

MINUTES

Board of Directors Working Session Business Retention, Attraction and Expansion A Deep Dive into Key Industries

April 27, 2024, 8:00 a.m. Shulman Rogers, 12505 Park Potomac Avenue, Potomac, MD 10854

ATTENDANCE

Board attendees:

Monique Ashton, LaVonne Torrence Berner, Nikhil Bijlani, Nick Fullenkamp, Marji Graf, Kelly Groff, Bei Ma, Suzanne Osborn, Susan Prince, Nancy Regelin, Michael Scott, Craig Simoneau, Bill Tompkins, Cliff Viers, Justin Yang

Absent Board Members:

Richard Alvarez, Angela Chaney, Alton Henley, Carla Merritt, Todd Pearson, Morgan Sullivan

Other attendees:

<u>Staff:</u> Cindy Rivarde, Richelle Wilson, Danette Nguyen, Yesenia Cruz, Amanda Bosland, Karen Kalantzis, Zeinna Estrada, Francisco Cartegena <u>Visitors</u>: Barry Jackson (Rockville Councilmember), Dave Gottesman (Assistant City Manager), Ricky Barker (Director DPDS), Natalya Bah (Natalya Bah Consulting/Montgomery College), Ilana Preuss (Recast Cities- Speaker), Peter Fosselman (Montgomery County), George Thomas (Connected DMV), Hui-Min Tzeng (Maryland Department of Commerce)

WELCOME AND PRESENTATIONS

Welcome and Goals for Session.....Susan Prince

Ms. Prince welcomed everyone about 8:05 a.m. and stated that the purpose of the retreat is for the staff to use the expertise of the Board to help set the strategic goals for the next fiscal year. This is done with the Richard Rumelt approach to good strategy – starting with identification of what are the problems that REDI should seek to address in the coming year. Over the last five years, REDI has made great strides in general marketing, business development, and small business support areas. Now, the Board is asked to take a deeper look at several key industry areas for Rockville.

Presentation and Discussion about Small Scale Manufacturing......Ilana Preuss – Recast Cities

Ilana Preuss was hired by REDI to assess the opportunities for small scale manufacturing in Rock East, and to make recommendations for next steps. This work was done pursuant to a placemaking grant that Montgomery County granted to REDI. The final report was included in the handouts to the attendees.

Rockville has space in Rock East, Twinbrook and possibly other areas that can support small scale manufacturing (creation of products that can be packaged) in spaces from 2,500 – 20,000 sf. This ranges from food/beverage products to biologics/pharmaceuticals. It was noted that there is a lot of small-scale manufacturing for tech in the DMV for component parts that could possibly be attracted to Rockville. It was also noted that there might be an opportunity to partner with businesses in the Ag Reserve.

Ms. Preuss provided data that shows that small scale productions businesses help close the wealth gap, as families who own businesses from traditionally underserved communities have a significant higher wealth than those who do not own their own businesses.

Ms. Preuss also mentioned that allowing zoning for "artisan manufacturing" so that businesses can produce the product and have a retail storefront can provide flexibility and desired economic activity. The Board discussed the distinction between businesses with a consumer audience and those that are business to business.

Ms. Preuss commented that for economic development, it is important to consider how REDI is supporting business needs for real estate, business development support, and capital.

The suggestions for next steps include:

- highlighting available space understand competition (Brookfield Road, Gaithersburg Airpark, Prince George's County)
- creating technical business education in areas like distribution, supply chain, and marketing
- creating a small-scale manufacturing/makers space hub
- creating a business association or finding other ways to bring the community together for advocacy and identity (like a neighborhood association)
- creation of a commercial kitchen or kitchen incubator to support the large number of food/beverage businesses emerging
- creation of business toolkits
- address flexible zoning for artisan manufacturing/small clean production (with Alexandria, Nashville, and NYC as examples)
- Highlight a "Made in Moco" brand like "Made in Baltimore"
- Some businesses need more lighting and bus shelters for workers especially those on the third shift. (Mas Panadas).

In looking at the possible efforts, it is important to consider the staff capacity. Ms. Preuss suggested starting with some of the efforts and planning out others in the future. She also

commented that it would be ideal to have a staff person dedicated to the development of relationships with businesses.

