Parkway. Longfellow Real Estate Partners acquired the office building from FCP for \$42 million and planned to substantially upgrade the building's HVAC systems to attract lab space tenants. This trend has also sparked interest from existing owners to reposition their assets to accommodate wet lab space. In FY 2022, upon the announcement of the Arcellx deal, the owners of King Farm office park agreed to convert 800 King Farm into wet lab space. This will be the first of the buildings to undergo a major renovation and signaling to companies that the City of Rockville is expanding its pipeline for R&D and wet lab space.

Since the start of 2022, \$72 million in office property has traded hands. Sales activity saw softening in 2021, but totals were still impressive. At the same time, a large share of the real estate demands for biotech flex, lab and industrial space, the industry's influence on economic growth is expected to create opportunities for the office market. One of the largest mix-use projects in the County is Twinbrook Quarter, an 18-acre mixed-use development site that off Rockville Pike. Anchored by Wegmans, this is one of the most anticipated projects in the County.

## **Business Retention/Expansion/Attraction**

In April of 2021, REDI hired Richelle Wilson as its Deputy Director to focus on business retention, expansion, and attraction. A significant part of the business retention, expansion, and attraction plan is telling Rockville's story, promoting resources, and working with partners on maximizing efforts to attract or keep businesses within the City. REDI focused on maintaining its role as the main point of contact for companies while providing various resources that assisted with retention, expansion, and attraction efforts. REDI connected with over 80 Rockville companies throughout the year, totaling more than 115 touch points.

### *REDI & Partner Efforts Attract Big Companies*

REDI worked to provide assistance to businesses in securing their relocation or expansion into the City. As a result, we were able to support businesses of all sizes and industries, but the exponential growth of life science and biotech companies is further establishing Rockville's reputation as an industry innovation hub.

#### → Attraction: Arcellx

Arcellx is a clinical-stage cell therapy company in Gaithersburg primarily targeting blood cancers. The company got its start at the Germantown Innovation Center incubator and graduated to its current 23,000 square feet of space in 2019. The company signed a 60,000-square-foot lease at 800 King Farm and is expected to move in 2023. Currently, the company has 100 employees, with plans to hire an additional 100 employees within the next three years. This attraction project was a joint effort between the City of Rockville/REDI and Montgomery County/MCEDC.

#### → Attraction: Tetracore

Tetracore is a biotechnology research and development organization that creates innovative kits, assays, reagents, and instruments for the detection of infectious diseases, biological warfare (BW) threat agents, and biological markers. The company was located in Gaithersburg expanded its footprint with a 93,000-square-foot lease at 77 Upper Rock Circle. The company has 150 employees with plans to hire up to 20 additional staff. This attraction project was a joint effort between the City of Rockville/REDI and Montgomery County/MCEDC.

#### → Attraction: BF Saul's 18-Acre Mixed-Use Development Project – Twinbrook Quarter

In FY 22, BF Saul broke ground on one of the most anticipated mixed-use projects in Montgomery County. In the first phase, Wegmans will occupy about 92,000 square feet, planned to be built on the corner of Rockville Pike and Halpine Road. Along with the store, B.F Saul will construct up to 460 units in a 4-star apartment complex and a

parking garage. Developers estimated that the initial stage of development will be completed by 2024. In total, the project could amass more than 2.8 million square feet of new development.

→ Retention: Mas Panadas

Mas Panadas is a food manufacturing company that started in the Union Kitchen incubator. Within the FY 22, they secured a \$2 million private label contract and were able to launch two Whole Foods in the DC region and sales reached \$3 mill in 2021. With the success of their product, they expanded into an additional 10,000 square feet in the South Lawn area of the City. This expansion of space will help to accommodate the capacity for additional partnerships and accommodate additional staff.

→ Acquisition: 20, 30 and 50 West Gude Drive

Thor Equities has acquired West Gude Labs, a trio of office/flex properties in Rockville, Md., for \$45 million, with plans to convert them to life sciences space.

*Reevaluated How to Strengthen Existing Partnerships & Created New Ones*

Working with partners such as the City of Rockville, Montgomery County, the State of Maryland, and the development and the brokerage community is critical to our success. This year, REDI entered into a Memorandum of Understanding (MOU) with the Federal Lab Consortium (FLC). The FLC is the formally chartered, nationwide network of over 300 federal laboratories, agencies, and research centers, which fosters commercialization, best practice strategies, and opportunities for accelerating federal technologies out of the labs and into the marketplace.

REDI also worked on expanding its relationship with the brokerage and development community to tell Rockville's story to a wider audience. One of REDI's newer partnerships has been with a development firm, Boston Properties (BXP). After BXP purchased several parcels near Shady Grove, RED partnered with the leasing and marketing team to provide data on the City and help craft the story for businesses looking to expand, not the City. REDI has also reached out to the other new owners in the City like Thor Equities to offer assistance to attract businesses. REDI has created additional marketing pieces tailored for the user to highlight incentives from all jurisdictions and to promote the City as an ideal location for biotech and life science companies.

*Focused on understanding the needs of the business community through the business survey and stakeholder meetings*

With the onset of the pandemic, many businesses experienced setbacks that interrupted day-to-day business activity. Businesses experienced everything from supply chain interruptions and declining demand for their products and services. REDI along with the City wanted to understand how businesses fared during and post the pandemic and how the City of Rockville was perceived by the development and brokerage communities. After an RFP process, REDI hired Technometrica as its consultant and held a series of



stakeholder meetings and distributed an electronic survey amongst the business community. Here are some of the highlights:

- Key reasons that Rockville is a desirable location vary depending on the type of business. Nearly half (43%) chose Rockville because the owner or key staff lived there.
- The majority of businesses that responded to the survey are primarily small businesses.
- Micro and small companies use market and demographic data that REDI gathers and would like more access to it.
- Nearly half of the businesses that responded are woman-owned.
- The most frequent request from REDI is for more networking and mentoring opportunities (17%), followed by help with funding/grants/incentives (11%), mentoring/training (9%) and promoting local business (7%).
- Business development and growth and funding/startup costs are the major concerns for Rockville businesses, particularly micro and small businesses.
- Affordable real estate for small and micro-businesses as well as established health/education/nonprofits and retail is needed.

**A copy of the survey report by Technometrica is attached as Exhibit B.**

*Business Incentives Continue to be a Vital Tool for Business Development and Small Business Support*

In the FY 2022 budget, the City continued to support REDI's incentive program by allocating \$75,000 for the Make Office Vacancy Extinct (MOVE)/Expansion Fund and \$450,000 for the Small Business Impact Fund (SBIF). REDI was able to retain a sponsorship from MCEDC, which contributed an additional \$75,000 to the Small Business Impact Fund. These programs serve as impactful tools for REDI's retention, expansion and attraction efforts.

To date, the City has allocated \$1.7 million to SBIF which was created during FY 2019. The Fund is designed to promote economic development in metro-area performance districts and is targeted at new and existing businesses that boost economic impact and strengthen business development. The success of the fund has offered substantial benefits including:

- Expanding the City of Rockville's tax base
- Retaining and creating new jobs, with an emphasis on traditionally under-employed populations.
- Retaining and expanding key business uses and services.
- Encouraging positive social impact.
- Supporting business-to-community engagement.

In a report done by Vault Consulting that was commissioned this year by REDI in order to measure the return on investment on financially supporting grantees like Dawson's Market and Cottage Monet, they found that the existence of these small business

operations is essential to the health of the business community with regard to the local supply chain and the public benefit to citizens within the City of Rockville.

Looking at Dawson's Market specifically, the report shows that:

- Dawson's Market is committed to and embedded in the local community of Rockville, Maryland by sourcing from 110 local vendors.
- To date, their sourcing from local vendors makes up \$500,000 in purchases and comprises 12% of their total purchase volume coming from the local community.
- Dawson's Market directly contributes to the economic growth of local small businesses by offering retail space to start-up businesses in Montgomery County to bolster their early sales growth.
- Dawson's Market has contributed to launching several Montgomery County businesses that have grown into regional or national brands
- Dawson's Market has contributed to local community causes and has supported 11 local partners through donating a portion of profits. Causes supported include VisArts, Manna Food Bank, Montgomery County Collaboration Council, and the Red Wiggler Foundation, to name a few.

Findings for Cottage Monet showed that:

- Cottage Monet is invested in the City's economic vitality and are members of the Greater Rockville Chamber of Commerce and Sidney Katz's Business Advisory Panel.
- Cottage Monet supports local artisans, schools, students, and philanthropic activities.
- They partner with schools like Luxmanor Elementary School for the Fourth Grade Future Entrepreneurs event.
- They work with local vendors and organizations to provide cross-promotions to patrons and offer discounts to Veterans.
- The report shows that the central location of Cottage Monet encourages them to support other businesses in the Rockville Town Center.
- Customers stated that supporting Cottage Monet made them feel great knowing they patronized a local woman-owned small business.

**A copy of the Vault Report is attached as Exhibit C.**

Over the course of the year the Incentive Review Committee has been working to revamp the SBIF program criteria and process to make it easier for businesses to apply and provide more clarity on requirements. Therefore, the program was broken down into tiers to make the requirements less cumbersome for grantees requiring grant amount of \$25,000 and below. One of the newest changes will be for the grantees to provide a specific project that will help expand their business.

Below is a list of grantees for this year's REDI business incentives, followed by the performance metrics for the business incentive programs:

<u>Grantee</u>	<u>Grant</u>	<u>Location</u>	<u>Employee count</u>
<u>Smathers &amp; Branson</u>	<u>\$34,557</u> <u>Move Grant</u>	<u>1570 East Jefferson, Rockville, MD 20850</u>	<u>29 employees, will add up to 38</u>
<u>Twinbrook Dental Center</u>	<u>\$16,000</u> <u>SBIF</u>	<u>12300 Twinbrook Parkway, Suite 110, Rockville, MD 20852</u>	<u>5 current, will add up to 7</u>
<u>Kim Engineering</u>	<u>\$14,244</u> <u>MOVE Grant</u>	<u>1390 Piccard Drive, Suite 340, Rockville, MD 2085</u>	<u>10 current and will add up to 10</u>
<u>Next Level Rentals, LLC</u>	<u>\$10,837 MOVE Grant</u>	<u>40 W Gude Dr. Suite 230 Rockville MD 20850</u>	<u>8 current and will add up to 7</u>
<u>Dawson's Market</u>	<u>\$400,000 per year SBIF Grant</u>	<u>225 N. Washington Street</u>	<u>26 FT/33 PT</u>

<u>Performance Measures (In City adopted budget)</u>	<u>Proposed FY 2022</u>	<u>Actual FY 2022</u>
<u>Business Incentive Grant recipients Move/Expansion and Small Business Impact fund recipients</u>	<u>7</u>	<u>4</u>
<u>Square footage of space leased by grantees</u>	<u>35,000</u>	<u>32,458</u>
<u>Aggregate average annual salaries for grantee firms</u>	<u>\$95,000</u>	<u>\$90,000</u>
<u>Number of full-time jobs added to Rockville through grantees</u>	<u>80</u>	<u>84</u>
<u>Number of business visits</u>	<u>140</u>	<u>115</u>

### **City Projects**

Throughout the year, REDI continued its role as a strategic partner and worked on multiple projects with the City, looking at the economic impact on the City. In particular, REDI commissioned a study by Jacob Sesker of Harpswell Strategies, LLC to assess the impact of the change in Land Use categories on Research Boulevard. The information provided informed Mayor & Council to decide to retain some of the office categories in that planning area.

Previously, REDI had advocated for the City to hire a consultant to assess options for King Farm to understand the potential for commercial and other building reuse that could help to maintain the historic structures while preserving the neighborhood park activities and providing benefits for area residents. REDI helped with creating the RFP, interviewed candidates, and was involved in the selection process of the consultant. REDI continued to work with City staff and the consultant in the development of a real estate and economic analysis, which was presented to the Mayor and Council. The report analyzed the financial implications of use decisions on the property, which served as a guide for the Mayor and Council in making decisions regarding the property.

The Washington Metro Area Transit Authority (WMATA) is redesigning the Rockville Metro Station and has convened a steering committee that includes the City, REDI, and Montgomery County. This project is important to solve the safety and aesthetic challenges of the current station.

The state of the retail industry within the City of Rockville has been a main point of discussion. REDI partnered with City Staff on putting together a presentation for the discussion with Mayor & Council on how to support and encourage improving and revitalizing neighborhood shopping centers in Rockville. REDI provided data on the state of the retail market and described the landscape of shopping centers throughout the City.

The City has been evaluating areas outside of the City lines to consider for annexation. REDI worked alongside the City on the Annexation of the King Buick Site, which will bring about 365 units of multifamily housing to the King Farm area. REDI also assisted City staff in presenting to the Mayor & Council on future annexation strategies, focusing on three distinct areas. REDI created and worked with City staff to create a Value-Add document to detail the benefits of being in the City.

Throughout this year REDI strengthened its relationship with the City's Public Information Office (PIO) and partnered on a number of projects promoting the City. In FY 22, the City began the process of rebranding its website and invited REDI to participate on the City's Rebranding committee. On this committee, REDI worked with City staff on creating a Request for Proposal (RFP) for the website redesign and selection of a firm. The PIO office worked alongside REDI's marketing team to promote the launch of the Rock East District and the City's new tourism site, Explore Rockville.

As a key step in the development of a long-term plan for City property, Mayor and Council had the opportunity to review three site plan concepts for RedGate Park. REDI participated in the discussion and discussed how the implementation of the concepts will benefit the City's tourism and marketing efforts and how it can be used as an attraction tool for businesses.

### **Workforce Alignment**

As businesses and workers adjust to rapidly changing work environments, data has indicated that employers are struggling to close the talent gap in addition to figuring out space needs. Despite a resilient economy during a global pandemic, employers cannot

ignore the issues they face, such as the skills gap and labor shortage. This is especially true in the City of Rockville, as many of its jobs are focused on high-demand fields like STEM. This has been an issue before the pandemic as the Baby Boomer generation approached retirement which was hastened by the pandemic. REDI has been diligent in working with employers to understand their needs and how to offer assistance.

REDI also participated in the “Discussion of Regional Talent/Educational Pipelines and Needs forum with Connected DMV. At this forum regional economic development organizations discussed the strengths and weaknesses within the region concerning the talent gap and how it could be remedied. REDI’s CEO, Cindy Rivarde was a panelist and spoke to the challenges that the City of Rockville faces and how REDI could work with its partners in the region to provide additional resources to businesses.

REDI promoted the Montgomery County Plan 2020-2024 and hosted Executive Director Anthony Featherstone to present to the Board at the February meeting. The Plan included an economic analysis section that outlines the top job sectors in the region and highlighted trends in job growth throughout the County. The Board discussed the barriers to housing and transportation for workers, especially those at lower pay rates.

REDI continued talent alignment conversations with Montgomery College, Universities of Shady Grove (USG), Worksource Montgomery, the Maryland Department of Commerce, Connected DMV, and the Montgomery County Public School System. These various organizations met to discuss ways in which to work together to strengthen the talent pipeline in the County and make it more accessible to businesses.

In an effort to understand and promote the strength of the labor market in the City and County, REDI met with MCEDC to encourage the expansion of MCEDC’s 2019 Talent Gap Study. In this meeting, REDI discussed the benefits of updating the data and expanding on the talent needs of businesses in the County.

REDI’s creation of the Rock East District was an effort to support the local businesses in the area, but also to promote the quality of life to attract the younger workforce. In the later portion of the year, REDI focused a lot of its efforts to understand ways to support businesses in attracting talent. Promoting the amenities in the Rock East District like True Respite, the Millennium Trail, and Twin Valley Distillers helps to display that the City of Rockville is a place to live, work, and play.

## **Marketing**

Fiscal year 2022 marked the first time in its 25-year history in which REDI had full-time staff dedicated to marketing communications. Amanda Bosland joined REDI as its Communications Manager in September 2021 as part of the organization’s strategy to use branding and storytelling to support REDI’s business and workforce attraction and retention strategy. The addition of the Communications Manager allowed REDI to

increase its engagement within the community through digital marketing, restore REDI's marketing committee, develop in-house marketing collateral for industry and location promotion, develop and manage the new tourism website Explore Rockville, support marketing campaigns, and comprehensively track and analyze REDI's marketing communications metrics.

REDI focused on growing its network and impact in the community by leveraging partnerships with local and regional organizations, including:

- Visit Montgomery
  - MOU for development of Explore Rockville
  - Board Membership
- Federal Laboratory Consortium (FLC)
  - MOU for cooperative marketing
- Greater Rockville Chamber of Commerce (GRCC)
  - Board Membership
  - Marketing committee sponsorships
  - Event sponsorships
  - Cooperative marketing
- City of Rockville
  - Business forum
  - Promotion of community/developments meeting
  - Creation of Value-Add Packet
  - Creation of Business Welcome Packet
  - Messaging about City Services

With the support of REDI's partners, the following business events were hosted:

- Economic Development Roundtable
- Good Morning Rockville – A conversation with Jake Weismann
- English Language Learning for Employees
- Marketing Roundtable: Using Local Media to Promote Your Small Business

REDI also updated and created new marketing pieces including a life science-focused 'Reasons to Love Rockville' flyer, a City of Rockville profile, a guide/welcome packet for new businesses, and digital/print ad promoting the City's new tourism website – Explore Rockville. **Copies of these publications are included as Exhibit D.**

### *Rock East District*

In FY 22 REDI continued work on the implementation of Rockville's pilot placemaking and branding project that highlights the unique businesses, services and recreation assets of East Gude Drive in Rockville, MD. The Rock East brand was developed along with the website, [www.rockeastdistrict.com](http://www.rockeastdistrict.com), which features the area's businesses and recreation assets in addition to an events calendar.



REDI collaborated with the businesses of East Gude Drive, ensuring inclusion in the planning and execution of the Rock East District brand. Partnership with the businesses was key to generating support and participation in the project. The businesses worked with REDI to create a series of launch events at multiple locations across Rock East District between September 9-11, 2022. Businesses like True Respite Brewing Company, Mayorga Coffee, Twin alley Distillers and the Bean Bag Deli & Catering Company supported the promotion of Rock East District by creating special edition Rock East District branded products that were included in the Rock East District package that was distributed to media and commercial brokers.

### *Explore Rockville*

Following the launch of Rock East District, REDI entered an MOU with the local destination marketing organization, Visit Montgomery for the development of [www.explorockville.org](http://www.explorockville.org) - a tourism website for the City of Rockville. Explore Rockville was created to:

- Promote and support Rockville's tourism, hospitality, and retail industries
- Establish Rockville as a regional destination for arts, culture, and international cuisine
- Support the attraction and retention of businesses, workforce and residents

The Explore Rockville website features an events calendar, a directory of restaurants, retail and things to do, and curated itineraries. Explore Rockville also highlights the city's unique neighborhoods, including Rockville's pilot commercial district, Rock East.

Explore Rockville was publicly announced at Hometown Holidays as part of the Mayor & Councilmembers' welcome, where staff hosted a booth and engaged with festival attendees.

### *Digital Marketing/Business Retention, Expansion and Attraction Support*

Using REDI's website blog, social media, and e-newsletter, the following performance measures related to marketing communications activities as outlined by the City of Rockville were met in FY22:

<b><u>Performance Measures</u></b>	<b><u>Proposed FY 2022</u></b>	<b><u>Actual FY 2022</u></b>
Number of digital posts promoting Rockville as a place to do business	<u>50</u>	<u>81</u>

Number of Rockville companies promoted through social media	150	579
Number of broker/economic development event sponsorships where REDI receives brand recognition	4	7
Number of industry sector events hosted/promoted	8	34
Number of external articles posted sharing news about Rockville's industry sectors	40	69

REDI exceeded its FY 22 marketing communication performance measures and maintained or increased year-over-year results from FY 21. The number of Rockville companies promoted on social media represent a variety of Rockville's industries, including restaurants, retail, professional services, nonprofit, life science and technology with 35% of all businesses promoted owned by minority groups.

Through content creation and republishing and increased and strategic use of REDI's communication channels (website, social media, e-newsletter), REDI highlighted Rockville's high quality of life and business development attractiveness, provided resources for small and minority-owned businesses and target industries, highlighted Rockville businesses with a focus on diversity and inclusion, and engaged with the business community through event sponsorship and networking. Content highlights and event sponsorship/promotion in FY 22 included:

#### Digital Posts Promoting Rockville as a Place to do Business:

- Three Rockville Businesses Listed Among 75 Fastest-Growing Greater Washington Region Companies
- 24 Rockville Schools Among Best for Grade K-8
- City of Rockville earns perfect score on Human Rights Campaign Municipal Index 5th year running
- Rockville was ranked as one of the most generous cities in the US by GoFundMe in 2020
- Rockville Ranks Among Best Small Cities for Retirement by SmartAsset in 2021
- Record Funding Invested in Montgomery County Companies in 2021 Q1-Q3
- Rockville is readying new business and new construction – the WBJ Tour
- Celebrating and Elevating Rockville's Black Businesses
- APPI Heritage Month: Celebrating Asian American-owned businesses in Rockville
- MWBC Shop Local Small Business Saturday Video
- Maryland Tech Council's 2022 Industry Awards Celebration - Rockville Companies highlighted
- Placemaking in Action: Rock East District
- Rockville community projects assigned over \$2.5 million in Congressionally Directed Spending

#### Broker/Economic Development Event Sponsorships:

- Greater Rockville Chamber of Commerce: Economic Development Panel
- University of Shady Grove: Celebrating Women in STEMM 2021 Symposium
- Hispanic Business Foundation/African American Chamber of Commerce of Montgomery County/Asian American Political Alliance/Hispanic Chamber of Commerce of Montgomery County: Minority Legislative Breakfast
- Greater Rockville Chamber of Commerce: Good Morning Rockville with Jake Weissman
- Greater Rockville Chamber of Commerce: Job Fair & Expo
- City of Rockville: Hometown Holidays
- Greater Rockville Chamber of Commerce: Marketing

#### Roundtable Industry Sector Events Hosted/Promoted:

- Rock East District Launch: Ribbon Cutting and Maker's Market
- "Promoting Tourism and Hospitality in Montgomery County" Town Hall
- Meet Michael Salgaller - Invention Development and Marketing Unit at National Institutes of Health
- Federal Lab Consortium Member Connect
- Visit Montgomery MoCo Eats Week
- Community Reach Annual Gala Reach and Connect
- Maryland Black Chamber of Commerce Federal Contracting
- Emerging Technology Centers - Pitching to Get Attention
- Visarts' 10th Annual Rockville Arts Festival
- City of Rockville Spring Stakeholder Forum
- Montgomery County - Minority, Female and Disabled Owned (MFD) Business Program Live Stream
- Explore Rockville Launch
- City of Rockville - Council Meeting on Neighborhood Shopping Centers
- SBA Office of Women's Business Ownership - Pride and Inclusivity
- City of Rockville - Forum on Town Center
- 2022 Bio International Convention

#### External Articles Sharing News About Rockville's Industry Sectors:

- Rockville selected as Connected DMV's Global Pandemic Prevention and Biodefense Center Headquarters
- Eko House name #1 hot new restaurant in April 2022 by Eater DC
- Rockville life sciences firm, Emmes, launching rare disease center in Europe
- Rockville's Snacklins featured on another segment on "Shark Tank"
- Biotech Firm, Tetracore, Secures Large Office Space in Rockville
- PediaMetrix Inc. created first FDA Cleared Smartphone App for Infant Cranial Measurements
- HSR.health announces issuance of U.S. patent to identify population at risk of opioid addiction
- Maxim Biomedical Inc. receives Emergency Use Authorization from FDA for new

ClearDetect™ COVID-19 Antigen Home Test

- Comstock Holdings Companies, Inc. Acquires the Upton in Rockville
- Rockville life sciences firm, Emmes, launching rare disease center in Europe
- NEXT powered by Shulman Rogers wins Legalweek Award

Business Resources:

- Maryland Department of Housing and Community Development - Project Restore
- WorkSource Montgomery - Grant Relief for On-Boarding Workers (GROW)
- Maryland Technology Internship Program (MTIP)
- Maryland Department of Transportation "Better Ways to Work"
- Online Sales & Telework Grant
- Maryland Department of Housing and Community Development - Community Safety Works grants
- Montgomery County Public Schools - Summer RISE Program
- REDI – (SBIF, MOVE and Business Expansion Programs)
- TEDCO - Open Institute for Black Women Entrepreneur Excellence
- Verizon - Small Business Courses and Grant
- Montgomery County - Minority, Female and Disabled Owned (MFD) Business Program
- Association of Women's Business Centers/AAPR - Upskilling Grants for Employees aged 50+

**Historical Performance Measures in adopted City budgets (FY 20 - FY 22)**

<b><u>Performance Measures</u></b>	<b><u>Adopted FY 2020</u></b>	<b><u>Actual FY 2020</u></b>	<b><u>Adopted FY 2021</u></b>	<b><u>Actual FY 2021</u></b>	<b><u>Adopted FY 2022</u></b>	<b><u>Actual FY 2022</u></b>
Number of digital posts promoting Rockville as a place to do business	24	69	30	57	50	81
Number of Rockville companies promoted through social media	156	307	150	162	150	579
Number of broker/economic development event sponsorships where REDI receives brand recognition	4	4	4	9	4	7
Number of industry sector events hosted/promoted	8	17	8	16	8	34

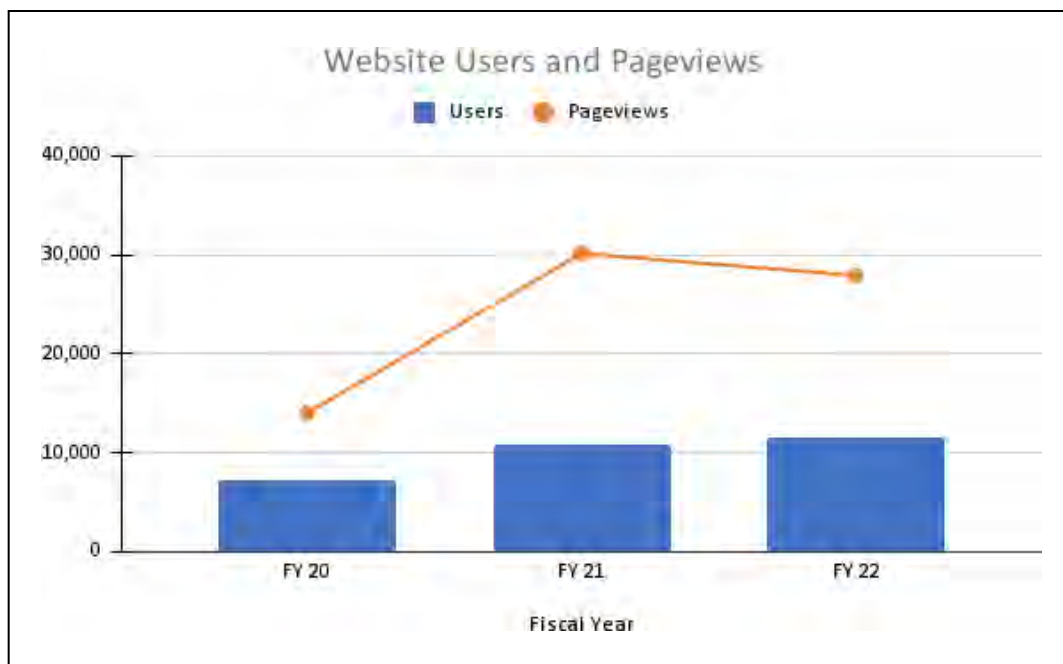
Number of external articles posted sharing news about Rockville's industry sectors	24	96	25	12	40	69
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## Website

REDI's website ([www.rockvilleredi.org](http://www.rockvilleredi.org)) is the organization's central communication channel that provides Rockville economic and industry information to current and prospective businesses, residents, stakeholder and partners. It is the repository of REDI's grant program applications and one of Maryland Women Business Center's program applications.

REDI's website also helps shape the perception and image of Rockville through the website's photography and content. In FY22 REDI contracted a local photographer to capture updated, high-quality images to represent the city and its assets, and REDI has published original content focusing on positive local economic development news and projects.

During FY22, REDI's website had 11,495 users, 27,911 pageviews and 67 conversions. A conversion is the completion of a desired action. Of the 67 conversions, there were 54 newsletter sign-ups, 8 SBIF applications, and 5 MOVE applications. The chart below illustrates the year-over-year growth of user and pageviews of REDI's website:



Not including the homepage, the top 5 pages accessed on REDI's website during FY 22 were:

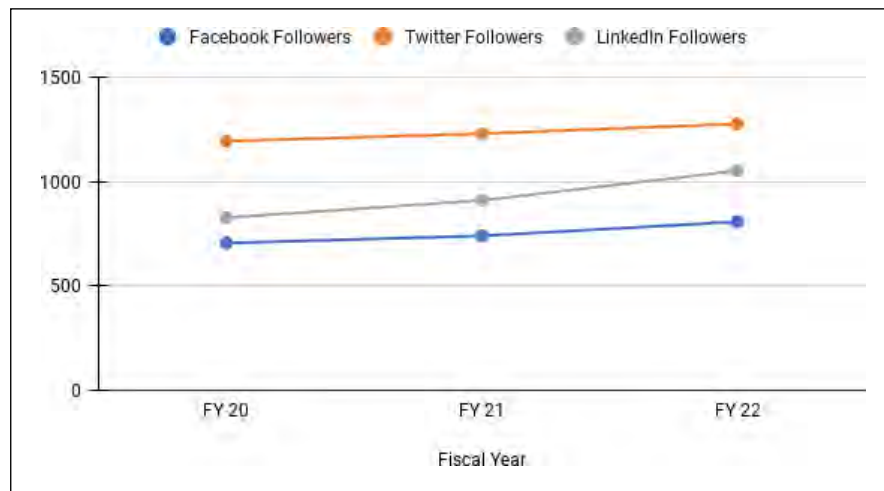
- About - <https://rockvilleredi.org/about/> - 1,803 pageviews
- Snacklins featured on Shark Tank - <https://rockvilleredi.org/rockvilles-snacklins-featured-on-another-segment-on-shark-tank/> - 1,312 pageviews

- Agendas - <https://rockvilleredi.org/agendas/> - 1,117 pageviews
- Small Business Resources - <https://rockvilleredi.org/small-business-resources/> - 644 pageviews
- News and Insights - <https://rockvilleredi.org/news-insights/> - 626 pageviews

### *Social Media*

REDI actively manages accounts on three social media platforms: LinkedIn, Twitter and Facebook. Social media continued playing a central role in REDI's communication efforts in FY 22. REDI's social media followers grew across all platforms from FY 21 to FY 22, with LinkedIn showing the largest change by percentage in followership, followed by Facebook and Twitter:

	<u><b>Facebook Followers</b></u>	<u><b>Twitter Followers</b></u>	<u><b>LinkedIn Followers</b></u>
FY 20	706	1,195	828
FY 21	741	1,231	911
Change over FY20	4.96%	3.01%	10.02%
FY 22	808	1,278	1053
<b>Change over FY21</b>	<b>9.04%</b>	<b>3.82%</b>	<b>15.59%</b>



The social media posts that received the most engagement, by platform, were



LinkedIn:



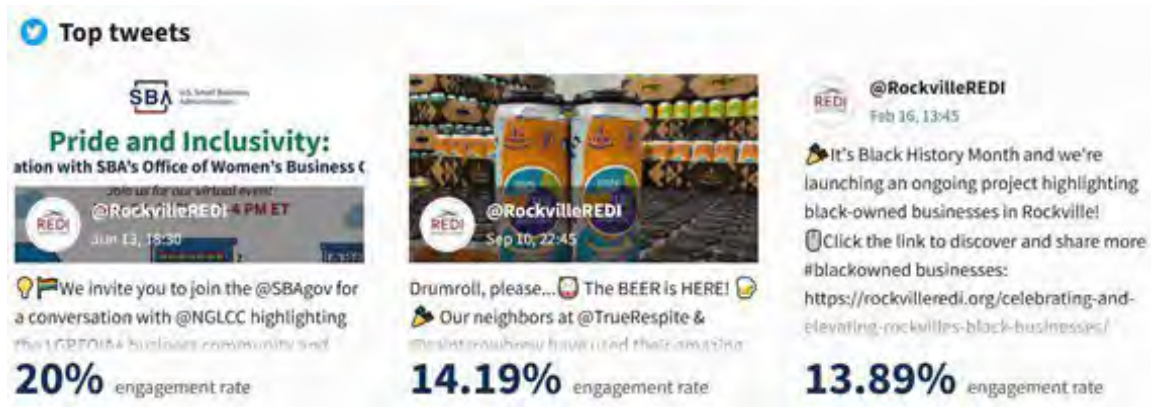
1. [https://www.linkedin.com/posts/rockville-redi\\_emmes-acquires-institut-dr-schauerte-entering-activity-6886381183664439296-ymHq?utm\\_source=linkedin\\_share&utm\\_medium=member\\_desktop\\_web](https://www.linkedin.com/posts/rockville-redi_emmes-acquires-institut-dr-schauerte-entering-activity-6886381183664439296-ymHq?utm_source=linkedin_share&utm_medium=member_desktop_web)
2. [https://www.linkedin.com/posts/rockville-redi\\_veterans-business-specialist-activity-6889235059413413888-hv6Z?utm\\_source=linkedin\\_share&utm\\_medium=member\\_desktop\\_web](https://www.linkedin.com/posts/rockville-redi_veterans-business-specialist-activity-6889235059413413888-hv6Z?utm_source=linkedin_share&utm_medium=member_desktop_web)
3. [https://www.linkedin.com/posts/rockville-redi\\_rockville-rccrockstars-rockvillerockstarawards2021-activity-6848315418768216064-UH7n?utm\\_source=linkedin\\_share&utm\\_medium=member\\_desktop\\_web](https://www.linkedin.com/posts/rockville-redi_rockville-rccrockstars-rockvillerockstarawards2021-activity-6848315418768216064-UH7n?utm_source=linkedin_share&utm_medium=member_desktop_web)

Facebook:



1. <https://www.facebook.com/203026131753/posts/10161351600751754/>
2. <https://www.facebook.com/RockvilleREDI/photos/a.10150249243546754/10161497951631754/?type=3>
3. <https://www.facebook.com/203026131753/posts/10161385627686754/>

Twitter:

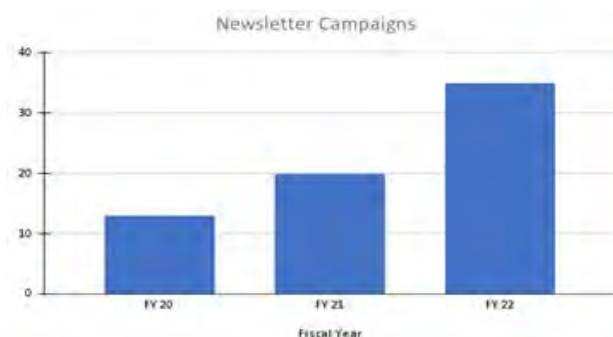


1. <https://twitter.com/RockvilleREDI/status/1536415615946194944>
2. <https://twitter.com/RockvilleREDI/status/1436460742614659074>
3. <https://twitter.com/RockvilleREDI/status/1493944510711316492>

### e-Newsletter

REDI produces a monthly e-newsletter that includes local business news and resources, Rockville industry/company highlights and economic development/business events. As of FY 22, REDI's e-newsletter had 5,508 subscribers, produced 35 campaigns with a 25% open rate and 1% click rate.

	<b><u># of Campaigns</u></b>	<b><u>Open Rate</u></b>	<b><u>Click Rate</u></b>
FY 20	13	16%	1%
FY 21	20	17%	1%
Change over FY20	53.85%	6.25%	0%
<b>FY 22</b>	<b>35</b>	<b>25%</b>	<b>1%</b>
<b>Change over FY21</b>	<b>75%</b>	<b>47.06%</b>	<b>0%</b>





## **Small Business Assistance/MWBC Marketing**

### *Small Business Assistance*

Maryland Women's Business Center (MWBC) serves as a vital program within suburban Maryland for small businesses and entrepreneurs. MWBC serves the business community in Montgomery, Prince George's, and Frederick Counties by providing education, entrepreneurial development, business counseling, access to capital and other resources. As small businesses continued to recover from the effects of the pandemic, MWBC focused its efforts on providing the needed resources, guidance, and opportunities to help businesses respond, pivot, and recover.

MWBC's FY 2022 goals included these strategies, which were continuously implemented to assist small business recovery:

- Offer workshops, one-on-one and group counseling, networking opportunities, and partnership connections to help them start, grow and sustain their businesses.
- Continue to provide support to childcare businesses through counseling and targeted workshop trainings.
- Assist businesses in applying for relief programs and finding funding sources.
- Assist women veteran entrepreneurs through a target program
- Certify MWBC Business Consultants in the GrowthWheel Framework to better assist small businesses with actionable plans for sustainable growth.
- Expand and refine the retail incubator program and highlight the client successes.
- Continue to provide programming based on current small business needs.
- Continue to refine the WEGrow Maryland program that helps businesses scale.

Below is a recap of some of MWBC's major achievements in FY 2022:

Performance Measures in adopted City budgets	Proposed FY 2022	Actual FY 2022
Number of MWBC workshops	130	73
Number of MWBC workshop attendees	1,200	2,540
Capital Infusion (equity/loans) raised by MWBC clients <b><i>With \$217,825 directly to businesses in the City of Rockville</i></b>	\$500,000	\$2.6 M
Number of minority businesses assisted	205	493
Number of counseling sessions	n/a	1,321
Number of Montgomery County businesses served	n/a	737
Number of Rockville businesses served	n/a	118
Number of new clients served	n/a	273
Number of total small businesses served	n/a	505

#### *Expanded MWBC Advisory Council*

MWBC re-energized its Advisory Council in FY22 and added seven new Advisory Board Members. These women represent a wealth of knowledge about the needs of entrepreneurship and small businesses. Board members participated in MWBC's facilitated, three-part strategic planning sessions that were held in the first quarter. Council members offered guidance and direction on how MWBC can continue to grow and support even more women-owned enterprises.

#### *Continued Business Consultant Success*

MWBC's business consultants continued to be a driving force in MWBC's success. Their passionate and dedicated commitment to serving our region's women entrepreneurs and small businesses resulted in many accomplishments this year.

- Each consultant successfully completed the GrowthWheel Framework certification program. The GrowthWheel Framework is a method of advising small businesses that offers a 360° view of the business and defines decisions and actions business leaders should work on.
- Frederick County: Karen Kalantzis continued to strengthen community relationships, promote small business opportunities, and offer her successful "Coffee & Connections" monthly meetup for Frederick entrepreneurs. Participants benefitted from the networking and the educational topics offered. The group even met in-person in June 2022. Karen and Morgan teamed up to serve as advisors and advocates for the Frederick County Chamber of Commerce's inaugural S.H.E. Pitch program for female CEOs. MWBC promoted the program, which gives

women entrepreneurs' access to cash prizes, publicity, and networking opportunities as well as expert guidance on developing an effective elevator pitch, investment summary and slide presentation deck.

- Montgomery County: Martha Jimenez and Nestor Gavidia continue to lead important efforts to support County businesses, especially among Spanish-speaking entrepreneurs and childcare providers. Martha continued to lead the Retail Incubator, form important community partnerships, and provide instruction for the VetBizLadyStart program and many MWBC training workshops. Nestor also transitioned to focus more time on engaging and supporting small businesses located in the City of Rockville.
- Prince George's County: Angie Duncanson remains a passionate small business advocate, working out of the Bowie Business Innovation Center. She successfully initiated a "Coffee & Connections" meetup for entrepreneurs in her area, offering valuable insights on timely topics. She provided instruction for the VetBizLadyStart program, trained hundreds of entrepreneurs in MWBC workshops, and maintained critical community relationships.

