

# Exhibit B



## Rockville Economic Development (REDI) FY 2021

### Strategic Initiatives and Work Plan

#### Introduction

Rockville Economic Development, Inc. (REDI) is a non-profit organization **with a mission dedicated to identifying and developing economic opportunities to help Rockville prosper.** REDI provide economic development services to the City of Rockville, Maryland through a Memorandum of Understanding (MOU), and works with the Mayor & Council as well as city staff **to position Rockville as a 21<sup>st</sup> century city for business.** The MOU requires REDI to provide a Strategic Initiatives and Work Plan for the coming year.

This document outlines the Strategic Initiatives and Work Plan that the REDI Board has developed over the last two years to provide guidance for staff and the Board moving forward to meet the mission and vision of the organization in FY2021.

In FY 2020, the Board refreshed the mission, vision and values of the organization with the assistance of GKA, a local marketing firm. The mission and vision are noted above in red.

REDI's core values are:

Be Proactive

Be an Expert

Be Innovative

Be Collaborative

Be Impactful

A general positioning statement was also developed to express the benefits of Rockville for business.

Rockville feels like a familiar place - where neighbors coalesce and the history of Rockville is in everyone's backyard. We support each other here and we each leave an imprint on Rockville's future.

Although Rockville is known for leading in science and tech, our renowned educational institutions, accessibility to federal organizations, a vast transportation system and world class talent, it is our celebration of people that precedes our reputation as one of the most inventive cities in the nation.

Every day we become a little smarter by upholding diversity of thought, culture, and ideas. We enact programs like FAST track permitting and MOVE incentives to attract companies that help promote ingenuity. As a result, business is easier in Rockville because we support our community, expand opportunities and retain generations of citizens.

During its retreat in February 2020, the REDI Board examined four major areas for continued growth in the key focus areas of:

- Business Retention/Expansion/Attraction
- City Projects
- Small Business Assistance
- Workforce Alignment

The plan for growth in these areas are discussed below, along with metrics used to measure performance.

## **Key Focus Areas**

### **BUSINESS RETENTION/EXPANSION/ATTRACTION**

REDI is the City of Rockville's economic development organization and therefore the point of contact for businesses who are looking to locate in the City or that have needs to help them grow or stay within the City. REDI works to increase jobs, the tax base, and capital investment within the City by assisting such businesses, as well as partnering with other economic development agencies such as Montgomery County Economic Development Corporation (MCEDC) and the State of Maryland Department of Commerce with whom we collaborate to bring new companies to Rockville. We also collaborate with other business organizations such as the Washington Board of Trade, the Rockville

Chamber of Commerce and the Montgomery County Chamber of Commerce in order to be visible to businesses who may need our services as well as to keep our hand on the pulse of business needs. REDI seeks to strengthen and broaden the city's economic base through business entrepreneurship, expansion, retention, and recruitment and provide support to new and existing business ventures in the city. Our services include:

- Assisting with expansion efforts
- Site selection assistance
- Fast track development coordination
- Export opportunities
- Assistance in navigating the governmental regulatory process
- Economic incentives for qualifying businesses
- Access to new markets
- Information about access to capital
- Access to economic data and demographic research
- Educating our businesses about procurement opportunities
- Access to subject matter experts
- Serving as liaison to all levels of government
- Workforce development

Target Industries for Rockville:

- Bio Tech/Bio Health
- Technology
- Cybersecurity
- Professional Services
- Hospitality
- Creative Industries

It was identified by the Board at the February 2020 retreat that REDI needed to develop a coherent sense of place and brand for businesses. This is one of the major tasks of our marketing firm GKA to help us refine our positioning statements for specific target industries, as well as to revamp our messaging and brand. We expect to launch our new website in August 2020, which will allow us to amplify our message and brand. GKA has already done the foundational work in FY2020 in creating our brand manifesto and messaging based on input received from stakeholders.

REDI's business attraction, retention and expansion efforts focus on supporting existing and startup businesses in the target industries. Our goal is to retain existing small and mid-sized businesses in

these sectors and assist with their expansion efforts, as well as to attract new business in these sectors. For example, in 2019-2020 REDI attracted two pharmaceutical companies that will produce upwards of 700+ jobs in Rockville. REDI's targets 1) new and/or startup bio and tech companies; 2) any company in a growth phase; 3) any company with expiring leases within 12-18 months; and 4) any company with significant gains or losses in employment over a 1-year period. In FY 2021, REDI will develop target strategies especially for Bio Tech/Bio Health and Technology/Cybersecurity to attract new businesses in these industries to Rockville. Attraction efforts are assisted with the incentive programs that REDI administers.