Presentation and Discussion about Bio/Life Sciences/Clean Tech...... Richelle Wilson

Ms. Wilson prepared overviews of the Bio/Life Science activity as well as the Clean Tech landscape, which was in the Board materials. She highlighted the fact that Rockville has 30% of the inventory for wet lab space in the DMV. Maryland is ranked third in the country for bio/life science, behind Boston and California (San Francisco). The strength of Maryland is the workforce as well as proximity to federal agencies. The pain point is the lack of private investment and need to provide affordable incubator space within the city and county. There is a demand for affordable incubator space of approximately 600 square feet/3 benches. It is important to continue to grow the entrepreneur ecosystem to support programming for this industry sector, and to cultivate investor incentive programs. The SBIR opportunities and entrepreneur/residence programs at NIH are an attractor.

The Board discussed how investing in start-up companies can result in local growth of those companies, with Astra Zeneca as an example due to their acquisitions of local bio/life science companies. There was a discussion of the distinction between growth by acquisition and by incubation.

Ms. Rivarde noted that last year, REDI looked at a DOE grant opportunity to support clean tech businesses. In doing this work, it was discovered a good number of energy/environmental businesses are in Rockville. The Board was asked to discuss in the breakout sessions whether resources should be dedicated to understanding and developing support for this industry area.

BREAKOUT SESSIONS

Break Out Session Number 1 – Small-Scale Manufacturing

The Board was asked to discuss the opportunity for development of small-scale manufacturing support. Names in bold were note-takers. Some topics for them to consider included:

- What are the biggest takeaways from the small-scale manufacturing work by Recast Cities?
- What are the pros and cons of REDI helping with the creation of a commercial kitchen or food incubator?
- What are the risks and opportunities of creating a business association in Rock East?

GROUP 1	GROUP 2	GROUP 3	GROUP 4
LaVonne Torrence	Kelly Groff	Cliff Viers	Danette Nguyen
Berner			
Monique Ashton	Peter Fosselman	Justin Yang	Nikhil Bijlani
Suzanne Osborn	Craig Simoneau	Amanda Bosland	Marji Graf
Natalya Bah	Richelle Wilson	Bei Ma	Nick Fullenkamp
Rhonda Devan	Zeinna Estrada	Nancy Regelin	Susan Prince
	Barry Jackson	Bill Tompkins	Michael Scott
	Hui-Min Zeng	Dave Gottesman	FranciscoCartagena
		George Thomas	Ricky Barker

The following diagnosis/problems came up in the breakout sessions regarding small-scale manufacturing opportunities in Rockville (Twinbrook, Stonestreet, Rock East):

• Businesses need business development support to open and grow.

- There is a need for incubator space to support small-scale manufacturing businesses. It would be great to support small-scale manufacturing in the way we do Shop Local – perhaps with cohorts. It would be helpful to have a physical space. We could provide workshops and counseling at the space and have a point location for the businesses to receive resources. This would be a good way to start to build cohesion for a business association. It was suggested that REDI develop benchmarks in other communities – and take field trips to see evolution and best practices.
- It would be helpful to develop a starting business toolkit that could address potential gaps in knowledge – like pointers on leasing space so that potential tenants know what to look for (like cost of HVAC upgrades, etc.)
- There is definitely demand for support and growth of the food/beverage businesses in Rockville and Montgomery County. For food/beverage businesses, it might be worth looking for co-use of space with churches, lodges. It also would be good to try to attract a commercial kitchen operator to Rockville. It was acknowledged that creation and operation of a commercial kitchen or incubator by REDI is a heavy cost and staffing project and may not be a reasonable goal for FY25. It was noted that King Farm Farmstead would be an ideal place for a commercial kitchen and/or kitchen incubator.
- Businesses need to understand their marketing audience (B to B or B to C). Are they destination uses that can be marketed that way?
- Rockville and Montgomery County (despite improvements) still have a reputation for being hard for business to open and operate.
 - We need to support the City's Zoning Code rewrite. Planning staff should consider the suggestion that small-scale manufacturers be able to combine production with a retail component. DPDS should also look at more ways to streamline the permitting process to reduce unnecessary barriers for businesses.
- Not enough business owners are aware of the resources available to them.
 - We need to find ways to reach the audiences that need this information. This may involve building trust with communities that traditionally do not trust governmental agencies.
 - \circ This is an opportunity to leverage partnerships like the various chambers.
 - We need to promote REDI's location services and provide information on available real estate.
- Rockville is not known currently as the ideal place for small-scale manufacturing. We need to raise awareness of the small-scale manufacturing opportunities in Rockville.
 - We need to advertise available spaces.
 - We need to understand the needs of local businesses to align spaces.
 - \circ $\,$ We need to promote resources and develop resources needed by local businesses.