### *Capital Infusion Supports Economic Growth*

With guidance and support from MWBC, Maryland entrepreneurs raised a total of \$2.6 million of capital infusion in FY 2022, of which \$852,000 in equity capital and \$1.7 million in business grants and loans. While capital infusion is down from last year's record high—largely due to fewer pandemic economic relief programs for small businesses—it still represents a significant economic impact in Maryland and is slightly higher than FY 2020 totals (\$2.4 million). Additionally, MWBC made progress on its long-term goal to infuse at least \$500,000 in capital through MWBC client assistance within the City of Rockville. Of the total capital infusion for FY 2022, \$217,825 went directly to businesses in the City of Rockville.

### *Virtual Training Doubled Attendance*

To adapt to clients' needs, MWBC continued to offer all of its workshops on virtual platforms to accommodate the majority MWBC clients. More classes were available in Spanish to accommodate a growing Latinx client base, including a second-year partnership with the SBA to offer Introduction to Entrepreneurship workshops in Spanish. After successfully re-vamping MWBC's training courses in FY 2021, MWBC staff made the strategic decision to offer fewer classes, while continuing to enhance and refine the quality of the course material, topics, speakers, and marketing efforts. As a result, MWBC more than doubled the number of attendees to 2,540 participants, far exceeding the proposed 1,200 workshop attendee target.

Workshops were offered on numerous topics, including the following:

- Childcare
- Pandemic response



- Leadership
- Financial Management & Taxes
- Entrepreneurship & Starting a Business
- Emotional Intelligence
- Business Certifications

### *WEgrow Maryland Program Improves Long-term Financial Stability*

In early FY 2022, a new cohort of 10 determined female business owners participated in the updated MWBC WEgrow Maryland program. Offered as part of an ongoing commitment to help women-owned small businesses recover from the economic effects of COVID-19 pandemic and improve long-term financial stability, these entrepreneurs successfully completed the 10-week virtual coursework, assignments, and business counseling sessions. They gained valuable business skills in key areas, such as financial literacy, effective recordkeeping, cash flow forecasting, and more. They also created an action plan to make their businesses more financially resilient and supported each other in their peer-to-peer forums.

### *Childcare Program Offers Needed Financial Training*

MWBC Child Care Program proved to be a vital resource for individuals wanting to start their own business in this industry. In FY 2022, the business consultants assisted 183 clients, a decrease of 44% over the previous year. The main reason for the dip in the number of clients assisted was the lower volume of clients seeking assistance with grant and/or loan applications. The childcare clients were more familiar with the application processes and reports due to the number of trainings the MSDE and MWBC previously provided. In FY 2022, the MWBC conducted 435 one-on-one counseling services for this population.

Despite the decrease in the number of clients and sessions, MWBC was still able to establish a robust childcare program. In fact, many organizations such as Maryland Family Network, MSDE, Alliance program, Project Act, and MD Family Child Care Association reached out to MWBC to seek assistance in their training. The training requested are for new childcare providers who want to start a business (Incubator) and existing providers (boost program).

### *Retail Incubator Strengthens Female Entrepreneurs*

In FY 2022, MWBC renewed the license agreement with Federal Realty to continue its successful Retail Incubator located in Rockville Town Square. MWBC's competitive program serves women entrepreneurs looking to enter the retail industry. While running their businesses, program participants receive business counseling, program follow-up, technical assistance, access to capital, and marketing through MWBC and its partners. Vendors also receive valuable business training in these areas—marketing, digital marketing, bookkeeping, and creating business and financial plans. This year, the business owners organized seasonal sales and community events to attract customers and raise visibility of their businesses and the MWBC program. These businesses were



also featured in the 2021 Holiday Gift Guide, in partnership with the Latino Economic Development Center.

<b><u>MWBC Shop Local Annual Sales</u></b>	
2019	\$48,761
2020	\$73,835
2021	\$101,240
2022 (as of June 30 <sup>th</sup> )	\$29,359

In keeping with our goals of promoting the Retail Incubator and its participants, client successes were highlighted through MWBC marketing channels and featured on a live broadcast of Fox 5 DC's Zip Trips in downtown Rockville.

Five minority and women-owned businesses owners graduated Shop Local's competitive program this year:

- Amaya Accessories
- Chocolisious LLC
- Costa Cosmetic
- Lamimi Boutique
- Yul d'UZ

In July 2021, 11 of the 15 vendors received \$4,348.85 from Maryland RELIEF Act Online Sales and Telework Grant Assistance from MCEDC. These funds allowed all of them to make impactful improvements to their businesses. Since its inception, 20 women-owned small businesses have participated in the Incubator, with five of those businesses moving into their own storefronts in the metro DC area and seven launching online businesses. In keeping with our goals, the Retail Incubator expanded into Union Station through a partnership with the DC WBC.

#### *VetBizLadyStart Program Supports Women Veterans*

One of MWBC's FY 2022 goals was to assist more women veteran entrepreneurs. To that end, MWBC and these regional partners—the Department of Veterans Affairs (VA) Office of Small & Disadvantaged Business Utilization (OSDBU) Women Veteran Small Business Initiative, the DC Women's Business Center, the Old Dominion University Institute for Innovation and Entrepreneurship Women's Business Center/Veterans Business Outreach Center/Business Development Center in Virginia—collaborated to create a free, 14-week training series to help women who are transitioning out of military service and into business ownership. The VetBizLadyStart program provided the information, tools, and connections needed to start a small business and position it for success with federal contracting opportunities. Twenty-two women graduated from the program, of which six were in the Maryland Cohort. These women veteran entrepreneurs benefitted from the expertise of two MWBC Senior Business Consultants—Angie

Duncanson and Martha P. Jimenez—and received expert mentoring guidance from Morgan Wortham, MWBC Managing Director.

### *Serving the Food and Beverage Industry*

In response to the great need for economic recovery for businesses in the food and beverage industry, MWBC successfully partnered with organizations to share learning opportunities with clients. MWBC also increased its efforts to promote grant and loan opportunities for businesses in the food and beverage industry. Two highlighted are below:

- Presented a three-part series of workshops on leadership development in the food and beverage industry sponsored by a Kent Island Chik-Fil-A franchisee led by Ashley Ward (leadership coach), Chris David (operator), Sara Dillion (facilitator, BOH director), and Nicholas Maritato (in-store director), which had over 70 attendees.
- Promoted the Microenterprise Program for Food Entrepreneurs, sponsored by Crossroads Community Food Network. This informative session featured Chef Carolina Gomez who talked about successfully navigating the food business, how to access local commercial kitchens, and details about CCFN's Microenterprise Development program.

### *Grant Opportunities Offered through Verizon Partnership*

MWBC partnered with Verizon to promote its Small Business Digital Ready platform, which offered free resources, networking, coaching tailored to a small business's specific needs, and an opportunity to apply for a \$10k grant. Three successful in-person events were held in D.C., Prince George's County Maryland, and Northern Virginia to connect female entrepreneurs with each other and small business representatives from Verizon. More than 130 people registered for the events and approximately 75 people attended to discuss small business needs, understand Verizon's and MWBC's free resources and ask questions.

### *MWBC Marketing*

MWBC continued to update its new website to keep it fresh and offer valuable information and resources for site visitors. An audit to ensure compliance with SBA requirements was successfully performed. Marylandwbc.org received more than 26,500 site visitors in FY 2022, of which 23,000 (87%) were new visitors. Visitors viewed a total of more than 67,000 pages, with workshop and training pages ranking highest.

Part of the marketing efforts included re-vamping the MWBC monthly newsletter and blog and sending it out on a consistent schedule. Content covered topics more relevant to assisting small business owners succeed and added a monthly poll to gain real-time insights and increase interactivity. More news pages were added to drive newsletter readers to MWBC's website. Combined efforts resulted in extremely high engagement—average email open rates were 35%, more than double the 17% national average. Additionally, the new blog content resulted in longer time spent on MWBC's website—on

average 251% longer than the average MWBC site visit. Social media efforts continued to promote MWBC workshops, events, and resources, partner opportunities, small business successes, and important observances to assist and encourage women entrepreneurs and small businesses and generate additional followers.

## **CONCLUSION**

The coronavirus pandemic has changed our community and the world — in ways none of us could have imagined. But the City of Rockville is no stranger to “unprecedented times.” Every time, the community has come together and demonstrated its strength and resilience. Throughout this year REDI was able gain new partners and work on new ways to work with its existing ones. These partnerships helped REDI focus and support its primary goal – supporting the businesses. Now that REDI is in its 25<sup>th</sup> year in operation, this is a time to refocus and put in motion some of the findings and suggestions made by the consultants. Our incentive programs are invaluable tools to make our businesses stronger and help us tell our story, and we thank the Mayor and Council for their support in creating a strong business community and tax base.

Looking ahead REDI’s focus will center around supporting placemaking projects, support the development of creative industries and healthy lifestyle options in Rockville, making Rockville attractive to businesses and workers, and expand Rockville’s business ecosystems. These are some of the goals that will help us tell Rockville’s story, show businesses how their needs can be met in Rockville, and help create a place people want to be. **Please see the REDI FY2023 Strategic Plan attached as Exhibit E.**

# **EXHIBIT A**

## **FY2022 REDI Board Member List**

1. Richard Alvarez, President, Brand Development-Rockville, Brand Institute
2. Ben Anstrom Mechanical Engineer at the Naval Surface Warfare Center
3. Nikhil Bijlani, Senior Vice President Product Manager, Capital Bank Maryland
4. Becky Briggs, Founder, OurGiftBiz
5. Scot Browning (Treasurer), President, Capital Bank Maryland
6. Angela Chaney, Partner Tax Services, Aronson LLC
7. Dale Cyr, CEO and Executive Director, Inteleos
8. Robert DiSpirito, City Manager, City of Rockville
9. Marji Graf, President and CEO, Greater Rockville Chamber of Commerce
10. Jennifer Hester (Vice-Chair), Chief Human Resources Officer, EMMES
11. Dr. Kimberly Kelley, Vice President and Provost, Rockville  
Campus, Montgomery College
12. Bei Ma, Founder and CEO, The Pinea Group
13. Dan Mallon, Vice President, Business Development, Ellume USA
14. Carla Merritt, Senior Business Development Representative  
Montgomery County, Maryland Department of Commerce
15. Bridget Donnell Newton, Mayor, City of Rockville
16. José Ochoa, Chief Business Officer, Altimmune, Inc.
17. Suzanne Osborn, Vice President, Human Resources, Westat
18. Todd Pearson, President, B.F. Saul Company
19. Susan Prince (Chair), Lead Health Cyber Operations, The MITRE  
Corporation at the Centers for Medicare and Medicaid
20. Michael Scott, Chief of Staff for Humanity Health
21. Nancy Regelin (Vice-Chair), Shareholder/Partner, Shulman Rogers Law Firm
22. Morgan Sullivan, Executive Managing Director, Jones Lang LaSalle
23. Bill Tompkins, President & Chief Operating Officer, Montgomery  
County Economic Development Corporation (MCEDC)

## EXHIBIT B



# Rockville Business Survey Interim Report August 2022



70 Hilltop Road, Ramsey NJ 07446  
[www.technometrica.com](http://www.technometrica.com)



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The Rockville Business Survey is part of a multi-methods needs assessment for REDI focused on business needs and commercial real-estate issues in Rockville in 2021-2022. The project includes interviews and focus groups with key stakeholders in addition to the business survey. This interim report draws primarily from the business survey but includes some insights from the focus groups and interviews as appropriate.

As Rockville's nonprofit economic development organization whose goal is to support businesses in the City, REDI commissioned this study in order to:

- Identify current pressing business needs that could be addressed by REDI or the City.
- Understand the desirability of Rockville as a business location versus key competitors.
- Inform businesses about REDI and the resources it provides.
- Facilitate business networking opportunities and create ongoing relationships

## I. METHODS

The survey was conducted online between May 5<sup>th</sup> and July 5<sup>th</sup>, 2022. A sample of 7,985 business owners and key staff drawn from REDI's business list and from Dun & Bradstreet Hoover's database were sent individual links to the survey. A generic link to an identical survey was also shared with REDI allies and partners for distribution.

In total 159 businesses completed the survey, representing a response rate of 2% and a credibility interval of +/- 8 percentage points at the 95% confidence level.

### Terms Used in this Report

Throughout the report, specific terms are used to refer to business size, age and ownership. Please note that business size categories differ from those used by the federal government, where anything under 500 employees may be considered a small business. The terms Micro-businesses or Micro-entrepreneurs are used frequently in the business literature to refer to the smallest businesses, and we will use micro-businesses throughout the report:

- **Micro-business:** Company with less than 5 employees.
- **Small business:** Company with 5-99 employees. Given the predominance of businesses with less than 20 employees, in much of the analysis small business primarily means businesses with 5-19 employees.
- **Large business:** Company with 100 employees or more. In some tables and sections of the report, companies with more than 20 employees are called *bigger businesses* because the sample includes so few large companies.
- **Startup company:** Business that is between 1 and 5 years old.
- **Established business:** Business older than 5 years.
- **WBE:** Woman owned business.
- **MBE:** Business with at least 51% ownership by a person who is a racial or ethnic minority as designated by MDOT and the federal government.
- **Immigrant business:** Business owned by a person not born in the United States.
- **None business:** Business that is not woman, minority or immigrant owned or a corporation with multiple stockholders that is not designated as a WBE or MBE.
- **Veteran owned business:** Business owned by a veteran
- **Person with disability owned business:** Business owned by a person with a disability.

## II. KEY TAKEAWAYS

- **Businesses participating in the survey are primarily small businesses. Eight in ten (82%) employ less than 20 people, with nearly two out of three (64%) being micro-businesses with less than 5.** Micro-businesses span the age range and are the majority of businesses in most industries. Given their prevalence in Rockville, addressing the needs of micro and small businesses, including virtual, home based and hybrid businesses, could be an important goal for REDI.
  - **Although awareness is high for REDI Small Business Assistance (54%), usage is a distant second to the MWBC (14% vs. 31%).** Retail (75%) and other (70%) businesses are most likely to know about Small Business Assistance, followed by professional services (57%). Awareness is lowest for health/education/nonprofits (28%).
  - **Micro and small business are eager to learn more about Small Business Assistance.** 72% of those interested in knowing more are micro-businesses, with 63% woman owned, 71% minority owned and 75% immigrant owned.
  - **Micro and small companies use Market and Demographic Data and would like more access.** Two-thirds (67%) have less than 5 employees, 59% are woman owned, 48% minority owned. These would be small companies without access to data through other sources. Businesses with similar profiles also want help from REDI gaining access to university resources.
  - **MOVE/Expansion Grant:** Interest in learning more is spread across all business types, but 73% are startups, 68% woman owned, 61% minority owned.
  - **Micro-businesses interested in location and tourism marketing services:** The smallest businesses are also interested in Location Intelligence, Rockville Tourism Marketing and Tenant Attraction Assistance.
  - **Home based, virtual and hybrid businesses ask for assistance.** Requests for assistance for home-based or virtual businesses come from 4% of businesses. This includes financial and business development assistance, co-working space, networking and other assistance.
- **The largest group of organizations includes professional services, life sciences, and technology, together encompassing 51% of the companies responding to the survey.** Nearly one-third (32%) of these businesses are in professional services, including 81% with less than 20 employees, but this industry includes most of the mid-sized and large companies in the survey sample too. These organizations have a different set of needs and concerns than other types of businesses in the survey.
  - **Developing a community of businesses:** Businesses in these categories are particularly interested in networking opportunities and other ways to develop a community of businesses doing similar or complementary work. They are also interested in REDI assistance with marketing and connecting with government sponsors.
  - **Access to data and assistance gaining access to university research resources.** These businesses particularly value the demographic and other data available through REDI. In particular, the smaller organizations look for assistance connecting with universities to gain access to library resources and other data held by these institutions. A few also expressed interest in help facilitating connections for interns and training.

- **Nearly half of the businesses are woman owned (45%),** with 47% of professional services, 67% of retail, 46% of health/education/nonprofit, and 50% of other being women owned. Technology (33%) and life sciences/biotech (23%) firms are least likely to be owned by women. Woman owned businesses are also heavily MBE (71%) and/or immigrant (65%).
  - **The Maryland Women’s Business Center (MWBC) is clearly a resource for WBEs, with nearly three in four (73%) aware of this resource.** The MWBC has the most use of all REDI services, and nearly two-thirds (61%) of those aware of the MWBC view it favorably. But it also drew the most negative responses, with 16% unfavorable and 19% neutral. These statistics suggest REDI might focus on learning how this resource center can better serve the needs of WBEs in Rockville.
- **The most frequent request from REDI is for more networking and mentoring opportunities (17%), followed by help with funding/grants/incentives (11%), mentoring/training (9%) and promoting local business (7%).**
- **Rockville is highly valued for its centrality in Montgomery County and the greater DC metro area with access to major roads and public transportation, small town feel, business friendly environment, and diversity of people, amenities, shops and restaurants.** Yet Rockville’s diversity and range of amenities appear to be little known outside the City. Business owners and stakeholders both recommend that Rockville better market these features and develop a better/clearer vision of itself and its future.
- **Key reasons that Rockville is a desirable location vary depending on the type of business.** Nearly half (43%) chose Rockville because the owner or key staff lived there.
  - **Good customer base for my business (39%).** This is particularly true for retail (49%) and other businesses (47%). There are no significant differences across any other categories.
  - **Near other businesses needed to conduct my business (27%) or community of businesses located here (25%).** These two reasons represent similar needs – the desire to be near a cluster of similar or complimentary businesses or sponsors to facilitate activities. Being near other businesses is particularly important for professional services (37%) and technology (33%) businesses and those over 20 years old (37%). Communities of similar businesses are particularly important for technology companies (44%), startups (44%) and minority businesses (35%).
  - **Good labor pool for my business (23%).** Rockville’s educated workforce provides a good labor pool, particularly for technology (39%) and life sciences (46%).
- **Business development/growth and funding/startup costs are the major concerns for Rockville businesses, particularly micro and small businesses.** Exploring ways to better serve the smallest businesses appears an important concern.
- **Affordable real-estate for small and micro-businesses, established health/education/nonprofits, and retail is needed:** Businesses call for both affordable rents and commercial real estate that small businesses could afford to buy. Several commented that they had moved out of Rockville to more affordable places north of the City because they could only rent in Rockville. Established retail and health/education/nonprofits of all sizes complain about rising rents. Some ask for more desirable locations they can afford. Others ask for co-working space for home based or virtual businesses or for those downsizing as employees work from home.
- **Address cost of living and develop workforce housing to make Rockville more affordable and attract employees:** Business owners generally expressed concern about the rising cost of living in Rockville, citing this as a major drawback for the City. Housing costs are a major concern often mentioned. Those seeking more workers, particularly retail and those in health/education/nonprofits that hire essential workers paid

less than the professional services and technical workers in other industries, saw the cost of living and housing costs as a challenge attracting and retaining workers. Working with business owners and the City on programs to develop more workforce housing – targeted for those essential workers in mid-level income positions who work in the City – could improve Rockville’s desirability as a business location and address some of the trouble finding workers.

- **The majority of businesses know about and like Rockville city programs and services for the public. Fewer have reason to know about Rockville permitting and regulations, but those who have used Fast Track view it positively.** Nearly 3/4ths (71%) are aware of Rockville public works and park services, parking rules, and City events and promotional activities, 59% diversity and inclusion initiatives, and 51% accessibility for people with disabilities. Parking is the major concern of local businesses, with 35% positive, 36% negative and 29% unaware of parking programs and regulations.
- **Trouble recruiting staff and retaining workers is a major problem for health/education/nonprofits (63%),** particularly the older and larger organizations that may have a wide range of semi-skilled and low paid professional staff. In many cases, this appears to be linked to the cost of living.
- **Amenities expected by employees reported as a problem by 10% of businesses.** There are no significant differences across type of business, age, size or ownership type. The most frequently cited amenities requested are ample parking (59%), access to restaurants and shopping (38%) and parks/open spaces (30%).

### III. DETAILED FINDINGS

#### A. What Types of Businesses Responded to the Survey?

##### i. Industry and Size

Businesses responding to the survey are primarily small businesses, with a full 82% employing less than 20 people and 64% less than 5. Our sample echoes census business statistics, which indicate that in 2010, 91% of Rockville businesses had 100 employees or less.<sup>1</sup> The largest group includes professional services, life sciences, and technology, together encompassing 51% of the companies responding to the survey. While 71% of professional services companies have less than 5 employees, 40% of those with 100 or more (2 companies) are in professional services. The other large companies are one organization each in life sciences, health/education/nonprofits and other. These organizations are equally distributed in age from start-ups in business less than 5 years to established companies in operation 20 years or more.

Table one compares the REDI survey sample to two recent sources for business statistics in the City. The SIC sample comes from [Data Axle’s Business Database](#), which is a big-data compilation of businesses from a variety of public sources. Neither the SIC sample nor Rockville Economic Development Trends (REDT) census statistics are directly comparable to this survey because they place some businesses in different categories. For example, the SIC statistics do not have a category for life sciences or technology companies and the REDT statistics lump these three categories together.

<sup>1</sup> Rockville Economic Development Trends Report for 2016, City of Rockville, P 10.

**Table 1: Comparison Between SIC Sample, Rockville Economic Development Report 2016 and REDI Sample**

Business Type	SIC %	Rockville EDTR <sup>2</sup>	REDI %
Professional services (Rockville EDTR includes life science and tech)	23.0%	29.0%	32%
Real estate/insurance	6.0%	12.5%	3%
Retail	6.0%	11.0%	8%
Construction	6.0%		3%
Health (Rockville EDTR includes social services)	22.0%	11.5%	8%
Restaurants	4.0%		2%
Personal services	3.0%	8.3%	3%
Education	2.0%	1.4%	8%
Social services and membership orgs (may include nonprofits)	7.0%		6%
Manufacturing	2.0%	2.1%	4%
Chemical and allied product (may include life sciences)	0.4%		8%
Technology (no cat except communications SIC codes)	0.5%		11%
Hospitality (includes restaurants in REDI sample)	0.3%	8.6%	1%

Nevertheless, the three sources confirm that the bulk of Rockville businesses are providing professional services, research and development in life sciences, technology and other fields of interest to government, the primary industry in the DC metropolitan area. In comparison to the SIC sample, the REDI sample is over-represented in professional services, education, manufacturing, life sciences, and technology – all areas of particular interest to the organization. The REDI sample is under-represented in health, real estate, construction and restaurants.

- **Nearly 1/3<sup>rd</sup> of the businesses who responded to the survey are professional business services.** Slightly more than 10% are technology (61% other, 28% IT sales/support, and only 2 cybersecurity companies). Life science/biotech, health care, retail, and education are 8% each, and 6% are nonprofits. Three to 4% each are manufacturing, construction, personal services, and real estate/insurance. Other includes arts, government and a range of other services.
- **The bulk of the businesses in the survey (64%) are micro-businesses with less than 5 full-time employees,** with professional services (71%), technology (72%) and retail (83%) having the most. A full 82% have less than 20 employees. However, 40% of companies with over 100 employees are professional services.
- **Micro-businesses are not necessarily new businesses:** While 72% of businesses less than 5 years old are micro-businesses, the majority of older businesses- 76% of businesses 6-10 years, 68% 11-20 years, and 51% 21+ years old, are also micro-businesses.
- **The study sample is evenly distributed by age of company, but professional services, other and health/education/nonprofit have more older companies,** with 35% of professional services, 26% of health/education/nonprofit and 37% of other being over 20 years.
- **Bigger companies tend to be older.** Among businesses with more than 20 employees, 53% have operated in Rockville for over 20 years; 64% have been in Rockville for over 10 years. However, micro and small companies are relatively evenly distributed across age of company.

<sup>2</sup> Figures computed from *Rockville Economic Development Trends Report for 2016*, City of Rockville, P 10. The Rockville EDR report combines professional services, life sciences and technology companies in one category. Health and social services are also one category, as is real estate, finance and insurance. As such, categories are not completely comparable.

- **Arts:** The sample includes four arts organizations (3%). Two are listed as other, one as a nonprofit and one as an entertainment venue.

## ii. Ownership

Nearly half of the businesses are woman owned (45%), with 47% of professional services, 67% of retail, 46% of health/education/nonprofit, and 50% of other being woman owned. Technology (33%) and life sciences/biotech (23%) are least likely to be owned by women. Woman owned businesses are also heavily MBE (71%) and/or immigrant (65%).

- **Micro-businesses are more likely owned by women (74%), minorities (73%), or immigrants (80%), but over half of non-minority owned businesses are micro-businesses (52%).** In addition, all of the LGBTBE, 88% of people with disability, and 86% of the veteran owned businesses are micro-businesses.
- **Small businesses (5-19 employees) include a relatively equal mix of business ownership:** 17% WBE, 20% MBE, 20% immigrant, 22% none.
- **None of the large businesses are W/MBE or immigrant owned.**
- **MBEs:** Fully 85% of immigrant owned businesses and 54% of women owned consider themselves MBEs.
- **Only 11% of woman owned, 20% of MBE, and 30% of immigrant owned businesses are registered with MDOT or Montgomery County as W/MBEs.**
- **Person with Disability or Veteran owned:** Five percent of businesses are owned by people with disabilities and 4% by veterans. Person with disability owned businesses are distributed across professional services (6%), technology (11%), health/education/nonprofit (3%), and other (7%). Veteran owned businesses are evenly distributed across all industries. Only 2 veteran or disabled owned businesses are registered with the county or state, and these are both in professional services.

## B. Industry Profiles of Major Industries

- **Professional Services:** While 81% of the professional services companies in the sample have less than 20 full time employees, most of the mid-size and largest companies are in this group too. Nearly half are woman owned (47%), nearly 1/3<sup>rd</sup> minority owned (29%), and 10% immigrant owned. While most of the older companies are in this industry (35% have been in Rockville over 20 years), there is a relatively even distribution of startups (5 years or less) and companies 6-20 years in the City (24% and 26%, respectively). In addition, 16% are not sure how long the business has been operating in Rockville.
- **Technology:** Half are MBEs, 1/3<sup>rd</sup> women owned, 22% immigrant owned businesses, and 11% person with disability owned. However, only 11% are County or State registered W/MBEs. Only 28% are not owned by a woman or a minority. Other tech primarily includes software, website creation and maintenance and programming. A few companies provide IT staffing, social networking, or other web-based products. All of the IT sales/support, 64% of other tech and half of the cybersecurity companies have less than 5 employees. One other tech company has more than 20 employees. Three-fourths of the IT sales/support companies are startups, with the other two 11 years old or more. The two cybersecurity companies are 11-20 years old. The other IT companies are distributed across age categories, with 55% 6-20 years old.
- **Life Sciences:** These companies are the largest percentage (54%) not W/MBE owned, with 23% each WBE and MBE, and only one company owned by an immigrant. This industry also has a mix of startups (39% 5 years or less) and established businesses over 10 years old (30%), with another 15% 6-10 years old. These are very small businesses: two thirds (69%) have under 5 employees and one company has 5-19 employees; 23% are not sure of the business size.



- **Retail:** Two-thirds (67%) are woman owned, half (50%) are minority owned and 1/3<sup>rd</sup> (33%) immigrant owned. Only one in three (33%) is not owned by a woman, minority or immigrant. The majority are boutiques or specialty shops. Almost all (92%) have five employees or less and three-fourths have been in business 6 years or more, half over 10 years. Only 16% are start-ups. These represent established specialty retail, primarily woman and minority owned.
- **Health/Education/Nonprofit:** These businesses tend to be older and less likely to be owned by women and minorities. Nearly half (49%) do not have W/MBE or immigrant ownership. Forty-six percent are woman owned, 29% minority owned and only 3 (9%) are immigrant owned. Over half (52%) are more than 10 years old and 63% are older than 6 years. Another 26% are startups. While 66% have less than 5 employees, 12% have more than 50, with 14% 5-19 employees.

## C. Business Concerns and Experience with City Programs and Services

### i. Business Concerns

Business concerns vary by the type and age of the business:

- **Business development and growth (48%):** This is a key issue for established companies (6-20 years old), with nearly two-thirds of these companies (64-65%) reporting this problem. It is particularly a problem for micro (54%) and small (45%) businesses, with only 21% of those with more than 20 employees reporting this issue. While business development and growth is a particular challenge for retail (67%), other types of businesses report this problem between 40% and 56% of the time.
- **Funding and startup costs (30%):** This is especially an issue for startups (44%), compared to nearly 30% (28-29%) for those 6-20 years old and only 7% for older companies. Micro-businesses (39%) are particularly impacted, compared to less than 10% for larger companies. Minority (47%), woman (35%), and immigrant owned (40%) face more funding challenges than non-minority companies (17%). Type of business does not matter significantly on this concern. Since many of the smallest companies are woman and/or minority/immigrant owned, the overlap is unsurprising. This challenge may be due to undercapitalization of woman and minority businesses and the fact that very small companies may not have the assets to qualify for many business funding vehicles.
- **Rising rents and location costs (28%):** This is a particular issue for established businesses which may be in locations with rising costs, impacting roughly half of retail (50%) and health/education/nonprofits (49%), compared to 8-27% for other types of businesses. It is more likely a problem for middle sized businesses (5-19 employees) (45%) and businesses 6-11 years old (42%).
- **Costs and availability of supplies/materials needed for my business (26%):** Unsurprisingly, given Covid-related supply chain issues, businesses most impacted by supply and material costs are retail (67%), life sciences (46%), and other (33%), with 20% or less in other categories reporting this problem. Middle size businesses with 5-19 employees (38%) report this most often, but this is the size of some life sciences and retail establishments.
- **Labor-related problems:** The most common labor-related problem is finding qualified workers. Trouble recruiting staff is cited by two in five businesses (40%). A majority of Rockville businesses are locally focused, typically recruiting employees from Rockville and Montgomery County, as well as the surrounding region.
  - **Trouble recruiting staff (40%) and retaining workers (21%):** This appears to be a major problem for health/education/nonprofits, with 63% reporting trouble hiring staff and 43% having trouble retaining workers. Older (61% of those 11-20 years had trouble recruiting) and larger organizations (63% 20+ employees) that may have a wide range of semi-skilled and low-paid professional staff also report these

issues. These organizations are less likely to be headed by minorities and women, as with the majority of health/education and nonprofit organizations. In addition, 48% of small businesses and 32% of large ones had trouble retaining workers. Given that 80% of health/education/nonprofits reported a negative impact from Covid, these organizations may represent those employing essential workers during the pandemic, a group that have been quitting in high numbers. These organizations may also have difficulty hiring because they can't compete with professional, technology and other companies with better wages and working conditions.

- **Amenities expected by employees (10%):** While this issue looms large for real-estate brokers, only a minority of businesses report this problem and there are no significant differences across type of business, age, size or ownership type. The most frequently cited amenities requested are ample parking (59%), access to restaurants and shopping (38%) and parks/open spaces (30%).

## *ii. Covid Response*

The two major types of organizations impacted negatively by Covid are, unsurprisingly, retail (92%) and health/education/nonprofit (80%). Since most retail shops are specialty shops, they would have needed to pivot dramatically to retain business during the pandemic. As discussed above, both closures and labor-related issues for essential workers would have impacted health/education/nonprofit organizations. While we do see positive impacts for life sciences and immigrant owned businesses, the numbers are small.

## *iii. Experience with City Programs and Services for the General Public*

The majority of businesses know about Rockville city programs and services for the public, with 71% aware of Rockville services in three categories: public works and park services, parking rules, and City events and promotional activities. More than half know about diversity and inclusion initiatives (59%) and accessibility for people with disabilities (51%). Two-thirds of businesses (67%) are positive about Rockville public works and park services (67%) and City events and promotional activities (64%). One in two are positive about diversity and inclusion initiatives (50%) and accessibility for people with disabilities (47%). Parking drew the most mixed response, with 35% positive, 36% negative and 29% unaware of parking programs and regulations.

Looking at which businesses responded positively to these programs:

- **Accessibility:** Retail (75%) is far and away more likely to report positive experience with accessibility initiatives compared to 38-44% for everyone but health/education/nonprofit (57%).
- **Parks and public works:** Woman owned businesses (75%) are more positive about these services than others (60% each for immigrant/minority, 68% none).
- **Diversity initiatives:** Woman (54%) and immigrant owned (60%) businesses are more enthusiastic about these initiatives than minorities (44%) and none (42%).
- **City events and promotional activities:** Professional services (73%) and health/education/nonprofit (71%) are more positive than other industries (38-63%), and woman owned (75%) are more positive about these events than other ownership types (45-60%).

## *iv. Experience with City Zoning and Permitting*

Fewer businesses have experience with permitting/zoning (46%), City codes (24%) or the Fast Track program (19%). Other category businesses (33%) are more likely to have negative experiences with permitting and zoning, compared to 14-25% for others. Life sciences (46%) report positive experiences with permitting/zoning.

Technology companies (33%) report positive experiences with the Fast Track program, compared to 8-20% for other types. Technology companies are far more likely (39%) to have used the Fast Track program, compared to 8-30% of others. Most experiences are positive. Life sciences companies are least likely (only 8%) to have experience with Fast Track, but that experience is positive.

#### *v. How Can Rockville Do Better?*

When asked how Rockville could improve, businesses report the following:

- **Business funding/accommodations/networking (30%)**
- **Traffic (9%)**
- **Parking (9%):** 41% of professional services, 42% retail, and 40% each of health/education/nonprofit and other businesses have negative experiences with parking. This would track with either businesses that need parking for customers or large entities needing parking both for staff and participants. Life sciences businesses (54%) are much more likely to be positive about parking than others (26-33%). Those in business longer (10 years or more 48-49%), are more likely to be upset about parking, with many of these organizations retail or older, larger health/education/nonprofits or professional services companies. Concerns may be related to the parking requirements, particularly for organizations with larger facilities or for retail.

Those with less than 5 employees (41%) are more likely to have negative views of parking than are larger businesses. For the retail businesses, particularly those near town center, this seems to be related to parking costs.

- **Reduce cost of living (6%) and/or housing costs (9%)**
- **Access to real estate that small businesses could buy/rent at affordable prices (6%)**
- **Lower taxes (6%)**
- **Quality of retail businesses (8%):** Attract more desirable anchor stores, complementary businesses, or diverse businesses.
- **Public transportation (6%)**
- **Safety and related issues (3%)**
- **Clearer vision and image for Rockville itself, better marketing for the City:** This issue was mentioned multiple times in other reasons and in other open-ended questions.

#### *D. Why Choose Rockville and the MaxDiff Results*

Businesses are enthusiastic about Rockville, valuing its location in both Montgomery County and the greater DC metro area, its amenities, its highly educated, affluent workforce, good schools, diversity and general quality of life. Rockville as a place is appreciated as business friendly and for its small town feel despite its diversity and wide array of shops and services. However, the good things about Rockville are muted by the rising cost of living for both residents and businesses, as well as traffic and other challenges of a growing community. MaxDiff analysis showed that Rockville's key competitor is Northern Virginia, with the two virtually tied as desirable places to locate a business. Frederick is a distant contender, with a desirability score half that of Rockville's.

#### *i. Why Choose Rockville to Locate Your Business?*

Many Rockville businesses are owned by City residents, people already familiar and often enthusiastic about Rockville. Business owners value the City's diversity, educated, affluent labor and customer base, amenities and

infrastructure, business climate and general quality of life. Many appreciate Rockville's location near the federal government and other complimentary industries.

When asked to pick from a list of attributes which might attract a business to a locality, the primary reasons for choosing Rockville include:

- **Owner/key personnel live in Rockville (43%):** Slightly less than half of businesses report that the owner or other key personnel live in Rockville. This is more likely to be true for micro-businesses (47%) and small businesses (41%), compared to 21% for those with more than 20 employees. More established businesses (65% 11-20, 44% 21+ years in businesses) are more likely to be owned by someone from Rockville, but 39% of start-ups are owned by Rockville residents. Woman owned businesses (44%) are more likely to be owned by a resident, but 31-40% of other owner types live in Rockville.
- **Good customer base for my business (39%):** This is particularly true for health/education/nonprofits (49%) and other businesses (47%). There are no significant differences across any other categories.
- **Near other businesses needed to conduct my business (27%) or community of businesses located here (25%):** These two reasons represent similar needs – the desire to be near a cluster of similar or complimentary businesses or sponsors to facilitate activities. Being near other businesses is particularly important for professional services (37%) and technology (33%) businesses and those over 20 years old (37%). Communities of similar businesses are particularly important for technology companies (44%), startups (44%) and minority businesses (35%).
- **Good labor pool for my business (23%):** Rockville's educated workforce provides a good labor pool particularly for technology (39%) and life sciences (46%). The labor pool is important for companies with more than 20 employees (42%), compared to 21% for smaller organizations. This is important for startups (25%), as well as companies in business 11-20 years (32%) or more than 20 (23%).

When asked to share their thoughts on advantages to Rockville, location, diversity, business climate and a number of quality-of-life related attributes are mentioned:

- **Location/DC Metro area (31%) and public transit/highways/airports (14%):** Rockville's location is particularly attractive to professional services, life sciences, and health/education/nonprofits, although a range of companies valued the location. Four elements seem central to valuing Rockville's location:
  - **Proximity to the Washington DC metro area, with the federal government and other organizations which are customers or collaborators for these businesses.**
  - **Near major roads, metro, and three airports, and ease of getting to highways/metro:** However, businesses also comment on the traffic and metro challenges.
  - **Rockville's centrality in the County:** The fact that Rockville is an incorporated City, centrally located in the County and with County government services offered nearby is convenient for both business customers and employees. Several businesses comment that employees could live farther north where housing was less expensive, but still easily come to work in Rockville.
  - **Range of services, shops, etc. needed by both businesses and their employees.**
- **Business climate/composition (20%):** Businesses from industries across the board appreciate the business climate in Rockville. They note two main advantages:

- **Government, REDI and other business services are supportive and friendly to both small and large businesses:** This includes business development programs for small business, incubator programs and a strong Chamber in addition to REDI. Government is appreciated as business friendly.
- **Community of businesses in the same or complementary fields:** Businesses in life sciences and technology particularly note that a concentration of businesses in their field is helpful, but professional services and other business types also appreciate the presence of a friendly business community.
- **Diversity (13%):** Companies value Rockville's diversity of residents, workforce, and in the business community itself. Sometimes, the diversity of community is linked to Rockville's proximity to the diversity of the DMV as a whole. While it is mentioned by organizations from all business types, those with either an international focus or owned by immigrants/minorities and arts organizations particularly value diversity.
- **Quality of life (11%):** Rockville is valued as a diverse, educated, upper-middle class community which is also quiet and has a small-town atmosphere. Safety and a comfortable environment are also appreciated. For retailers and personal service providers offering high-end products and wellness services, Rockville feels like a good environment to find customers.
- **Amenities and infrastructure (10%) and restaurants/shopping/activities (6%):** Many people mentioned both of these categories together. Amenities means a wide array of things, from cultural/sports activities, shops, restaurants and services to amenities specifically needed by a business such as tech infrastructure. The particular amenities depend on the focus of the business, and often the types of amenities valued are not noted.
- **Client/customer base (9%):** Valuing the client/customer base means different things depending on the type of organization:
  - **For professional services, life sciences and technology companies, Rockville is valued for its proximity to NIH, government agencies, Washington DC, and other firms involved in the same industry.**
  - **For specialty retail, personal services, and organizations offering education, training and health services, Rockville has affluent, educated residents likely to be interested in these products and services.**
- **Other (11%):** The other category includes both general appreciation for Rockville and specific characteristics business owners like. It also includes several complaints about how recent development has changed the City and made it less affordable. Most frequent comments in the other category focus on:
  - **Rockville as generally a great place to live or a place with everything.**
  - **Owners or respondents live close to their office.**
  - **Rockville is comparatively more affordable than other localities.**
  - **Good schools.**

## ii. MaxDiff Analysis

In order to gain insight into which attributes are most important when considering potential places to start or relocate a business, and to develop a Desirability Index for Rockville versus select competitive markets, the MaxDiff technique was used. MaxDiff uses tradeoff methodology and logit modeling to compute the importance levels for each feature tested. The performance of each market on the various attributes is then assessed, and a Desirability Index using both importance scores and performance scores is then developed.

