



REDI Board of Directors Meeting

MINUTES

September 28, 2023, 8:00 am.

Hybrid Zoom/In-Person Meeting

51 Monroe Street, PE20, Rockville, MD 20850

Board attendees virtual: Nikhil Bijlani, Nick Fullenkamp, Marji Graf, Bei Ma, Suzanne Osborn, Todd Pearson, Susan Prince, Nancy Regelin, Michael Scott, Justin Yang

Board attendees in person: LaVonne Torrence Berner, Barack Matite, Kelly Groff, Bridget Newton, Morgan Sullivan, Cliff Veirs

Absent Board Members: Richard Alvarez, Ben Anstrom, Angela Chaney, Alton Henley, Carla Merritt, Bill Tompkins

Other in-person attendees:

Staff: Cindy Rivarde, Richelle Wilson, Yesenia Cruz, Amanda Bosland, Danette Nguyen

Visitors: Karyn Miller (Rockville Arts, Culture and History Program Manager), Randy Cohen (Presenter – Vice President of Research for Americans for the Arts), David Gottesman (Assistant City Manager)

Other Virtual attendees:

Rhonda Devan (CFO), Mark Pierzchala (City Council Member), Manisha Tewari (CPDS), Brittany Eggum (member of the public)

1. Call to Order, Welcome and Remarks – Susan Prince

Susan Prince called the meeting to order at 8:01 a.m.

2. Operational Items

a. **Action: Approval of Minutes (July) - Susan Prince**

ACTION: Todd Pearson made a motion to approve the July minutes. The motion was seconded by Morgan Sullivan and passed unanimously.

b. **Treasurer's Report – Todd Pearson/Rhonda Devan**

- i. **Review of Financials (July)** - Mr. Pearson went over the financials for July, the first month of the new fiscal year. There are just over \$1.3 million dollars in total cash funds. At an average monthly expenses rate of about \$185,000 there are about 6 months of cash coverage. Mr. Pearson stated REDI is in good financial standing, having already received 25% of our total revenue funding for the year. He noted that because there is a new lease term, the deferred rent may show cash flow at a higher rate, but the amount will be drawn down over the term in accordance with the new accounting principles. The bulk of the total revenue expected are from the City of Rockville, and the first half were received in August (after the July report). Ms. Rivarde noted that there should not be an operational concern due to the impending Federal shutdown, as most of the authorized SBA payments were already received and there is sufficient cash flow to weather a shutdown for a period of time.
- ii. **FY23 Outside Audit to be Presented to the Board in October** - Ms. Rivarde noted that the audit will be presented by our outside audit firm, Snyder Cohen. We are required by the SBA to submit an independent audit by the end of October.
- iii. **FY2019/2022 SBA Audit – still pending SBA response** – with staff changes as the SBA, these continue to be outstanding items.

3. **CEO Report – Cindy Rivarde**

Before giving the CEO report, Ms. Rivarde informed the board that the agenda had been restructured to align with the FY 24 Work plan, a copy of which is in the Board packet.

- a. **Annual Report, presented to Mayor and Council on September 18th** – Ms. Ms. Prince noted that the presentation of REDI's Annual Report to the Rockville Mayor and Council was met with appreciation and great feedback. A copy of the report is available on the REDI website, and the presentation can be viewed on the City's agenda center.
- b. **Work Plan based on Strategic Initiatives**
 - i. **Business Retention, Expansion, Attraction**
 1. **Life Science Branding Project**

Ms. Wilson stated that the Life Science branding project is under way and the consultant is wrapping up the last focus group. Medium Giant is planning to be in town either on the week of October 16th or October 23rd. Some board members, especially those on the Bio committee, can expect an invitation to interact with Medium Giant. After this immersion tour, the consultant will work on branding options that will be presented to a stakeholder group for input. It is hoped that the development of the brand will be close to complete by the end of the calendar year.

