



Incentive Review Process

Adopted on January 29, 2024, by the Incentive Review Committee

Purpose:

This document outlines the administrative process concerning the grants administered by Rockville Economic Development Inc. (REDI). This process intends to provide insight into the overall grants program, grant eligibility, submission and selection process, awards distribution, post-award monitoring, and reporting of the grant program. This process ensures that the allocation of funds to businesses aligns with the overall economic development goals of the City of Rockville.

Grant Programs

The primary purpose of incentive programs is to attract and support healthy businesses by offering financial support. These programs are aimed at enticing businesses to establish or expand their operations within the City of Rockville, foster job creation, boost local investments, provide public benefit to residents, and contribute to overall economic growth. REDI administers three incentive programs for businesses in the City of Rockville: MOVE, Expansion, and the Small Business Impact Fund.

MOVE Description:

This MOVE program is designed to reduce vacant Class A and B space by providing incentive grants to eligible businesses that (a) relocate to corporate limits of the City of Rockville from outside the City, or (b) move into their first commercial space within the corporate limits of the City of Rockville. Ideal applicants are businesses that strengthen the City of Rockville's economy by creating jobs in high-growth industries and investing in the quality of their facilities. Eligible businesses may receive a grant of up to \$4.00 per square foot, which may be combined with a grant from Montgomery County's MOVE Program for up to \$8.00 per square foot (requires a separate application).

Eligibility:

- The business must be relocating or expanding from outside the corporate limits of the City of Rockville, or a business moving into their first commercial space.
- The business must sign a lease and remain within the City for a minimum of three years or purchase a property within City limits.
- This program supports Class A & B office and industrial space and properties categorized as retail and flex.
- Leased or purchased space must be greater than or equal to 1,000 square feet for office, industrial, or flex and greater than or equal to 500 square feet for retail.
- Business must be in good standing with the city, county, state, and landlord.
- Applicants can operate in any industry sector. Franchises and chains will be considered on a case-by-case basis.
- This is a one-time grant, and the maximum award is \$40,000. Amounts are based on the availability of funds.

1. Expansion Description Program:

The expansion program is designed to reduce vacant Class A and B space by providing incentive grants to eligible businesses currently located within the City of Rockville limits and expanding their physical footprint. A business could expand the footprint of its existing space by (a) entering into an expansion lease at its current location or (b) entering into a new lease or purchase of property that expands the physical footprint of its business. Eligible businesses may receive a grant of up to \$4.00 per square foot.

Eligibility:

- The business must currently reside within the City of Rockville corporate limits.
- The expansion lease or purchased space must be greater than or equal to 1,000 square feet for office, industrial, or flex and greater than or equal to 500 square feet for retail.
- This program supports Class A & B office and industrial space and properties categorized as retail and flex.
- Funds can be used for the build-out process or the purchase of furniture.
- The business must sign a lease and remain within the City for a minimum of three years.
- Business must be in good standing with the city, county, state, and landlord.
- Applicants can operate in any industry sector. Franchises and chains will be considered on a case-by-case basis.
- This is a one-time grant, and the maximum award is \$40,000. Amounts are based on the availability of funds.

2. Small Business Impact Fund (SBIF) Program Description:

The SBIF program aims to foster economic vitality by providing financial assistance to existing, qualified businesses in the City of Rockville looking to scale their businesses through the use of specific improvements to their operations such as marketing, tenant improvements, signage & facade implementation upgrades, and equipment purchases or upgrades. The business must also identify how it contributes to the public.

Eligibility:

- Be an active business located within the City limits of Rockville, having been in operation for a minimum of three years.
- Identify a project or projects to scale business.
- Demonstrate how the business contributes to the public by creating or retaining jobs for traditionally under-employed populations, fostering a positive social impact by partnering with local nonprofits and creating or providing key business uses and services for local residents.
- Applicants can operate in any industry sector. Franchises and chains will be considered on a case-by-case basis.
- Business must be in leased, coworking, or owned space within the City of Rockville limits.