For this exercise, a total of ten attributes were tested. Respondents were presented with six screens, each of which presented a random mix of 5 of these 10 attributes. Respondents were asked to choose the most important and the least important attributes of the 5 presented on each screen.

A key advantage that the MaxDiff method offers is the ability to quantitatively rank the importance of features and make statements such as Attribute A is twice as important as Attribute B. The Desirability Index is developed by utilizing the weighted performance ratings of each market.

The findings of the MaxDiff exercise provide insights to aid in strategic decision making, inform messaging to promote Rockville as a desirable choice for businesses to relocate or expand, and measure perceptions of the City against key competitors.

The Desirability Index is calculated using a methodology similar to a Net Promoter Score, whereby the 'net' of Top 3-Box minus Bottom 3-Box ratings is calculated for each of the attributes. Those net ratings are then weighted based on the MaxDiff importance scores, and an overall index score is computed.

This approach factors in both promoters and detractors, ignoring the neutral middle segment, and weights performance scores by the importance scores from the MaxDiff exercise, rather than treating all attributes as equal.

### *iii. Understanding Rockville Business Survey's MaxDiff Results*

The MaxDiff results from this study show that the overall cost of living is the most important consideration when choosing a location for a business (19.3 importance score), followed closely by the availability of a talent pool with a relevant skill set (18.7).

Quality of utilities, broadband and public transit (16.6) also stands out in importance and ranks third as a factor in the choice of a business location.

Existing commercial real estate (11), while only about half as important as overall cost of living, easily outranks the rest of the remaining attributes. For instance, it's nearly twice as important as having amenities near the office (7).

Parks, leisure and cultural options, environmental sustainability, and access to childcare rank last and exert far less influence on the consideration decision than the more heavily weighted factors.

Combining the survey responses of why businesses choose Rockville and the MaxDiff results paints a picture that reflects Rockville's recent history and current conditions. Rockville's central business district has undergone significant redevelopment in the last 25-30 years, changing a small town downtown into a cluster of high rises and adding more housing and business density. During the same time, the cost of living has increased significantly throughout the DMV and particularly in Montgomery County, turning Rockville from a middle-class community in an educated, diverse county into one with an increasing cost of living that prices out less prosperous new and established residents for housing. Our findings suggest that the costs of commercial real estate, particularly for small businesses, have become a concern for some Rockville businesses.

Given that nearly half of Rockville business owners are residents who may have witnessed these changes, rising cost of living is clearly a negative change that impacts their perception of Rockville as a place to live and do business. For those trying to attract low to moderate wage employees, particularly the older, established retail and health/education/nonprofit organizations, the rising costs of housing and other living costs would negatively impact Rockville as a desired location. For this reason, Rockville rates slightly lower than Northern Virginia as the best place to locate a business.



Leaving aside these cost-of-living issues, Rockville is clearly a desirable place to live and do business. Both the MaxDiff ratings and comments in other sections describe a highly desirable place to live and work with diversity, amenities, good schools and an educated workforce. For several industries, Rockville provides a community of similar businesses or a cluster of complementary businesses near important government and private sponsors. More importantly, Rockville is a desirable community with a small town feel strategically located within the national center for government and government-sponsored research/development. Its diversity is clearly valued by businesses but may not be well known outside of the community.

On most measures, ratings for Northern Virginia and Rockville are similar. Virginia has a reputation for lower wages and taxes, and Northern Virginia may still have some remaining affordable housing, all impacting cost of living somewhat. However, the same economic pressures and traffic issues facing the entire DMV also impact Northern Virginia. The potential availability of more affordable commercial real estate may also impact these ratings.

Frederick is an entirely different market. It is considered outside the traditional DC metro area, without the benefits of Montgomery County schools, infrastructure, and amenities. The affluent, educated workforce and customer bases offered by Rockville are also less likely to live in Frederick. Given traffic, it is on the edge of easy access to government offices in DC or Northern Virginia and does not have the significant clusters of government entities or comparable firms located in Rockville and other Montgomery County locations. The lower cost of living does not outweigh all of these deficits.

## E. REDI Awareness, Use and Response to Services

### i. Awareness and Use of REDI Services:

Nearly two-thirds of businesses are aware of REDI (62%) and 80% of these have some knowledge of REDI services. Awareness is highest for the MWBC (61%) and Small Business Assistance (54%), although only a modest majority are aware of these services.

Awareness levels are much lower for the other services, especially Tenant Attraction Assistance and Location Intelligence. Collectively, these findings signal an opportunity for more outreach and marketing of the various services that REDI offers.

Overall, nearly one-third (30%) of businesses in this sample have used REDI Services. Among those aware of REDI, one in two have used at least one of the services (48%).

- **The MWBC has both the highest awareness and usage levels of the various services offered by REDI:** Six in ten know about the service (61%), and one in three have used it (31%). Nearly three-quarters (73%) of woman owned businesses are aware of the women's resource center, and an even greater percent of minority owned (79%) and immigrant owned (77%) businesses have heard of this center. In comparison, less than half (49%) of those with none of these status markers are aware of the center.
- **Although awareness is also high for Small Business Assistance (54%), usage is a distant second to the MWBC (14%):** Retail (75%) and other (70%) businesses are most likely to know about small business assistance, compared with 57% of professional services, 28% of health/education/nonprofits, and 44% of other categories. Since industries like retail are all small businesses and more professional services, health/education/nonprofit organizations are larger, it is likely that the categories with more small businesses would be more familiar with this service. Since retail businesses tend to be established Rockville enterprises, it is unsurprising that these categories would be most aware of this service.
- **The next most-used service is Market Data & Demographic Information, with about one in ten of those aware of REDI availing themselves of this service (9%):** Market and demographic data are used more often

by professional services and health/education/nonprofit organizations that would need them for their projects or services.

- **Tourism/marketing:** Surprisingly, professional services (34%), other (30%) and health/education/nonprofits (28%) are more likely to know about tourism marketing, with only one business each in retail, technology and life sciences aware of these initiatives.
- **Usage of services:** REDI services are used by more established businesses, with 71% of established businesses 11-20 years old who know about REDI services using at least one service. Retail businesses, most of which are established Rockville institutions (75%), and immigrant owned businesses (77%) are most likely to use REDI services, but over half of woman owned (59%) and minority owned (61%) businesses that found out about a service used it. Notably, 58% of the handful of businesses that had a negative response to REDI in general, and 13% with a neutral response, had used REDI services.

### *ii. Interested in Learning More about REDI Services*

Two-thirds (67%) of technology and retail businesses are interested in learning more about small business assistance, with 70% of these startups (1-5 years). Woman owned (63%), minority (71%) and immigrant owned (75%) businesses showed more interest in learning about REDI services than businesses with no certifications.

- **Small business assistance fund:** 72% of those interested in knowing more are startups, with 65% woman owned and 53% minority owned.
- **Market and demographic data:** While numbers are too small for meaningful statistics, professional services and health/education/nonprofits are more likely to express interest, with two-thirds (67%) micro-businesses, 59% woman owned, 48% minority owned. These would be small companies without access to data through other sources.
- **MOVE/Expansion grant:** Interest is spread across all business types, but 73% are startups, 68% woman owned, 61% minority owned.
- **Location intelligence, Rockville tourism marketing, and tenant attraction assistance:** Micro-businesses are also interested in location intelligence, Rockville tourism marketing and tenant attraction assistance.

### *iii. Impressions of REDI*

Nearly two thirds (61%) of businesses aware of REDI view it favorably. Only 12 businesses who are aware of REDI view it unfavorably (12%), with four of these in the professional services and four in the other category. Nearly 3/4ths (71%) of those who have actually used a service are favorable, with 15% negative and 13% neutral. The majority of businesses with negative experience with REDI services have less than five employees (58%) and three-fourths are woman owned. Unfavorable responses to REDI services seem to be tied to lack of resources for the type of business, particularly smaller and newer businesses.

There is a substantial Neutral segment (23%), which may reflect only a general awareness of the organization. Neutral responses often came from nonprofits.

While a majority of woman owned businesses have a good impression of REDI (57%), this segment is also the most likely to have an unfavorable impression compared with other segments (18% vs. 12% overall). The women's resource center has the most use, but also the most negative responses with 61% favorable, 16% unfavorable and 19% neutral.

#### iv. Ways REDI Could Improve or Expand

- **Help with marketing/networking (17%):** All types of businesses, across size, age and ownership type want more networking and marketing assistance:
  - **Networking:** Businesses in all categories call for more networking opportunities, both with other businesses and with the City or other potential sponsors like government entities. This may in part be a call for a return to in-person events rather than virtual. Businesses also ask for mentoring and assistance with business development and government proposal writing, presumably from other business owners or retired business owners, as well as REDI staff.
  - **Marketing support:** Several businesses, particularly retail businesses, want help from REDI with general promotion, social media and online marketing. About half of these businesses are focused on shop local or Town Center, the rest are focused on other issues.
- **Help with funding/grants/incentives (11%)**
- **Mentoring/training (9%):** A number of companies want mentoring and training, although finding the time for training is a challenge. Looking at different times and platforms for training might be advised.
- **Promote local business (7%)**
- **Support for home-based, virtual or hybrid businesses (4%):** Businesses also want REDI to recognize and support home-based, virtual or hybrid businesses with programs, social networking and other supports.
- **Other key issues (17%)**
  - **Help finding affordable locations and co-working space:** Both large and small businesses want help finding new or additional locations with affordable rent and parking. Larger companies want to downsize because they transitioned to a hybrid format, while smaller businesses that are being displaced or want to grow want help finding new locations. Co-working space for remote workers is also requested.
  - **Help gaining access to university resources:** Life sciences and professional services industries want REDI to help them partner with university resources to access supports they need to successfully run for-profit businesses.

## IV. RECOMMENDATIONS AND NEXT STEPS IN THE RESEARCH

### A. Recommendations

Based on our analysis of the business survey and preliminary results from the stakeholder and broker focus groups, we suggest the following action items for REDI:

- **Expand networking, mentoring and introduction to sponsors targeted toward different groups:** The most frequent request from REDI is for more networking and mentoring opportunities, followed by help with funding/grants/incentives, mentoring/training and promoting local business. This may be a call for a return to in-person events, but more frequently it involves targeted activities for different types of businesses, startups, and smaller businesses. A combination of large group events and either small group or one-on-one mentoring/introduction activities is recommended.
- **Target support for micro and small businesses:** Given their prevalence in Rockville, addressing the needs of micro and small businesses, including virtual, home based and hybrid businesses, could be an important goal for REDI.

- **Micro and small business are eager to learn more about Small Business Assistance.**
- **Micro and small companies use Market and Demographic Data and would like more access and assistance gaining access to university research resources.** Smaller organizations who cannot afford their own subscriptions to library and data resources would appreciate assistance using REDI data and help facilitating partnerships with local colleges and universities from REDI to gain access to university resources like libraries and statistical data. A few also expressed interest in help facilitating connections for interns and training.
- **Outreach to micro-businesses for Location Intelligence, Rockville Tourism Marketing and Tenant Attraction Assistance:** Micro-businesses express interest in these services.
- **Explore programs for home based, virtual and hybrid businesses:** Requests for assistance for home-based or virtual businesses include financial and business development assistance, co-working space, networking and other assistance.
- **Developing a community of businesses for micro and small businesses:** Businesses in these categories are particularly interested in networking opportunities and other ways to develop a community of businesses doing similar or complementary work. They are also interested in REDI assistance with marketing and connecting with government sponsors.
- **Research how the Maryland Women’s Business Center (MWBC) can best serve the needs of WBEs in Rockville and adjust programs as needed.** The Center is clearly a valued resource for WBEs but also drew the most negative responses.
- **Work with the City and developers to generate more affordable real-estate and co-working spaces for small and micro-businesses, established health/education/nonprofits and retail:** Businesses call for both affordable rents and commercial real estate that small businesses could afford to buy.
  - **Co-working spaces:** Some businesses ask for more co-working space for home based or virtual businesses or those downsizing as employees work from home.
  - **MOVE/Expansion Grant:** Interest in learning more is spread across all business types, but 73% are startups, 68% woman owned, 61% minority owned.
- **Work with the City and developers to develop workforce housing to make Rockville more affordable and attract employees:** Business owners generally expressed concern about the rising cost of living in Rockville, citing this as a major drawback for the City. Housing costs are a major concern often mentioned. Some industries saw the cost of living and housing costs as a challenge attracting and retaining workers. Working with business owners and the City on programs to develop more workforce housing – targeted for those essential workers in mid-level income positions who work in the City, could improve Rockville’s desirability as a business location and address some of the trouble finding workers.
- **Promote Rockville’s diversity, business and community culture, amenities and educated, affluent population throughout the larger region:** The diversity and range of amenities of Rockville appear to be little known outside the City. Business owners and stakeholders both recommend that Rockville better market these features and develop a better/clearer vision of itself and its future.

## B. Suggestions for Next Steps in the Research Process

- Given the number of micro-businesses in the sample, conduct a focus group with this size business. Perhaps focus on professional, scientific and technical businesses.

- Ask about the Women's Resource Center and WBE's ideas about how it can best serve their needs.
- Since most of the retail businesses in the sample are established specialty stores and few restaurants participated, recruiting some focus group participants from outside of the business sample to get franchises and more restaurants may be needed.



# ROCKVILLE BUSINESS SURVEY



70 Hilltop Road, Ramsey NJ 07446  
[www.technometrica.com](http://www.technometrica.com)





## Objectives and Methodology

### Objectives

As Rockville's nonprofit economic development organization whose goal is to support businesses in the city, REDI commissioned this study in order to:

- Identify current pressing business needs that could be addressed by REDI or the City
- Understand the desirability of Rockville as a business location versus key competitors
- Inform businesses about REDI and the resources it provides
- Facilitate business networking opportunities and create ongoing relationships

### Sampling

#### ✓ **Rockville-Based Businesses**

- The sample of 7,985 contacts was procured from REDI's internal business lists (n=5,380) and from Dun & Bradstreet Hoover's database (n=2,107 business owners/executives and 498 admin-level contacts)
- The survey was also promoted by REDI allies and partners on social media sites and via networking
- Home-based businesses excluded from study

#### ✓ **Study Sample: 159 total completes**

- 138 completes via emailed invitations
- 21 completes via social media and networking

#### ✓ **Credibility Interval: +/-8 percentage points**

#### ✓ **Response Rate: 2%**

### Methodology

#### ✓ **Online Survey**

- Invitations with passworded links to the survey were emailed to all list contacts, with weekly reminders
- A generic link to an identical survey was shared with REDI allies and partners for distribution

#### ✓ **Field Period**

- May 5 – July 5, 2022



#### ✓ **Average Length of Interview**

- 13 minutes



#### ✓ **Incentive**



- Random drawing for one Grand Prize of a \$100 prepaid Visa card plus a suite of free REDI services
- Random drawing for one of four \$100 prepaid Visa cards



## KEY TAKEAWAYS

The Rockville Business Survey is part of a multi-methods needs assessment for REDI focused on business needs and commercial real-estate issues in Rockville in 2021-2022. The project includes interviews and focus groups with key stakeholders in addition to the business survey. This interim report details results from the business survey, and is accompanied by a narrative Executive Summary that synthesizes the findings in a wider discussion and includes some insights from the focus groups and interviews as appropriate.

## Key Takeaways

- **Businesses that responded to the survey are primarily small businesses. Eight in ten (82%) employ less than 20 people, with nearly two out of three (64%) being micro-businesses with less than 5.** Micro-businesses span the age range and are the majority of businesses in most industries. Given their prevalence in Rockville, addressing the needs of micro and small businesses, including virtual, home based and hybrid businesses, could be an important goal for REDI.
  - **Although awareness is high for REDI Small Business Assistance (54%), usage is a distant second to the MWBC (14% vs. 31%).** Retail (75%) and Other (70%) are most likely to know about Small Business Assistance, followed by professional services (57%). Awareness is lowest for health/education/nonprofits (28%).
  - **Micro and small business are eager to learn more about Small Business Assistance.** 72% of those interested in knowing more are micro businesses, 63% are woman owned, 71% minority owned and 75% immigrant owned.
  - **Micro and small companies use Market and Demographic Data and would like more access.** Two-thirds (67%) have less than 5 employees, 59% are woman owned, 48% minority owned. These would be small companies without access to data through other sources. Businesses with similar profiles also want help from REDI gaining access to university resources.
  - **MOVE/Expansion Grant:** Interest in learning more is spread across all business types, but 73% are start ups, 68% woman owned, 61% minority owned.
  - **Micro-businesses:** The smallest businesses are also interested in Location Intelligence, Rockville Tourism Marketing and Tenant Attraction Assistance.
  - **Home based, virtual and hybrid businesses ask for assistance.** Requests for assistance for home-based or virtual businesses came from 4% of businesses. This includes financial and business development assistance, co-working space, networking and other assistance.

## Key Takeaways (cont'd)

- **The most frequent request from REDI is for more networking and mentoring opportunities (17%), followed by help with funding/grants/incentives (11%), mentoring/training (9%) and promoting local business (7%).**
- **Rockville is highly valued for its centrality in Montgomery County and the greater DC metro area with access to major roads and public transportation, small town feel, business friendly environment, and diversity of people, amenities, shops/restaurants.** Yet the diversity and range of amenities of Rockville appear to be little known outside the city. Business owners and stakeholders both recommend that Rockville better market these features and develop a better/clearer vision of itself and its future.
- **Key reasons that Rockville is a desirable location vary depending on the type of business.** Nearly half (43%) chose Rockville because the owner or key staff lived there.
  - **Good customer base for my business (39%).** This is particularly true for retail (49%) and “other” businesses (47%). There are no significant differences across any other categories.
  - **Near other businesses needed to conduct my business (27%) or community of businesses located here (25%).** These two reasons represent similar needs – the desire to be near a cluster of similar or complimentary businesses or sponsors to facilitate activities. Being near other businesses is particularly important for professional services (37%) and technology (33%) businesses and those over 20 years old (37%). Communities of similar businesses are particularly important for technology companies (44%), start ups (44%) and minority businesses (35%).
  - **Good labor pool for my business (23%).** Rockville’s educated workforce provides a good labor pool particularly for technology (39%) and life sciences (46%).

## Key Takeaways (cont'd)

- **The largest group of organizations includes professional services, life sciences, and technology, together encompassing 51% of the companies responding to the survey.** Nearly one-third (32%) of these businesses are in professional services, including 81% with less than 20 employees, but most of the mid-sized and large companies in the survey sample too. These organizations had a different set of needs and concerns than other types of businesses in the survey.
  - **Developing a community of businesses:** Businesses in these categories are particularly interested in networking opportunities and other ways to develop a community of businesses doing similar or complementary work. They are also interested in REDI assistance with marketing and connecting with government sponsors.
  - **Access to data and assistance gaining access to university research resources.** These businesses particularly value the demographic and other data available through REDI. In particular, the smaller organizations look for assistance connecting with universities to gain access to library resources and other data held by these institutions. A few also expressed interest in help facilitating connections for interns and training.
- **Nearly half of the businesses are woman owned (45%),** with 47% of professional services, 67% of retail, 46% of health/education/non profit, and 50% of other being women owned. Technology (33%) and life sciences/biotech (23%) are least likely to be owned by women. Woman owned businesses are also heavily MBE (71%) and/or immigrant (65%).
  - The Maryland Women's Business Center (MWBC) is clearly a resources for WBEs, with nearly three in four (73%) aware of this resource. The MWBC has the most use of all REDI services, but also drew the most negative responses. Nearly two-thirds (61%) of those aware of the MWBC view it favorably, with 16% unfavorable and 19% neutral. These statistics suggest REDI might focus on learning how this resource center can best serve the needs of WBEs in Rockville.

## Key Takeaways (cont'd)

- **Business development and growth and funding/start up costs are the major concerns for Rockville businesses, particularly micro and small businesses.** Exploring ways to better serve the smallest businesses appears an important concern.
- **Affordable real-estate for small and micro-businesses, established health/education/non-profits and retail needed:** Businesses call for both affordable rents and commercial real estate that small businesses could afford to buy. Several commented that they had moved out of Rockville to more affordable places north of the city because they could only rent in Rockville. Established retail and health/education/nonprofits of all sizes complain about rising rents. Some ask for more desirable locations they can afford. Still others ask for co-working space for home based or virtual businesses or those downsizing as employees work from home.
- **Address cost of living and develop workforce housing to make Rockville more affordable and attract employees:** Business owners generally expressed concern about the rising cost of living in Rockville, citing this as a major drawback for Rockville. Housing costs are a major concern often mentioned. Those seeking more workers, particularly retail and those in health/education/non-profits that hire essential workers paid less than the professional services and technical workers in other industries, saw the cost of living and housing costs as a challenge attracting and retaining workers. Working with business owners and the city on programs to develop more workforce housing – targeted for those essential workers in mid-level income positions who work in the City could improve Rockville’s desirability as a business location and address some of the trouble finding workers.



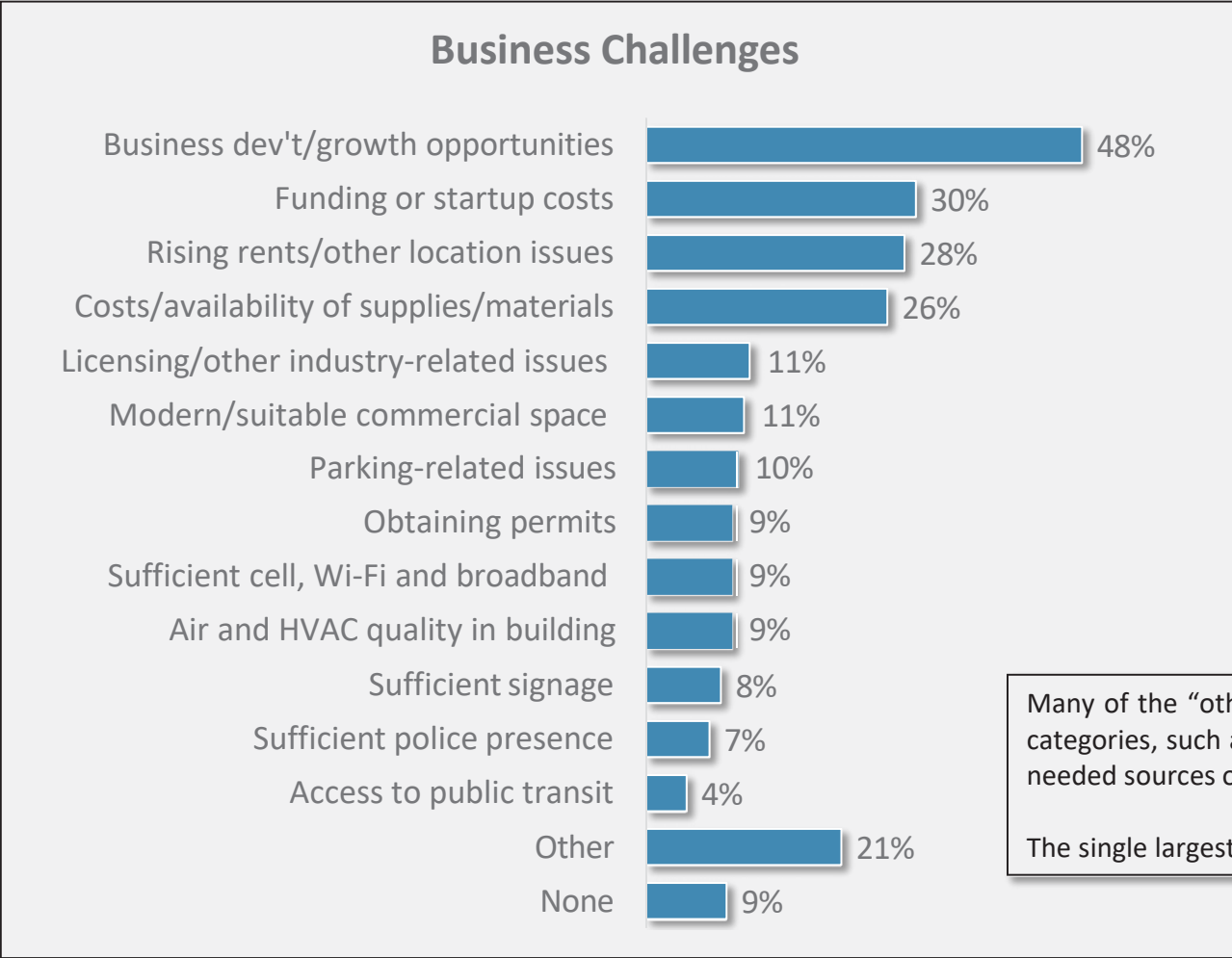
## Key Takeaways (cont'd)

- **The majority of businesses know about and like Rockville city programs and services for the public. Fewer have reason to know about Rockville permitting and regulations, but those who have used Fast Track view it positively.** Nearly 3/4ths (71%) are aware of Rockville public works and park services, parking rules, and city events and promotional activities, 59% diversity and inclusion initiatives, and 51% accessibility for people with disabilities. Parking is the major concern of local businesses, with 35% positive, 36% negative and 29% unaware of parking programs and regulations.
- **Trouble recruiting staff and retaining workers particularly a major problem for health, education and non-profits (63%),** particularly the older and larger organizations that may have a wide range of semi-skilled and low paid professional staff. In many cases, this appears to be linked to the cost of living.
- **Amenities expected by employees reported as a problem by 10% of businesses.** There is no significant differences across type of business, age, size or ownership type. The most frequently cited amenities requested are ample parking (59%), access to restaurants and shopping (38%) and parks/open spaces (30%).



# I. BUSINESS NEEDS AND CONCERNS

Not surprisingly, the top challenge faced by Rockville businesses is finding revenue and growth opportunities (48%).



While business development is the top concern for one in every two businesses (48%), sizeable segments have also experienced challenges with funding or startup costs (30%), rising rents or other location issues (28%) and/or the cost or availability of supplies and materials (26%).

A variety of other challenges are cited by about one in ten each. Another one in ten report no challenges.

Many of the “other” business challenges mentioned echo the closed-ended categories, such as finding affordable/suitable commercial space and finding needed sources of funding.

The single largest “other” challenge centers around hiring and staffing issues.

Base=All Respondents; n=159  
Q11. Which of the following, if any, have been challenges for your business? (Select all that apply)

## Top Challenges by Key Subgroups

More Likely to Have Experienced Challenges	
<b>Biz Development and Growth Opportunities</b>	<b>48%</b>
Retail	67%
<5 employees	54%
5-19 employees	45%
6-10 years	64%
11-20 years	65%
Minority owned	56%
Immigrant owned	60%
<b>Funding or Startup Costs</b>	<b>30%</b>
<5 Employees	39%
1-5 years	44%
Minority owned	47%
Immigrant owned	40%
Woman owned	35%

More Likely to Have Experienced Challenges	
<b>Rising Rents or Other Location Issues</b>	<b>28%</b>
Retail	50%
Health/Education/Non profit	49%
5-19 employees	45%
11-20 years	42%
<b>Cost/Availability of Supplies and Materials</b>	<b>26%</b>
Retail	67%
Life Sciences	46%
5-19 employees	38%

Base=All Respondents; n=159

Q11. Which of the following, if any, have been challenges for your business? (Select all that apply)

## “Other” Business Challenges – Verbatims

### Labor-Related

- *Qualified labor*
- *Talent*
- *Skilled labor shortage, rising wages*
- *Staffing*
- *Hiring*
- *Independent contractor challenges nationwide*
- *Local hiring of qualified staff*
- *Obtaining and retaining workers*
- *Pandemic and switch to a remote workforce*
- *Qualified help and support from the local community*
- *DEI hiring practices*

### Funding and Cost-Related

- *A stronger safety net*
- *I need capital to continue growing*
- *Inflation*
- *Raising venture capital*
- *Taxes*

### Commercial Space-Related

- *Affordable lab space*
- *Office space*
- *Suitable laboratory space*
- *Basic tenant improvements*
- *Building maintenance issues*

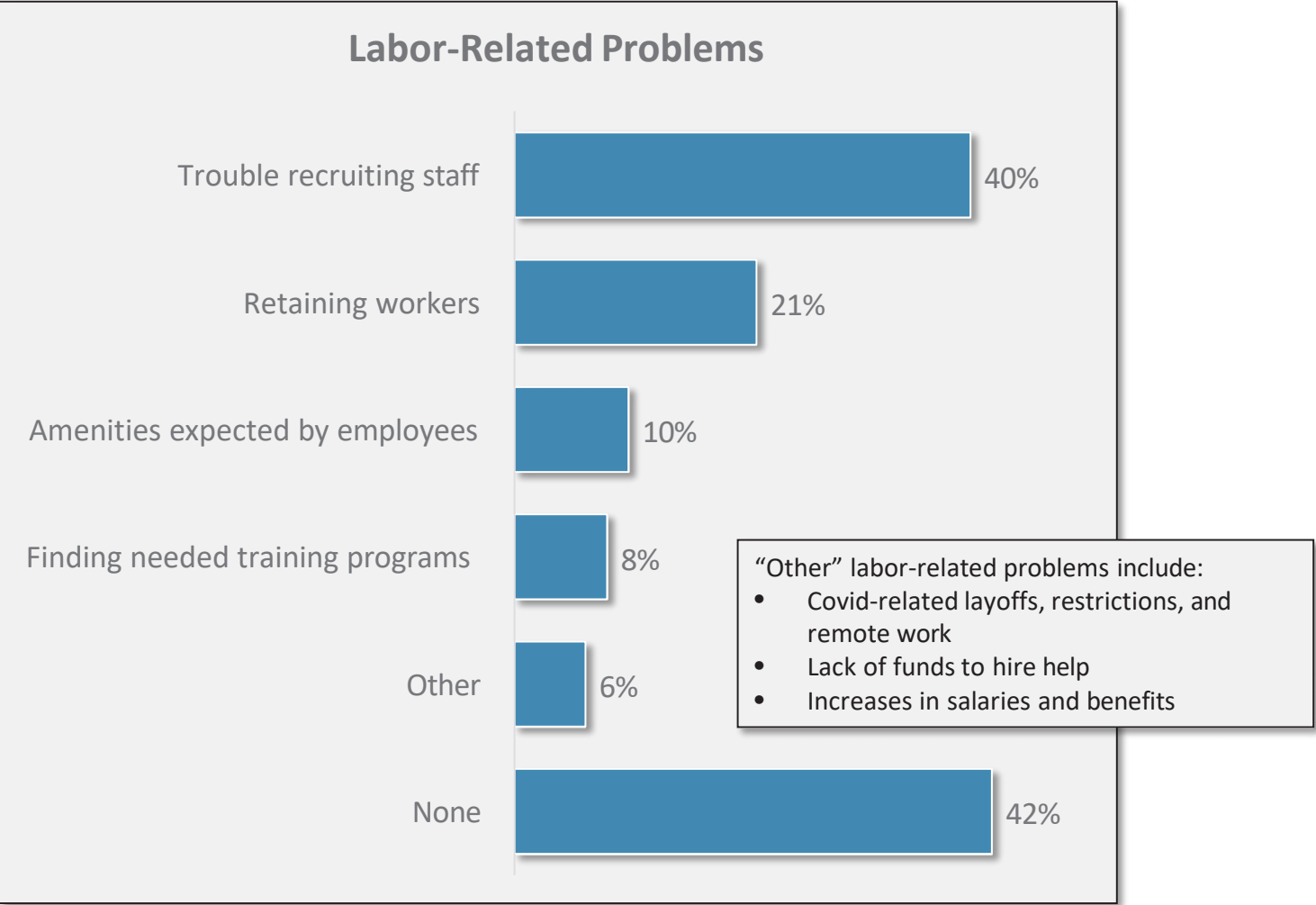
### Miscellaneous

- *Bike racks*
- *Homelessness, begging, vagrancy*
- *Identified in local listings*
- *Lack of retail*
- *Legal structuring prior to start up*
- *Less traffic and more kindness to elderly people*
- *Personal mentor*
- *Reception services.*
- *Regulation especially covid*
- *Covid restrictions*
- *Running a business while employed full-time elsewhere*
- *Towing law*
- *Traffic*

Base=All Respondents; n=159

Q11. Which of the following, if any, have been challenges for your business? (Select all that apply)

The most common labor-related problem is finding qualified workers. Trouble recruiting staff is cited by two in five businesses (40%).



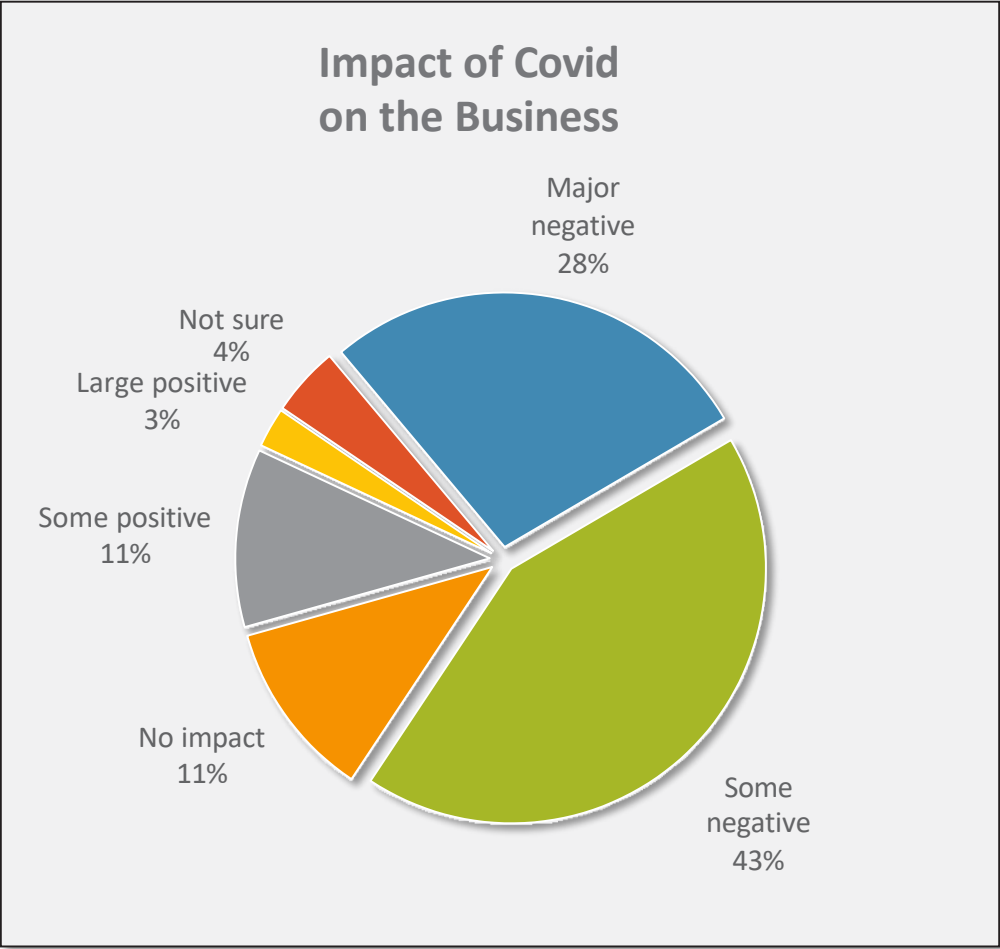
More Likely to Have Encountered Labor-Related Problems	
<b>Trouble Recruiting Staff</b>	<b>40%</b>
Health/Education/Non Profits	63%
20+ Employees	63%
11-20 Years	61%
Non-Certified businesses	49%
<b>Retaining Workers</b>	<b>21%</b>
Health/Education/Non Profits	43%
5-19 Employees	48%
20+ Employees	32%
<b>Finding Training Programs</b>	<b>8%</b>
5-19 Employees	24%
1-5 Years	19%
Woman Owned	13%
Minority Owned	13%

Base=All Respondents; n=159

Q12. Has your company encountered any labor-related problems in the past 5 years? (Select all that apply)



Covid had a negative impact on 7 in 10 Rockville businesses. Of note is the 1 in 7 who said their business experienced a positive impact.



Base=All Respondents n=159  
Q15. How has Covid-10 impacted your business?