2. **Rise Zone Opportunity**

Ms. Rivarde reported that Jim Soltesz approached the City about how to incentivize the life science and bioscience businesses from a regulation and planning standpoint. In addition, staff met with MEDCO (Maryland Economic Development Corporation) who suggested considering the creation of a state designated RISE Zone. [RISE Zone Program | Maryland Department of Commerce](#) Ms. Rivarde will be meeting with Anne Khademian from USG to see if a partnership is possible. Rise Zones can encompass up to 500 acres, and require a relationship with a higher-level education institute. There are existing rise zones throughout the state, including Towson University, University of Maryland College Park, and Montgomery College's campus in Germantown. Ms. Rivarde stated that setting up this rise zone will provide us with an opportunity to look at tax increment financing opportunities and it could open up the ability to do some bonding through the state.

3. **Business Visits/Openings**

Ms. Wilson stated that two weeks ago, Mr. Pearson organized a wonderful construction tour of Twinbrook Quarter. Board members who could not attend have let Ms. Wilson know they would love another opportunity. Ms. Wilson reminded the board that recent grant recipient Interfaith Works will have an open house in the new space they leased at 981 Rollins Avenue on October 11th. All board members are invited.

ii. **Marketing**

1. **Messaging/Projects**

Ms. Bosland stated that marketing has a focus on supporting the incentive program, especially getting the word out through social media. Ms. Bosland is also working with Ms. Wilson to update the REDI's website.

2. **Explore Rockville/Rockville Rewards**

Ms. Bosland informed the Board that REDI is officially managing the Rockville Rewards program and is finalizing business participation to create a big push for the actual offers. This will help reinvigorate the program and it will be incorporated into Explore Rockville’s social media and communication channels. Ms. Bosland stated that through Explore Rockville, REDI will be able to build out the business directory and give the businesses more exposure. Ms. Rivarde added that we are still partnering with the Chamber on this program and there was talk of a possible Global Bites initiative with the Chamber.

iii. **Placemaking/City Projects/Creative Industries**

1. **Rock East Small Manufacturing Initiative**

Ms. Wilson updated the board on the status of the Rock East project and stated that they are working with Recast City to focus on small manufacturers in the area and create a strategy along with REDI’s partners, that will focus on understanding the needs of the businesses in Rock East. The kick-off meeting with Recast City will be next week.

Ms. Rivarde mentioned that REDI is supporting the City on a number of key projects such as:

2. City’s Zoning Re-Write
3. Town Center Plan Amendment Process
4. Relationship with Montgomery College
5. Master Art Plan/Arts and Entertainment District

iv. **Small Business Support – Danette Nguyen**

1. **SBA Grant Programming**

a. **IntHERact**

Ms. Nguyen announced MWBC’s second IntHERact event. in Frederick County at a woman-owned distillery called Tenth Ward Distillery. Ms. Nguyen extended the invitation to the board and stated that these events will occur on the fourth Thursday of every other month.

b. **Shop Local**

Ms. Nguyen reported that the current cohort has produced the strongest sales since the inception of the program. The cohort

participants have taken the lead in store management and engaging programming. The Board should watch their social media channels for workshop dates for such activities as jewelry and candle making.

c. **Childcare**

Ms. Nguyen applied for the Connected Maryland Grant from the State of Maryland’s Department of Housing and Community Development to request 100 laptops for the childcare program. If the award is granted, we can provide laptops to those in financial need in Montgomery County, Baltimore City and Baltimore County.

d. **BSU/CORE Updates**

Grant agreements have been issued and accepted for the next budget cycle for both grants. Ms. Nguyen stated that on Friday, we will be closing out our grants for this current fiscal cycle.

e. **Microgrants for Creative Businesses**

Staff will meet with representatives of Frederick City and County about the proposed Creative Capital Microgrant program.

f. **Elements of Entrepreneurship (EofE) – Sponsorship**

Ms. Nguyen stated that the first cohort of the Elements of Entrepreneurship series graduated on September 27th. Truist Bank has agreed to sponsor the participation fee for 20 entrepreneurs in an upcoming cohort. Truist Bank is also sponsoring the IntHERact event on October 26th.