In FY 2020, the City of Rockville invested in a study of the existing creative industries in the City, and it was determined that there is a strong base and identity of that industry sector here. Rockville has the opportunity to leverage this position to solidify its reputation as an arts and cultural location and destination. Towards this end, REDI is working with City Staff to look at highlighting the assets in these areas across the City and is ready to participate in an analysis of whether creation of an Arts & Entertainment District in Rockville would make sense. It is acknowledged that the creative industries are an impactful sector that creates job and invests in the local economy, as well as being an attractor to other businesses who have employees that would like to have creative opportunities to enhance the quality of life for them and their families.

## **CITY PROJECTS**

There is a need for a strong voice at the table to articulate the impact certain City projects will have on the Rockville economy and to help bring industry standard analysis to projects in the area of real estate, valuation of assets, and economic impact.

REDI has been assisting, and will continue to assist with the following:

- Redevelopment of Rockville Metro and Bridge
- King Farm Farmstead
- ULI Tap recommendations for Town Center
- Input on the 2040 Comprehensive Plan
- Working with Planning on developing demographic and market data
- Working with the City on a business survey
- Working with building and zoning staff to assist economically impactful businesses come to Rockville or grow their space in Rockville

REDI will also participate in such discussions as:

- Bringing cultural institutions to the City
- Creation of an Arts and Entertainment District
- Use of Economic Development financing tools
- Development of Stone Street
- Branding market areas like East Gude

At the February 2020 Board retreat, the REDI Board noted that REDI is not always seen as an impactful partner of the City at the table, and it is not always clear what role REDI should play at the table on City projects. Therefore, REDI will work towards establishing itself as a trusted resource and partner that can bring added value to the City on projects that impact the economy. REDI will continue to have conversations with Mayor & Council to see how REDI can support City projects and bring value.

### **SMALL BUSINESS ASSISTANCE**

Small businesses (which form a large part of our economy) have a lot of challenges to navigate with limited resources, especially in the COVID-19 era. REDI has offered a well-respected SBA program, The Maryland Women’s Business Center (MWBC), for over ten years, which has a mission to empower small businesses and women entrepreneurs to launch and grow in Maryland’s Capital Region. The MWBC is working towards a vision where Maryland is a recognized leader for growing and launching successful and innovative women-owned enterprises. While MWBC focuses on women entrepreneurs and has a goal of helping minorities in particular, the services are available to all entrepreneurs. We provide no cost one on one business counselling, affordable trainings and workshops as well as facilitate pro bono assistance from legal and accounting professionals.

The core values of the MWBC are collaboration, empowerment, expertise, inclusivity, and innovation. The program currently targets entrepreneurs in Prince George’s, Montgomery and Frederick Counties. It receives support from the federal government through the Small Business Administration, the City of Rockville, Montgomery County, the City of Bowie, Prince George’s County, Frederick County, and various foundations and private funding sources.

At the beginning of FY2021, REDI brought on Morgan Wortham as the new Managing Director of the program. Morgan is a community economic development professional with over 20 years’ experience in urban planning, community organizing and business development, including workforce development and entrepreneurial programs. Formerly Founder and Executive Director of ReNew Waterloo Community Development Corporation and President/CEO of Envision Community Solutions, she holds an MBA from University of Northern Iowa and MPA from Drake

University and is pursuing a doctorate in Urban & Regional Planning and Design at the University of Maryland.

MWBC in FY 2021 will continue to address COVID-19 challenges being experienced by small businesses. An SBA-COVID grant for \$420,000 was received to develop new programming and trainings, as well as a COVID focused grant from Montgomery County to assist childcare businesses, which are nationally identified as a lynchpin for letting people return to work. In addition, we received a grant from the Greater Washington Community Foundation to do an in-depth research project of Montgomery County and Prince George's County smaller childcare businesses to identify needs and challenges so that we may work with jurisdictions to address obstacles to reopening and sustaining this critical industry.

MWBC will also continue the following programs:

- Retail Incubator in Rockville Town Center known as Shop Local. This provides entrepreneurs who make a product the ability to try out a brick and mortar location. This project is in partnership with the City of Rockville and Federal Realty Investment Trust
- Assisting Child Care businesses with training on how to run a business as well as navigation of available COVID resources. This is in collaboration with Montgomery County.
- The We Grow leadership growth program for entrepreneurs ready to move to the next level. This is funded in part by Capital One.
- Training series for procurement, import/export, business basics, marketing, financial literacy, remote operations and management, cybersecurity concerns, etc.

**WORKFORCE ALIGNMENT**

Both pre- and post-COVID data shows that businesses are having trouble finding qualified employees for reasonable prices in our market, and that poaching of employees between businesses (lab/tech) is increasing salaries at a rate not desired by businesses. There is also an increase of remote working.