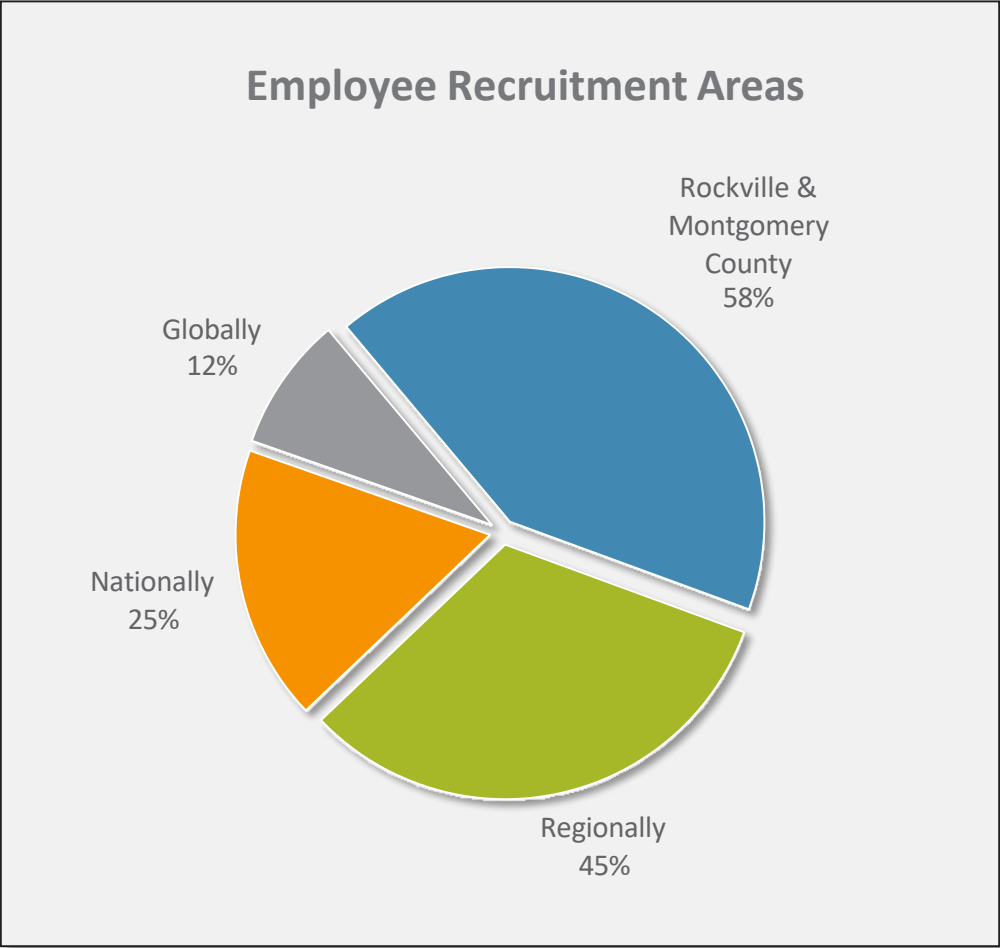
More Likely to be <u>Negatively</u> Impacted by Covid	
Major/Some Negative Impact	70%
Retail	92%
Health/Education/Non Profit	80%

More Likely to be <u>Positively</u> Impacted by Covid	
Large/Some Positive Impact	14%
Life Sciences/Biotech	31%
Immigrant owned	30%



## II. EMPLOYEE-RELATED ISSUES

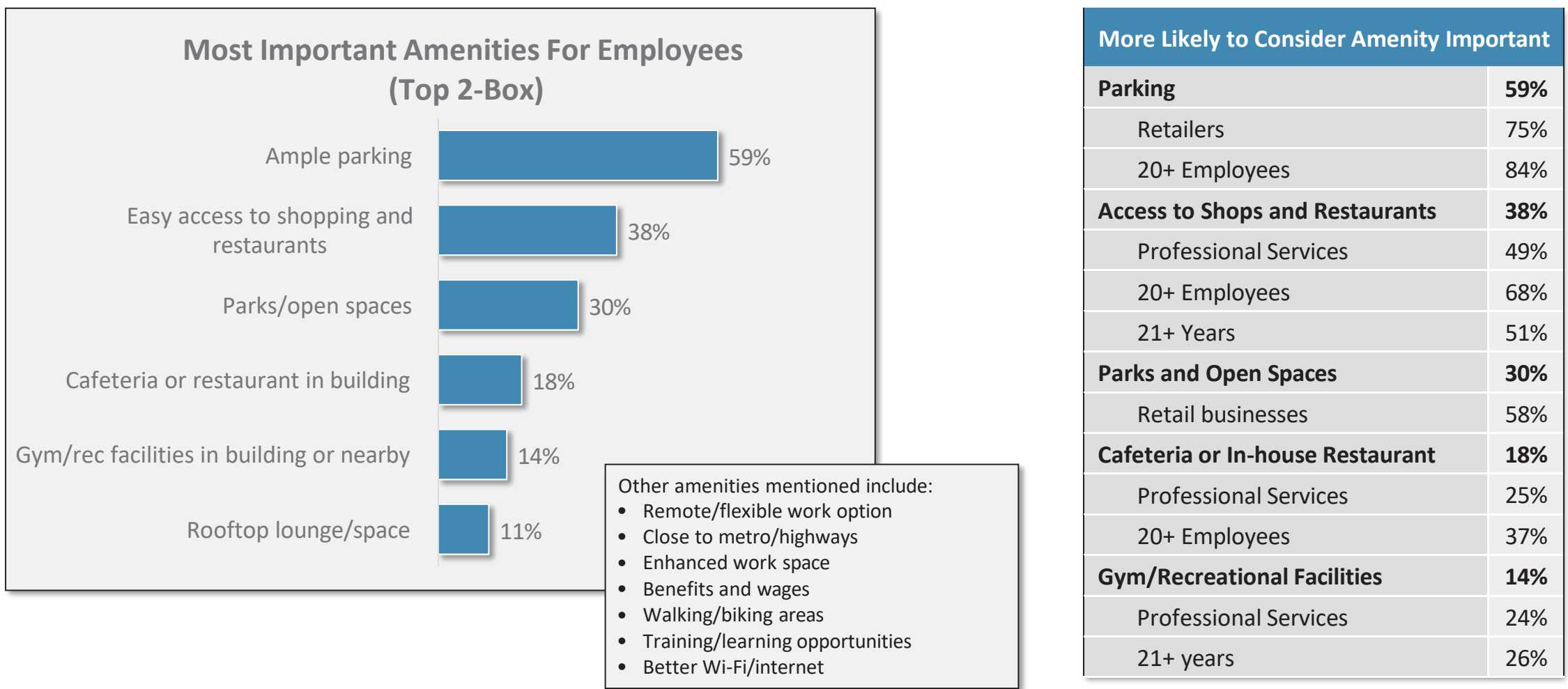
A majority of Rockville businesses are locally focused, typically recruiting employees from Rockville and Montgomery County, as well as the surrounding region.



More Likely to Have National or Global Reach	
National	25%
Technology	44%
Life Sciences/Biotech	54%
20+ Employees	58%
6-10 Years	44%
Global	12%
Technology	28%

Base=All Respondents n=159  
Q14. From where does your company typically recruit employees? (Select all that apply)

The single most important amenity to attract and retain employees is the availability of parking. Access to shops and restaurants and parks or open spaces rank 2<sup>nd</sup> and 3<sup>rd</sup>.



Base=All Respondents; n=159  
 Q13. How important are each of the following amenities in attracting and retaining employees? (1=Not At All Important...5=Very Important)



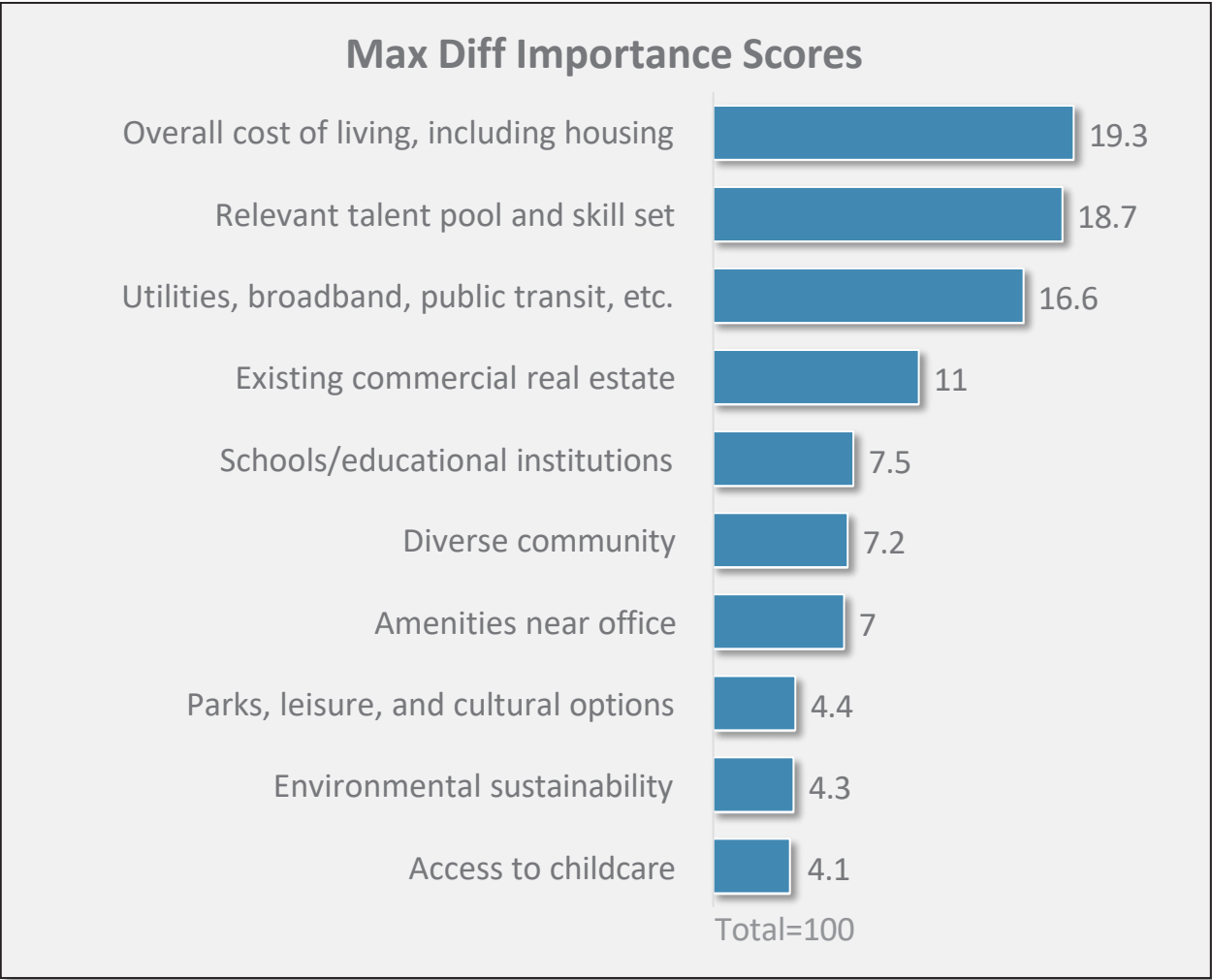
### III. MAX DIFF IMPORTANCE RANKINGS AND DESIRABILITY METRICS

## Max Diff Methodology

- ▶ In order to gain insight into which attributes are most important when considering potential places to start or relocate a business, and to develop a Desirability Index for Rockville versus select competitive markets, the Max Diff technique was used. Max Diff uses tradeoff methodology and logit modeling to compute the importance levels for each feature tested. The performance of each market on the various attributes is then assessed, and a Desirability Index using both importance scores and performance scores is then developed.
- ▶ For this exercise, a total of ten attributes were tested. Respondents were presented with six screens, each of which presented a random mix of 5 of these 10 attributes. Respondents were asked to choose the most important and the least important attributes of the 5 presented on each screen.
- ▶ A key advantage that the MaxDiff method offers is the ability to quantitatively rank the importance of features and make statements such as Attribute A is twice as important as Attribute B. The Desirability Index is developed by utilizing the weighted performance ratings of each market.
- ▶ The findings of the MaxDiff exercise provide insights to aid in strategic decision making, inform messaging to promote Rockville as a desirable choice for businesses to relocate or expand, and measure perceptions of the city against key competitors.



**Overall cost of living is the most important consideration when choosing a location for a business, followed closely by the availability of a talent pool with a relevant skill set.**



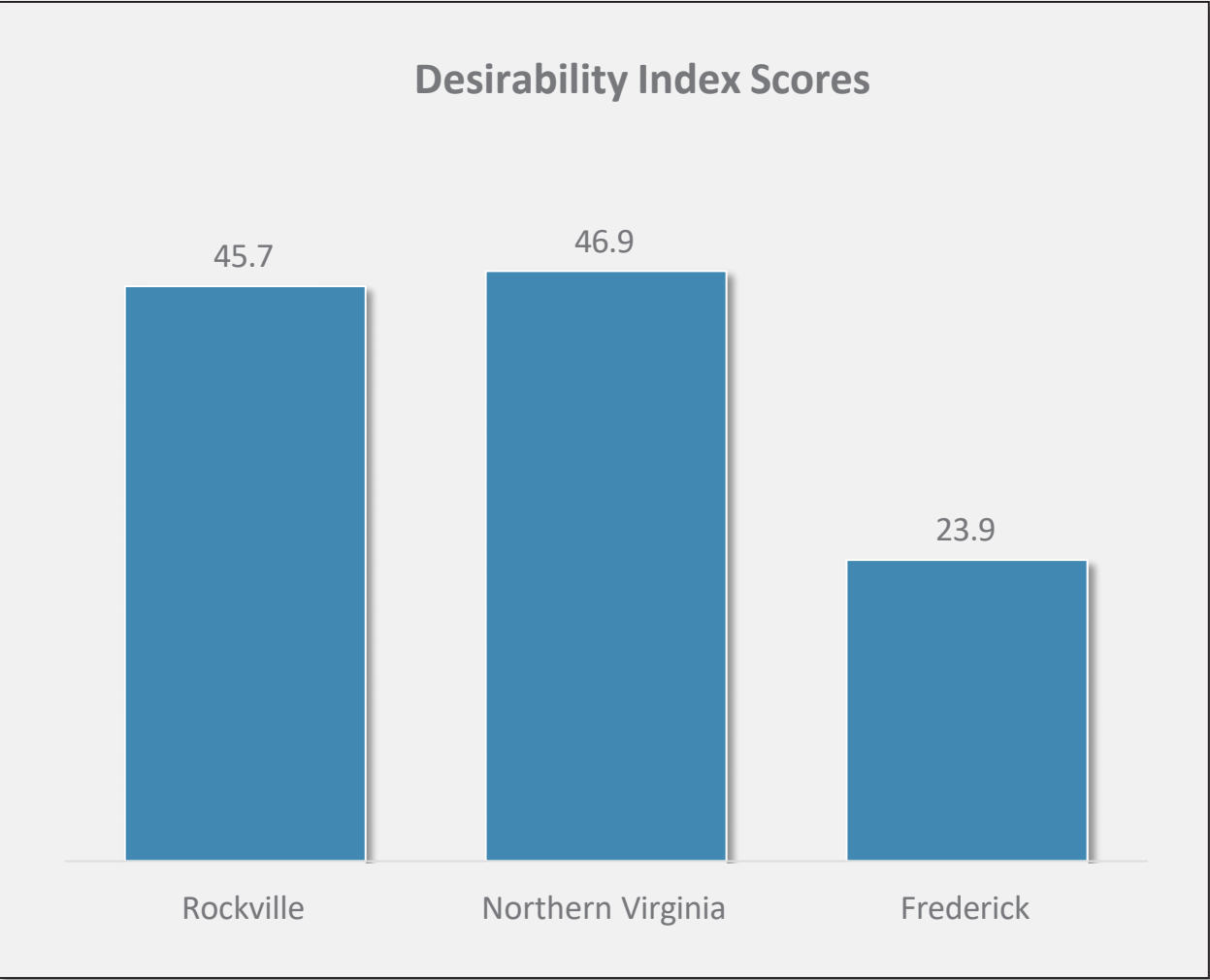
Quality of utilities, broadband and public transit also stands out in importance, and ranks third as a factor in the choice of a business location.

Existing commercial real estate, while only about half as important as overall cost of living, easily outranks the rest of the remaining attributes. For instance, it’s nearly twice as important as having amenities near the office.

Parks, leisure and cultural options, environmental sustainability, and access to childcare rank last and exert far less influence on the consideration decision than the more heavily weighted factors.

Base=All Respondents; n=159  
MaxDiff Exercise

Rockville’s key competitor is Northern Virginia, with the two virtually tied as desirable places to locate a business. Frederick is a distant contender, with a desirability score half that of Rockville’s.

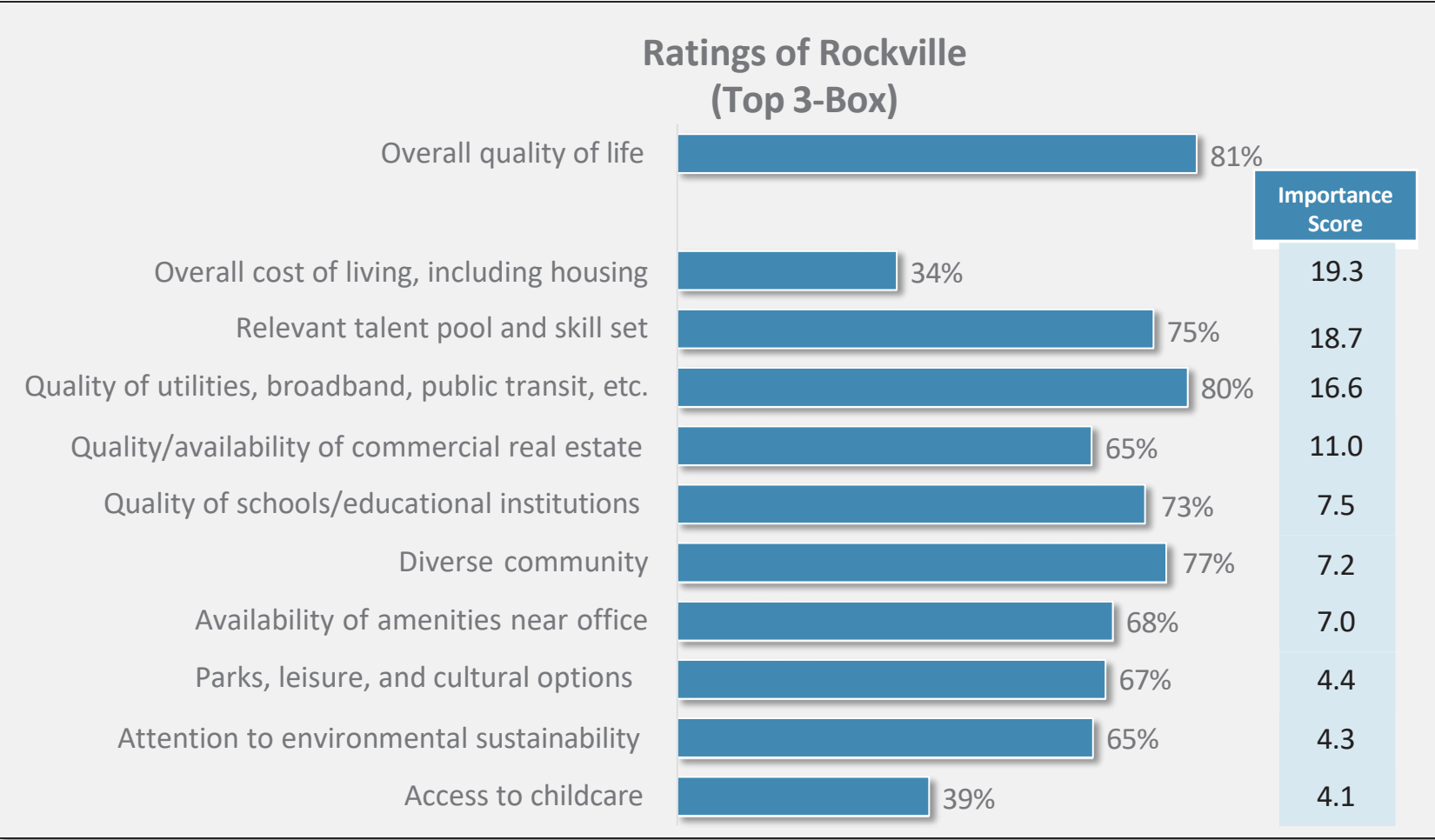


The Desirability Index is calculated using a methodology similar to a Net Promoter Score, whereby the ‘net’ of Top 3-Box minus Bottom 3-Box ratings is calculated for each of the attributes. Those net ratings are then weighted based on the MaxDiff importance scores, and an overall index score is computed.

This approach factors in both promoters and detractors, ignoring the neutral middle segment, and weights performance scores by the importance scores from the Max Diff exercise, rather than treating all attributes as equal.

Base=All Respondents (Not Sure excluded)  
Q8a-8c. How you would rate <CITY> on each of those attributes that might be important in the decision to locate a business? (1=Lowest Possible Rating...7=Highest Possible Rating)

Rockville gets strong ratings for overall quality of life (81%). Key strengths are the quality of its infrastructure such as utilities, broadband and public transit (80%), and its pool of skilled talent (75%).



However, Rockville is weak on the most important attribute in the decision making process—overall cost of living. Only one in three give Rockville positive ratings on this critical influencer (34%).

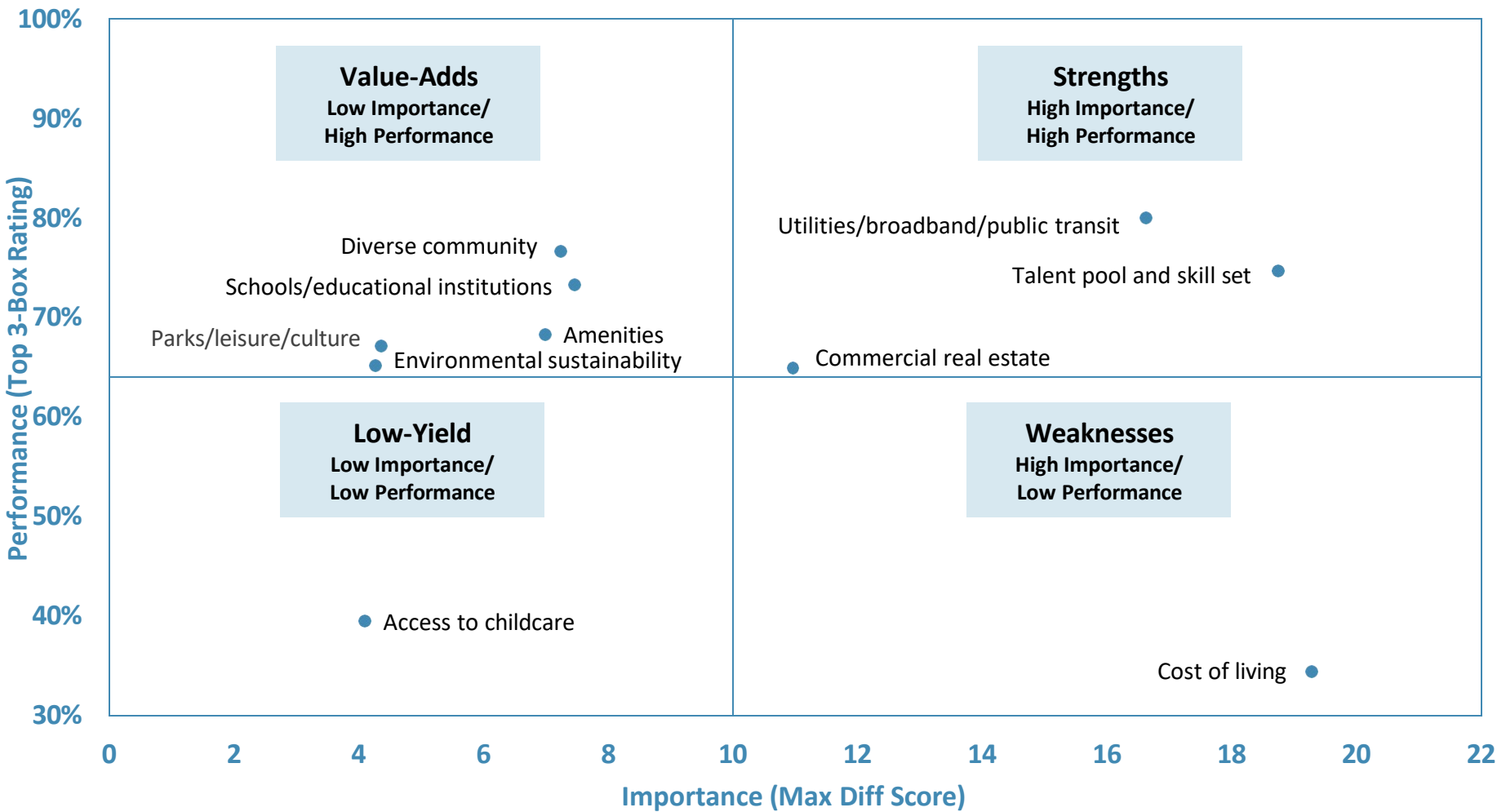
A sizeable majority gives Rockville positive ratings on all other attributes, with the exception of access to childcare.

Charts shows Top 3-Box ratings of 5, 6, or 7 on a 7-point scale

Base=All Respondents (Not Sure excluded)  
Q8a-8c. How you would rate <CITY> on each of those attributes that might be important in the decision to locate a business? (1=Lowest Possible Rating...7=Highest Possible Rating)

Rockville performs well on 3 of the 4 most important attributes for businesses. These are the city’s key strengths. A critical weakness is cost of living.

Quadrant Analysis: Rockville



There are a number of attributes that are lower in importance but that the city does well. These are value-added ‘delighters’ that help attract businesses to the city.

The diversity of the community, the quality of schools, and the nearby amenities are more compelling than the city’s parks/leisure/culture and focus on environmental sustainability.

While access to childcare performs poorly, since it’s of low importance to businesses it’s not an area on which to focus resources.

# Comparison of Top 3-Box Ratings: Rockville versus Key Competitors

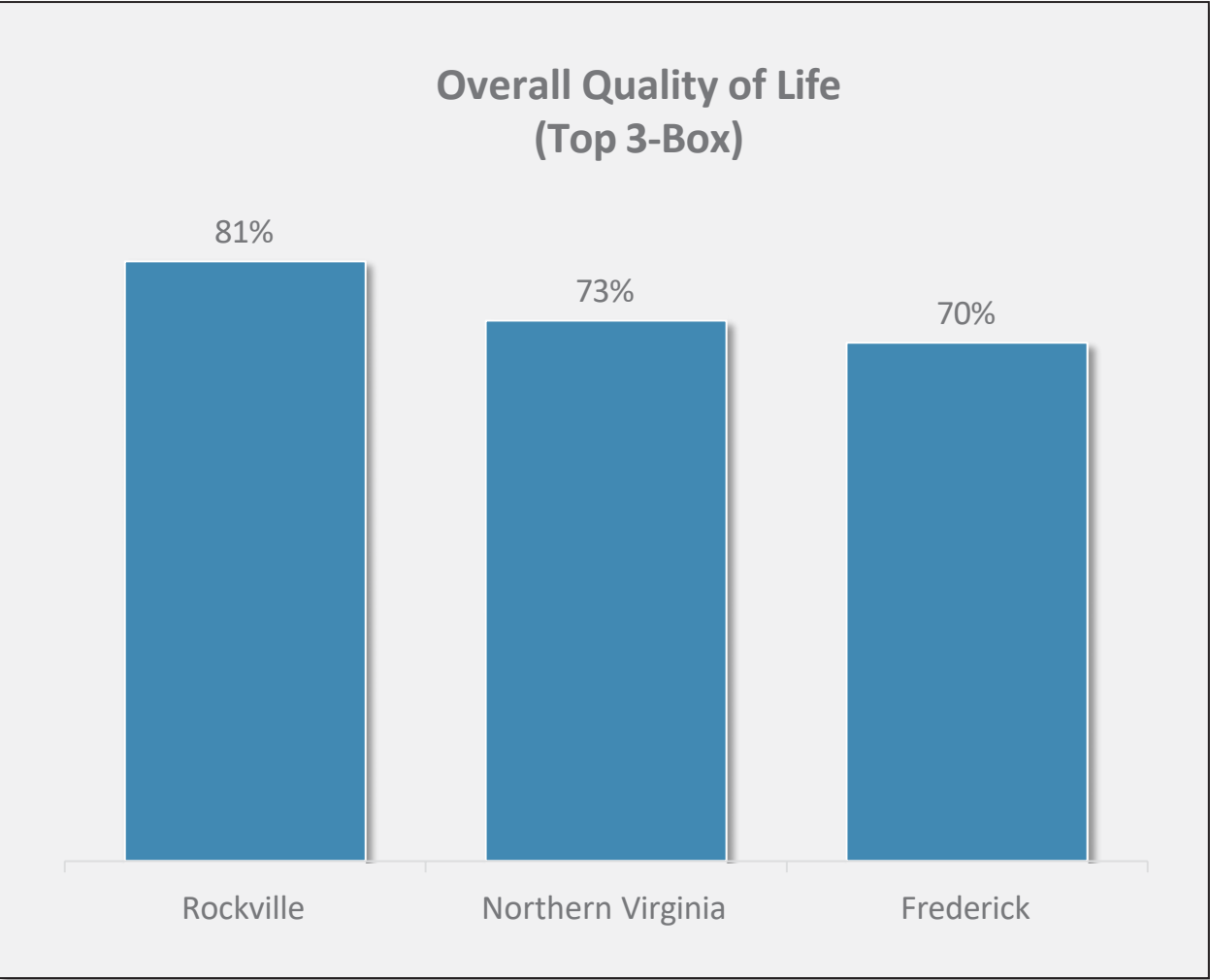
Rockville competes well with Northern Virginia, scoring similarly or better on nearly every attribute examined. On the most important attributes, Northern VA edges out Rockville on cost of living, talent pool, and availability of commercial real estate, while Rockville has a slight lead with quality of infrastructure.

Attribute	Importance		Rockville	Northern VA	Frederick
	Score	Rank			
Overall cost of living, including housing	19.3	1	34%	38%	75%
Relevant talent pool and skill set	18.7	2	75%	80%	47%
Quality of utilities/broadband/public transit	16.6	3	80%	77%	42%
Quality/availability of commercial real estate	11.0	4	65%	71%	49%
Quality of schools/educational institutions	7.5	5	73%	75%	37%
Diverse community	7.2	6	77%	62%	34%
Availability of amenities near office	7.0	7	68%	71%	40%
Parks, leisure, and cultural options	4.4	8	67%	66%	63%
Attention to environmental sustainability	4.3	9	65%	49%	42%
Access to childcare	4.1	10	39%	51%	49%

Frederick is the clear winner when it comes to the most important attribute—overall cost of living. However, it lags significantly on all other important attributes, and on virtually all others. While it performs well for parks, leisure and cultural options, that attribute is not an important consideration in the decision making process.

Base=All Respondents (Not Sure excluded)  
 Q8a-8c. How you would rate <CITY> on each of those attributes that might be important in the decision to locate a business (1=Lowest Possible Rating...7=Highest Possible Rating)

Eight out of ten Rockville businesses (81%) give the city high marks when it comes to overall quality of life, outranking competitor markets by a wide margin.



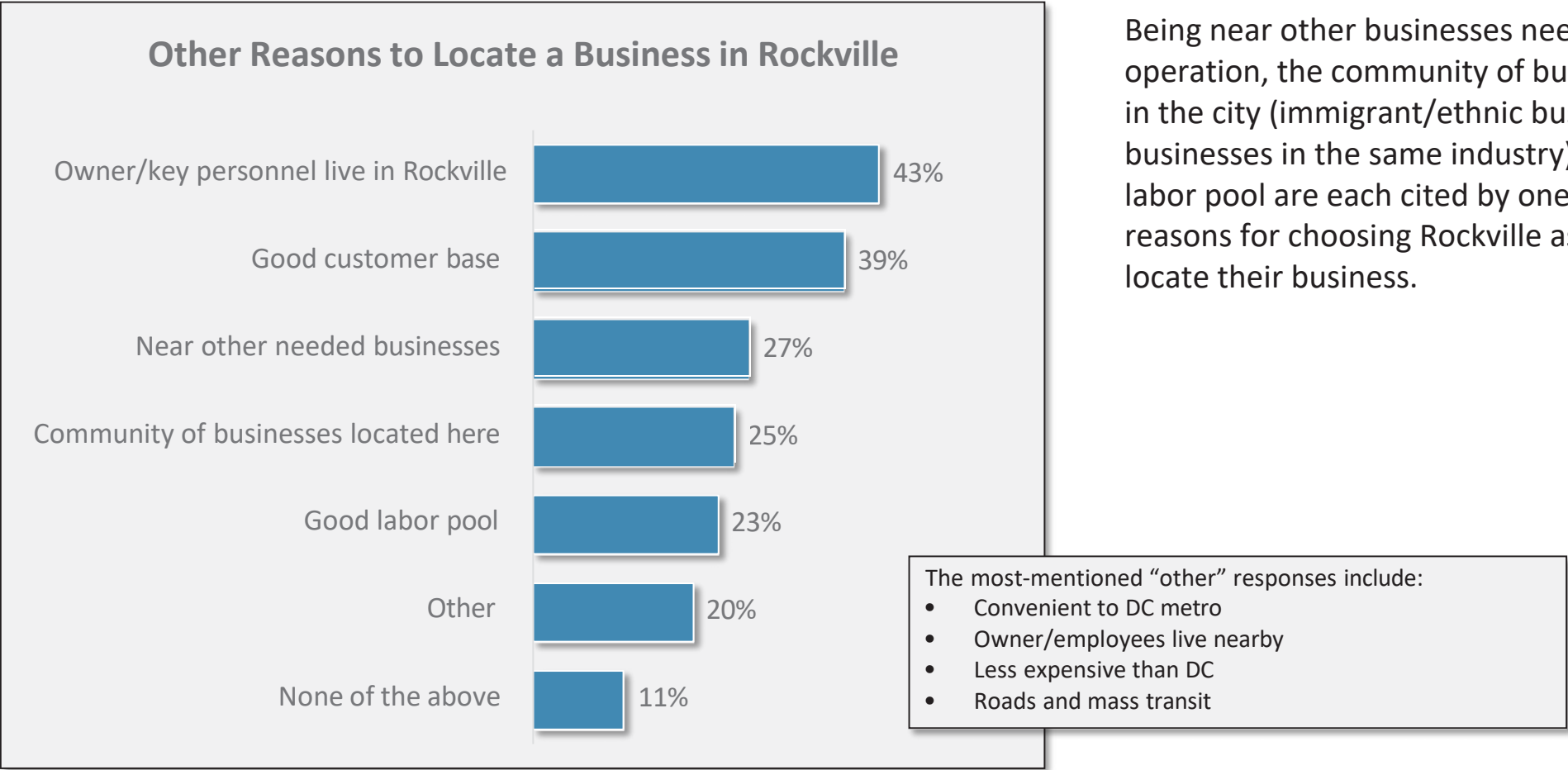
Among those familiar enough to give a rating (Not Sure excluded from the base), Rockville easily outranks Northern Virginia and Frederick for overall quality of life.

While Rockville gets high scores by businesses across the board for quality of life, the highest ratings are given by:

- Technology companies (94%)
- Larger businesses with 20+ employees (95%)
- Younger businesses (1-5 years 89%)

Base=All Respondents (Not Sure excluded); Rockville=127; Northern VA=87; Frederick=81  
Q8a-8c. How you would rate <CITY> on each of those attributes that might be important in the decision to locate a business: Overall quality of life (1=Lowest Possible Rating...7=Highest Possible Rating)

For two in five businesses, Rockville was chosen because the owner or key personnel live here (43%). Two in five also chose it because of its customer base (39%).

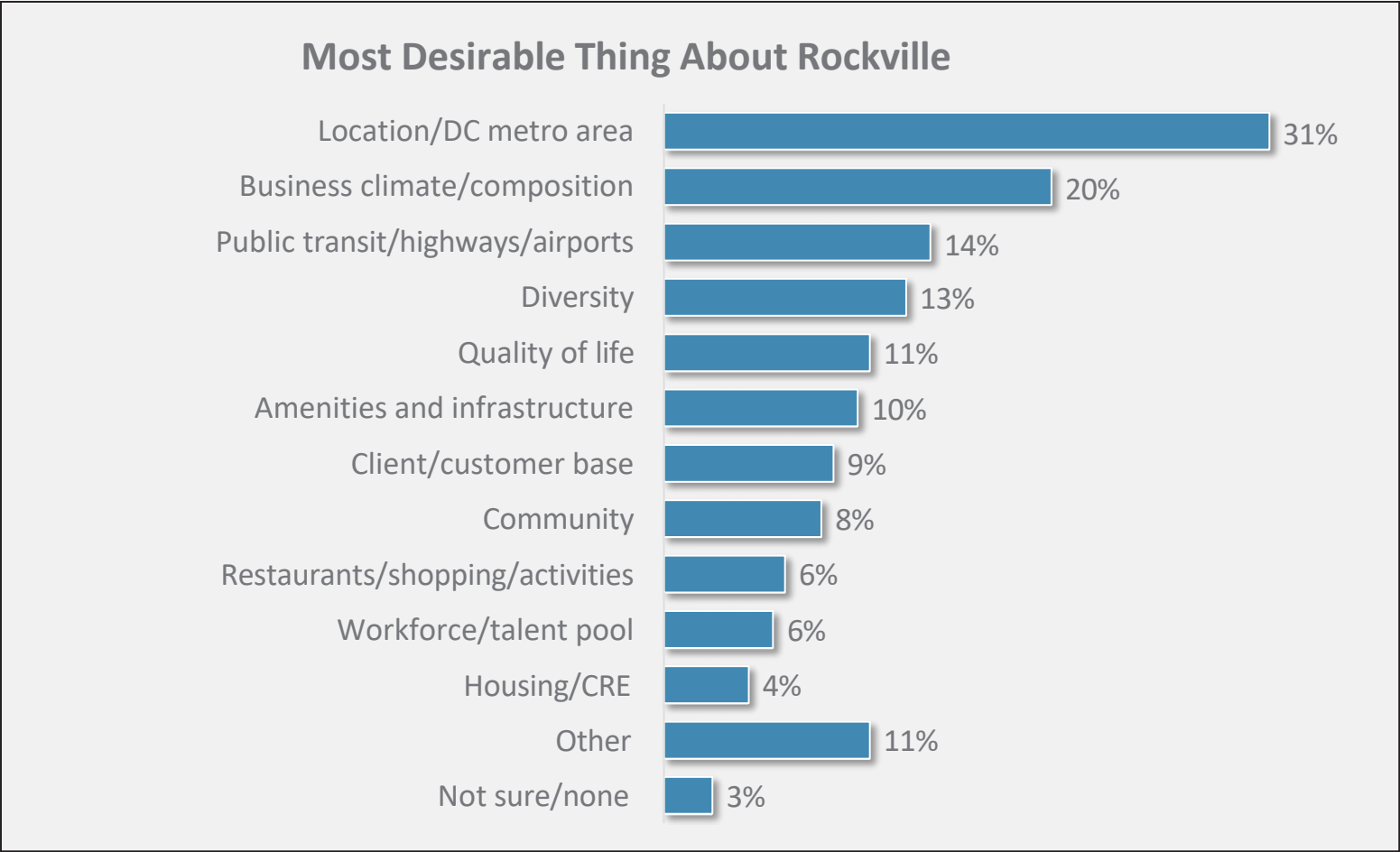


Being near other businesses needed to run their operation, the community of businesses located in the city (immigrant/ethnic businesses or businesses in the same industry), and a good labor pool are each cited by one in four as reasons for choosing Rockville as a place to locate their business.

Base=All Respondents; n=159  
Q9. In addition to any of the previous attributes listed, are there any other reasons your company chose to locate in Rockville? (Select all that apply)



**Location, location, location! From a business perspective, the single most desirable thing about Rockville is its proximity to the DC metro area.**



Going hand in hand with this is the easy access to the region via highways and public transit that Rockville provides.

The thriving, business-friendly climate is a top advantage of Rockville.

Access to qualified labor and potential clients are key selling points, as is the diversity of the community, the overall quality of life, and the various amenities, restaurants and shops the city supports.