- The City and County are not hearing enough about the needs of businesses and landlords in the areas for small-scale manufacturing and light industrial uses.
 - A business association would be a possible solution for giving businesses a way to advocate for their needs.
 - REDI can partner with the various chambers and possibly religious institutions to promote resources and ask for input.
 - The City through its Zoning Code re-write can reach out for business engagement.
- Infrastructure in Rock East (and possibly other areas of the City) are not meeting business needs.
 - It was noted that businesses wanting a third shift have concerns about lighting and bus shelters, especially for female workers (especially Mas Panadas). Doing a survey of the City and County areas where bus stops are being used and these upgrades are needed would be a good step. Then the locations of most use could be prioritized.
 - It was noted that some properties need utility upgrades to come into use, and that landlords are imposing those costs on tenants (and some space is remaining vacant because of this high cost to come into compliance). A survey of these properties and the landlords affected could be done so that the issues could be brought into detail so that strategies to address the situation could be developed.
 - The connectivity to Town Center and other important hubs should be explored.
 What is the walkability from Town Center to Rock East/Twinbrook/Stonestreet.
 Should there be a circulator? Should there be an offshoot of the BRT to Rock East?

Break Out Session Number 2 - Life/Bio Science and Technology

Some topics to consider include:

- What do bio/life science businesses need to start, grow, and stay in Rockville?
- What gaps in resources are there for the bio/life science sector that need to be addressed to make our area more competitive with Boston and California?
- What can be done in the Zoning Code rewrite or other governmental regulations or actions to encourage and grow the Life/Bio Science Sector in Rockville?

GROUP 1	GROUP 2	GROUP 3	GROUP 4
Ricky Barker	Nikhil Bijlani	Justin Yang	Richelle Wilson
LaVonne Torrence	Bei Ma	Monique Ashton	Peter Fosselman
Berner			
Marji Graf	Susan Prince	Kelly Groff	Suzanne Osborn
Nancy Regelin	Craig Simoneau	Nick Fullenkamp	Dave Gottesman
Bill Tompkins	Cliff Viers	Michael Scott	Hui-Min Tzeng
Danette Nguyen	Amanda Bosland	Natalya Bah	Rhonda Devan
Barry Jackson	George Thomas	Zeinna Estrada	
		Francisco Cartagena	

The following diagnosis/problems came up in the breakout sessions regarding the bio/life science industry sector in Rockville:

• Rockville and Montgomery County have trouble messaging their identity, especially globally with regard to bio/life sciences.

- REDI needs to leverage the investment it is making in branding and bring that project to fruition with its partners. We need to aggressively market this sector on our website, social media, and other platforms.
- It was noted that increasing our ranking from #3 may not be an achievable goal as Boston and San Francisco are ahead in their investment in the sector and have more private funding. Should we embrace being #3 and lean into that? Key City staff may want to take a field trip to Boston and/or California to understand their ecosystems.
- We should own/market the corridor of innovation. Encourage businesses to stay and scale. We can highlight the entrepreneurial ecosystem. Rockville is the heart of biotech on the East Coast.
- It was noted that the State dilutes the message by trying to encourage bio/life sciences across the state rather than leaning into our area as the epicenter.
- Life/Bio Science businesses need a "place" to convene.
 - Businesses need a place where they can talk about their work together and find ways to cross-pollinate ideas. Conferences and meetings are important. Having a large conference center in the County would be helpful and attract more business.
 - $\circ~$ Businesses need to understand resources for funding SBIF, VC, etc.
 - Businesses need workforce development support (BioHub coming to the County)
 - Businesses need business development information, mentoring and incubation.
 - REDI can grow the Bio Boost program with a goal to breaking down silos and convening. [How does this fit with BHI, Maryland Tech Council, TEDCO, etc.] REDI should look for luminary speakers.
- There is less private funding available to bio/life science businesses and entrepreneurs than in Boston or California funding is a high level problem for businesses.
 - \circ $\,$ We can emphasize access to federal funding (SBIR) and NIH resources.
 - REDI can work to pull together information on venture funds and other sources for businesses.
 - How can we develop relationships with venture capitalists or others who would like to invest in emerging companies and their technologies?
 - We need to look for people/groups that want to invest in our area long term like the Blackbird Labs endowed by the Ravens in Baltimore or Lyda Hill Philanthropy in Dallas' Pegasus Park.
- We need to attract more bio/life science businesses to increase innovation clusters and job growth/investment.
 - We should focus on businesses developing small molecule products, in addition to biologics. We should not avoid pharma as a potential attraction pool.
 - We should leverage the City's Zoning Code rewrite to streamline opening and operating bio/life science businesses and reducing barriers to coming to Rockville. Looking at other jurisdictions to benchmark best practices and ideas is encouraged.