2. **Market Assessment**

No updates for market assessment.

3. **Ecosystem Mapping**

No updates for ecosystem mapping.

4. **Communication Efforts**

a. **Mapping BSU Community**

Ms. Nguyen mentioned that the Bowie State University intern from this past summer was very instrumental in

mapping out our BSU community. Our first initiative with BSU next month will be a merchandising class for their entrepreneurship innovation center.

b. **Resource Recap**

Every Friday, MWBC is providing a resource recap on social media to give updates on training, events, and grants.

5. **Support of Rockville Businesses**

a. **Resources for your Business Training**

MWBC is continuing to provide training in partnership with REDI and the local library. This training helps businesses learn about grants or incentives. About 24 people attended the last webinar.

b. **Procurement Training Series**

MWBC provided procurement training as a hybrid series with 24 attendees, who had the opportunity to create a relationship with the principal buyer. This programming also allows jurisdictions to highlight their purchasing programs. Ms. Nguyen stated this series was so successful that they are considering having it on a quarterly basis.

c. **Permitting Training Series**

This series currently being developed will break down what kind of permitting is needed to open a business.

6. **Operational Funding**

a. **Montgomery Community Grant**

Ms. Nguyen mentioned that she applied for \$375,000 to expand the MWBC Shop Local to Wheaton. We have successfully passed to the subject matter expert review. By the end of the month, we should know if we made it to the next round.

b. **Nasdaq**

This grant opportunity for \$75,000 of unrestricted funding is due by the end of next month.

c. **Truist Bank**

This grant opportunity for \$130,000 of unrestricted funding is due by the end of next month.

v. **Administration**

1. **Hire Program Manager at BSU Location**

Francisco Cartegena will be joining REDI as the new BSU Program Manager. He will start October 10th. Mr. Cartegena is coming from his position running the innovation center for the Universities at Shady Grove. He formerly worked in the IT department for the City of Gaithersburg. His background is a great fit for meeting the SBA requirements for engaging and developing tech businesses at BSU.

2. **Obtain Indirect Rate for SBA**

The staff is working with Ms. Devan on an application for an indirect rate for Federal grants. Currently, the minimal estimate is 10%, but if an indirect rate is approved, it can be more.

3. **Renegotiate IT Agreement**

The Agreement with REDI's IT provider, Airiam has been renegotiated after being in place for 9 years. The Finance Committee approved moving forward with the new contract without an RFP because the fee increase of \$11,000 was minor given the upgraded services with stronger cyber security measures and a CIO function – which will be able to be implemented with little disruption to operations. The upgrades will also position REDI to secure cyber insurance.

4. **Staff Training**

Staff continues to work with Montgomery College on executive coaching and staff training using the Birkman method. Ms. Rivarde shared that she, Ms. Wilson and Ms. Nguyen have been working through a leadership series and learning to be a stronger team.

5. **Equity Brain Trust – Assessment**

The Equity Brain Trust is a company that has come up with a computer model that will give you an equity score. We are currently working with them on a contract to have them do a score for us and come up with a plan on how to improve it. This will be an initial step, and a funding request for the follow up work will be included in the FY 25 budget request to the City.

6. **Holiday Party**

Ms. Prince will host this year's holiday party. A Wednesday is preferred. Board Members should let staff know quickly of any conflicts with other events.