Base=All Respondents; n=159  
Q10a. From a business and economic development perspective, what do you think is the single most desirable thing about Rockville? (open-end)

# Most Desirable Thing About Rockville – Selected Verbatims

## Location/DC Metro Area (31%) and Easy Access Via Public Transit/Highways/Airports (14%)

- *Excellent location in the DMV with easy access to multi-modal transportation.*
- *The diversity and vibrant business climate and central location to the DMV.*
- *Great location - close to DC, Beltway/270, metro*
- *The location is proximate to many customers*
- *Center of business/commerce in Montgomery County*
- *Geographic convenience to DC, Bethesda, NOVA, Frederick, Baltimore; even Gaithersburg/biotech corridor*
- *Its location for employees.*
- *Location to roads, metro, shops, office space, all very convenient.*
- *Most things needed by businesses and their employees are offered in and around Rockville*
- *Proximity to a world capital without the headaches associated with being in the middle of the city.*
- *Proximity to the federal government*

## Business Climate & Composition (20%)

- *A desire to see economic success by local government and its offices*
- *Business friendly and Economic Development group very helpful. The incubator program has been very helpful to us.*
- *Community with neighborhoods and small business services within Rockville*
- *Concentration of companies in my industry (life sciences)*
- *Critical mass of larger businesses in progressive industries*
- *Great Chamber and networking opportunities for small business*
- *Resources for growing a business*
- *Strong business community and organizations that lobby for business, and a government that is interested in developing the business community.*

## Quality of Life (11%) and Community (8%)

- *Easy-going and quality community*
- *High standard of living, an affluent customer base that can afford my products/price points and a customer base whose needs align with my product line.*
- *I think the community has excellent core values. I feel at home and safe in Rockville.*
- *Its diversity, cleanliness, restaurants and overall vibe are all desirable.*
- *Safe and well maintained.*
- *Small town atmosphere.*
- *Variety of everything, educated professionals, myriad of greenery, parks.*
- *Community oriented population.*
- *The overall sense of a tight knit community even though Rockville is quite large.*
- *Sense of community and diversity of the population. It is quiet and has a small-town feel.*

## Diversity (13%)

- *Diversity of community*
- *Diversity of people, safety and community development and access to the DMV AREA.*
- *Good location, wonderful amenities, ample diverse workforce.*
- *The diversity and intelligence of the entrepreneur community.*
- *The diversity and vibrant business climate and central location to the DMV.*

Base=All Respondents; n=159

Q10a. From a business and economic development perspective, what do you think is the single most desirable thing about Rockville? (open-end)

## Most Desirable Thing About Rockville – Selected Verbatims (cont'd)

### Amenities/Infrastructure (10%) and Restaurants/Shopping/Activities (6%)

- *Activities, shopping, restaurants are plentiful and attractive for employees*
- *Community based activities and accessibility*
- *Good amenities for business setup.*
- *Good cultural (e.g. Strathmore) and athletic (Shriver, summer swim clubs) resources.*
- *Good services*
- *Good tech infrastructure, e.g., internet access*
- *Large community of diverse group. Lots of parking and more amenities for employees and communities.*
- *The public services are excellent.*

### Client/Customer Base (9%)

- *Access to Federal health agencies & related businesses*
- *Affluent Customer Base*
- *General population who are educated and have disposable income is attractive who can be potential customers*
- *The location is proximate to many customers.*
- *Diverse, educated, high-achieving families as customer base.*

### Workforce/Talent Pool (6%)

- *Access to talented labor pool.*
- *Has talent pool, amenities, is fairly diverse.*
- *Ready supply of technically qualified job candidates*
- *Smart people in the county seat with a lot of great resources close at hand.*
- *There is a deep and rich talent pool.*

### Housing/CRE (4%)

- *Much more affordable housing and business real estate than Bethesda, Kensington, Chevy Chase and parts of northern Virginia. Low-income housing projects like Beall's grant.*
- *Housing developments are very nice.*
- *The warehouse district (around Parklawn Bldg) has lots of buildings that could be used for lab space.*
- *Wet lab space availability..*

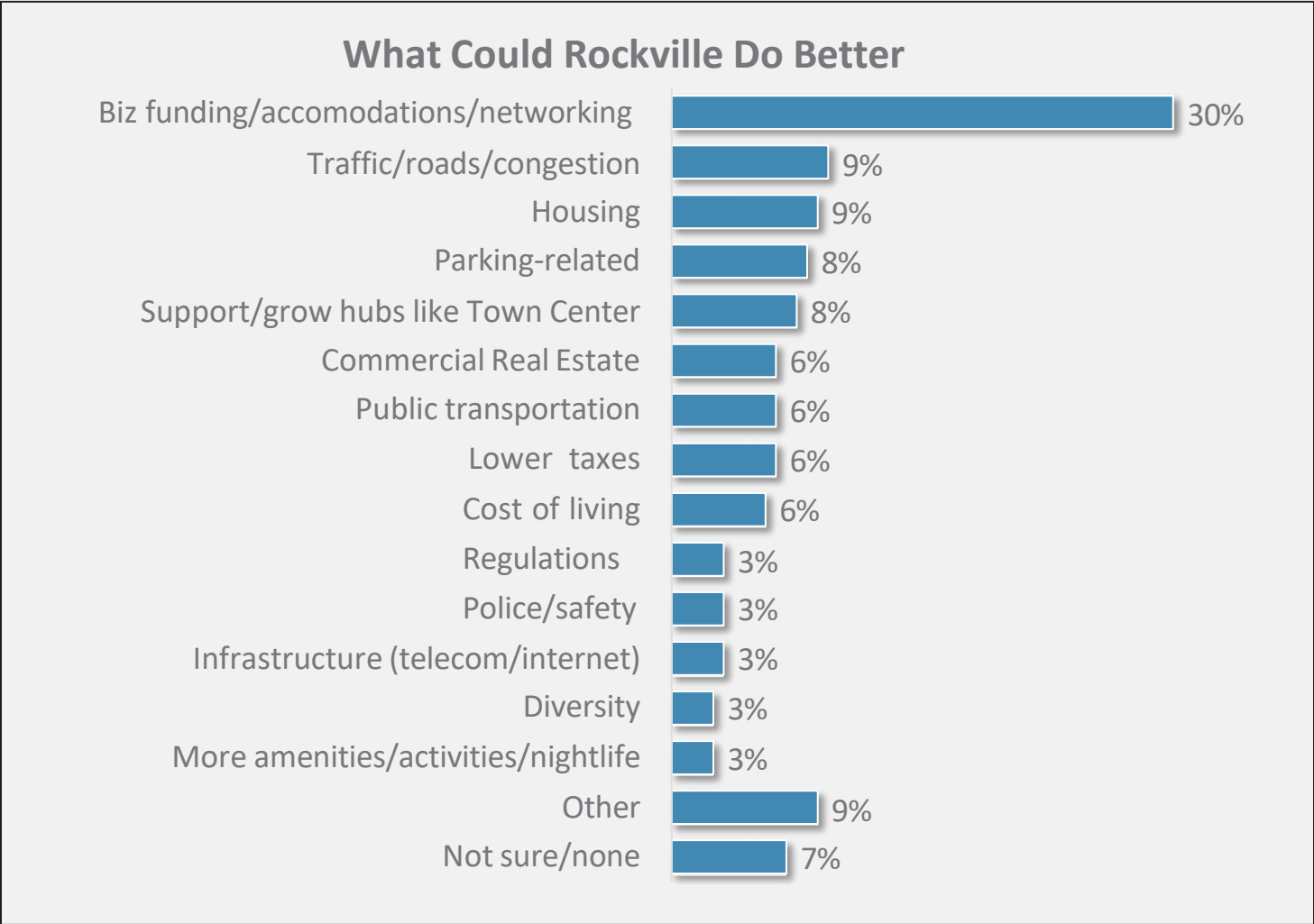
### Other (11%)

- *Historic Town*
- *I lived here before you developed and changed the city. Now what used to be affordable for residents in Rockville is out of reach for average people.*
- *It has everything.*
- *It's a great place to live I think this is a slogan!*
- *It's relatively affordable and easy access to lunch places*
- *Lower taxes.*
- *Our office is close to our home.*
- *Schools.*
- *The density of the population.*
- *The money people were willing to spend before Covid ruined small businesses.*

Base=All Respondents; n=159

Q10a. From a business and economic development perspective, what do you think is the single most desirable thing about Rockville? (open-end)

**Rockville can best help sustain and grow its business community by assisting with funding, facilitating accommodations like lower rent or tax incentives, and helping with networking and promotion.**



Other top mentions include doing something about the traffic and congestion in the area, lowering the cost and availability of housing, improving parking, and supporting hubs that attract commerce like Town Center. A variety of other recommendations are given, chief of which include cost and availability of suitable commercial real estate, access to public transportation, and cost-related issues.

Base=All Respondents; n=159  
Q10b. From that same perspective, if there was one thing Rockville could do better, what would it be? (open-end)

## What Could Rockville Do Better – Selected Verbatims

### Funding/Accommodations/Networking (30%)

- *I think small businesses are encountering a challenging time. Access to capital, courses on being better business owners, and more events that bring together business owners can be of benefit*
- *Allocation of funding for work force development. We offer training but pay out of our pocket and this limits the number of interns that we can sponsor.*
- *Economic incentives for medical offices.*
- *Lower property taxes for small business buildings.*
- *Make more short-term lease options available to start ups.*
- *Communicate opportunities of networking between diverse communities of businesses.*
- *More networking events for small businesses.*
- *Help promote small business on social media.*
- *Need to provide events for companies to get to know each other. I know Covid caused a lot of problems.*
- *More opportunities to partner with area businesses.*
- *More business friendly. Be more in tune with the small business and their unique needs.*

### Traffic/Roads/Congestion (9%)

- *Sync traffic lights*
- *LESS development, LESS TRAFFIC ,YOU NEED TO FIX THIS NOW! Solve the issue NOW about the traffic when 2500 cars arrive on the new BF Saul project onto Rockville Pike and Chapman Avenue, expand the two bridges at Edmonston and Twinbrook parkway for the increase in traffic so that the residents can get out of Twinbrook neighborhood and not take 45 minutes doing so.*
- *...A major issue that must be taken into account by employees and businesses is the traffic and how long it can take to get around at rush hour and during the day. This is a growing problem.*
- *Keep up the roads better*
- *It's so congested. Relieve that somehow.*
- *Finish the road construction on Old Georgetown road.*
- *Improve road infrastructure to support volume from population density*

### Housing (9%), Cost of Living (6%) and Taxes (6%)

*Cost of housing has gotten quite expensive making it challenging for families with young children to purchase homes or pay rent in this area.*

*Create more affordable housing to bring workers into our area.*

*Cost of real estate/rent.*

*Keep housing costs affordable.*

*Cost of living is too high.*

*Cost of living too high to have the average employee pool live close to work.*

*Cost of living to increase socioeconomic diversity.*

*Lower costs!!*

*Push for lower business taxes at the State level.*

*Lower personal property tax and real estate tax.*

*Lower taxes. The topics in your survey are interesting, however, taxes is the primary concern. You want to make Rockville a better place for business - lower taxes. If you can't do that, you can't really do anything.*

### Commercial Real Estate (6%)

- *More access to good retail spaces which are in very short supply therefore rents are high. Also, the access to good retail spaces is limited to large real estate corporations...absolutely no opportunity for small business to purchase retail space...Large corporations therefore benefit from all the benefits of development funds poured into the community/infrastructure development by the county.*
- *Prices. I found my own office for a great price in Gaithersburg.*
- *Make the commercial space rent friendly to small businesses so they can move their home based businesses out of their house and into affordable commercial space that have two windows and not in a closet for \$1500 per month rent.*
- *More affordable options for small businesses. Gaithersburg has many options in houses and shops dedicated to small businesses.*

Base=All Respondents; n=159

Q10a. From a business and economic development perspective, what do you think is the single most desirable thing about Rockville? (open-end)

# What Could Rockville Do Better – Selected Verbatims (cont’d)

## Parking-Related (8%)

- *PARKING and encouraging and assisting businesses to move within city limits. I have been hearing for years that Rockville wants us to open a location within city limits..... let's do it.*
- *Reduce the cost of parking, block off Maryland Ave near town square, reduce the parking fee complexity.*
- *Parking cost and availability.*
- *Free parking at Rockville Town Square.*
- *More free parking. It really drives people away when they have to pay to park.*
- *More available, less costly parking.*
- *Rents are high and parking is expensive.*

## Support Hubs Like Town Center (8%) and Amenities/Activities/Nightlife (3%)

- *Make Town Center more vibrant.*
- *Attracting and keeping businesses and restaurants especially in the Town Center.*
- *Town Center needs to bring in high end retailers into the Center or it will die like the others before it. Compare it to Pike and Rose.*
- *Attract & retain vibrant retail core; too many vacant storefronts in RTC.*
- *Helping the Town Center survive.*
- *It's well on it's way to making more attractions to eating, dining and gathering that are accessible to public transit.*
- *There is zero nightlife here.*
- *Restaurants, parks, gym etc.*
- *...It would be wonderful if the city had a plan of amenities and activities to attract more people to the area. Many of my clients' complaints are that they came to my store by accident because they did not know that there was this type of business in the area.*

## Public Transportation (6%)

- *Development around Rockville Metro.*
- *Ease of transit.*
- *Increase access and frequency of Public transportation.*
- *Public Transit could be better out here.*
- *Increase density at/near metro stations.*
- *Better public transportation.*

## Other

- *Greater civic awareness and identity. Rockville is one of the largest cities in Maryland, but it acts and talks like a suburb, rather than as a distinct entity with unique, compelling offerings.*
- *Create and articulate a vision for the future. there is no overarching vision for the City. too much focus on micro issues instead of macro issues. No risk taking.*
- *The City of Rockville needs to give back to the community more than it presently does.*
- *Have more police presence. They disappeared during Covid and I haven't seen much of them since.*
- *Better business zoning.*
- *Crime, Homelessness Street beggars.*
- *Better schools - too many people are forced into private schools due to very average teachers.*
- *Cleaner and more pleasing to the eye along E. Gude Drive, where our business is located.*
- *Improve permitting.*
- *City Government needs to improve.*

Base=All Respondents; n=159

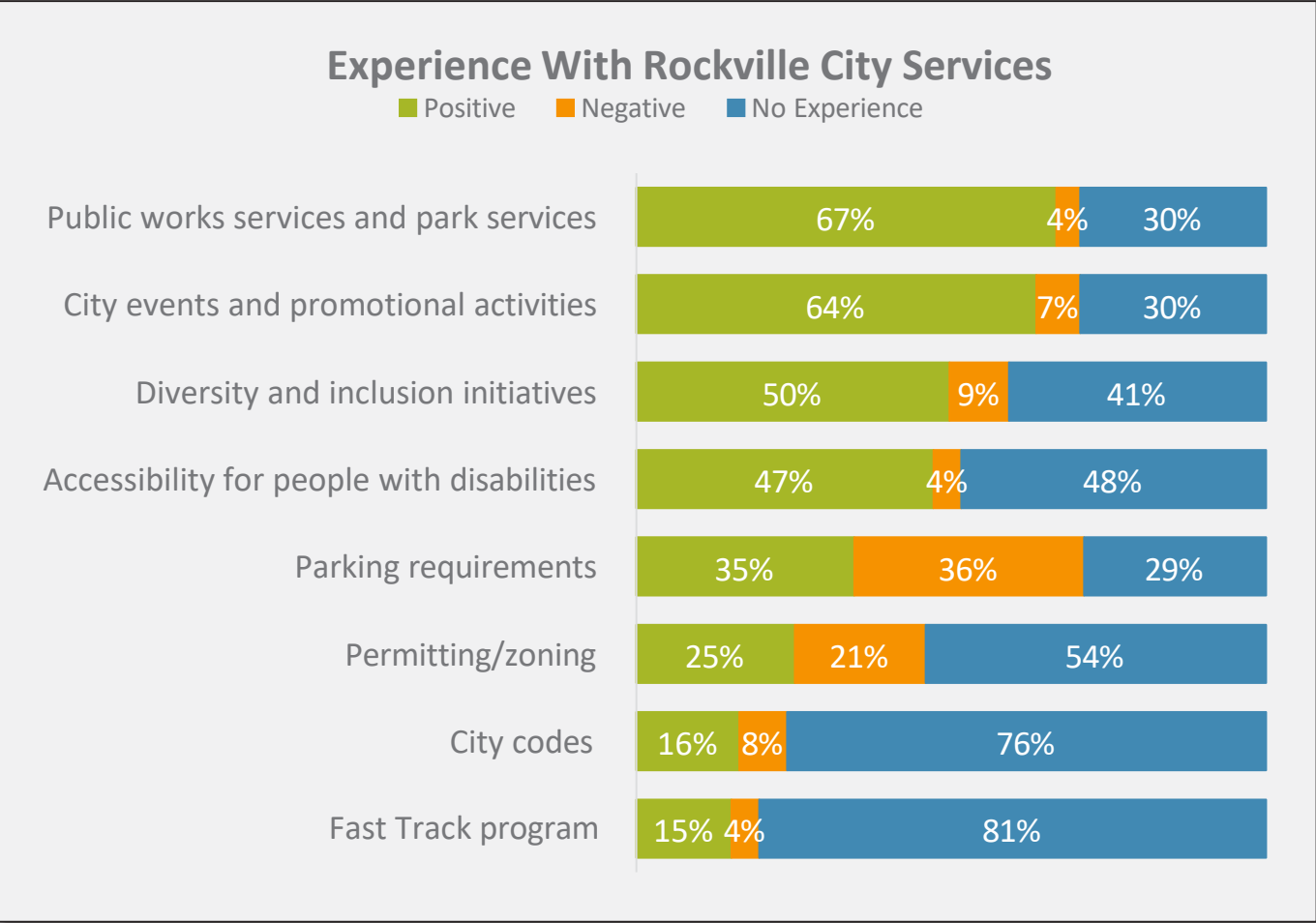
Q10a. From a business and economic development perspective, what do you think is the single most desirable thing about Rockville? (open-end)



## IV. CITY AND COUNTY SERVICES



To varying degrees, large segments of businesses have no experience with individual Rockville city services. Those who do, however, typically report a positive experience.



Parking and permitting are the exception, where the levels of negative experiences match those of positive experiences.

Awareness and positive experiences are highest for public works and park services, and city events and promotional activities.

Positive experiences also dominate for diversity and inclusion initiatives, and accessibility for PWD.

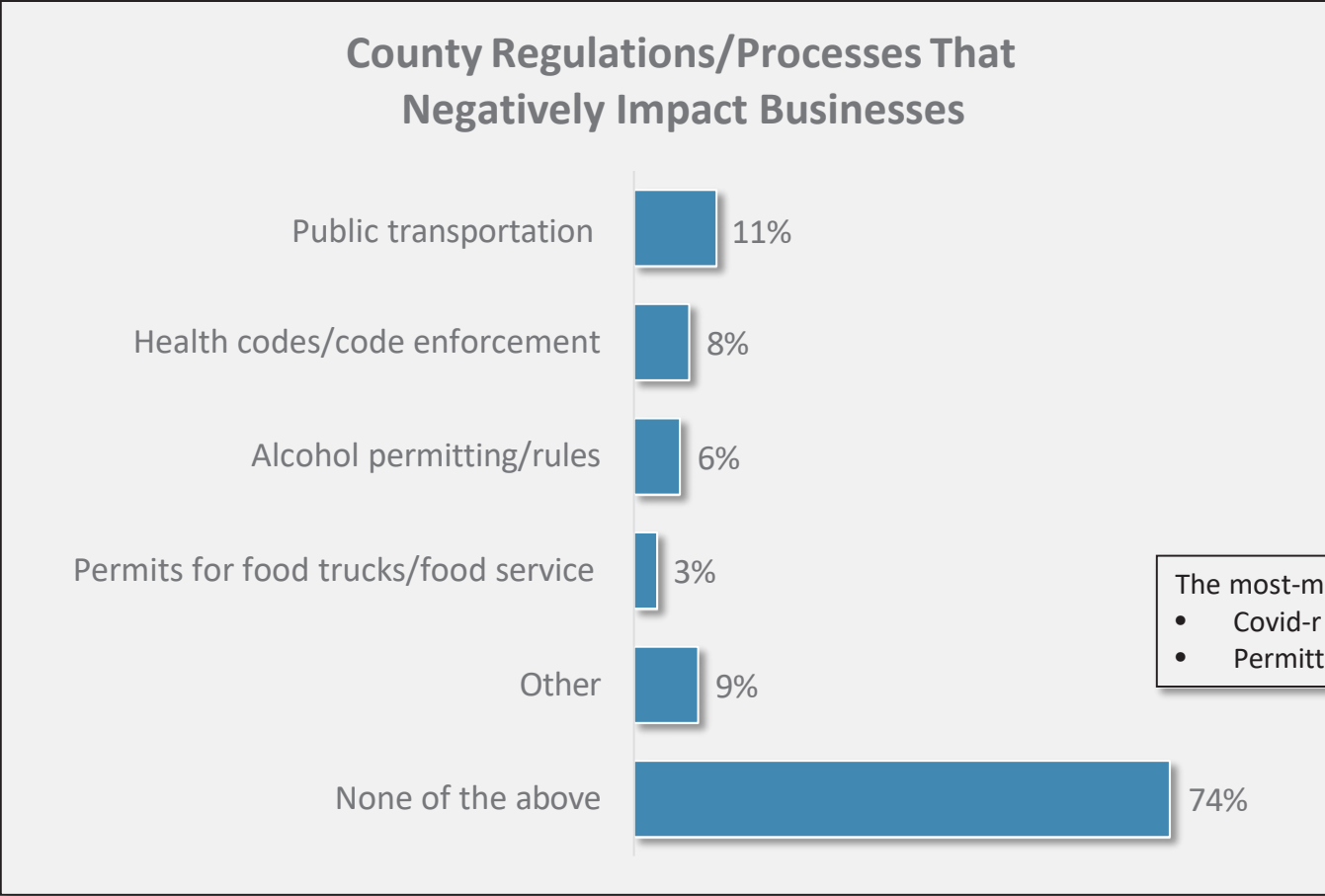
Lack of experience is highest for the Fast Track program and city codes, followed by permitting/zoning.

Specified city codes include:

- Building and construction permits
- Signage
- Stormwater/forestry
- Specific codes mentioned: 20850, 20852, 20853, and 20874

Base=All Respondents; n=159  
Q16. Please rate your experience, if any, with each of the following Rockville city services.

County regulations or processes typically don't represent a problem for Rockville businesses. Three out of four businesses report no issues (74%).



Public transportation negatively impacts one in ten businesses (11%).

Only a handful cite adverse impacts of health codes/code enforcement (8%), alcohol permitting/rules (6%), or permits for food trucks/food service (3%).

- The most-mentioned “other” responses include:
- Covid-related restrictions
  - Permitting process and costs

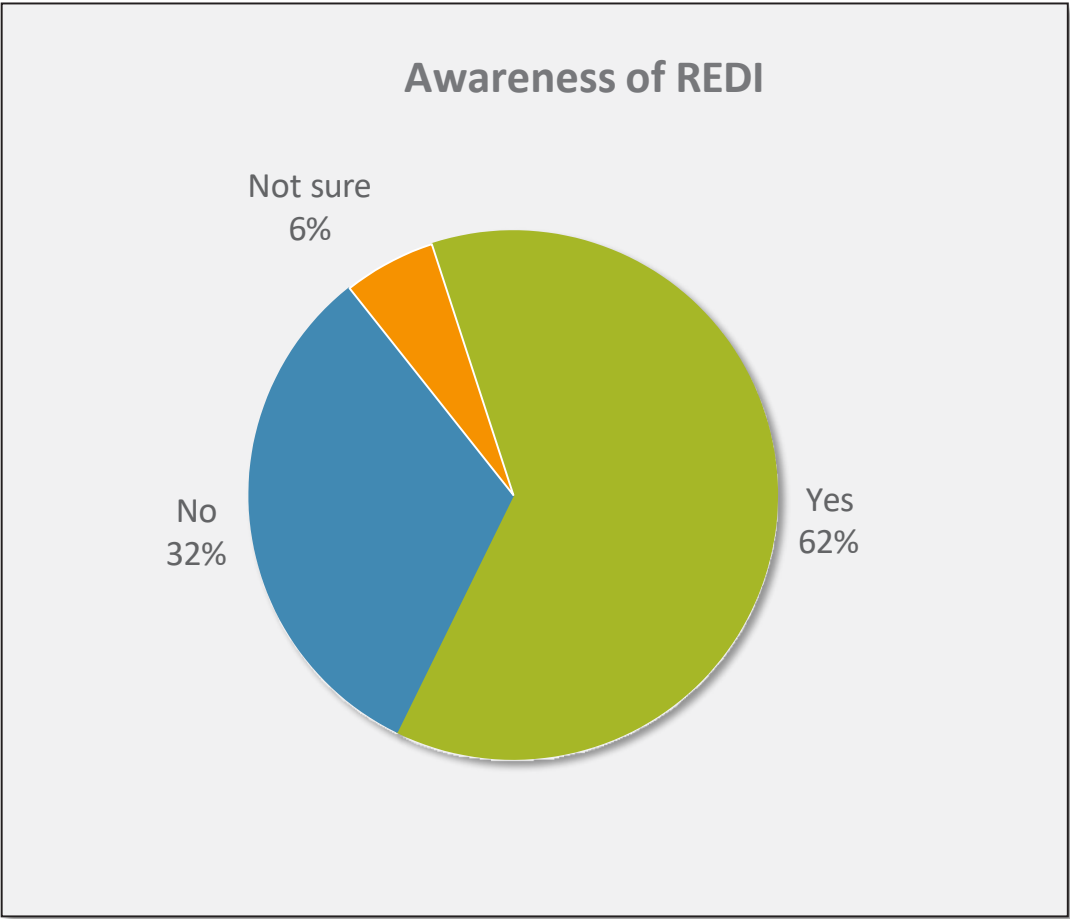
Base=All Respondents; n=159  
Q17. Do any of the following Montgomery County regulations/government processes negatively impact your business? (Select all that apply)



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**V. REDI**

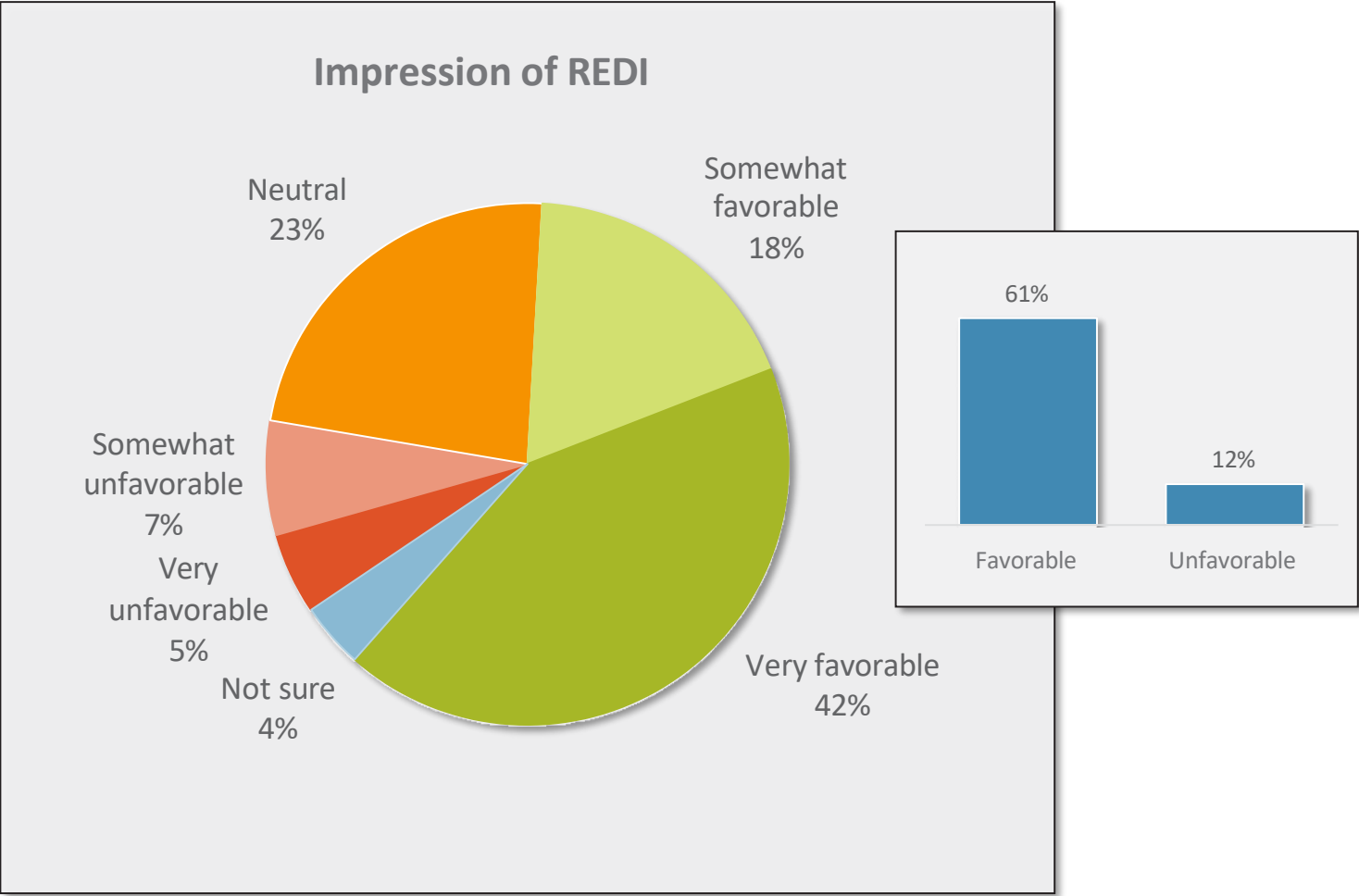
Awareness of REDI is fairly widespread among Rockville businesses, with nearly two out of three having prior knowledge of the organization before taking the survey.



More Likely to be Aware of REDI	
Aware	62%
Woman Owned	71%
Less Likely to be Aware of REDI	
Not Aware/Not Sure	38%
Health/Education/Non Profit	49%
5-19 Employees	52%

Base= All Respondents; n=159  
Q18. Prior to this survey, were you aware of REDI, Rockville’s nonprofit economic development organization whose goal is to support businesses in the city?

The impression of REDI is widely favorable. Among businesses aware of REDI prior to the survey, six in ten have a favorable impression (61%).

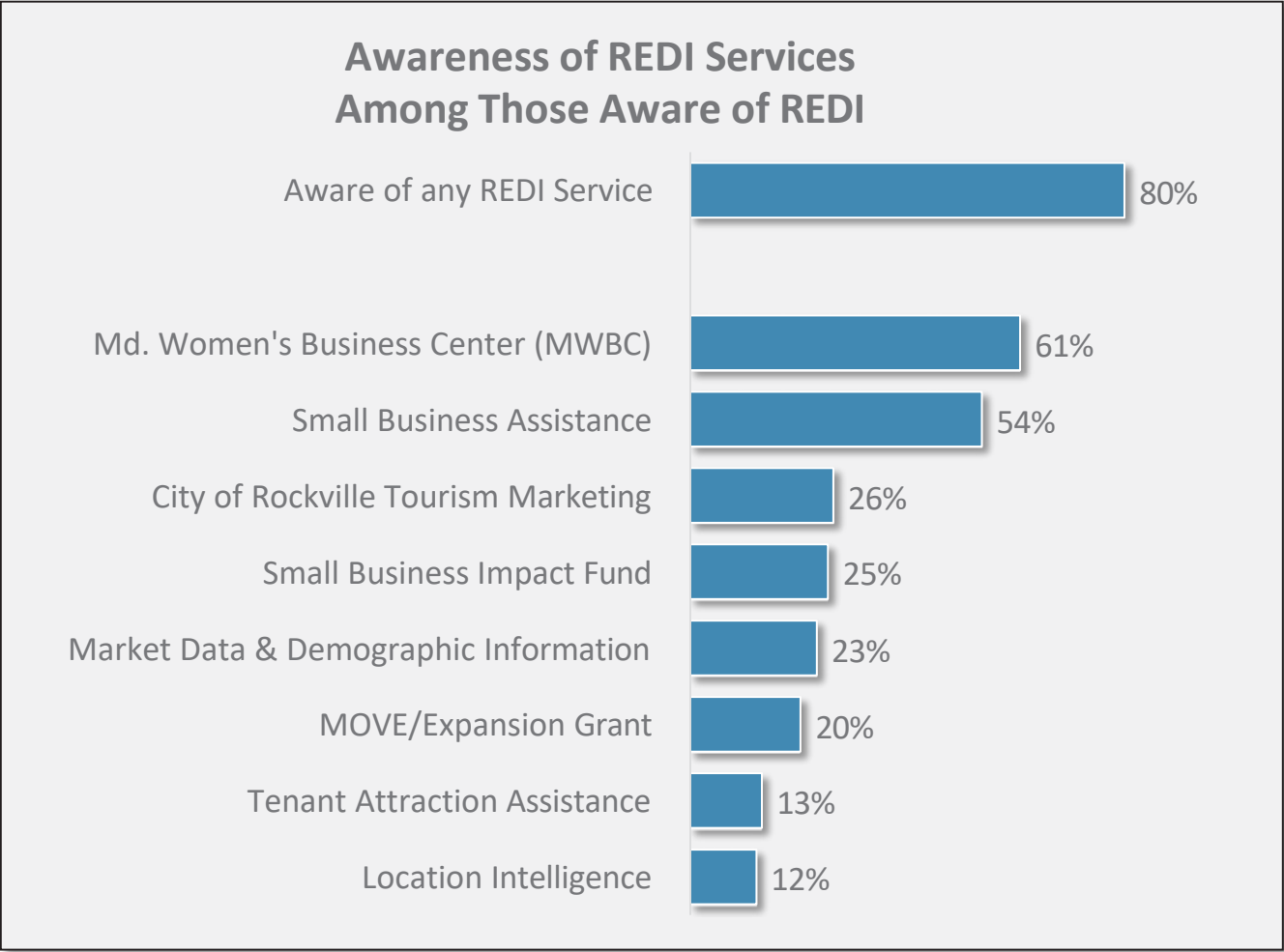


There is a substantial Neutral segment (23%), which may reflect only a general awareness of the organization. Only a handful have a negative opinion (12%).

While a majority of Woman Owned businesses have a good impression of REDI (57%), this segment is also the most likely to have an unfavorable impression compared with other segments (18% vs. 12% overall).

Base=Aware of REDI; n=99  
Q18b. In general, what is your impression of REDI?

Eight in ten businesses who are aware of REDI also have some knowledge of the services they offer (80%).



Awareness is highest for the MWBC (61%) and Small Business Assistance (54%), although only a modest majority are aware of these services. Awareness levels are much lower for the other services, especially Tenant Attraction Assistance (13%) and Location Intelligence (12%). Collectively, these findings signal an opportunity for more outreach and marketing of the various services that REDI offers.

Base=Aware of REDI; n=99  
Q19a. Which of the following services offered by REDI are you aware of? (Select all that apply)

## Awareness of REDI Services by Key Segments

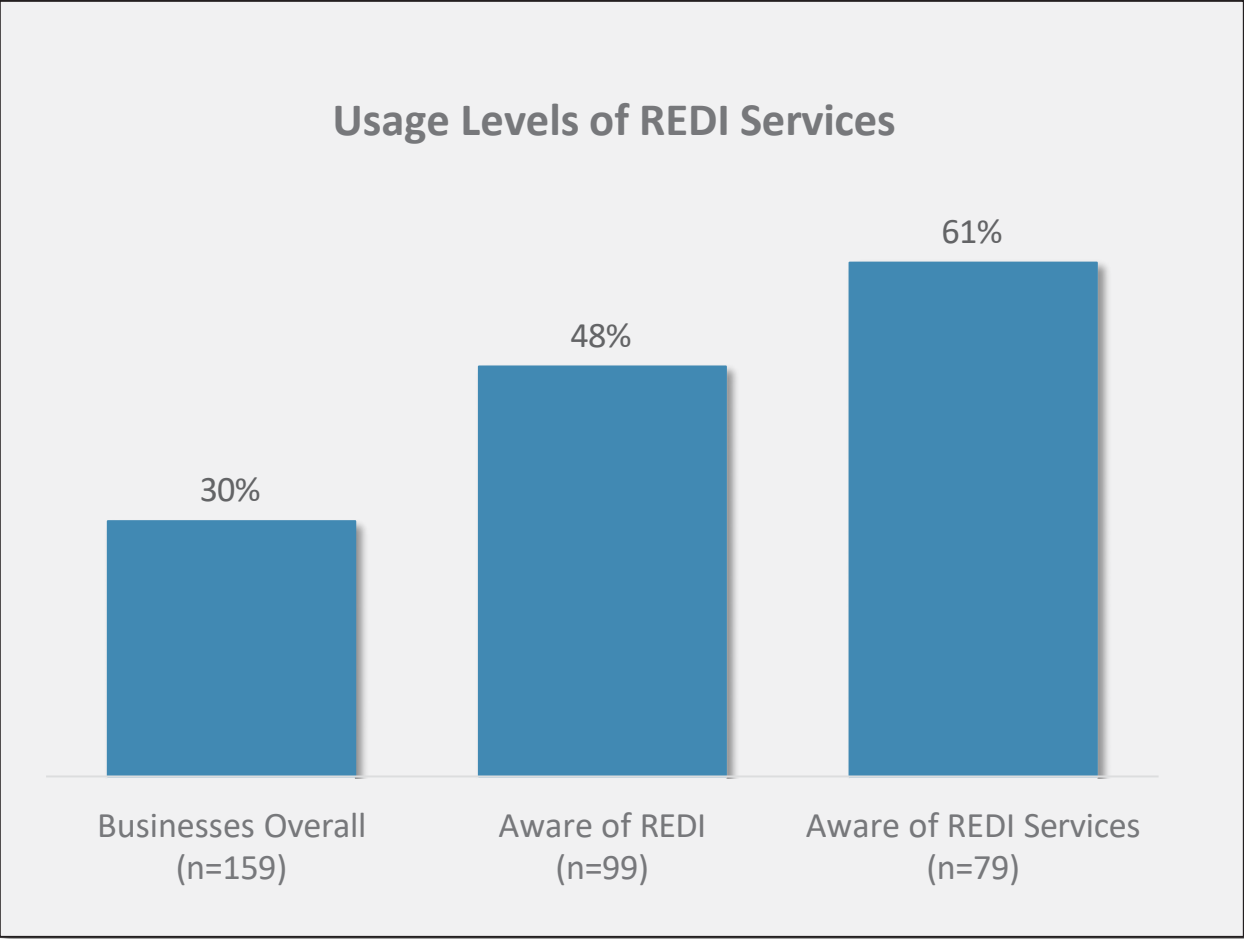
REDI Service	Overall	Segments <b>More</b> Likely to be Aware of REDI Services
MWBC	61%	Professional Services (71%), Retail (88%), Woman Owned (73%), Minority Owned (79%), Immigrant Owned (77%)
Small Business Assistance	54%	Professional Services (57%), Retail (75%), 6-10 Years (76%), Minority Owned (67%), Immigrant Owned (69%)
City of Rockville Tourism Marketing	26%	Professional Services (34%), 1-5 Years (33%), 21+ Years (33%)
Small Business Impact Fund	25%	1-5 Years (33%), 11-20 Years (41%), Minority Owned (30%), No Certifications (31%)
Market Data & Demographic Information	23%	Professional Services (34%), 11-20 Years (41%), 21+ Years (38%)
MOVE/Expansion Grant	20%	Professional Services (29%), Life Sciences/Biotech (33%), 5-19 Employees (43%), No Certifications (26%)
Tenant Attraction Assistance	13%	21+ Years (25%), No Certifications (23%)
Location Intelligence	12%	Professional Services (23%), Minority Owned (18%)

Base=Aware of REDI; n=99

Q19a. Which of the following services offered by REDI are you aware of? (Select all that apply)



Overall, one in three Rockville businesses in the study have used one or more REDI services (30%).

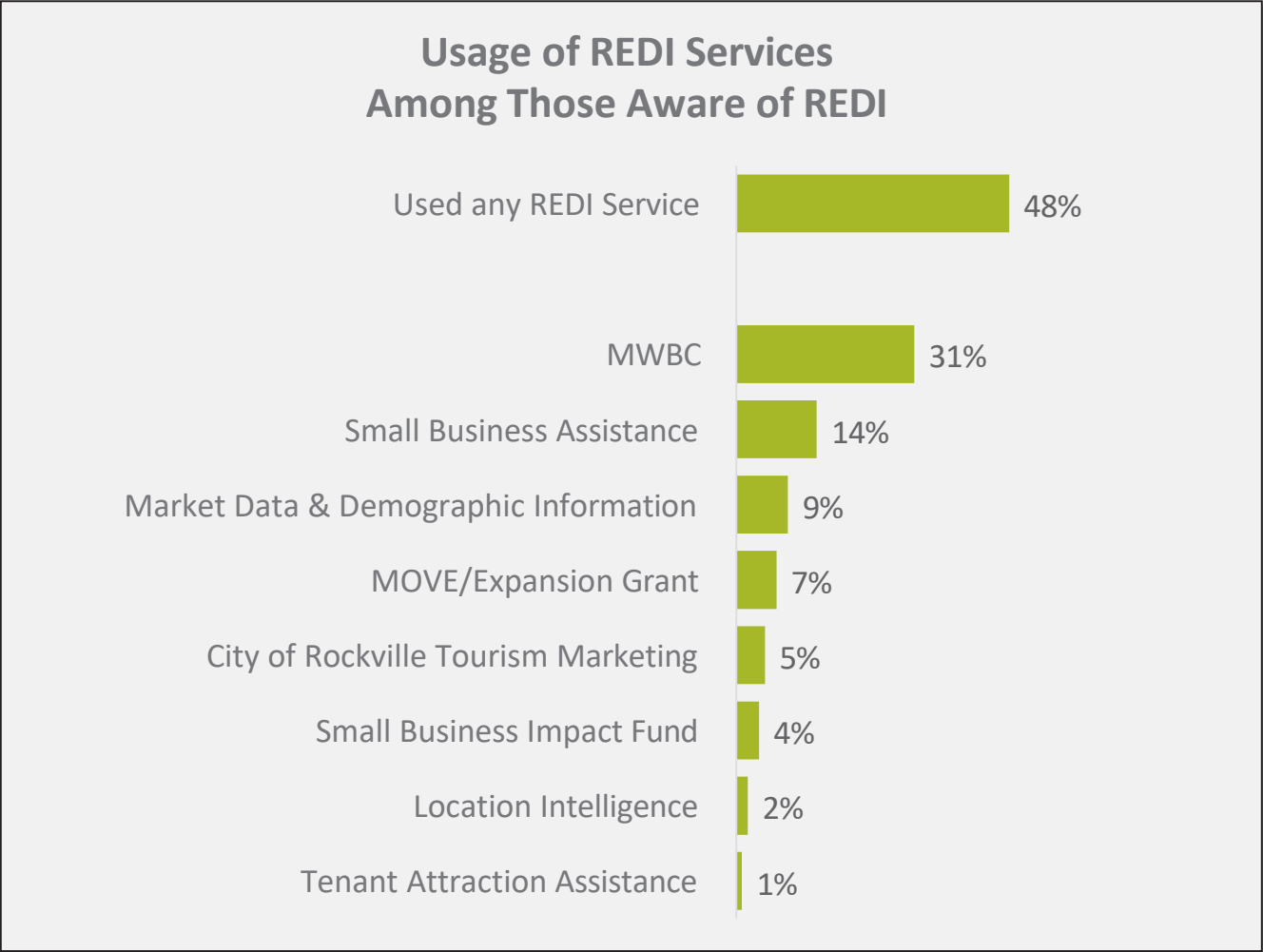


One in two of those aware of REDI have used at least one of the services (48%).