There needs to be more "by right" opportunities for businesses – and clear provisions about what is allowed. Gaithersburg is also looking at their zoning and regulations, so Rockville should coordinate. Alexandria is known as a good model.

- Massachusetts ranks their cities as to how bio ready they are. We should assess where Rockville (and Gaithersburg) would fall in that system and try to increase our competitiveness.
- There needs to be more government incentives directed to attraction/retention of bio/life science businesses. REDI can look at whether it makes sense to prioritize businesses receiving incentives.
- We need more space/property that meets the needs of bio/life science businesses.
 - There is a demand for live/work projects where there is housing close to work. There are many life science campus projects in other markets that appear to be successful. However, Rockville also has 30% of lab space in the DMV – so there is a lot of lab space available already.
 - There needs to be more funding for early-stage businesses using wet lab space. A lot of existing space needs to be refurbished to be lab space. Can REDI encourage more investment from the State/County/City or private property owners in lab space?
 - Worker housing continues to be a key discussion. It is acknowledged that Boston and California are more expensive than our area, but across the country (and world) communities are struggling with having available and achievable housing. REDI does not directly work on housing but could support the housing department in their efforts.

• There needs to be more alignment and investment in workforce development.

- We are #3 largely due to our qualified available workforce.
- The Biohub that is coming to Montgomery County through the Maryland Tech Council will provide similar curriculum as that used in Boston.
- USG, Montgomery County, and the Maryland System are making efforts to align and provide workforce development programs.

Break Out Session Number 3 - Small Business or Clean Tech

Some topics to consider for Clean Tech include:

- Do we see a clean tech business sector emerging in Rockville that should be researched and developed as a potential key industry sector?
- Could Rockville promote energy demo projects like vertical access windmills, solar power, etc. to promote Rockville as a place for innovation?
- Can REDI help facilitate opportunities to lower energy costs for businesses through promoting alternative solutions?

Some topics to consider for Small Business include:

- What are the most pressing needs of small businesses currently?
- Are community needs for small businesses being met if not, how could meeting these needs be incentivized?
- Are there industry sectors that should be prioritized?

GROUP 1	GROUP 2	GROUP 3	GROUP 4
Marji Graf	Zeinna Estrada	Nancy Regelin	Francisco Cartagena
Nick Fullenkamp	Nikhil Bijlani	Kelly Groff	LaVonne Torrence
			Berner
Michael Scott	Suzanne Osborn	Craig Simoneau	Bei Ma
Richelle Wilson	Susan Prince	Bill Tompkins	Ricky Barker
Dave Gottesman	Justin Yang	Natalya Bah	Peter Fosselman
Rhonda Devan	Amanda Bosland	Danette Nguyen	Hui-Min Tzeng
		Barry Jackson	

The following came up in the breakout sessions regarding the emerging Clean Tech industry sector in Rockville:

- Clean Tech appears to be an important emerging sector in Rockville that needs to be explored.
 - This industry has high tech jobs, so understanding the sector makes sense. We should do research to understand what talent is here and how many jobs there are and are projected.
 - The Department of Energy and the Nuclear Regulatory agency are in our ecosystem and can contribute to business attraction in the same way NIH and FDA attract bio/life science. We can explore partnerships and opportunities.
 - The cost of utilities is a deterrent to many businesses locating in our area. What alternative solutions could we promote for businesses?
 - Connected DMV is encouraging the development of hydrogen technologies which will reduce carbon emissions more than electricity if harnessed. How can REDI support these efforts?
 - There are entities to partner to promote and grow clean tech like Bethesda Green, and the Green Bank. There are also state incentives for blue tech and aquaculture. REDI can promote these resources and programs.
 - The City may prioritize clean business operations both the City and the County have strong sustainability plans. REDI needs to understand the goals of Mayor and Council to see how it can support.
 - We need to understand how we could incubate these businesses. We obviously are not set up for large wind or solar farms. What would be the focus for Rockville? Are we uniquely positioned in this industry?
 - We need to understand what real estate needs this sector has.

• People do not know much about the Clean Tech business sector in Rockville.

- REDI could build a narrative around existing businesses in Rockville to highlight the sector and attract other businesses to the cluster.
- REDI can promote green resources including incentives, lending, and grants that may be available through the Green Bank and others
- REDI can help raise awareness of the Sustainability Plan as it relates to businesses and commercial property
- We need to understand the appropriate target audiences for this information possibly professional service businesses.

• We could tie promotion of this sector to a healthy lifestyle – which is one of the strengths and attractions of Rockville.