4. Presentations – Randy Cohen, Americans for the Arts

Mr. Randy Cohen, the Vice President of Research for Americans for the Arts, presented the economic impact of the arts. The Arts & Economic Prosperity 6 report will be issued very shortly and will provide updated stats that are very valuable to understand how the creative industries factor into our larger economy. Mr. Cohen noted that 90% of the American public think that the arts improve quality of life and 86% of the public also believed that the arts are beneficial for local businesses and the economy. At the state level, research shows the correlation between an increase in jobs in the arts and a subsequent increase in jobs in other industries. The arts and cultural production satellite account, conducted by the Bureau of Economic Analysis over Commerce, showed that the arts industry, which is now a \$1.03 trillion-dollar industry, makes up 4.4% of the nation's economy, a larger share of GDP than transportation, construction, and agriculture.

Montgomery County was one of the communities included in the Arts and Economic Prosperity 5 report. Within that report, a total of one thousand intercept surveys were administered throughout Montgomery County. The findings revealed that individuals who reside in the county and attended art events, expended an average of \$22.53 per person, per event. Individuals that reside outside of Montgomery County spent an average of \$28 per person, per event. Findings also showed that the Government received an estimated \$27.5 billion in revenue every year as a result of the economic activity of nonprofit arts organizations and their audiences. Mr. Cohen discussed the importance of the arts in creating places where people want to live and work. More information can be found in the presentation that will be shared.

5. Strategic Items

a. Incentive Committee – LaVonne Torrence Berner

Ms. Berner stated the committee recently met to discuss the grant program's administrative processes and how the program objectives are being met. The application deadline for all grants is September 30th and Ms. Berner encouraged the board members to refer any businesses who could benefit.

b. Marketing Committee – Bei Ma

Ms. Ma had no further updates to provide as Ms. Bosland provided an earlier update.

c. MWBC Advisory Board – Nancy Regelin

Ms. Rivarde stated the advisory board is working on engagement and trying to meet more often. Ms. Nguyen provides in-depth monthly updates to the advisory board.

d. Bio Committee – Justin Yang

Mr. Yang stated the bio committee met in September. One of the major goals is to plan for a bio event. The location and date are still being decided and more information will be provided once there is an update.

6. Brief Partner Updates:

a. Rockville Chamber of Commerce – Marji Graf

Ms. Graf sent out reminders about important dates such as the Real Estate panel at Cambria on 10/17, the Rockstar Awards on 11/12, the Economic Development panel on 11/20, and the Holiday Party/Casino Night on 12/13.

b. City of Rockville – Mayor Newton, Barack Matite

Ms. Rivarde informed the board that Mr. Matite is now officially a board member. Mayor Newton introduced Mr. Matite as the acting City Manager. Mayor Newton highlighted that the City looks forward to elevating the Arts and Culture history of the City of Rockville, and introduced Karyn Miller, the City’s new Arts, Culture and History Program Manager. Mayor Newton stated that REDI’s Annual report presentation was excellent. Mayor Newton communicated the end of the term is approaching and the election takes place on November 7th. The inauguration will be on November 19th. There will be three candidate forums televised on Channel 11. There are two candidates running for Mayor and 12 for six council seats. Mr. Matite asked the board what they want to read in the City’s monthly report. Ms. Rivarde invited the board to send her any suggestions or comments.

c. Montgomery County EDC – Bill Tompkins

Mr. Tompkins was not present, however, Ms. Rivarde stated Mr. Tompkins and Ms. Merritt were both working on coordinating the Secretary of Commerce’s visit to Montgomery County. Ms. Rivarde stated that Secretary Anderson will tour the County on October 4th starting with a tour of Twinbrook Quarter.

d. Maryland Department of Commerce – Carla Merritt

Ms. Merritt was absent; however, Ms. Rivarde provided the above update.

Susan Prince adjourned the meeting at 9:25am

Upcoming Important Dates:

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| Executive Committee Meeting | October 10, 4:30 p.m. |
| Finance Committee Meeting | October 10, 5:30 p.m. |
| Chamber Real Estate Panel | October 17, 8:30 a.m. Cambria |
| Board Meeting | October 26, 8:00 a.m. |

Chamber Rockstar AwardsNovember 2, 6:00 p.m.,
Manor Country Club