Usage levels among those aware of at least one REDI service is 61%.

Q19b. Which of those REDI services have you used? (Select all that apply)

One in two businesses who are aware of REDI have used at least one of its services (48%). By far, highest usage levels are seen for the MWBC (31%).



Small Business Assistance is the next most-used service, but trails at only 14%.

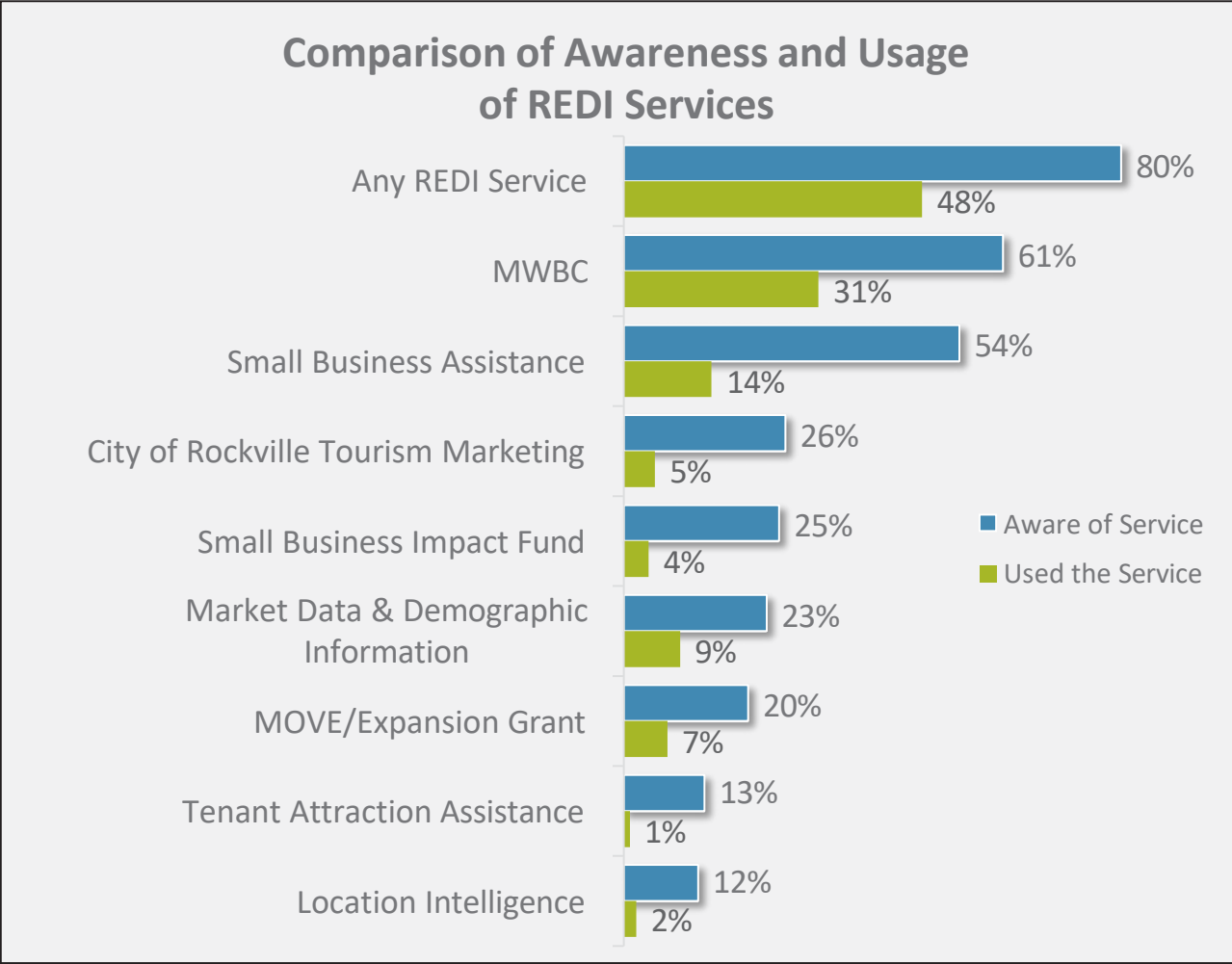
Market Data & Demographic Information is used by about one in ten who are aware of REDI (9%), followed by MOVE/Expansion Grant (7%).

Least-used services are Tenant Attraction Assistance (1%) and Location Intelligence (2%).

Base=Aware of REDI=99

Q19a. Which of the following services offered by REDI are you aware of? (Select all that apply); Q19b. Which of those REDI services have you used? (Select all that apply)

The MWBC has both the highest awareness and usage levels of the various services offered by REDI. Six in ten know about the service (61%) and one in three have used it (31%).

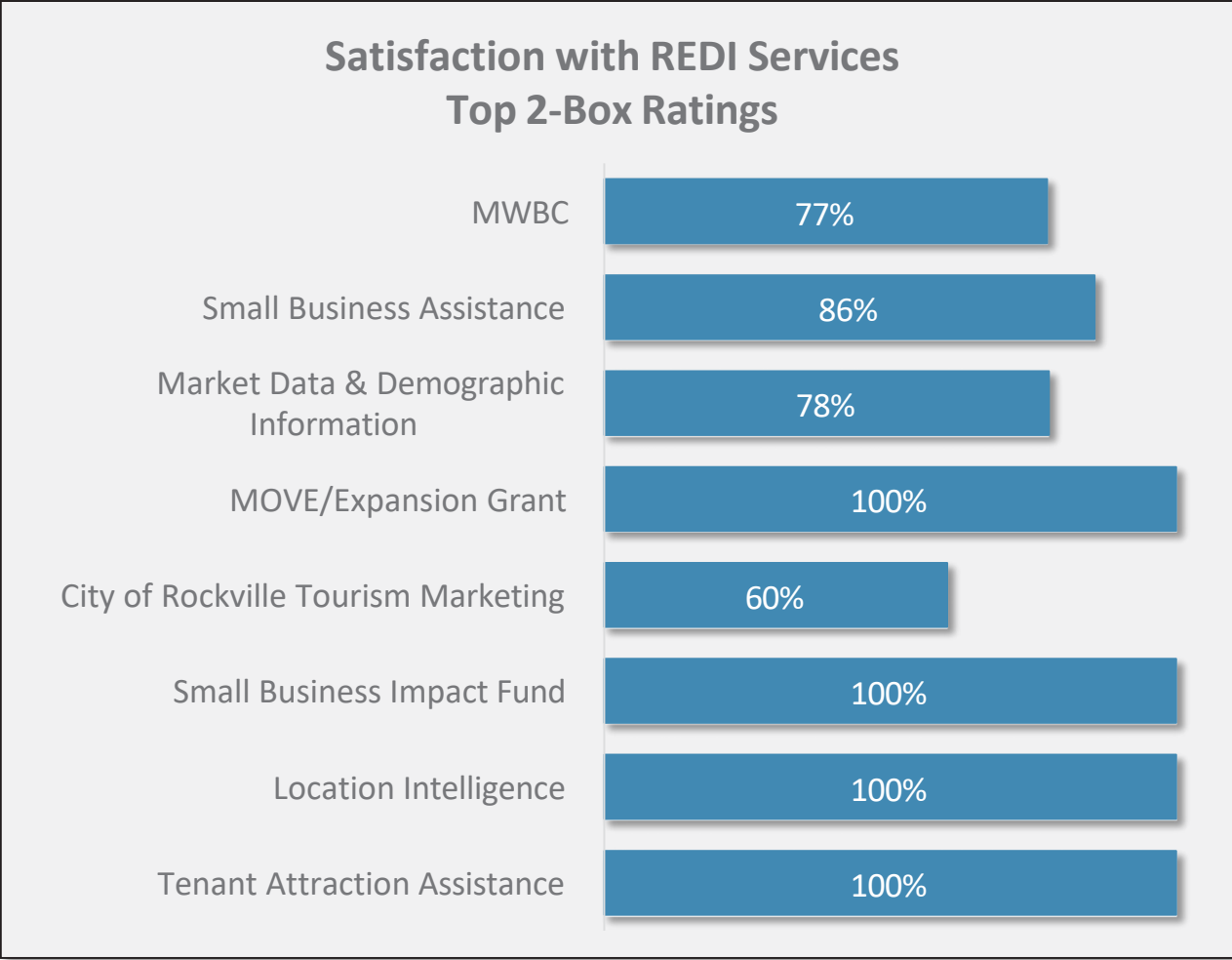


Although awareness is also high for Small Business Assistance (54%), usage is a distant second to the MWBC (14%).

While awareness for Market Data & Demographic Information is slightly lower than for City of Rockville Tourism Marketing and for the Small Business Impact Fund, usage levels of this service are higher (9% vs. 5% and 4%).

Base =Aware of REDI=99  
Q19a. Which of the following services offered by REDI are you aware of? (Select all that apply); Q19b. Which of those REDI services have you used? (Select all that apply)

Satisfaction is strong among those who have used REDI services.



For the two most popular services, three out of four users are satisfied with their MWBC experience (77%) and nine in ten are happy with Small Business Assistance (86%).

While satisfaction is also strong for the other services, this should be interpreted with **caution** due to the much smaller user base.

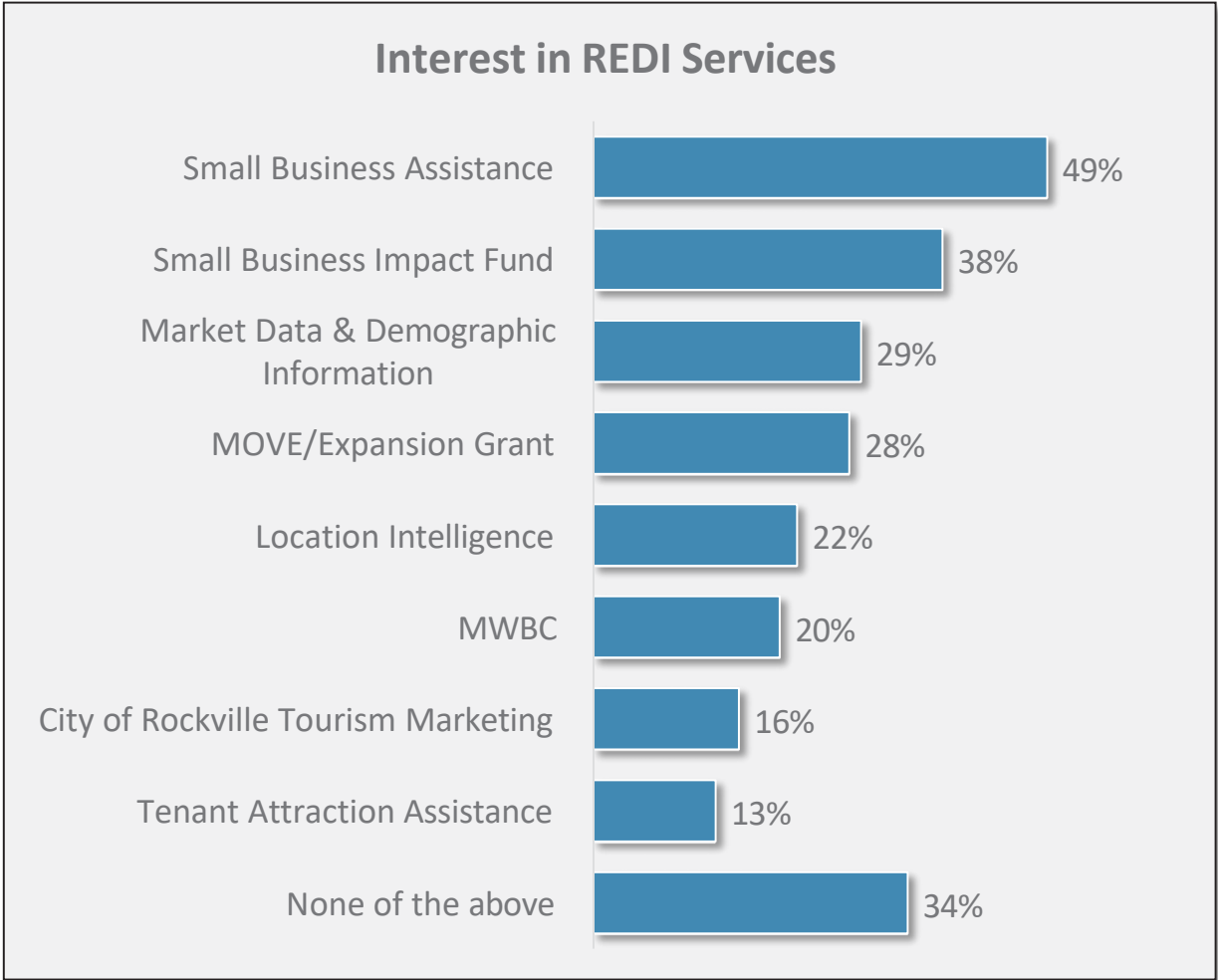
Only a handful gave a negative rating for any of the services, with neutral ratings accounting for the rest.

*Satisfaction levels for REDI services should be interpreted with caution because of the very small bases.*

Base=Used the REDI Service:  
MWBC = 31  
Small Business Assistance = 14  
Market Data & Demographic Information = 9  
MOVE/Expansion Grant = 7  
City of Rockville Tourism Marketing = 5  
Small Business Impact Fund = 4  
Location Intelligence = 2  
Tenant Attraction Assistance = 1

Base=Used the Service  
Q19c. How satisfied are you with the REDI services you've used?

Two out of three businesses are interested in learning more about REDI services (66%). The one of most interest is Small Business Assistance (49%).



The Small Business Impact Fund is also of interest to about two in five (38%).

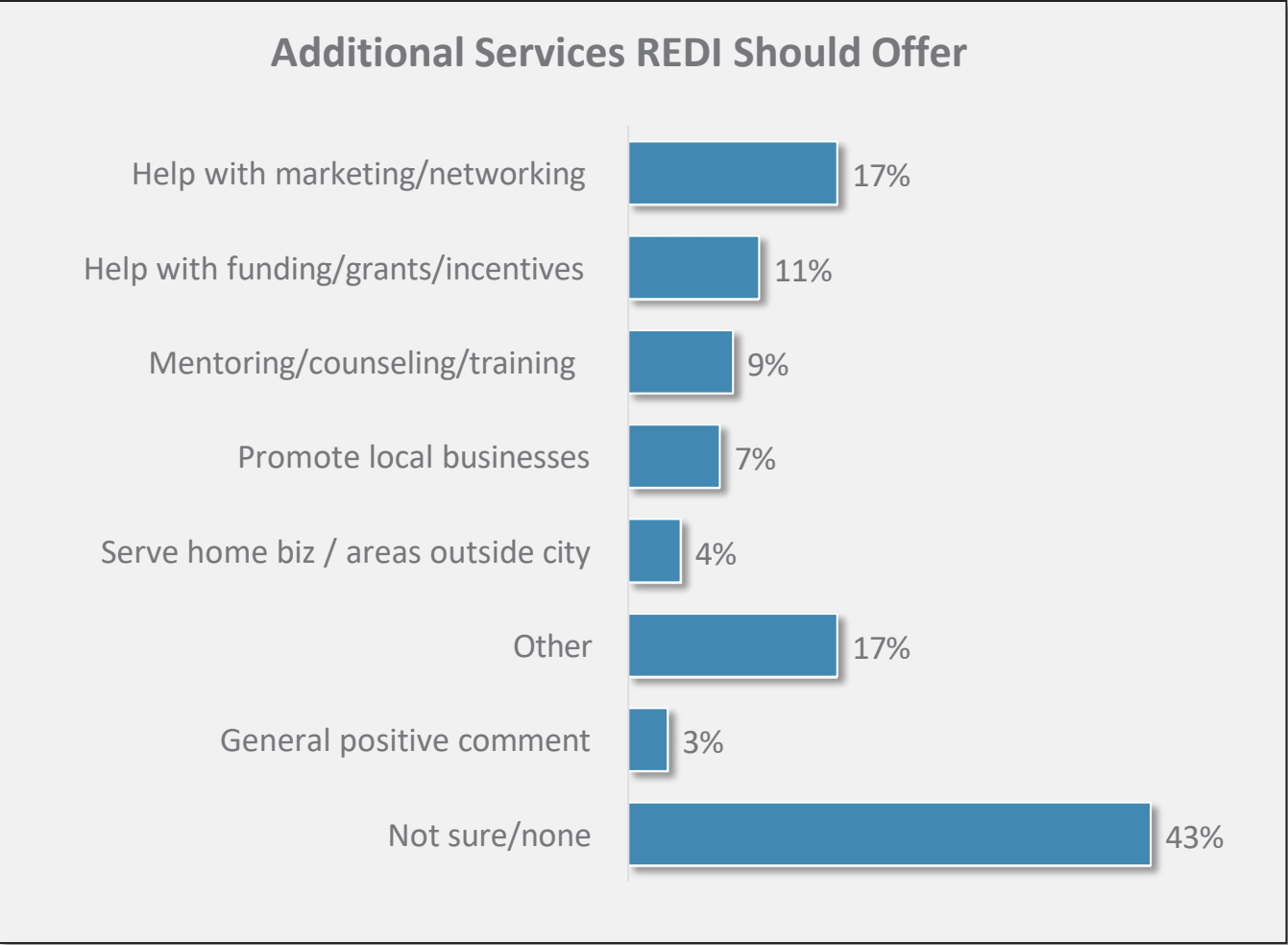
One in four are interested in Market Data & Demographic Information (29%) and the MOVE/Expansion Grant (28%).

One in five would like to learn more about Location Intelligence (22%) and the MWBC (20%).

City of Rockville Tourism Marketing (16%) and Tenant Attraction Assistance (13%) are generally not of interest.

Base=All Respondents; n=159  
Q19d. Are there any REDI services you'd be interested in learning more about for your business?

Not surprisingly, and dovetailing with other findings in this survey, businesses are most interested in services that can help their business grow.



The most frequent request is for help with marketing and networking. Tied into that are suggestions for REDI to promote local businesses (17% and 7%).

Help securing funding and grants or special incentives for local, certified or specialized businesses is the next most common request (11%).

Other business-growing suggestions include mentoring and training (9%).

Expanding REDI’s reach to include home businesses or areas outside the city is mentioned by a few (4%), along with a variety of other suggestions.

Base=Those Responding; n=94  
Q20. Are there any other services or programs you would like to see REDI offer? (open-end)

# Additional Services REDI Should Offer – Selected Verbatims

## Help With Marketing/Networking (17%) and Promote Local Business (7%)

- B to B introductions
- Networking for small businesses
- Directory of clients
- Help our WOSB to stay in business. Visit us. Make us known to ALL businesses (Private, Government ) who absolutely need our services
- Help with marketing and promotional efforts.
- Mailers, advertisement
- Help with social media marketing
- Hubs for remote workers to congregate and connect
- Lead referral
- Offer networking events for pharma and diagnostic companies to meet each other and meet with investors.
- Social events for business owners where various businesses can mix
- Specific connections with local large businesses for the small businesses. The large businesses should seek to utilize local small businesses to meet their needs.
- Business development assistance...
- Keep helping Entrepreneurs
- Local business promotion
- ...I think there is lots of emphasis on Women owned, Black owned, Disabled Owned business...regular small businesses that are not in these favored categories sometimes feel underserved.

## Help With Funding/Grants/Incentives (11%)

- Business grants/loans
- Funding platform for IT products.
- Grants for small businesses, we are hurting sooooooooooooooooooooooooooooo much.
- Make grant money available for small community based healthcare facilities who serve underserved populations. Offer non public transportation funds that employers can access for their staff.
- ...With nonprofits funding is always precarious so grant writing, fundraising, and donor stewardship are things we are always working on.
- Small businessmen often have unexpected situations (in my case I was surprised with a cancer diagnosis) and during my internment process, which lasted 6 long months, my sales decreased exponentially. This affected the payment of my economic commitments and my debts increased significantly due to the interest generated. Today I find myself drowning in debt, paying exorbitant interest and no financial institution lends me because my capacity is reduced. It would be very helpful to agree with financial institutions that could consider these unexpected events and lend us their help. It is possible that REDI with its reach can create those connections for us.
- Tax abatement.

## Mentoring/Counseling/Training (9%)

- Assistance with the County zoning laws, e.g. when purchasing a CRE can an existing property be changed to another type and can the parking lot orientation be changed?
- Classes on how to complete an RFP with the office of procurement in Montgomery County Maryland. Help with setting up an internship program
- Mentoring
- Mentoring and counseling for small businesses
- Mentoring to small business owners
- Program to help and support women owned business.
- ...RFP response handling

Base=Those Responding; n=94

Q20. Are there any other services or programs you would like to see REDI offer?



# Additional Services REDI Should Offer – Selected Verbatims (cont’d)

## Serve Home Businesses/Areas Outside City (4%)

- Expansion of services to other surrounding areas In Maryland & Northern Virginia.
- I thought this only applied to City of Rockville and that our area of Rockville wasn't included - it was postal address. Thought any area policed by Rockville Police Dept was more technically Rockville. It's a little confusing...
- Support for online businesses and business owners with full-time jobs
- Yes, I would like to REDI offer some services/programs to help solo entrepreneurs who work from home offices to help us grow our businesses. As a whole, REDI essentially ignores us. We are a significant part of the economy here and growing in number..

## Other (17%)

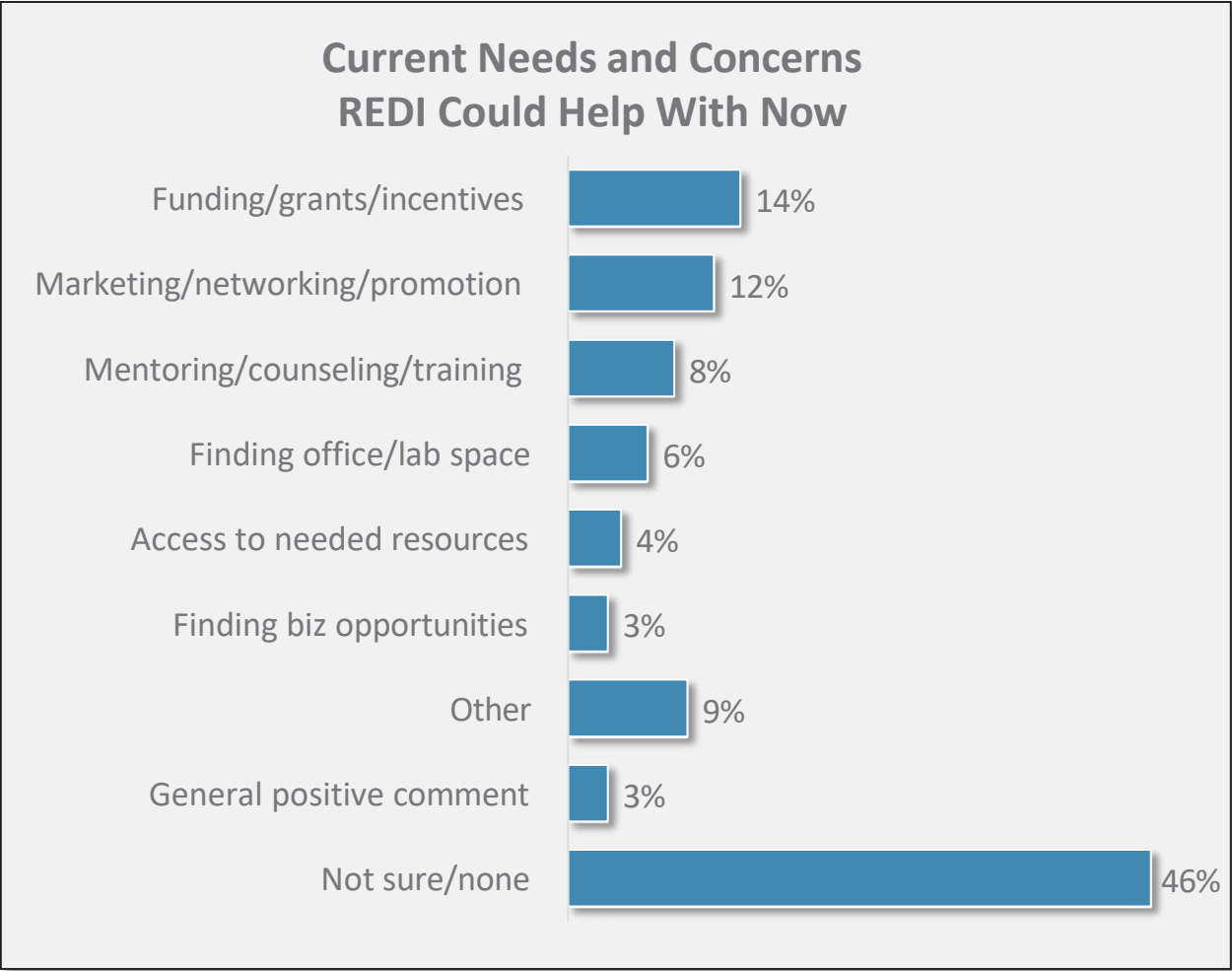
- Funding for disabled people to become self-employed, pay small business to accommodate people with disabilities, more funding for safety net programs, affordable childcare, affordable housing, more homeless shelters, more social workers and employees at homeless shelters.
- Business and Community Improvement Districts.
- Flexible meeting space or coworking options.
- More certifications for small minority owned business in Montgomery in county
- Support commerce in MOCO , less red tape, less inclusion efforts.
- Availability of a wet lab space
- Promoting utilization of government supported facilities at universities and college for small business in the area of life sciences. Top notch lab space is underutilized, while we need to use out of state academic institutions for collaboration.
- Incubator
- ...I think local Montgomery county and city of Rockville groups could team up to host events that showcase a unified front for small businesses.

## General Positive Comment (3%)

- I feel like REDI is really on the ball and offers so much that other small cities may not offer.
- I love all the offered seminars. I haven't been able to do any, but would love to. Trying to find the time is my roadblock.
- REDI is innovative, caring, and present for small businesses

Base=Those Responding; n=94  
Q20. Are there any other services or programs you would like to see REDI offer?

Echoing previous findings, current needs or concerns align with the types of services businesses said they'd like REDI to provide.



Help securing financial assistance tops the list (14%). Mentions include loans, grants and financial incentives in the form of tax or rent reductions.

Providing marketing and networking support is also a top mention (12%).

Mentoring and training round out the top 3 needs and concerns (8%).

Base=Those Answering; n=95  
Q21. Are there any needs or concerns you wish the city or REDI could help you with now? (open-end)

# Current Needs and Concerns REDI Could Help with Now – Selected Verbatims

## Funding/Grants/Incentives (14%)

- Funding and grants
- Funding platform for IT products.
- Grants
- Grants for small businesses we are hurting sooooooooooooooooooooooooooooo much
- Grants, loans and contracts for small minority owned businesses in Montgomery county
- Help with keeping up with rising costs & inflation
- Lower property taxes for small business-owned real estate
- Lowering taxes on small business at the State level.
- Provide short-term lease options
- Taxes is the primary concern. You want to make Rockville a better place for business - lower taxes. If you can't do that, you can't really do anything.
- The information on the prior screen are of great importance to me, especially the move and startup assistance.

## Marketing/Networking/Promotion (12%)

- Directory of clients
- Help with marketing and promotional efforts.
- I see that shop local gets a lot of press but try as I might, I cannot get posts and I have been at the Center for over 11 years with all the challenges met.
- Local business promotion
- Partnerships with area businesses looking to align with non-profits or causes
- Prompting small businesses similar to Frederick through press releases, articles, local news paper and news media.
- Help our WOSB to stay in business. Visit us. Make us known to ALL businesses (Private, Government ) who absolutely need our services (Amazon Cloud, CyberSecurity) and other IT Certifications.
- Social media
- My company provides fiber, telephone and data center services. REDI is aware of tenants in the marketplace who need our services but are not aware of Atlantech Online. How can we obtain information about companies moving or expanding in Rockville?
- Promote the good work we do in the community.
- More opportunities to share our expertise with the city and other businesses

## Mentoring/Counseling/Training (8%)

- Entrepreneur workshops
- Getting the support that is needed to identify the landscape of the Tutoring business and lay of the land for making a robust and commercially viable business that serves our community best.
- Help with setting up an internship program.
- Mentoring to small business owners.
- Small minority business startup plan resources & training for women in the Northern Virginia area.
- Writing a formal 1, 5 and 10 year business plan.

## Finding Business Opportunities (3%)

- Finding a path to do any business with the city, or county.
- Finding appropriate RFPs and responding to them.
- More opportunities to share our expertise with the city and other businesses.

Base=Those Answering; n=95  
Q21. Are there any needs or concerns you wish the city or REDI could help you with now?

# Current Needs and Concerns REDI Could Help with Now – Selected Verbatims (cont’d)

## Finding Office/Lab Space (6%)

- Availability of a wet lab space
- Build affordable small business office space with windows
- Finding a new location. I have been at this location in Potomac Woods Plaza for 7 years. My landlord made me waive my rights to extend my lease (per my existing lease) during the pandemic. I did not realize the impact of that. Now he wants to give my lease to Baskin Robbins and I am finding it very difficult to find a reasonable store location close to my existing store so I can continue my business with the least interruption be close to my existing large customer base.
- Help me find a second building within city limits with parking and affordable rent.
- We are looking to downsize our current lease footprint as we have moved to a hybrid organization with 100% remote work options. We need less and different space but are locked in to our pre-pandemic space structure.

## Access to Needed Resources (4%)

- Access to the University of Maryland on-line library. Lack of access is very difficult for start-up companies.
- As cited before, helping us access academic institutions' special lab facilities for research activity.
- Free venue for home sellers/buyers seminars, marketing tools.
- Getting qualified help.

## Other (9%)

- Have initiatives to collaborate with Baltimore.
- Business and Community Improvement Districts.
- Keeping the prostitution out of Jackson Place. This has been an ongoing problem for the entire 17 years I've owned a business there.
- Scholarship to chamber of commerce
- I would like REDI to offer some services/programs to help solo entrepreneurs who work from home offices to help us grow our businesses. As a whole, REDI essentially ignores us. We are significant part of the economy here and growing in number.
- Understanding what's included in Rockville even though this is Rockville zip code.

## General Positive Comment (3%)

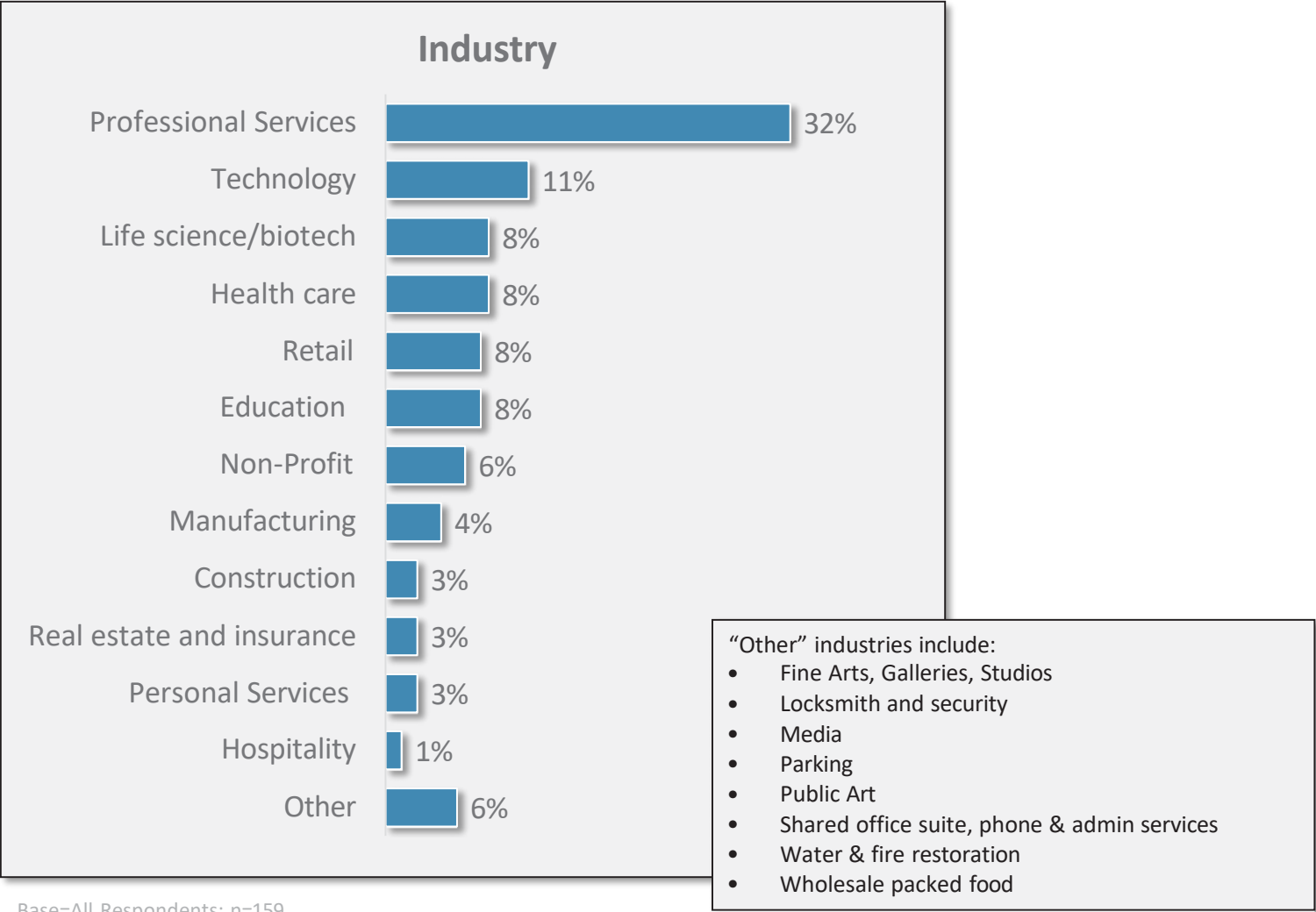
- I have been successful able to reach and work with REDI they are awesome
- Keep helping Entrepreneurs
- No concern. We appreciate all that REDI does for the business climate in Rockville!

Base=Those Answering; n=95  
Q21. Are there any needs or concerns you wish the city or REDI could help you with now?



## VI. DEMOGRAPHICS

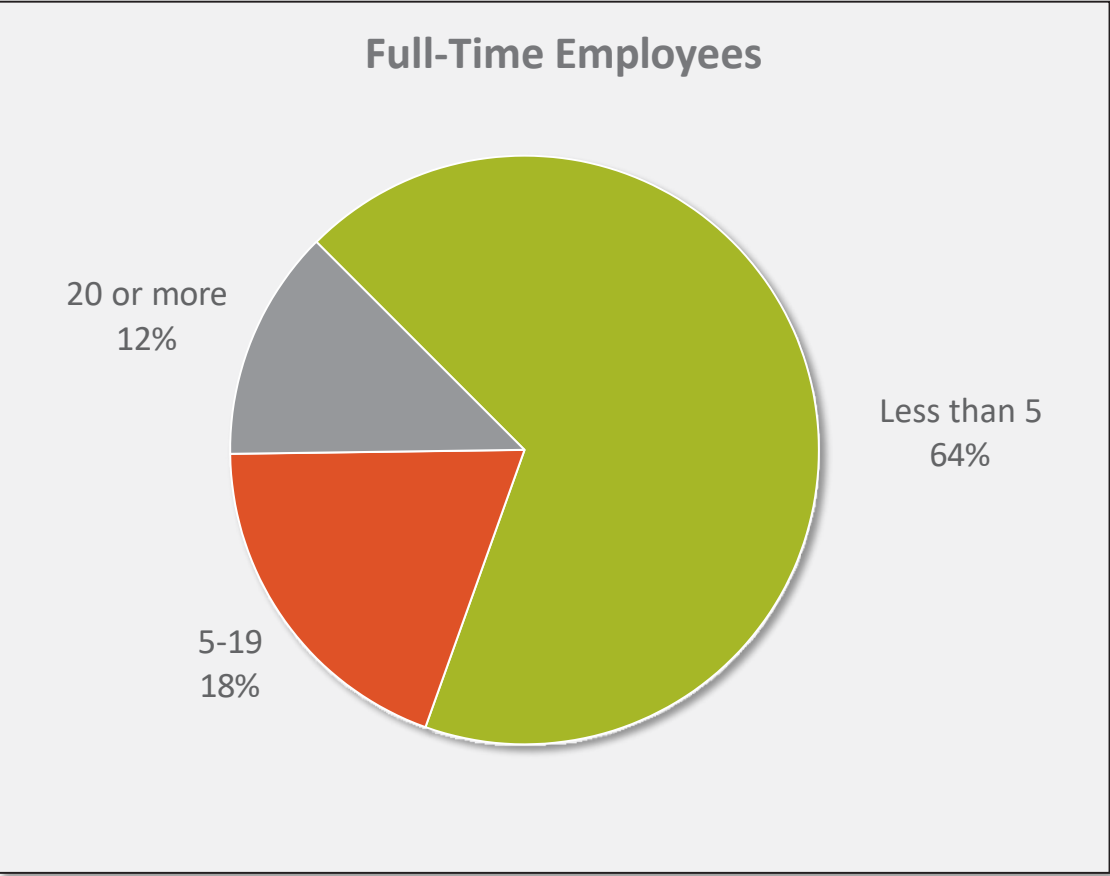
# Industry Type



Industry Sub-Types	Total
Technology	n=18
Cybersecurity	n=2
IT Sales and Support	n=5
Other Technology	n=11
Retail	n=12
Entertainment	n=1
Other Retail	n=11

Base=All Respondents; n=159  
Q3a. What category best describes your type of business/industry?