The following diagnosis/problems came up in the breakout sessions regarding the small business landscape in Rockville:

- The City and REDI have been focusing on Town Center businesses and need to consider the entire City.
 - REDI has expanded incentive programs to all areas of the City but can further support commercial hubs like Twinbrook, King Farm, etc.
 - We should keep building out Explore Rockville and commercial hub identities.
 - REDI is supporting the City's new Town Center plan draft, and staff participated in putting the draft together.

• Small businesses are still struggling after the pandemic and need support.

- We want to encourage streeteries especially the closing of Gibbs.
- There is a strong trend in supporting maker businesses and maker activities have been driving foot traffic and engagement for retailers and Shop Local.
- We need to continue to partner with property owners like Morguard where possible to engage with small business and provide support.
- o REDI works with the Montgomery County small business support team regularly.

• REDI staff is at capacity and needs more employees to expand services.

- It was noted that MWBC counseling request have a long waiting time before a counselor can schedule a meeting.
- Business development does not have capacity to have on the ground engagement with Town Center and Rock East Businesses at the level desired to create engagement between businesses and landlords.
- REDI is not reaching all desired communities.
 - We need to put materials in multiple languages.
 - We need to build trust through trusted organizations to reach new audiences.

The meeting adjourned at noon.

DETAILED NOTES FROM BREAKOUT SESSIONS:

Breakout Session 1 (Small-Scale Manufacturing)

Group 1 (LaVonne Torrence Berner)

Ideas to Build Small Sale manufacturing

- Funding and encouraging creation of incubator space for artisan manufacturers.
- Creating a manufacturing local advertising campaign to promote small scale manufacturers (similar to shop local)
- Direct low/no cost promotion for manufacturing businesses through government TV channels and other avenues
- Making zoning /permitting easier and more inclusive to allow manufacturing and retail in the same space
- Providing direct funding to manufacturers for Adverting
- Educating Businesses on Running a business
- Specifically Targeting manufacturing businesses in adverting
- Educating on creative structures for leasing space (e.g., subleasing from organizations with surplus space (e.g., churches, lodges, large scale manufacturers)
- Creating a small business incubator tool kit with resources reflecting all of the above.
- Lobbying for more funding from the county to implement all or some of the above.

Pros/ Cons of Food Incubator

PROS

- -revenue for undetermined space
- lower barrier to entry for entrepreneur
- Can be an educational resource for the entrepreneur. For example, as a condition to operating, Union Kitchen in the District of Columbia reviews to confirm that businesses have all licenses needed to lawfully operate a food business and informs the business of the requirement.

CONS

- -Required cost, time, and resources
- -Lack of trust amongst business owners
- - The city and REDI does not have the staff to oversea implementation

Rock East Business District (We did not explore much of this)

A business district is a good idea, but the cons would be:

- Paying into the program may be an added cost to already underfunded businesses.
- more rules to follow, means more admin and compliance costs and obligations for businesses

Alternatives to a BID

- REDI /Chamber committees to help with functions that a BID would perform.

- -Working with nonprofits to their funding to help the businesses and to build trust

Group 2 (Kelly Groff)

•Find similar communities and projects to research/visit to inspire ideas for the Rock East District.

•Develop a business association for businesses to lean into for support through social media and networking. (extension of the chamber of commerce)

•Review the Stonestreet Area Plan and Twinbrook Plan to integrate into a broader vision and plan for small business space.

•Identify other nodes to connect the dots within the City of Rockville.

•Connectivity is important to the success of Stonestreet and Rock East. Pedestrian/Bikers.

•Parking is important to consider when the volume of patrons increases.

• Evaluate uses and opportunities for the King Farm Farmstead space (consider the covenants that currently exist).

•Pedestrian walkability from Rockville Town Square and Town Center for new small-scale businesses is important to their success.

•Barriers – more communication between REDI and the business owners to gain their buy in to the revitalization of Rock East.

•Evaluate zoning within Rock East to identify matching types of businesses to attract that also matches the available space.

Consider a circulator to connect the nodes/hubs within the City of Rockville. Consider federal, state and local transportation grants to launch the project. Find funding for the ongoing service/maintenance of a circulator(s).
Review the current and future transportation plans to identify any gaps as well as future routes of BRT (Great Seneca Science Gateway, etc.).

•Need options for businesses to explore if Rock East isn't a good fit.