- The company must be in good standing with the city, county, and state.
- Business must be in good standing with the city, county, state, and landlord.
- Businesses must remain in the City for a minimum of one year. Amounts are based on the availability of funds.

Application Screening:

- All potential applicants must schedule a preliminary meeting with designated REDI staff before submitting their application.
- The designated staff will verify that all applicants meet all eligibility requirements and are in good standing with the city, county, and state.

Grant Application Submission:

- Grant applicants submit their applications by the deadline (currently April 30 and September 30) through REDI's designated online portal.
- Applications must include all required documents and information outlined in the grant guidelines.
- The designated staff reviews each application for completeness and eligibility requirements.
- Incomplete applications are returned to the applicants with a request for missing information.
- Ineligible applicants are contacted and notified why they did not meet the eligibility criteria.

Grant Review Process:

- The designated staff assembles application packages for the Incentive Review Committee to evaluate prior to the meeting.
- Grant awards are decided by the Incentive Review Committee consisting of board members and local business professionals with relevant expertise.
- The designated staff schedules meetings with the Incentive Review Committee at which the Incentive Review Committee members have already independently reviewed each applicant. The Committee will discuss, score, and finalize a list of approved applicants based. Scores are based on a variety of evaluation criteria. See the attached sample score sheet for reference.
- The designated staff compiles individual scores and comments submitted by each committee member for each application.
- If necessary, the Incentive Review Committee may seek clarification or request additional information from applicants before approving any application.

Award Distribution

- Applicants are notified via email by the designated staff of the Incentive Review Committee's decision. At this time, the designated staff will go over the next steps with all applicants.
- Successful applicants are required to provide any additional information for grant distribution.
 - a. **MOVE/Expansion**
 - i. For each applicant, proof of occupancy is required.

1. Proof of occupancy includes an occupancy permit issued by the City of Rockville Planning Department or a utility bill (WSSC, Comcast, BG&E, Pepco, or Washington Gas)
- ii. Upon receipt of a certificate of occupancy (CO), MOVE/Expansion recipients are provided with a grant award letter.
- iii. Designated staff schedules time to visit the property and verify its presence.

b. SBIF

- i. If a company is awarded a grant, they will be required to sign a performance agreement between the grantee and REDI. The grantee will be responsible for the obligations outlined in the performance agreement.
- ii. Grantee must maintain a presence for a minimum of one year within the City of Rockville.
- iii. Designated staff schedules time to visit the property and verify its presence.

Post-Award Monitoring and Reporting:

- The designated staff visits the location of applicants to check in with the applicant and provide any additional resources.
- SBIF recipients are required to submit regular progress reports.
 - c. The designated staff monitors project implementation and addresses any issues or concerns.
 - i. Non-compliance or changes to the project scope are addressed through appropriate measures as outlined in the grant agreement.
- All SBIF recipients are required to meet with a counselor from the Maryland Women Business Center at least once a quarter within their performance period.

Vocabulary List

1. Applicant – any business that is applying to REDI’s incentive programs.
2. Business – refers to any establishment that is looking to relocate to Rockville, expand in the City of Rockville or scale their business.
3. Certificate of Occupancy – is the final construction document issued by the Building Official to authorize occupancy of a structure upon completion of all building issues.
4. Class A – represents the highest quality buildings in their market and area. They are generally newer properties with top amenities, high-income earning tenants, and low vacancy rates.
5. Class B – these properties are one step down from Class A and are generally older, tend to have lower income tenants, and may or may not be professionally managed.
6. Class C – properties are typically more than 20 years old and located in less-than-desirable locations. These properties are generally in need of renovation, such as updating the building infrastructure to keep it up to date.
7. Flex Property – property that is a hybrid of office and industrial space.
8. Grantee – recipient of grant.
9. Industrial Property – properties used for manufacturing, processing, warehousing or e-commerce.
10. Leased space – space that is under contract between a landlord and a tenant or between a tenant and a subtenant.
11. Office Property – Offices are commercial properties that are primarily used to maintain professional or business offices.
12. Purchased Property – property in which an entity gains ownership or control of real property (real estate) or an interest in real property.
13. Retail Property – properties used to market and sell consumer goods and services.