# Size of Company



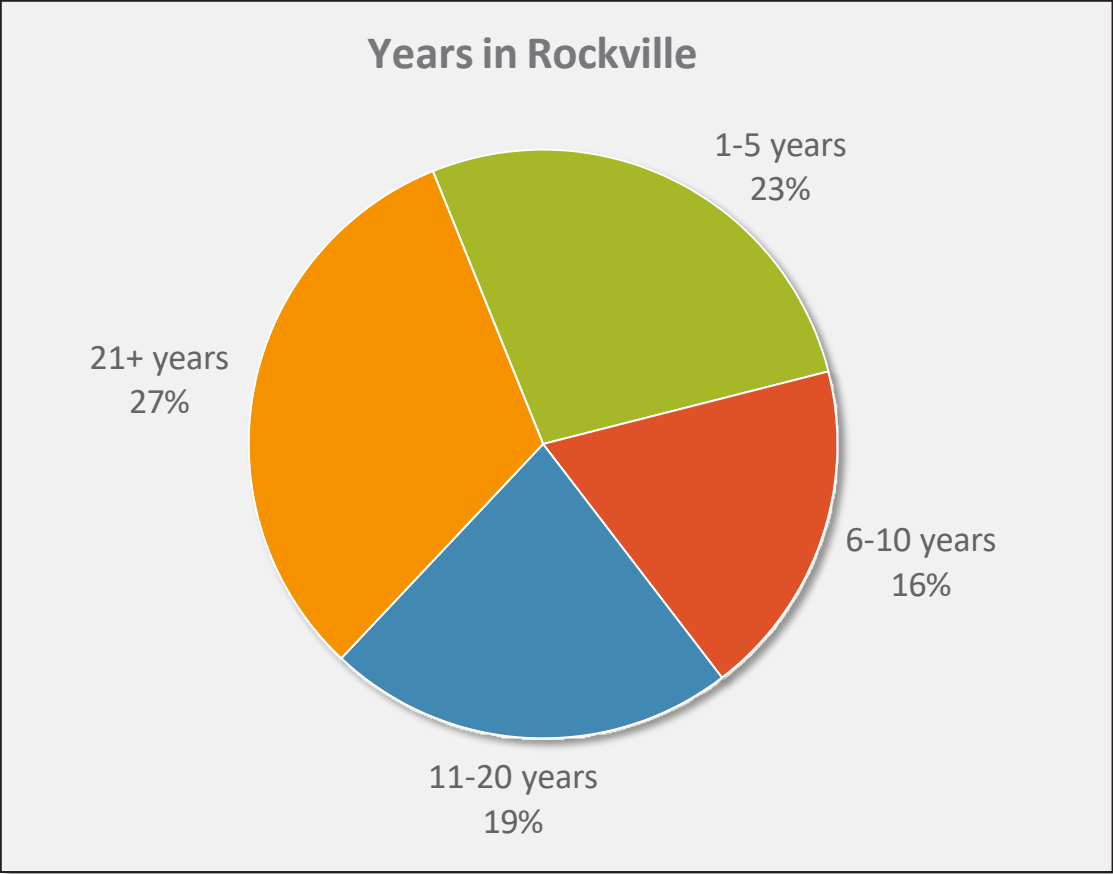
Full Time	Total
Less than 5	64%
5-19	18%
20-49	6%
50-99	3%
100-249	
250-500	-
Over 500	1%
Not sure	6%
Mean	12.24

Part Time	Total
Less than 5	78%
5-19	6%
20-49	2%
	3%
100-249	1%
250-500	1%
Over 500	-
Not sure	10%
Mean	7.56

Base=All Respondents; n=159  
Q4FT/Q4PT. Including yourself, how many full-time/part-time employees currently work at your company's Rockville location?



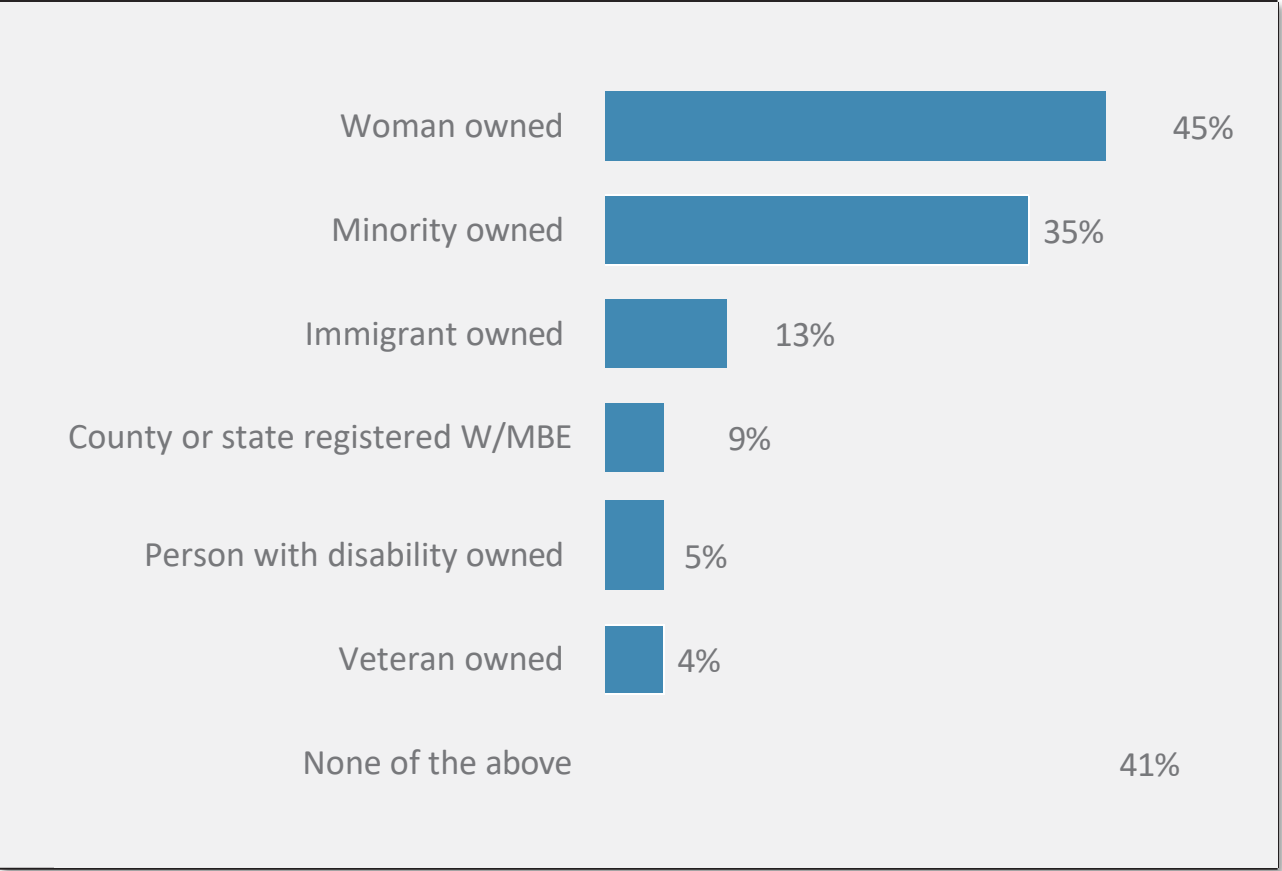
# Age of Company



Full Time	Total
1	7%
2-5	16%
6-10	16%
11-20	19%
21-50	25%
Over 50	3%
Not sure	15%
Mean	16.9

Base=All Respondents; n=159  
Q5b. How many years has your business been in operation in Rockville?

# Classifications or Certifications



	Total
LGBTQ+ owned	1%
County or state registered disabled or veteran owned	1%

Base=All Respondents; n=159  
Q5b. Which of the following apply? (Select all that apply)

## EXHIBIT C



Vault Consulting Report



## Rockville Economic Development Inc.

Small Business Impact Fund Incentive Program Report



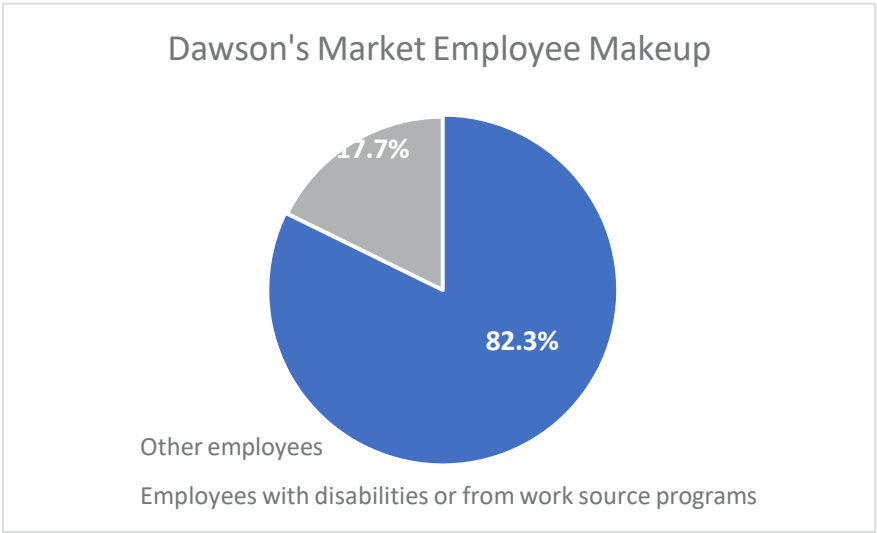
Prepared by:



Executive Summary

The Small Business Impact Fund was established in 2018 and has been used to sustain local retailers throughout the COVID-19 pandemic. The Program functions as an invaluable resource for the Rockville community by providing grants to minority-owned retail businesses. Results from this study highlight the positive economic impact of the City of Rockville’s Small Business Impact Fund Incentive Program and its contribution to growing the local economy and cultivating a sense of community in Montgomery County, Maryland.

This report focuses on two examples of small business grant recipients that both serve as anchors in the Rockville Town Center, drawing business, contributing to the public benefit of Rockville, and attracting social activity to downtown Rockville. Dawson’s Market delivers organic products, local produce, community events, environmental sustainability initiatives, and philanthropic support to the community from its central location in the Rockville Town Center. The Market contributes to local economic growth by purchasing from local vendors and drawing business to the Rockville Town Center. Dawson’s Market employs 62 Montgomery County citizens, providing job stability and career development opportunities. Cottage Monet is a lifestyle boutique that draws retail shoppers to the Rockville Town Center with unique products and an engaging customer service experience.



## Report

### Background and Purpose

This report evaluates the significance of the city of Rockville's Small Business Impact Fund Incentive Program in strengthening the city's downtown center. Rockville Economic development investment is typically measured as a monetary return of dollars invested into a community. The City of Rockville's distinctive Small Business Impact Fund Incentive Program seeks to invest in businesses in any industry that not only contribute to the financial growth of the local community, but also advance social missions in Rockville, Maryland. The Small Business Impact Fund has primarily supported businesses in the Town Center Performance District of Rockville Maryland. Through marketing efforts, the Program has recently expanded to subsidize businesses in the Twinbrook Performance District. In order to receive grant funds, the Small Business Impact Fund Program requires recipients to:

- have a commercial location within one of the two Rockville, Maryland performance districts: Twinbrook Performance District or Town Center Performance District;
- be in good standing with the Department of Assessment & Taxation;
- and have an updated business plan, a description of the project initiative that they are undertaking, and an explanation of the public benefit of the project for the Rockville community.

According to The National Main Street Center, an independent subsidiary of the National Trust dedicated to revitalizing historical downtowns, the financial investment in a downtown center yields economic rewards for the entire community. Investments made into Main Street community programs in 2020, comprising \$4.14 billion dollars yielded 14,988 new jobs for local community members across the United States. These investments provided a net gain of 4,356 individual new businesses. According to 2020 data, \$18.90 are yielded on average, for every dollar a participating community spends to support the operation of its Main Street program. The growth and health of the Rockville Downtown District will create an ecosystem and positive economic externalities for all businesses in the area.

Research for this report was conducted and compiled by a third-party independent research firm, Vault Consulting, LLC. In analyzing this program, Vault reviewed the financial return of investments by the Rockville Economic Development, Inc. into the Rockville community, as well as conducted a detailed qualitative analysis of the social impact of several small businesses that are supported by the Small Business Impact Fund Incentive Program.

**"Downtown is important  
because it's the heart and  
soul of any community. If you  
don't have a healthy  
downtown, you simply don't  
have a healthy town."**

Ed McMahon Chair, National Main Street Center Board of  
Directors

### Previous Fund Recipients

The Small Business Impact Fund has allowed Rockville entrepreneurs to expand their workforce, invest in capital improvements for their business, and remain in business throughout the COVID-19 pandemic. To date, the Small Business Impact Fund Incentive Program has invested in Dawson's Market, Cottage Monet, Pour Vino N'Hops, Peerless Rockville, Twinbrook Dental, Chaney Communications, Saints Valley, Decipher Events, LLC. (Cutesy), Nature by Trejok, and Rockville Physical Therapy. In a survey to previous fund recipients, 85% of respondents said that they were able to expand their business by hiring employees within one year of receipt of their grant. The remaining respondents hired employees in the 2nd year of receiving the grant. Eighty-five percent of recipients allocated their grant to capital improvements for their business. All companies responding to the survey said that grant funds allowed them to purchase something necessary to grow their business that they would not otherwise have been able to fund at the time. The Small Business Impact Fund Incentive Program has drawn significant economic activity to the Rockville, Maryland area and has helped retained businesses to the city. In introducing new retailers to the Rockville Town Center and sustaining businesses already in the area, the Program has contributed to growing the local economy.

For the purpose of this report, we will focus on the impact of Dawson's Market, the primary grant recipient, and a local natural foods grocery store, to the economic stability and growth of Rockville, Maryland. The report will also highlight Cottage Monet, which is a female owned lifestyle boutique that serves as a typical example of a retail store in the Rockville Town Center. These two businesses were the first to receive grants from the Small Business Impact Fund Incentive Program.

### Dawson's Market

Dawson's Market is committed to and embedded in the local community of Rockville, Maryland. By sourcing from 110 local vendors. To date, sourcing from local vendors makes up \$500,000 in purchases, and comprises 12% of their total purchase volume coming from the local community. Local vendors are located within 50 miles of Dawson's Market. Dawson's Market is a liaison, bringing high quality local products to a wider audience of customers. Customers of Dawson's Market cite the store's commitment to local sourcing as an element that they specifically seek in a grocery store. The quality of Dawson's Market produce, and their carefully curated product selection, meet the specific needs of the Rockville community in a way that larger grocery stores cannot achieve. While Dawson's Market is committed to sourcing local and organic goods, they do not fail to offer the variety of options demanded by the local community. The prepared food options are a unique and well-received addition to their retail products, *"Dawson's Market is awesome. After a long and painful process to entice a grocery store to that location, the ultimate decision to place Dawson's was excellent. Great selection of organic, bulk and locally grown products. Wonderful baked goods - breads, muffins, and bagels. Finally, good bagels in downtown Rockville! And, of course, excellent fresh brewed coffee to complement them."* (John B. Yelp review). Rockville residents are vocal that Dawson's Market adds value to the community with their locally sourced product variety.

Dawson's Market directly contributes to the economic growth of local small business by offering retail space to start-up businesses in Montgomery County to bolster their early sales growth. Dawson's Market has contributed to launching several Montgomery County businesses that have grown into regional or national brands. One brand that Dawson's Market partnered with at their start was Ever Bar, which produces non-GMO energy bars. This start-up purchased raw ingredients from Dawson's Grocery at its inception and sold the finished product in the store. It has now grown into a national brand which also distributes in Canada. Dawson's Market helped launch Eat Pizza as one of the first retail stores to carry

their products. This company produces real dough, hand-tossed, frozen pizza proudly made in the nation's capital. The brand has grown regionally, and Dawson's Market remains a top distributor. Dawson's Market was one of the first retail stores to carry spices and frozen flatbreads from Z&Z an Arab spice company that features the flavors of Middle Eastern street food. Z&Z has now expanded to open a bakery located just 1.5 miles from Rockville Town Center. Finally, Dawson's Market helped bring Good Molly's allergy friendly baked goods to Rockville customers. Dawson's Market was one of the first retail stores carrying this female-owned start-up's line of cookies and baking mixes. They have now expanded to retail space in Whole Foods and ship orders domestically across the US. Dawson's Market promotes business growth for local entrepreneurs by bringing local products to a wider customer base than these brands would be able to reach otherwise.





Dawson's Market strengthens a sense of shared Rockville culture with community events and a welcoming store environment. Dawson's Market works tirelessly to bring the Rockville, Maryland community together. Community events at the store not only encourage neighborhood relationships but also contribute to a buzzing downtown atmosphere. One patron reflects positively on the frequency of Dawson's Market when he says, *"I love how they involve the community in weekly activities based at the store."* (Mike W. Yelp review). By providing a gathering space for the community, Dawson's fosters strong relationships between Rockville residents. Another Dawson's Market customer describes his connection to Dawson's and the Rockville community when he explains, *"I like having Dawson's now as a lunch or dinner option, particularly when attending an event or activity in or around Town Center. I also like that Dawson's is beginning to have activities and events, making it a community focus for a myriad of reasons not just food shopping. Check it out."* (John B. Yelp review). In addition to hosting public events, Dawson's Market employees create an engaging store atmosphere with a personalized shopping experience. Customers consistently cite excellent customer service as a feature that compels them to return to Dawson's Market week after week. During the COVID-19 pandemic, when supply chains were disrupted and stay-at-home orders were widespread, Dawson's Market implemented a grocery delivery program. This program allowed the Rockville community to maintain social distance without foregoing the essentials such as toilet paper and quality food items. The commitment of Dawson's market to the local community makes this grocery store unique and vital to the growth of the Rockville Town Center.

"I am so glad I live within walking distance to this locally focused, sustainably grown grocery store. This place will have you rethinking your weekly meal plans because you should be buying food that is no more than 100 miles away, especially produce! I had the fortunate experience of being there while Mark, the Produce Manager, was restocking the shelves because he spent some time welcoming me to the store since I am a new resident. He is so passionate about bringing locally grown produce to the store and it emanated while he spoke to me. I was grateful for his recommendations and insight and cannot wait to eat my nectarines and blackberries that are from right around the corner!! I would have to say that all their staff is exceptionally helpful and really love their work so no matter who you talk to, you will get great recommendations and information!!! I look forward to making this my go-to store for weekly shopping!"

– Larissa J. Yelp review

Dawson's Market is centrally located in the Rockville Town Center. The Market is located at an average proximity of 2.173 miles of the 50 largest employers of Rockville residents, making it centrally located in the economic hub of Rockville. Its proximity to local businesses, Montgomery County and Rockville City government facilities, schools, and assisted living facilities makes organic food easily accessible to residents who may not have reliable personal vehicles or who need fast, fresh food options. In 2021, Rockville, Maryland showed a disparate economic makeup. While the average household income in Rockville is \$104,184, there remains 18.3% of households that bring in less than \$15,000 in annual income. Dawson's Market provides access to affordable and healthy groceries in a central location for these Rockville families. The proximity of Dawson's Market to senior and assisted living facilities makes it easily accessible by foot for aging residents. Dawson's Market is located just 0.7 miles from Sunrise of Rockville and 1.3 miles from Sterling Care Nursing which provide care to a communities of senior Rockville residents. While these residents may require care as they age, many also want to remain independent. The proximity of the Dawson's Market to these facilities offers the opportunity for residents to autonomously access groceries, increasing their sense of self-sufficiency. The central location of Dawson's Market in the Rockville Town Center caters to the County's disadvantaged citizens, as well as, to its professional community.

Dawson's Market is also centrally located in relationship to the Rockville business district. Customers are enthusiastic to shop and eat at Dawson's Market during their workday because of the high-quality ingredients. One patron explains, *"I come here often to get a salad at lunch time. They always have nice fresh organic produce. The prices are a little high but you are getting high quality food so that is a good payoff in my mind."* (Mike W. Yelp review). Dawson's Market offers is located 0.4 miles from Rockville's largest employer, the Montgomery County Government, which employs 5,165 workers. The store is just 0.4 miles from Rockville City Hall which employs 537 Rockville residents. In addition, it is 1 mile from Montgomery College Rockville. The Market provides easily accessible healthy and organic meal options to the College's 1,950 employees and 21,720 students. In a central location in Rockville Town Center, Dawson's Market acts as an intermediary providing access to healthy, local products and produce to Rockville community members.

Dawson's Market is committed to sustainable farming practices and reducing carbon emission by sourcing locally, as well as, encouraging alternative transportation of community members to their store. It reduces waste by recycling an average of 4,000 pounds of waste material per month. The grocery store reduces food waste by composting an average of 500 pounds of organic material per week. To encourage waste reduction in the local community, Dawson's Market is a pickup location for Montgomery County compost bins. An average of 8 bins per month are picked up and used by residents to reduce food waste. The store works to reduce plastic waste in local landfills by only providing paper bags to customers. It spends about

\$1,500 per month on approximately 6,000 paper bags in order to further their mission of environmental sustainability and avoid contributing to plastic waste in the Montgomery County community. Dawson's Market supports reducing emissions and local community engagement by hosting a refreshment stop during the Montgomery County's Department of Transportation "Bike to Work" Day event. Dawson's Market has participated in the event since from 2015. The "Bike to Work" Day Event, celebrating its 20<sup>th</sup> anniversary in 2021, gained 17,000 participants in an effort to encourage healthy habits, fitness, and reduce carbon emissions from other transportation methods. Dawson's Market provides 15 gallons of coffee and 75 pastries for bikers each year. To further support environmental sustainability through

alternative methods of transportation, Dawson's Market has hosted 2 Honest Tea bike giveaways to local community members. A key aspect of the mission of Dawson's Market in the Rockville community is reducing waste and encouraging environmental sustainability among the community.

Dawson's Market offers economic stability and career growth opportunities to 62 Montgomery County residents. This group of employees includes veterans, 50+, immigrants, persons with disabilities, and individuals re-entering the workforce. Dawson's Market bolsters the local economy by employing 62 community members. Job stability and career development are central to Dawson's Market work environment. This commitment is evident in 20 of the 62 current employees at Dawson's Market employees working for the store since its reopening, and 28 Dawson's employees working with the company for more than 2 years. Personnel investment has led to 8 out of the 10 current managers being promoted internally. As an employer, Dawson's Market provides stability and opportunities for growth to Rockville residents.

Dawson's Market invests in the local economy by employing residents of Rockville, Maryland. The store partners with individuals that may encounter challenges finding and maintaining meaningful employment elsewhere. This group of employees includes veterans, 50+, immigrants, persons with disabilities, and individuals re-entering the workforce. Eleven Dawson's Market employees are individuals with disabilities and 2 from Work Source, a program that is committed to placing individuals in need of supportive employment in positions that fit their needs. A total of \$127,237 dollars in payroll is distributed to employees with disabilities or from work placement programs. This figure comprises is 10% of the total payroll. In addition to cash compensation, Dawson's Market provides employee benefits to 10 employees and 7 store managers. By supporting residents with reliable income and benefits, Dawson's Market pours invaluable resources into the local community.

Dawson's Market is committed to giving back to the Rockville community through donations to local causes and providing reduced price organic produce. Dawson's Market gives back to the local community through hosting 10% community nights in which 10% of the proceeds from store purchases are donated to a local cause. In 2021, Dawson's Market hosted 4 community nights for Christ Episcopal School, Montgomery County Foods Council, So What Else, and Beall Elementary School for a total of \$3,000 in donations. Dawson's Market also partners with local causes to donate a percent of daily proceeds to charities and foundations working to benefit the Rockville community. Dawson's Market has a longstanding history of contributing to local community causes and has supported 11 local partners through donating a portion of profits to them on designated days. Causes supported include:

1. Community Ministries of Rockville: Provides healthcare, emergency assistance, education, and supportive housing for the most vulnerable populations of Montgomery County.
2. Red Wiggler Foundation: 7-acre Sustainable community farm where people with and without developmental disabilities come together to grow healthy food which is donated or sold to the local population.
3. Fallsmead Elementary School: Public school serving grades K-5.
4. Foundation for Fighting Blindness: Leading private funder of retinal disease research driven by the mission of accelerating the development of treatment for inherited retinal diseases.
5. FARE (Food Allergy & Research Education): Facilitate research, provides education

- and advocates on behalf of the 32 million Americans that live with food allergies.
6. College Gardens Elementary School: Public school serving grades K-5.
  7. Manna Food Bank: Food bank serving Montgomery County and striving to end food insecurity in the community.
  8. Beall Elementary School: Public school serving grades K-5.
  9. Montgomery County Collaboration Council: Local board working to address the needs of children under the age of 18 and their families.
  10. VisArts at Rockville: Grassroots nonprofit committed to providing children, teens, and adults opportunities to express their ideas and develop their artistic talents.
  11. The Rockville Rotary Club: Local chapter of Rotary International providing service opportunities, business fellowship, professional and community development.

Dawson's Market supplies a "Quarter Bin" which reduces produce waste of oddly shaped and slightly bruised but still edible items. It allows community members to purchase discounted produce items that they may not be able to afford otherwise. To date, 7,000 items have been purchased from the "Quarter Bin" for a total of \$35,000 in retail value. Through philanthropic work, Dawson's Market gives supports economic growth of the entire community by giving back to Rockville, Maryland's most disadvantaged residents.

#### Cottage Monet

Cottage Monet is a female owned lifestyle boutique known for providing a unique and friendly shopping experience. As a small business, Cottage Monet offers a personalized shopping experience that Rockville residents appreciate. One customer describes the care and attention of the employees that contributes to a unique shopping experience when she comments that, *"The sales associates are always so helpful and adorable asking if you're looking for anything in particular, showing you the latest scents from their bath and body collections, to just plain complimenting you. Honestly, it's like being on vacation."* (Amanda S Yelp review). Another patron explains how the caring customer service experience a Cottage Monet makes her feel by saying, *"Whenever I need to buy a gift, I can count on Caya, the owner, to recommend the perfect thing. And she takes her time with each customer, so you feel like you're special. I like that."* (Beyhan T. Yelp review). Cottage Monet's commitment to customer service makes it ideal for serving the Rockville community. Personalized gift recommendations help Rockville residents efficiently select the perfect gifts for their friends and family, as explained in the comment, *"The Cottage Monet has a little bit of everything. Stylish home furnishings, jewelry, spa gifts, fashion accessories, etc. I emailed the owner the Mother's Day gift ideas I had and my price point and she emailed me back great recommendations, with photos, to pick from. She offers curbside pickup and Venmo payments, so it was all contactless! Felt great to support a local woman-owned small business."* (Rachel M Facebook review). The shopping experience at Cottage Monet offers great value to customers and also contributes to the economic growth of the Rockville Town Center.

Cottage Monet demonstrates a commitment to community engagement by teaching the next generation of entrepreneurs about what it is like to run a retail shop. Caya hosts elementary school children and walks them through the steps of owning a small business. She also promotes independent artists in Montgomery County by providing retail space for them to sell their work.

Customers explain that the central location of Cottage Monet encourages them to support other

businesses in the Rockville Town Center, contributing to a downtown district that they like to frequent. One Patron explains that, *“It’s also right in the middle of Rockville Town Center so I can shop in the other stores and grab a bite to eat with a girlfriend. But what I like best is the service!”* (Beyhan T. Yelp review). Another customer remarks that the proximity of the store to their place of employment makes it easily accessible, *“If you’re on your lunch break or just feel like perusing the stores on the Square and are in need of a present for a woman later on in the week the Cottage Monet is the place to go. It’s the perfect place to get an age-appropriate gift for any girl from the age 1-100.”* (Amanda S Yelp review). Contributions to Cottage Monet support the expansion of this beloved small business’s online growth. The Cottage Monet website supports consistent growth of the lifestyle boutique. In 2021, the website contributed \$1,300 in sales to the small business, which represents 8% growth over website sales over 2020.

## Conclusions

The Small Business Impact Fund Incentive Program is an invaluable program supporting the economic growth of Rockville, Maryland. Contributions made by the fund to local businesses in the Rockville Town Center have sustained local businesses throughout the COVID-19 pandemic. The Program has allowed these businesses to continue to advance the missions of community engagement and downtown economic growth. Dawson’s Market and Cottage Monet, two primary grant recipients of the Small Business Impact Fund Incentive Program have increased economic activity in downtown Rockville, drawn the community of Montgomery County closer together, and encouraged citizens to invest in local business. In addition to encouraging funds to be spent locally, Dawson’s Market and Cottage Monet both give back to the local community through environmental initiatives, hosting community events, and giving back to local charities. The Small Business Impact Fund Incentive Program is consequential to the economic wellbeing of Rockville, Maryland. Support for the Small Business Impact Fund Incentive Program will promote economic activity in the Town Center and bolster the next generation of entrepreneurs as they build a stronger community in Rockville.


Information in this report was compiled by Vault Consulting, LLC. in collaboration with Bart Yablonsky, the Owner of Dawson’s Grocery, Caya Cagri, the Owner of Cottage Monet, and Rockville Economic Development Inc.



## EXHIBIT D

### FY 22 Marketing Publications Reasons to Love Rockville - Life Science Focus

# REASONS TO LOVE ROCKVILLE

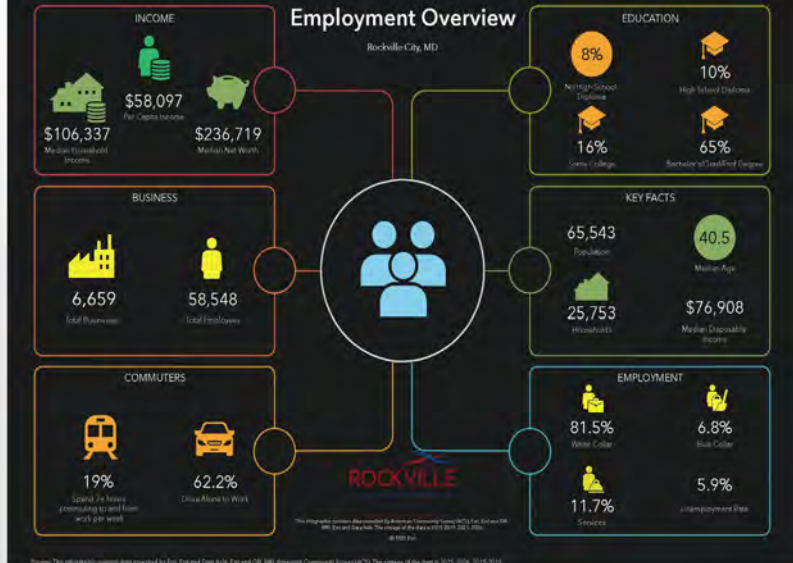


**ROCKVILLE**  
ECONOMIC DEVELOPMENT, INC.  
MARYLAND  
In the Business of Connection

Your life science business will be at home in one of the most diverse, inventive, and growing cities in the nation. Rockville has implemented inclusive programs that promote and support your company's success while building the surrounding community.

## WORKFORCE & DEMOGRAPHICS

- ✓ Most Educated City in Maryland - Insurify, 2020
- ✓ **64% of Rockville residents** have a college degree
- ✓ High-skilled talent pool annually matriculating from The University of Maryland (College Park), Johns Hopkins University, Universities of Maryland at Shady Grove, Montgomery College, and more
- ✓ 44.9% of Rockville residents speak a language at home other than English
- ✓ 19th best **Small City for Small Businesses** in the U.S. - Verizon Business - 2018
- ✓ The 2012 Census shows that **32% of Rockville small businesses** are minority owned



## FEDERAL AGENCIES IN/NEAR ROCKVILLE

- ✓ National Institute of Standards and Technology (NIST)
- ✓ U.S. Consumer Product Safety Commission (CPSC)
- ✓ The National Institutes of Health (NIH)
- ✓ Department of Energy (DOE)
- ✓ The Food and Drug Administration (FDA)
- ✓ National Oceanic and Atmospheric Administration (NOAA)
- ✓ United States Department of Health and Human Services (HHS)
- ✓ Substance Abuse and Mental Health Services Administration (SAMHSA)

## HOME TO OVER 150+ BIOHEALTH COMPANIES

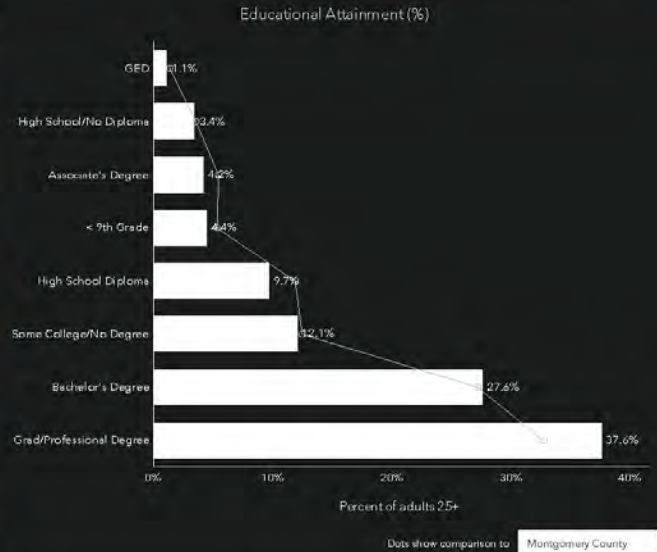


Rockville Economic Development, Inc. | 51 Monroe Street, PE-20 | Rockville, MD 20850 | 301.315.8096 | RockvilleREDI.org





Local educational institutions such as the Universities of Shady Grove and Montgomery College work with employers and industry leaders to develop customized training for Rockville's workforce



Source: This infographic contains data provided by Esri. The vintage of the data is 2021.

## LOCATION & INFRASTRUCTURE

- ✓ Centrally located in the Mid-Atlantic region with **immediate proximity to Washington, D.C.**
- ✓ Ability to conduct business with global companies, diplomatic organizations, and think tanks
- ✓ Immediate geographic access to the **Life Science World** - Scientific Institutions, Federal Labs, NIST, NIH, FDA, and Science Incubators, as well as federal agencies such as CPSC, DOE, NOAA, NRC, SAMHSA, NMMC
- ✓ Location of the new **Global Pandemic Prevention & Biodefense Center**
- ✓ Robust community of growing companies and entrepreneurial start-ups
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LEASING NOW:



## QUALITY OF LIFE

- ✓ Rockville boasts over 1,000 acres of parkland, with 65 parks featuring hiking trails, wildlife sanctuaries, public art, play spaces & more
- ✓ Earned a **perfect score** on the Human Rights Campaign's Municipal Equality Index (2017, 2018, 2019, 2020, 2021)
- ✓ Cultural public amenities including community centers, a Nature Center, Civic Center, Swim and Fitness Center, senior center, and a full range of outdoor recreation activities
- ✓ **Nationally recognized public education** system - A+ rating on Niche.com
- ✓ Ranked No. 7 on Wallet Hub's, "2020 List of **Most Culturally Diverse Cities** in the U.S."





# PROGRAMS & INCENTIVES



## F.A.S.T. PROGRAM

Faster, Accountable, Smarter and Transparent - that's what Rockville's development review and permitting services offers:

- ✓ Online permitting portal for paperless, trackable applications
- ✓ 99% of requests answered within 24 hours
- ✓ Revised, development-friendly City code
- ✓ Trained, helpful City staff ready to assist with your project



## MOVE & EXPANSION PROGRAM

REDI administers both the MOVE and Business Expansion Fund programs to support new and existing Rockville business:

- MOVE - Grant for new businesses committing to Class A and B space
- Business Expansion Fund - Supports existing Rockville businesses that seek to **lease or purchase** additional Class A or B office, industrial, or flex space to accommodate their growing needs



## MONTGOMERY COUNTY PROGRAMS

### Montgomery County MOVE Program

- ✓ Grants of up to \$80,000 for companies taking up to 20,000 sq. ft. of Class A or B office space, or lab space for companies that are new to Montgomery County

### Montgomery County New Jobs Tax Credits

- ✓ Tax credits for companies that take at least 5,000 sq. ft. of new, never-before-occupied space and add at least 25 employees to Montgomery County

### Montgomery County Economic Development Grant and Loan Program (EDF)

- ✓ Financial assistance to established private employers who retain and/or stimulate significant new job creation in Montgomery County

### Montgomery County SBIR/STTR Matching Grant

- ✓ Match up to \$25,000 for Phase 1 or \$75,000 for Phase 2 awards during the current calendar year for research in medicine, biotechnology, or life sciences

### Montgomery County Biotechnology Investor Incentive Program

- ✓ Supplemental grant available to investors in biotechnology companies located in the county. Approved investors that receive Maryland State tax credits will automatically receive the supplemental grant



## STATE OF MARYLAND PROGRAMS

### Maryland Innovation Investment Tax Credit

- ✓ Provides a refundable income tax credit to a qualified investor equal to 33% of an eligible investment in a Qualified Maryland Technology Company up to \$250,000 in tax credits. May be used in lieu of the Maryland Biotechnology Investment Incentive Tax Credit Program, but not in conjunction with that program

### Maryland Biotechnology Investment Incentive Tax Credit (BIITC)

- ✓ Provides an income tax credit equal to 50% of an eligible investment in a Qualified Maryland Biotechnology Company (QMBC) up to \$250,000 for each QMBC per fiscal year



#### Maryland Stem Cell Research Fund

- ✓ Funding for early research, validation, clinical trials and commercialization activity

#### TEDCO Entrepreneurial Resources

- ✓ Free use of subscription market databases and online educational resources:

##### **TEDCO Advisory Services:**

- Maryland Entrepreneur Hub: A database of entrepreneurial resources
- Network Advisors: Custom assistance from industry professionals
- Prelude Pitch: Received pitch feedback from industry professionals
- Round Tables: Mutual learning and support via groups of non-competing entrepreneurs from similar verticals

#### TEDCO Technology Transfer Services

- ✓ Programs that assist companies with an interest in working with Federal labs on development and commercialization technology. Services include orientation to federal tech transfer and SBIR/STTR proposal support

#### TEDCO Innovation Initiative

- ✓ For commercialization of technologies from MD universities, awards up to \$265,000

#### TEDCO Pre-Seed Builder Fund

- ✓ Investment and economic support to technology and life science companies run by entrepreneurs who demonstrate economic disadvantage

#### TEDCO Seed Fund

- ✓ Supports seed stage of Maryland companies to develop and commercialize new technology-based products

#### Maryland Venture Fund

- ✓ Early-stage, evergreen venture capital fund dedicated to growing businesses in Maryland. Initial funding ranges from \$.5–1.5 million

#### Dingman Center Angels (UMD)

- ✓ Angel investment group with individuals that invest \$100,000 to \$1,000,000 in seed/early stage companies

#### Maryland Momentum Fund

- ✓ Matching investments of \$150,000 - \$500,000 in late seed-stage companies that have a technology or founder/inventor connection to the University System of Maryland

#### Maryland Industrial Partnerships (MIPS)

- ✓ Matching funds and university expertise to help MD companies commercialize a technology/product

#### Advance Maryland (formerly known as MEDAAF)

- ✓ Financial assistance to established private employers who retain or stimulate significant new job creation in Montgomery County

#### Maryland Job Creation Tax Credit

- ✓ Companies that add at least 60 employees to Maryland over 2 years may receive tax credits of \$3,000/employee. Requirement reduced to 25 employees with tax credits of \$5,000/employees in some geographies

#### Maryland Research and Development Tax Credit

- ✓ Income tax credits to businesses that invest in research and development in Maryland. The total amount of credits depends on the amount of eligible expenses incurred

**For more details please contact Richelle Wilson at [richelle@rockvilleredi.org](mailto:richelle@rockvilleredi.org) or 301-355-2214**

# REASONS TO LOVE ROCKVILLE



Make your business at home in one of the most diverse, inventive, and growing cities in the nation. Rockville has implemented inclusive programs that promote and support your company's success while building the surrounding community.