Group 3 (Cliff Viers)

- What are the biggest takeaways from the small-scale manufacturing work by Recast Cities?
 - There is a general lack of awareness around the small-scale manufacturing industry. It needs more of a spotlight such as the work of Recast Cities in order to build public support and momentum.
 - Efforts to support the industry need to be coordinated with other stakeholders e.g. county
 - More clarity is needed regarding the definition of "small manufacturing" i.e. B2C products such as jewelry, candles...vs B2B products such as industry-specific widgets
- What are the pros and cons of REDI helping with the creation of a commercial kitchen or food incubator?
 - o Pro's
 - Like any incubator, it would have the potential to grow and nurture tenants into larger businesses. An incubator could be our 'farm system' to fill restaurant vacancies in the city.
 - The area already has some core food & beverage businesses that could be the base of a F&B hub/community
 - Diverse Rockville population is a market for a wide variety of F&B options.
 - -
 - Cons / other considerations
 - Upcoming zoning review puts a time crunch on the process

- We question if REDI/city has the capacity to operate something like this by itself. The needed investment, both upfront and ongoing, may go beyond REDI
- We question if this is something that can be accomplished by attracting an alreadyexisting private shared kitchen such as...
 - Chefscape
 - Frontier Kitchen
 - Mess Hall
 - Union Kitchen
 - Kitchen of Purpose
- What's the footprint need? Does the current available space lend itself to something like this?
- What are the risks and opportunities of creating a business association in Rock East?
 - Our group did not get around to discussing this last question other than saying that creating a cohort of similar businesses can help in ways similar to the chamber... creates leadership that acts as a unified voice for the cohort

Group 3 (Dave Gottesman)

- 1. The successful Gaithersburg effort is called "Retool Gaithersburg" and could be a model to emulate
- 2. Within the larger context of the County, Rock East is a fairly unique environment for what it offers in terms of light manufacturing space and opportunities, not too many others like it
- 3. It was mentioned that large percentage (80%?) of the space in Rock East is currently occupied, this there is a need to focus on that remaining 20% that is vacant can that space be mapped and highlighted? It's important to remember and emphasize that we are not trying to create an entirely new destination or function for this area, but improve what is there for its current use

Group 4 (Danette Nguyen)

- Challenges/Opportunities
 - The City and County should evaluate the zoning ordinances to ensure that they are favorable for the businesses we are seeking to attracted to Rock East
 - Are current zoning ordinances conducive to growth? If not, adjust.
 - Rock East isn't a destination; people have to go to the area for a purpose.
 - Make industry sectors of importance known
 - Resources, permitting, marketing information, what does Rockville have to offer/value.
 - Make the above information easily accessible.
 - Future Development/Opportunities
 - Communicate community development initiatives transportation, housing, etc. to attract business investment and increase awareness for leads about advantages/opportunities.
 - \circ Connect with diverse communities
 - Consider collateral and services in multiple languages to meet businesses where they are fosters inclusivity; most B2B occurs within own diverse communities
 - Diverse business may not trust local governments and have a comfort in accessing/receiving information in their native language

Breakout Session 2 (Bio/Life Sciences)

Group 1 (Ricky Barker)

- 1. Rockville is located at the Center of the Life/Bio Science center in Maryland Great opportunity to take advantage of this.
- 2. Need to Emphasis the Branding Campaign
- 3. Rockville needs to provide to make it easier to develop these uses by providing them as by right uses (quicker process and only staff approvals needed)
- 4. Consider a stakeholder meeting With Biotech Development to gain feedback on proposed changes to regulations and what else can be done to assist/support this use
- 5. Look at Gaithersburg to see what they are doing (More Welcoming?)
- 6. Work together with Gaithersburg and Montgomery County to have a more united review and approval process (streamlining, compare what is working and use it)
- 7. Look at Massachusetts State certification rankings for being ready for this industry https://www.massbio.org/economic-development/
 - 1. Determining What Ranking We Are using this criteria
 - 2. Rankings- Bronze, Platinum, and Gold
 - 3. Consider a slogan We Are Ready For You
 - 4. Very Aggressive Marketing campaign on what we are offering
- 8. Field Trip to Boston What is working and what can we learn?
- 9. Need to ensure that Rockville has what these companies need (trained employees, more Housing for employees)

Group 2 (Nikhil Bijlani)

Needs:

There is wide agreement that the area needs funding for life sciences to be a draw and have success

The space for expansion is available and needs to be repurposed and refurbished

There is consensus that demand has eased

The area needs talent drawn to the area for this segment to expand and grow

Additional government funding and incentives are lacking and are needed for growth

Zoning ordinance need to keep up with the demand of the continued importance being paid to life-work balance

Solution:

Need to have a cohesive approach across the City, REDI and the County to attract and maintain life science companies. Having each jurisdiction go their own way and try to establish their own identity and plant the seeds independently is counterproductive.

Work to attract companies that are past the initial startup phase so that there is familiarity with what to expect and the community to assist with further growth exists.