REDI has worked to elevate the conversation between businesses and educational institutions to define more clearly what skills gaps need to be closed and to determine what workforce pipeline challenges area businesses experience. In June 2020, REDI held the first workshop roundtable of business leaders with area educational leaders to start this discussion. It was clear that while we have a lot of resources and programs available to businesses, the awareness of programs is not enough. Because of the siloed resource providers, it is difficult for businesses to navigate the information about available resources.

Therefore, REDI is working with its Education/Workforce Committee to develop a continuing discussion between educational institutions (i.e. Montgomery College, Universities of Shady Grove, Montgomery County Public School System) and local businesses. The goal is to develop a portal for information on the REDI website that outlines this, as well as to develop a roadmap for employers to understand the timing and outputs for various training and educational programs.

In addition, it has been noted that Rockville needs to grow its millennial talent pool and retain residents in the community for work. The Mayor & Council invested in a consultant who outlined the needs of millennials, which includes the ability to feel like they are having positive social impact, are environmentally conscious, and are able to work and play in a walkable neighborhood. REDI is working with City staff on highlighting these attributes in Rockville neighborhoods like Town Center and Twinbrook, as well as highlighting activities that attract millennials like the craft beverage industry.

**METRICS**

REDI has traditionally included this chart for metrics in the City Budget:

Performance Measures	Actual FY2018	Adopted FY2019	Actual FY2019	Proposed FY2020	Proposed FY2021
Number of strategically placed print ads in regional/national publications *	---	---	3	2	4
Number of digital ads promoting Rockville as a place to do business *	---	---	20	24	30
Number of business visits	131	135	89	140	
Business Incentive Grant recipients (Move/Expansion)	8	3	3	10	7
Square footage of space leased by grantees	34,200	10,000	28,630	40,000	35,000
Aggregate average annual salaries for grantee firms	\$67,000	\$87,000	\$97,250	\$87,000	90,000

Number of full-time jobs added to Rockville through grantees *	---	---	88-118	45	80
Number of MWBC workshops offered to entrepreneurs	154	130	140	135	125
Number of MWBC workshop attendees	1,311	1,200	1,196 (734 Montgomery County)	1,200	1,200
MWBC Capital Infusion *	---	---	\$102,500 Rockville/\$1.6M Montgomery County	\$500,000	\$500,000
Number of Rockville companies promoted through social media	---	140	128	156	150
Number of broker/economic development event sponsorships*	---	---	0	4	4
Number of industry sector events hosted/promoted*	---	---	3	8	8
Number of external articles posted that share news about Rockville's industry sectors*	---	---	20	24	25

These metrics are largely quantitative in nature. REDI also will strive in FY2021 for the following qualitative metrics:

**Business Retention/Expansion/Attraction**

- Continue to grow relationships with other EDO's and Business Organizations
- Develop a list of businesses in each target industry in Rockville
- Grow the number of Cyber/Tech businesses in Rockville
- Continue to support the growth of Bio/Health businesses
- Advocate for development of more small lab space in Rockville
- Brand East Gude and other neighborhoods for identity and highlight the target industries
- Launch new website, market Rockville to site selectors, brokers, and at trade shows
- Hold a broker event to showcase Rockville



- Conduct a Business Survey

### **City Projects**

- Redevelopment of Rockville Metro and Bridge
- Help find user for King Farm Farmstead
- Help execute ULI Tap recommendations for Town Center
- Help explore bringing cultural institutions to the City
- Help look at creation of an Arts and Entertainment District

### **Small Business Assistance**

- Add staff to MWBC including a Training, Events and Outreach Manager and several Associate Business Counselors
- Add new Advisory Board members to provide strategic guidance and input to the work for MWBC
- Develop and implement rebranding and marketing plan to further the awareness of the reach to new clients
- Provide services to meet COVID grant requirements and assist businesses in dealing with the COVID environment
- Assist Montgomery County in stabilizing its childcare industry by providing trainings and counselling
- Develop research that will assist the childcare industry meets its needs and stabilize in Montgomery and Prince George's Counties
- Continue to develop the retail incubator and provide vibrancy to Rockville Town Center
- Continue to find ways to provide value to women small business leaders in the community through the We Grow program and our annual acknowledgement event

### **Workforce Alignment**

- Continue the series of workforce/education discussions to bring educational leaders together with business leaders to discuss closing the skills gap and helping to build the needed workforce pipeline for area businesses
- Develop a portal on REDI's website to outline resources available to businesses to develop workforce with local educational institutions
- Work to help create a workforce roadmap so that businesses can plan for workforce development through various training and/or educational programs.

- Help to create an environment that helps employers attract younger workforce like supporting creative industries and elevating the awareness of things to do in Rockville like visit craft beverage areas.

We look forward to serving the City in FY2021 and continuing to identify and develop economic opportunities for Rockville to make it as strong and resilient as possible, and to reinforce efforts to maintain and enhance the quality of life in Rockville as an attractive business location.