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- ✓ Department of Energy (DOE)
- ✓ National Oceanic and Atmospheric Administration (NOAA)
- ✓ Substance Abuse and Mental Health Services Administration (SAMHSA)

## LARGE CAPITAL REGION CITY WITH LOWER COST OF LIVING

- ✓ Overall Rockville's cost of living is **14 - 28% less than neighboring cities in the Washington, D.C. metropolitan area**, when considering housing, food & groceries, utilizes, transportation, healthcare, and other miscellaneous costs\*
- ✓ Residents spend 5% less on transportation costs than residents in surrounding localities\*
- ✓ **Homes are an average of 10.7% more affordable** in Rockville than in surrounding localities\*
- ✓ Rockville residents spend around 6% less on healthcare than nearby neighboring cities in the D.C. metropolitan area\*

\*Source: BestPlaces - [www.bestplaces.net](http://www.bestplaces.net)

## MAJOR EMPLOYERS ARE IN ROCKVILLE

When companies locate their business in Rockville, they're joining a community of well-established companies. 18+ Headquarters are in Rockville. We're proud to share a preview of the headquarters that call Rockville, "Home."







## LOCATION & INFRASTRUCTURE

- ✓ Centrally located in the Mid-Atlantic region with **immediate proximity to Washington, D.C.**
- ✓ Ability to conduct business with global companies, diplomatic organizations, and think tanks
- ✓ Immediate geographic access to the **Life Science World**
  - Scientific Institutions, Federal Labs, NIST, NIH, FDA, and Science Incubators, as well as federal agencies such as CPSC, DOE, NOAA, NRC, SAMHSA, NMMC
- ✓ Location of the new **Global Pandemic Prevention & Biodefense Center**
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- ✓ Earned a **perfect score** on the Human Rights Campaign's Municipal Equality Index (2017, 2018, 2019, 2020, 2021)
- ✓ Cultural public amenities including community centers, a Nature Center, Civic Center, Swim and Fitness Center, senior center, and a full range of outdoor recreation activities
- ✓ **Nationally recognized public education** system - A+ rating on Niche.com
- ✓ Ranked No. 7 on Wallet Hub's, "2020 List of **Most Culturally Diverse** Cities in the U.S."

**Customized apprenticeships, professional development, and workforce training available are through Montgomery College and the University of Shady Grove.**














# Welcome to Rockville, MD

Guide for new businesses



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# Welcome to the City of Rockville!

As county seat of Montgomery County and home to over 70,000 people, I like to say that we are “a small town in a big city.” Situated 13 miles from our nation’s capital and next to the National Institutes of Health, National Institute of Standards and Technology, and Walter Reed National Military Medical Center, Rockville is known for our business friendliness, educated workforce, excellent schools, and welcoming and safe neighborhoods.

Named the seventh Most Diverse City in America (and fourth most diverse among small cities) by WalletHub in 2021, Most Educated City in Maryland by Insurify in 2020, the Best Place to Live in Maryland by “Money Magazine” in 2018, and 13th on Livability’s list of the Top 100 Best Places to Live in 2017 (the fourth year in a row the city made the national list’s top 20), Rockville is home to some of the world’s most prominent advanced research, life sciences, biomedical and technology companies.

We are thrilled that your business has joined our community, and we look forward to having you grow with us!

*Mayor Bridget Donnell Newton*



 111 Maryland Ave.,  
Rockville, MD 20850

 [www.rockvillemd.gov](http://www.rockvillemd.gov)

 (240) 314-5000

 @CityofRockville

 @Rockville411

 city\_of\_rockville



# Rockville Economic Development, Inc

## *In the Business of Connection*

Welcome to Rockville, the heart of Maryland's innovation and growth!

Rockville is a leading location for businesses and investors in the life science and biotech industries. With proximity to key federal agencies like NIH and FDA, the area has become one of the top three locations for life science industry clusters in the nation. The Global Pandemic Prevention and Biodefense Center was recently established in Rockville to address the complex and growing need for global response to situations like the recent pandemic. In the last few years, there has been a surge of new businesses and investment in Rockville companies, including \$12 billion of IPO, private funding and venture capital in the life sciences, health tech and media industries in the first three quarters of 2021.

As Montgomery County's government seat, Rockville is home to over 18 international company headquarters, including Emmes, Aurinia Pharmaceuticals, and ZeniMax Media Inc. that have access to a wide range of office, flex, and industrial space. Projects like the 31-acre redevelopment of the Shady Grove Bio + Tech Campus to new Class A lab space, and Twinbrook Quarters, an 18-acre metro-adjacent, mixed-used development featuring 240,000 sf. of 5-star office space, 460 luxury mid-rise apartments and ground level retail is currently underway, which will bring more new business, talent and investment to Rockville. Businesses tap into the highly educated and diverse workforce in the area. Sixty-four percent of Rockville residents have a college degree, and the city was named Maryland's most educated in 2020 by Insurify.

If you haven't already, help us make your business at home in one of the most diverse, innovative and growing cities in the nation.

*REDI works to identify and develop economic opportunities to help Rockville prosper. If you need business assistance or more information on Rockville, please contact us or visit*



**ROCKVILLE**  
ECONOMIC DEVELOPMENT, INC.  
MARYLAND  
*In the Business of Connection*

 [www.rockvilleredi.org](http://www.rockvilleredi.org)

 (301) 315-8096

 [admin@rockvilleredi.org](mailto:admin@rockvilleredi.org)

 Rockville REDI

 @rockvilleREDI

 @rockvilleREDI

# About Rockville

Rockville is one of Maryland's oldest towns, with its origins dating back to Colonial America. During Revolutionary times Rockville was known as Hungerford's Tavern, the name of its most familiar business and landmark.

When Montgomery County was formed by a division of Frederick County in 1776, Rockville served as the county seat and gradually became known as Montgomery Court House. In the 1780s, the community was known as Williamsburgh, named for the family that subdivided the central part of town, when Rockville was little more than a cluster of homes, a tavern, a courthouse and a jail.



*Hungerford's Tavern*

In 1801, the Maryland General Assembly officially established the name of the town as "Rockville" because of its location close to Rock Creek. The population grew from 200 in 1800 to 400 in 1846. Rockville became incorporated in 1860 and was governed by three commissioners until 1888, when the city's 400 residents elected the first Mayor and Council.

Presently, Rockville is considered one of the nation's leading small cities and has earned its place among the top 10 most diverse communities in the nation. Rockville reveres its roots and its commitment to citizen-centric public service, to the environment, and to the connection of neighborhood and residents.

As an incorporated city in Montgomery County, Rockville operates as its own jurisdiction. Residents, business owners or commercial real estate investors, benefit from the City of Rockville's customer-focused planning & zoning, safety, transportation and parks & recreation departments, among other top City services.

► To learn more about Rockville's history, visit <https://www.rockvillemd.gov/978/History>





City Limits - Rockville, MD

**Land Area - 13.6 mi<sup>2</sup>**  
**Population per square mile - 4,933**

Source: U.S. Census Bureau

The City of Rockville maintains several maps using an accessible Geographic Information System (GIS) application. Data maintained in Rockville's GIS include streets and property parcels; zoning and neighborhoods; water, sewer, and storm drain utilities; parks and city facilities; bicycles routes; and more.

► View the City of Rockville's maps at: <https://www.rockvillemd.gov/683/City-Maps>



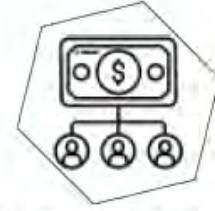
## Demographics and Data



Population  
**67,139**

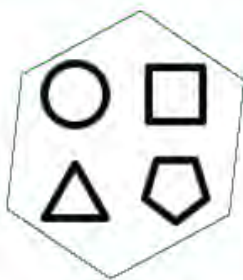
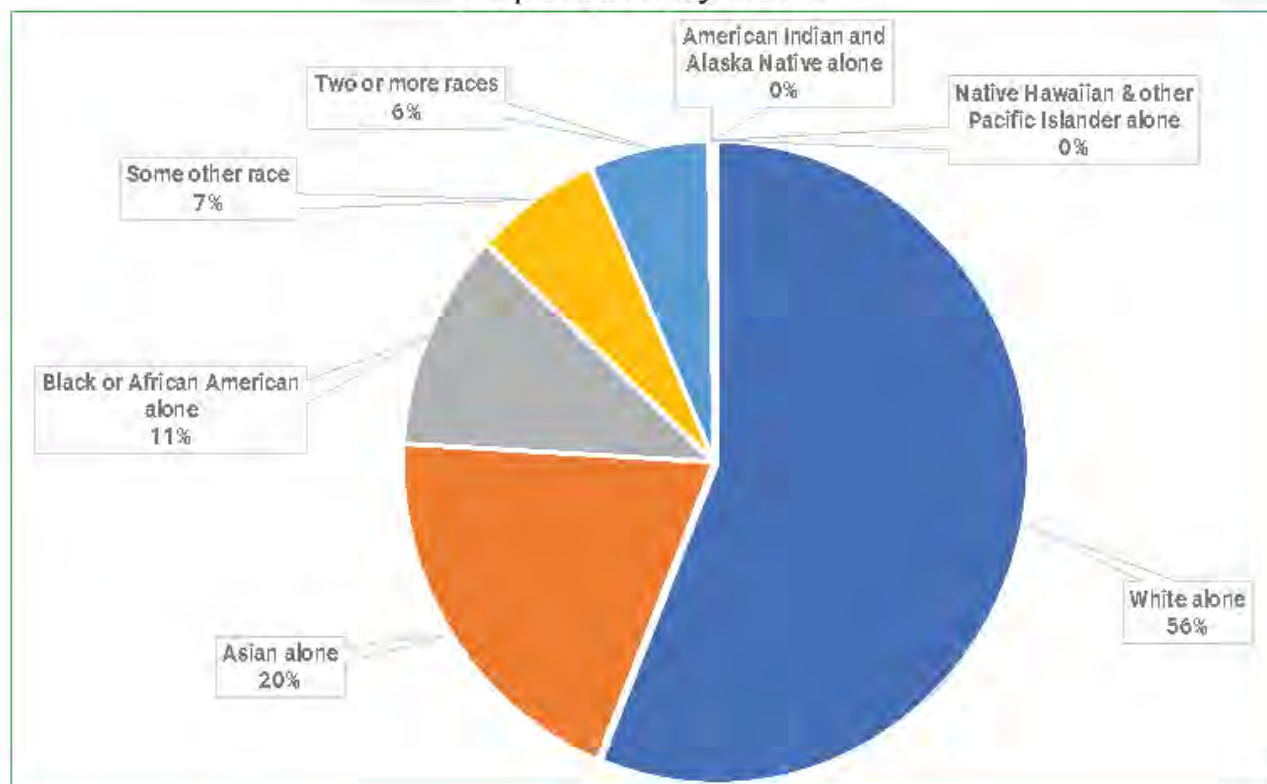


Median Household Income  
**\$111,797**



Per Capita Income  
**\$54,611**

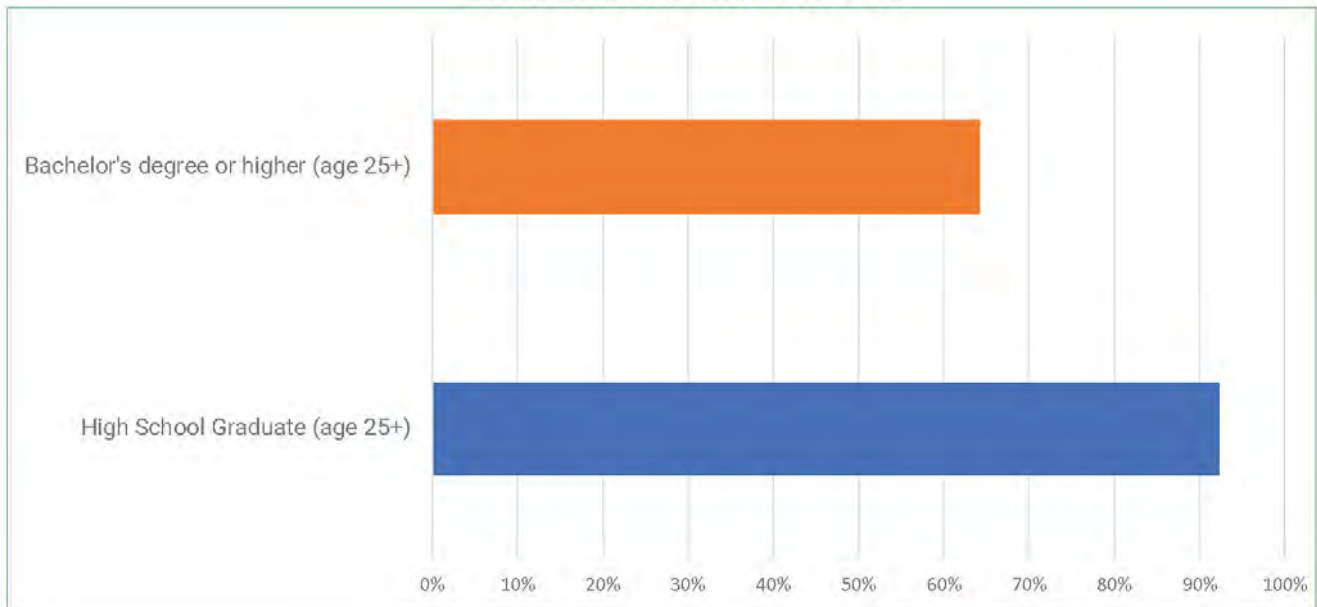
### Population by Race



- Female persons - **53%**
- Foreign born persons - **33.5%**
- Language other than English spoken at home - **43.2%**
- With a disability (under age 65) - **6.6%**

Source: U.S. Census Bureau

## Educational Attainment



Source: U.S. Census Bureau

## Employment by Industry



Source: Data USA



# City Hall

The City of Rockville operates under the council-manager form of government. The Mayor and Council are responsible for establishing City policy and providing direction to the City Manager. There are five elected members comprised of a mayor and four at-large council members. All members are elected for 4-year terms.



## Mayor & Council (2019-2023)



*From left to right: David Myles, Beryl L. Feinberg, Bridget Donnell Newton (Mayor), Monique Ashton, Mark Pierzchala*

Rockville Mayor and Council hold regular meetings at City Hall on the third floor. The general public is invited to community forum during the meetings to state concerns, offer statements or give opinions about topics being discussed by the Mayor and Council.

Mayor's Office: 240-314-8280 | [bnewton@rockvillemd.gov](mailto:bnewton@rockvillemd.gov)

Councilmember Ashton's Office: 240-314-8295 | [mashton@rockvillemd.gov](mailto:mashton@rockvillemd.gov)

Councilmember Feinberg's Office: 240-314-8293 | [bfeinberg@rockvillemd.gov](mailto:bfeinberg@rockvillemd.gov)

Councilmember Myles' Office: 240-314-8294 | [dmyles@rockvillemd.gov](mailto:dmyles@rockvillemd.gov)

Councilmember Pierzchala's Office: 240-314-8292 | [mpierzchala@rockvillemd.gov](mailto:mpierzchala@rockvillemd.gov)

► **For more information about Mayor and Council, visit <https://www.rockvillemd.gov/424/Mayor-Council>**



## City Manager's Office

The City Manager's Office works closely with the Mayor and Council to ensure Rockville continues to be a great place to love and work. The Office works directly with the community to provide recommendations to the Mayor and Council, giving more power to community members in deciding what happens in their neighborhoods. The City Manager is responsible to the Mayor and Council for the day-to-day management of city operations.

► For more information, visit <https://www.rockvillemd.gov/138/City-Manager>



## Department of Housing and Community Development

The Department of Housing and Community Development (HCD) plans and implements activities that seek to ensure fair and equitable relations between landlords and tenants; increase the supply of affordable housing; and maintain existing housing in safe and habitable conditions. Through social and community service programs, HCD seeks to maximize access to opportunities that enable all persons to fully develop their capabilities, achieve individual self-sufficiency, and live in human dignity.

### Services:

#### Housing

- Moderately Priced Dwelling Unit (MPDU) Rental Program
- MPDU Homeownership Program
- Community Development Block Grant (CDBG) Multifamily and Single-Family/Owner-Occupied Rehabilitation
- Landlord-Tenant Affairs
- Rockville Emergency Assistance Program (REAP)

#### Youth and Family Services

- Counseling Services
- Latino Youth Development Program
- Linkages to Learning
- Mentoring

#### Community Assistance

- Community Mediation
- Holiday Drive

► For more information, visit <https://www.rockvillemd.gov/2181/Housing-Community-Development>



## Department of Public Works

The Department of Public Works is responsible for the sustainable design, construction, operation, maintenance, inspection, and renewal of the city's infrastructure. The Department is dedicated to delivering high level engineering and operational services, utilities, and infrastructure for high quality of life and protection of health and property.

### Services:

- Construction Management
- Engineering Services
- Environmental Services
- Fleet
- Street, Sidewalks and Right-of-way
- Stormwater Management
- Traffic and Transportation
- Recycling and Refuse Collection
- Snow and Ice Control
- Water and Sewer

► For more information, visit <https://www.rockvillemd.gov/283/Public-Works>



## Department of Community Planning and Development Services

The Department of Community Planning and Development Services (CPDS) oversees planning, property development and construction activities in Rockville to ensure the vision for the City is achieved. The community expresses this vision through the City's Master Plan, the Zoning Ordinance and other development regulations. The Department serves public requests including general zoning or permitting information, historic research, property information and building and fire code interpretations.

### Services:

- Comprehensive Planning
- Development Review and Zoning Administration
- Permits and Inspections
- Historic Preservation

► For more information, visit <https://www.rockvillemd.gov/159/Community-Planning-and-Development-Servi>



## Public Information Office

The Public Information Office (PIO) works to increase resident and employee understanding and awareness of, and participation in city government programs, projects, and services. By partnering with other city departments, the PIO coordinates a strategic approach to communication through city publications, website, marketing efforts, external media, direct mail, the Rockville Reports newsletter, social media, electronic newsletters, Rockville Channel 11, and video on demand among other means.

► For more information, visit <https://www.rockvillemd.gov/155/Public-Information-Office>



## Department of Recreation and Parks

The Department of Recreation and Parks is responsible for caring and maintaining Rockville's 65 parks, three community centers and multiple facilities including Glenview Mansion and F. Scott Fitzgerald Theatre and Social Hall.

### Services:

- Arts and Culture
- Camps and Childcare
- Community Assistance
- Recreation Programs
- Recreation Centers and Parks
- City and Park Tree Care

► For more information, visit <https://www.rockvillemd.gov/346/Recreation-and-Parks>



# City Utilities

The City of Rockville manages four utility services: water, sewer, recycling and refuse, and stormwater management.

Customers pay for water and sewer on a monthly or quarterly bill that comes from the City of Rockville. Storm water management, and recycling and refuse services are billed on annual real property tax from Montgomery County.

**SAMPLE UTILITY BILL**

**CITY OF ROCKVILLE**  
111 Maryland Ave. Rockville, MD 20850-2364  
Ph: 240-314-8420 Fax: 240-314-8419  
Email: [utilitybilling@rockvillemd.gov](mailto:utilitybilling@rockvillemd.gov)

Acct. Number: 0101-000905.02  
Bill Date: 09/15/20  
Current Charges: 323.29  
Total Amount Due: 323.29  
Amount Due After 10/15/20: 354.12  
\*Includes 10% late fee

**UTILITY BILL**

The Chesapeake Bay Restoration fee is a fee mandated by the State of Maryland.

The number of days in a billing period.

Water utility rates & structure remain unchanged. No rate increase for 2020. Be well and stay safe.

Per quarter rates.

Service Address: 999 OWENS ST

Type of Service	Service Period	No. of Days	Previous Reading	Current Reading	Usage	Rate	Charges
CHESAPEAKE BAY PER	06/02-09/01	91				5.00	15.00
WATER RTS 5/8" METER	06/02-09/01	91				12.12	13.13
SEWER BILTING	05/09-08/13	96	865	882	17	10.50	178.50
SEWER RTS 5/8" METER	06/02-09/01	91				15.25	15.25
WATER 5/8" METER QUARTER	05/09-08/13	96	865	882	17		101.41

The ready to serve ("RTS") charge recovers a portion of the fixed costs of the water and sewer operations. The amount of charge is based on meter size.

The number of units in a billing period. 1 unit = 1,000 gallons

Water Usage in Units	Water Tier Rate for Current	Account Activity
Current: 17	15 @ 5.61	Previous Balance 252.81
Last Period: 13	2 @ 8.63	Payments Received -252.81
Last Year: 17		Current Charges 323.29
Two Years Ago: 15		Total Amount Due 323.29

Water charges are based on a four tier structure. This customer used 15,000 gallons of water or 15 units at \$5.61 per unit (first tier) and 2 units at \$8.63 per unit (second tier).

Sewer charge equals \$10.50 per 1,000 gallons or 1 unit.

Please visit the City's website and search water and sewer service to:

- view water and sewer rates,
- request e-bills,
- make payments,
- start or stop service, and
- find emergency hotline information

► For more information about water, sewer and stormwater services, visit: <https://www.rockvillemd.gov/240/Water-Sewer-Stormwater>

► For more information about recycling and refuse services, visit: <https://www.rockvillemd.gov/300/Recycling-Trash-Yard-Waste>



# Quality of Life

Ranked as one of the top ten most culturally diverse cities in the United States, Rockville has an A+ rating for its public education system and boasts over 1,000 acres of parkland with 65 parks featuring hiking trails, wildlife sanctuaries, public art, a swim center and other community and recreational amenities.



*Rockville Town Square Ice Skating*



*Rockville Swim and Fitness Center*



*Chestnut Lodge Park*



*Croydon Creek Nature Center*

Rockville's accolades include:

- Best Place to Live in Maryland in 2018 by Money magazine
- Perfect score on the Human Rights Campaign's Municipal Equality Index scorecard for five years running (2017, 2018, 2019, 2020 and 2021)
- 94% of residents who responded to the City's 2018 community survey described the overall quality of life in Rockville as excellent or good
- 9th Large Community on the 2020 Art Vibrancy Index – National Center for Arts Research
- 11th Best City for Retirees to Live & Work in 2020 by Smart Asset



The City has also formal commitment to move its operations and community towards more sustainable practices taking into consideration the following:

- Prosperity: Supporting local economies and community resources
- Planet: Practicing responsible environmental management and conservation
- People: Embracing social equity, fairness, health and wellness

► Learn more about Rockville at <https://www.rockvillemd.gov/447/About-Rockville>



## More Reasons to Love Rockville



Rockville has built a reputation as the heart of international dining in D.C. metro-area has attracted some of the region's best restaurants and chefs who have been featured and awarded by the likes of the Washington Post, Zagat, and the Washingtonian magazine.

► Browse Rockville's bars, restaurants and eateries here: [www.exploreroockville.org/places/category/eat-drink/](http://www.exploreroockville.org/places/category/eat-drink/)

The city produces and hosts many festivals and celebrations throughout the year that highlight its diverse population such as the Lunar New Year Celebration, Rockville Pride, Israeli Dance Festival, and Juneteenth celebrations.

► View Rockville's event here: <https://exploreroockville.org/events/>







Rockville's retail inventory covers well over 3 million square feet and has long served as a shopping destination for the wider region. Some of the major retail shopping hubs include the Rockville Pike corridor, Rockville Town Center, King Farm, Upper Rock, Fallsgrove, Research Row, College Plaza and Woodley Garden to name a few.

► View Rockville's shopping centers and retail stores here: <https://explorerockville.org/places/category/shopping/>

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# Business Resources and Partners



## - Rockville Economic Development, Inc.

Rockville Economic Development, Inc. (REDI) is a public-private partnership that helps businesses launch, locate, expand in the City of Rockville, Maryland. Committed to economic development, REDI is proactive in its efforts to support existing industry and attract new businesses with the tools to get started in Rockville, and resources and guidance to existing businesses in the city.

REDI's services include:

- Site selection assistance
- Fast-tracking development
- Talent alignment
- Business incentives
- Business/Industry networking

Learn more at [www.rockvilleredi.org](http://www.rockvilleredi.org)



### Small Business Impact Fund

Funding is available for qualified small and medium-sized businesses that promote economic development in key districts across Rockville

Application deadlines are:  
September 30 and April 30



### Rockville MOVE Grant

One-time grant to businesses that are relocating or expanding from outside the Rockville corporate city limits, or startups moving into their first commercial space, and purchase or lease space for minimum of three years. Excludes retail and restaurant industries.

Application deadlines are:  
September 30 and April 30



### Business Expansion Fund

One-time grant to existing Rockville businesses that seek to lease or purchase a minimum of 1,000 sf. of additional space. Excludes retail and restaurant industries.

Application deadlines are:  
September 30 and April 30

### Contacts:

**Cindy Rivarde**  
Chief Executive Officer

**Richelle Wilson**  
Deputy Director

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## Maryland Women's Business Center

Maryland Women's Business Center (MWBC) is a special initiative of Rockville Economic Development, Inc. that is funded, in part, through a cooperative agreement with the U.S. Small Business Administration. MWBC offers services to women and minority-owned businesses.

MWBC's services include:

- Business Assessment/Counseling
- Technical Assistance
- Entrepreneurial & Leadership Training
- Networking Opportunities
- Access to Capital

MWBC currently serves clients in Montgomery County, Fredrick County, and Prince George's County. Learn more at [www.marylandwbc.org](http://www.marylandwbc.org)



## Rockville Chamber of Commerce

The Rockville Chamber of Commerce (RCC) works to foster an environment for businesses to success through leadership, advocacy and community partnerships. Learn more at [www.rockvillechamber.org](http://www.rockvillechamber.org)



## Montgomery County Chamber of Commerce

The Montgomery Chamber of Commerce (MCCC) works to accelerate the success of its members businesses. Through various programs and events, and advocacy, MCCC helps their members to connect, learn and grow. Learn more at [www.mccc.md.com](http://www.mccc.md.com)



## Montgomery County Economic Development Corporation

Montgomery County Economic Development Corporation (MCEDC) helps connect businesses to resources, site selection, funding, incentives, and permitting for business success in Montgomery County. Learn more at [www.thinkmoco.com](http://www.thinkmoco.com)



## Visit Montgomery

Visit Montgomery is the destination marketing organization for Montgomery County, MD - located just north of Washington, DC. Visit Montgomery promotes the region as a destination for meetings, conventions and travelers. Learn more at [www.visitmontgomery.com](http://www.visitmontgomery.com)

► For more information on local, state and federal incentives and grants, please contact Richelle Wilson at [richelle@rockvilleredi.org](mailto:richelle@rockvilleredi.org) or 301-355-2214



## Maryland Department of Commerce

As Maryland's primary economic development agency, the Department of Commerce fosters private investment and creates jobs by attracting new businesses, encouraging the expansion and retention of existing companies, and providing workforce training and financial assistance to Maryland companies. Learn more at [www.commerce.maryland.gov](http://www.commerce.maryland.gov)



## Maryland Technology Development Corporation (TEDCO)

TEDCO aims to be Maryland's leading source of funding for early-stage, technology-based businesses; to provide other business assistance to entrepreneurs throughout the State; and to foster technology transfer and commercialization from the State's universities and Federal labs. Learn more at [www.tedcomd.com](http://www.tedcomd.com)



## Maryland Tech Council

The Maryland Tech Council is the largest technology and life science trade association in the State, and offers a forum for members to learn, share and connect. Learn more at [www.mdtechcouncil.com](http://www.mdtechcouncil.com)



## Federal Laboratory Consortium for Technology Transfer (FLC)

FLC is the formally chartered, nationwide network of more than 300 federal laboratories, agencies, and research centers that fosters commercialization best practice strategies and opportunities for accelerating federal technologies from out of the labs and into the marketplace. Learn more at [www.federalallabs.org](http://www.federalallabs.org)



## Universities at Shady Grove (USG)

USG offers select degree programs from nine public Maryland universities on one convenient campus in Montgomery County. USG's approach to higher education is designed to connect local college students to outstanding career opportunities, while providing regional employers with a highly educated, skilled workforce. Learn more at [www.shadygrove.umd.edu](http://www.shadygrove.umd.edu)



## Montgomery College

Montgomery College is a public, fully accredited, open admission institution recognized for the quality and scope of its academic programs. More than 55,000 students from 160 countries are enrolled in Montgomery College's 3 campuses or online. Learn more at [www.montgomerycollege.edu](http://www.montgomerycollege.edu)

► For more information on local, state and federal incentives and grants, please contact Richelle Wilson at [richelle@rockvilleredi.org](mailto:richelle@rockvilleredi.org) or 301-355-2214





In the Business of Connection



[www.rockvilleredi.org](http://www.rockvilleredi.org)



(301) 315-8096



Rockville REDI



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## EXHIBIT E

### Rockville Economic Development (REDI) FY 2023

#### Strategic Initiatives and Work Plan (adopted by REDI Board 5.26.22)

#### **MARKETING**

##### **Diagnosis of the Problem:**

We need to tell the story about how Rockville is unique and wonderful and how you can know if the people of Rockville are your tribe.

##### **Strategy:**

Show how desirable Rockville is - We need to show in a positive way that Rockville is inclusive and diverse, supports youth development, promotes creativity and arts and culture, and provides a healthy and environmentally sustainable lifestyle.

##### **Goals:**

1. **Increase awareness of REDI and its services** – Establish REDI as the primary organization for Rockville business/industry-specific resources
2. **Expand Rockville's business ecosystems** – Support business retention/expansion efforts with data and promotion of business/industry resources, programs and opportunities
3. **Attract new businesses to Rockville** - Define Rockville's value proposition/s to attract new businesses with placemaking & branding, storytelling, and tourism development to generate interest in Rockville as the ideal location to work, live and play

##### **Suggested Tactics:**

- Continue to brand Rockville Commercial Districts like Town Center and an Innovation District
- Grow the business directory on the Explore Rockville site
- Highlight the international dining scene
- Promote businesses with owners from historically diverse and underrepresented communities and new development
- Work with the City to create an Arts and Entertainment District
- Work with the City on impactful projects like the Rockville Metro Station, Town Center, King Farm Farmstead, and RedGate Park
- Assist with the City's rebranding and website projects
- Continue to develop relationships and act as a resource to brokers and site selectors

**Metrics:**

<b>Metrics</b>	<b>Actual FY2021</b>	<b>Adopted FY2022</b>	<b>Proposed FY2023</b>
Number of strategically placed print ads in regional/national publications	1	2	0 <i>(Propose to remove this metric)</i>
Reach of REDI marketing communications/advertising  <i>Website Social Media (FB, Twitter, LinkedIn) Newsletters Events/Projects</i>	-	-	16,000 <i>(Propose to include this metric)</i>
Number of digital posts promoting Rockville as a place to do business	57	50	50
Number of Rockville companies promoted through social media	162	150	150
Number of broker/economic development event sponsorships where REDI receives brand recognition	9	4	7
Number of industry sector events hosted/promoted	16	8	10
Number of external articles posted that share news about Rockville's industry sectors	12	40	50

**BUSINESS RETENTION/EXPANSION/ATTRACTION****Diagnosis of the Problem:**

People no longer move to the job; businesses are locating where the talent is.

**Strategy:**

Show businesses how their needs can be met in Rockville - Provide information and resources to brokers and businesses that they need to decide to be in Rockville and help to create an environment that meets business and workforce needs.

**Goals:**

- 1. Support and grow existing businesses in Rockville** – act as a connector and

resource provider, including supporting incubators, mentor programs, and tech transfer efforts

2. **Make Rockville attractive to businesses and workers** – The top issues for businesses are 1) talent pool, 2) quality of life, and 3) business climate, so REDI should work with partners to positively impact these areas
3. **Attract new businesses to Rockville** – work with partners to secure attraction projects, including providing incentives
4. **Champion City efforts** – Support and provide feedback on planning, permitting or zoning activities that are often a business' first encounter with Rockville

#### **Suggested Tactics:**

- Assist City in marketing the FAST program and other initiatives for businesses
- Work with City on ordinance revision to create advantages for doing business in Rockville and remove unnecessary barriers
- Communicate tech transfer opportunities
- Highlight the life science and immunology cluster as well as healthcare and tech
- Advocate for more lab space and incubator opportunities for early-stage companies
- Educate the brokers and development community about incentives and other resources that will help them attract businesses and partner with marketing teams to shape narrative about Rockville as a premier location
- Continue engagement with schools to include business involvement and understanding job opportunities for students

#### **Metrics:**

- Conduct at least 140 business visits or contacts (in person or virtual).
- Award at least 7 MOVE/Expansion grants with an average annual salary of \$95,000.
- Fill at least 35,000 square feet of space by incentive grantee firms.
- Increase jobs by at least 100 through incentive programs.
- Hold/participate in at least 4 economic development/broker events sponsorships
- Host/promote at least 8 industry sector events.
- Complete the business/site selector surveys and develop conclusions and next steps.
- Reconnect with at least 2 existing Rockville businesses a month to understand business needs and communicate resources.

### **CREATIVE INDUSTRIES AND PLACEMAKING**

#### **Diagnosis of the Problem:**

Workers are moving to locations that have a desirable quality of life and amenities.

#### **Strategy:**

Help create a place people want to be - Rockville needs to pivot some of its effort to promote and help develop amenities and the quality of life that attracts workers, keeping in mind that effective placemaking includes more than the physical experience, but also engagement. We want to be a community that thrives on thought and collaboration – Not

just physical amenities.

**Goals:**

1. **Provide information regarding Rockville Assets** – package and present the quality of life benefits of Rockville to visitors, workers and residents
2. **Support Placemaking Activities** – Help create multipurpose experiential spaces where people want to be
3. **Support development of creative industries and healthy lifestyle options in Rockville** – bring more cultural programming opportunities and promote activities like biking and self-care

**Possible Tactics:**

- Find ways to enhance public spaces
- Support creation of multipurpose experiential spaces and outdoor dining
- Continue to grow the Explore Rockville website to showcase Rockville assets
- Enhance City's focus on diversity, equity and inclusion, social responsibility, environmental sustainability, and youth development
- Highlight art and culture opportunities and find ways to grow them, including supporting the creation of an Arts and Entertainment District
- Promote personal health and well-being

**Metrics:**

1. Grow traffic on the Explore Rockville website
2. Work with the City to showcase the Public Art program
3. Develop content for various channels to promote Rockville's quality of life and healthy lifestyle
4. Work with the City on placemaking to create and activate areas to attract people
5. Work with the City to adjust ordinances as possible to create business advantages
6. Attract and grow creative industry businesses

## **MARYLAND WOMEN'S BUSINESS CENTER**

### **Proposed FY2023 Strategic Initiatives and Work Plan**

#### **Mission**

To empower small businesses and women entrepreneurs to launch and grow in Maryland's Capital Region.

#### **Vision**

Maryland is a recognized leader for growing and launching successful and innovative women-owned enterprises.

#### **Values**

Collaboration  
Empowerment  
Expertise  
Inclusivity  
Innovation

### **PROGRAMMING**

#### **Diagnosis:**

Women entrepreneurs in the region have unique small business needs and MWBC does not have enough information to determine how to properly serve their needs, especially post pandemic.

#### **Strategy:**

Be Client & Market Focused – MWBC needs to identify the needs in the market for women entrepreneurs so that it can serve them successfully.

#### **Tactics:**

1. Support women owned enterprises at all stages of the business life cycle
  - a. Education (workshops & training)
  - b. Technical Assistance (advising/mentoring)
  - c. Networking
  - d. Capital Access
2. Develop a women's entrepreneurial ecosystem map for the region.
3. Conduct a market study to determine current business needs of women entrepreneurs in the region including:
  - a. Solo entrepreneurs
  - b. Small start-up businesses
  - c. Entrepreneurs in regional growth industries
  - d. Minorities and veterans
4. Adjust programming to adapt to market needs
5. Consider expansion of the retail incubator program



6. Expand services on Bowie State University campus and Howard & Anne Arundel Counties
7. Develop a new online platform to create a virtual community and access to education & curriculum
8. Provide a clear list of funding resources to clients

**Metrics:**

1. Commission obtaining market information that will allow MWBC to make programming decisions
2. Track businesses at each stage of growth to determine which segments are best served by MWBC and how
3. Develop reporting about the success of the retail incubator and replicate it in other areas
4. Increase number of women entrepreneurs served
5. Provide at least 130 workshops through MWBC
6. Serve at least 1,200 MWBC workshop attendees

**COMMUNICATIONS**

**Diagnosis:**

There is not a clear map of the women's entrepreneurial ecosystem in the region, so MWBC needs to fine tune its communications to reach its appropriate market segment.

**Strategy:**

Maximize Community Impact and Build Awareness – Create community partnerships that help MWBC achieve exceptional and equitable impact as well as to grow the reputation of MWBC as a thought leader in women's entrepreneurial support and ecosystem development.

**Tactics:**

1. Understand the ecosystem so that MWBC and its partners understand each other's resources and services and can make appropriate referrals as well as act as ambassadors for each other's programs
2. Enhance MWBC image through dissemination of publications and performance reports
3. Develop messaging to engage MWBC client base and expand communication outreach
4. Position MWBC staff as thought leaders in their area of expertise and make sure information about the staff expertise is communicated in a way that reaches the potential market for MWBC services
5. Work with partners to outline ecosystem of funding sources for clients

**Metrics:**

1. Have an outline of the ecosystem of small business support partners to help

businesses navigate to services they need and to allow staff to make appropriate referrals

2. Increase involvement in professional associations like AWBC, WIPP, MEDA, and WNEBC.
3. Increase partnerships with other SBA service providers as well as involvement in innovations centers like the one at Bowie State University.
4. Track staff training, speeches, articles and social media highlights.
5. Enhance and expand the MWBC engagement with regional partners to help create a regional network of women's entrepreneurial support organizations

## **ROCKVILLE MARKET**

### **Diagnosis:**

The City of Rockville is a major funder, but there is not a clear articulation of the direct support of MWBC to Rockville small businesses.

### **Strategy:**

Provide Support to Rockville – MWBC will intentionally work to provide support to Rockville businesses and track that support to be able to show impact.

### **Tactics:**

1. Designate a MWBC business consultant to serve Rockville clients
2. Increase integration into REDI by working to be a funnel into their overall economic development programs
3. Be intentional in support for businesses in Rockville that are owned by persons of diverse and underrepresented communities including gender, race, and military service.

### **Metrics:**

1. Increase the number of Rockville businesses served
2. Identify and track the number of businesses owned by people from historically diverse and underrepresented communities served
3. Strive to infuse at least \$500,000 in capital through MWBC client assistance within the City of Rockville.
4. Assist at least 175 businesses owned/operated by people from historically diverse and underrepresented communities in Montgomery County and at least 30 in the City of Rockville through the MWBC.

## **OPERATIONAL FUNDING**

### **Diagnosis:**

MWBC needs to work with the host organization to secure recurring funding sources to

support its programming.

**Strategy:**

Cultivate Funding for Success – MWBC will look for additional funding sources to sustain its operations.

**Tactics:**

1. Obtain a second core grant from the SBA for the Bowie location
2. Work with counties MWBC serves to obtain funding to support operations in those counties
3. Look for private foundation and funding sources
4. Work with the AWBC and other WBC's to obtain higher limits of federal funding support
5. Show the impact and value of MWBC to MWBC funders and elected officials
6. Use additional recurring funds to hire more grant writing and management support

**Metrics:**

1. Obtaining additional federal support
2. Try to obtain additional support from Frederick, Howard and Anne Arundel counties
3. Participate on committees and in presentations by AWBC and SBA for additional federal funding

**Benchmark Data Points:**

- Total number of women-owned businesses in Maryland
- Total number of WBE/WOSB certified businesses in Maryland
- Percentage of local, state & federal contracts in women-owned businesses in Maryland
- Amount of corporate supplier contracts with women-owned businesses in Maryland
- Amount of SBA loans or private bank loans to women-owned businesses in Maryland