Decide what REDI's role with this endeavor is: Partner or Got it Alone in retention, attraction and expansion. Developers need to be our partners and friends in helping grow this segment.

Question 1 - What do bio/life science businesses need to start, grow, and stay in Rockville?

- The group centered the discussion around entrepreneurs and access to capital
- For entrepreneurs there is a lack of development amongst the University and graduate school which encourages entrepreneurship
- For Professors/Academics there is a lack of pipeline to start companies from their technology
- For access to capital no major pull mechanism exists here in the Rockville/Montgomery County area
 Investors are not eagerly pushing for companies to relocate to the area
- REDI should promote environment beyond the workplace (example Cambridge is connected to Universities and biotechs and many people live/work in the area)
- "Shady Grove Innovation District" following on the theme of Rock East
- Conferences and Meetings promotion of conferences and meetings that may allow more economic development in certain regions such as hotels, restaurants that may benefit from large conference draws

Question 2 - What gaps in resources are there for the bio/life science sector that need to be addressed to make our area more competitive with Boston and California?

- Access to capital
- Have rolodex/contact list of "check writers" for companies that may raise funding from beyond grants/other incentives
- Entrepreneur in Residence // Leverage mentors in biotech and life science for companies

Question 3 - What can be done in the Zoning Code rewrite or other governmental regulations or actions to encourage and grow the Life/Bio Science Sector in Rockville?

• We did not have major time to cover this topic but from my side - there are no major hurdles with respect to zoning that I know of.

Group 4 (Richelle Wilson)

- The group discussed that since we are #3 in the nation, we must continue to highlight this accomplishment to potential businesses and investors, but more investment has to be made to keep that spot and grow in the industry.
- Look at some of the other emerging competitors and see how they are investing in the industry: Austin, Research Triangle, Philadelphia, and Phoenix are investing heavily and growing rapidly.
- How can Rockville continue to grow the entrepreneur ecosystem investing in the creation of more affordable wet lab incubator space.
 - A lot of this infrastructure is elsewhere in the State (Baltimore & College Park)
 - More investment in smaller wet lab spaces helps us to support more diversity in the industry.
 - Continue to focus on growing the ecosystem in the City/County
 - Use BioBoost as a tool and create more partnerships with other partners, groups and organizations that can help us attract businesses of all sizes.
- Work closely with the State's International Department on the attraction of international businesses and do better talking about State resources.
- Need to establish Ambassadors that can champion why doing business in Rockville makes sense for life science businesses.
- Focus on highlighting the established infrastructure and amenities that bring the businesses to Rockville and continue to grow the existing ecosystem.
- Highlight the innovation that's happening in Rockville new businesses and established.
- Try to create better relationships with UMD to promote resources.
- Create a target list of investors that focus on the life science industry & start to develop a relationship with them.

 Use Bio Boost as a tool & continue to create content that will interest them and the businesses

Breakout Session 3 (Clean Tech/Small Business)

Group 1 (Marji Graf)

Group didn't read packet and didn't have much background.

They did think, yes, REDI should take a lead. The State, County and City are making it their missions too.

Questions that came up. What percentage of employment is currently in Clean Tech? What's the existing presence currently in Rockville It is an emerging industry Must have buy in from neighbors MD is healthy – life science/bio- what do they do with their waste? How to leverage connecting clean energy and bio Connect with MC Greenbank – incentives Solar – bio fuels? Do they need large open spaces?

We have the Dept of Energy and FDA here so there is a talent pool to choose from.

Solar company offering discounts? Connecting with residential market.

Marji mentioned the Chambers across Maryland offer an energy savings co-op from CQI Associates. They leverage all chamber members utilities together to get group discounts. For both residential and commercial.

One idea was to create a Green Structure (think Faneuil Hall in Boston). Could feature small businesses, restaurants, have a solarium with co working spaces for the community.

Rockville is already green with 75 parks

Small Business

No time to get into it but Marji was worried businesses are not going to make it. Still coming out of covid. Have to pay back rent and/or increased rent. Cost of everything has gone up with inflation. (both Twin Valley Distillers and The Cottage Monet) might not make it, fyi

Businesses are looking for grants, help with marketing the area which in turn will bring people to their stores.

Group 2 (Zeinna Estrada)

Clean Tech

- Build a narrative around existing clean tech businesses
- Convert existing businesses towards green practices
- Encourage switch to green practices with incentives (grants, funding, benefits, etc.)
- Leverage existing resources (ex: Green Bank, Bethesda Green)
- Raise awareness through joint marketing campaigns with existing organizations mentioned above

Small Business

- Prioritize professional services industry
- Increase counseling staff to accommodate high volume of counseling requests at MWBC
- Collaborate with Montgomery County's business support initiatives
- Connect businesses to each other
- Leverage social media platforms to create local business communities (ex: LinkedIn and Facebook groups, forums, listserv style platforms)
- Increase education about available business resources
- Work with the city and other resources to offer multilingual business support (Spanish, French, Chinese)

Group 3 (Nancy Regelin)

CLEAN TECH

The Group recognized the broad valuable industry segment that encompasses "green tech", especially given Montgomery County and the City's Climate Action Plans.

However, the first question that should be answered before putting a lot of resources towards attraction/retention/development of this industry segment is "Why Rockville?". Is there a strong value proposition of why these types of companies should be in Rockville? Why are the companies that are located within the City here – is it proximity to a nearby use or organization – like the Nuclear Regulatory Commission?

If there is not a strong value proposition for Why Rockville, then recommend that REDI be an information resource and ally; promote this segment as part of an overall strategy to show the diversity and innovation of Rockville.

SMALL BUSINESS

Key issue is how to make Town Center fulfill its vision, City goals, and potential.

Also Key – not to do so to the exclusion of other business centers in the City: Twinbrook, King Farm, the Pike, etc.

Update and re-engage with small business for input on their business area, feedback on needs and recommendations. Do another bi-annual business survey. Also do focus groups for the various business areas individually for hyper-local recommendations.

Re-engage the business community for the Town Center master plan.

Engage with Morguard to see what collaboration/support might be provided using REDI's outreach and promo abilities (Explore Rockville, etc)

Re-visit a focus on the "creative class" as a business segment to revitalize business centers, this could also include small manufacturing.

Participate in the zoning re-write to support clarity and speed for small business zoning approvals and permitting processes.

Group 4 (Francisco Cartagena)

This group decided to focus on the clean technology part of the prompt.

Do we see a clean tech business sector emerging in Rockville that should be researched and developed as a potential key industry sector?

- Yes, but a "theme" must be selected. Clean technology ranges from solar electricity to water and waste management. An ecosystem to foster growth for one or some of these sectors of clean technology is needed.
- Maryland is known for being a host of blue technology, water management and aquaculture.
- Bethesda Green could help develop or educate us if this is the industry sector we want to focus on growing.
- MD has a push for offshore wind energy. There is a program that exists as a rebate for business to incentivize the use of renewable energy.

The group acknowledged the potential emergence of a clean tech business sector in Rockville, but it highlighted the need for the selection of a focused theme. Clean technology encompasses various fields, including solar electricity and water and waste management. To facilitate growth within these sectors, an ecosystem is essential. Maryland's reputation for hosting blue technology, water management, and aquaculture suggests a conducive environment for such developments. Bethesda Green could provide valuable assistance in developing and educating us if we choose to focus on these industries.

Moreover, Maryland's emphasis on offshore wind energy presents opportunities. A rebate program exists to incentivize businesses to adopt renewable energy practices, indicating a supportive framework for clean tech ventures.

<u>Could Rockville promote energy demo projects like vertical access windmills, solar power, etc to promote Rockville as a place for innovation?</u>

- Rockville could help incubate this area through programming in business development in the clean tech sectors such as solar energy, wind energy, electric vehicles, and hydrogen powered vehicles.
- Rockville is already a top City when it comes to making use of building rooftops to recycle water and solar farming solar panels in the roof.

Rockville could foster innovation by incubating clean tech sectors, including solar energy, wind energy, electric vehicles, and hydrogen-powered vehicles, through targeted business development programs for each industry sector.

The city already excels in utilizing building rooftops for water recycling and solar farming, with a notable presence of solar panels integrated into rooftops, cementing its reputation as a leader in sustainable practices. We can build on this reputation to attract clean tech businesses.

Can REDI help facilitate opportunities to lower energy costs for business through promoting alternative solutions?

- City of Rockville has a "Clean Business" mandate focusing on encouraging businesses to use clean sources of energy, we can build on this initiative.
- The current cost of electricity for businesses in the City is high, maybe there is a way to develop a program or initiatives to help energy providers reduce the cost of electricity for businesses
- Explore and make use of incentives from the state in this sector

The City of Rockville already has a 'Clean Business' mandate aimed at incentivizing businesses to adopt clean energy sources, providing a solid foundation for further initiatives in this realm.

Given the current high electricity costs for businesses in the city, there may be avenues to develop programs or initiatives in collaboration with energy providers to alleviate this burden.

Additionally, exploring and leveraging state incentives within the clean energy sector could further bolster efforts to lower energy costs for businesses.