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**MAYOR AND COUNCIL OF ROCKVILLE**  
**REDI FUNDING AGREEMENT**  
**FISCAL YEARS 2025 - 2027**

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**THIS REDI FUNDING AGREEMENT – FISCAL YEARS 2025-2027** (this “**Agreement**”), effective July 1, 2024 (the “**Effective Date**”), is entered by and between **THE MAYOR AND COUNCIL OF ROCKVILLE**, a body corporate and municipal corporation of the State of Maryland (the “**Mayor and Council**”), acting through its City Manager (the “**City Manager**”), and **ROCKVILLE ECONOMIC DEVELOPMENT, INC.**, a Maryland nonstock corporation (“**REDI**”). Individually, the Mayor and Council and REDI may each be referred to hereinafter as the “**Party**,” or collectively as the “**Parties**.”

**RECITALS**

- A. WHEREAS**, on June 16, 1997, the Mayor and Council established REDI’s predecessor, Greater Rockville Partnership, Inc. (“**GRPI**”), and approved its Articles of Incorporation which organized GRPI as a nonstock charitable “supporting organization” to be operated for the following purposes:
- (i) to support and assist the Mayor and Council by conducting and performing the functions previously conducted by the Economic Development Division of the Department of Community Development;
  - (ii) to establish the City of Rockville as a leading center for economic development while sustaining an equitable balance between the commercial and residential segments of the City of Rockville;
  - (iii) to promote the retention and expansion of resident businesses in the City of Rockville;
  - (iv) to encourage the formation of new business enterprises in the City of Rockville and to attract new businesses to the City of Rockville;
  - (v) to create, retain and attract jobs within the City;
  - (vi) to foster education and communication between the City of Rockville’s business community and the general public;
  - (vii) to assemble, maintain and disseminate information on the City’s business community, workforce and economic climate; and
  - (viii) to promote workforce development and a positive business climate within the City of Rockville.
- B. WHEREAS**, on November 19, 2003, GRPI, with the consent and authorization of the Mayor and Council, amended its Articles of Incorporation, and changed its name to “Rockville Economic Development, Inc.”; and

- C. **WHEREAS**, on January 1, 2021, the Mayor and Council and REDI entered into a funding agreement (the “**FY 2021-2024 REDI Funding Agreement**”) pursuant to which the Mayor and Council provided approximately \$5,622,980 in local taxpayer funds to REDI for the sole purpose of funding certain REDI economic development programs and activities, and funding certain REDI administrative operating expenses; and
- D. **WHEREAS**, on May 6, 2024, the Mayor and Council approved its Fiscal Year 2025 City of Rockville Operating Budget and Capital Improvements Program and, among other things, included a budgeted allocation to REDI of up to One Million Four Hundred Eighteen Thousand Nine Hundred Sixty and 00/100 Dollars (**\$1,418,960.00**) in local taxpayer funds for Fiscal Year 2025 (the “**FY 2025 City Funds**”); and
- E. **WHEREAS**, REDI shall utilize the FY 2025 City Funds for the sole purpose of (i) funding and implementing REDI’s “**Economic Development Programs and Activities**” set forth in **Exhibit A**, and (ii) funding REDI’s “**Administrative Operating Expenses**” set forth in **Exhibit B** in order to implement REDI’s Economic Development Programs and Activities; and
- F. **WHEREAS**, the Parties have entered into this Agreement in order to ensure accountability and to provide full transparency regarding the expenditure by REDI of the FY 2025 City Funds, and any other funds made available under this Agreement.

**NOW, THEREFORE, IN CONSIDERATION** of the premises, the mutual promises and covenants herein contained, and the distribution of local taxpayer funds budgeted and allocated by the Mayor and Council to REDI pursuant to the terms of this Agreement, the Parties hereby agree as follows:

### **AGREEMENT**

1. **Incorporation of Recitals.** The recitals set forth above are true and correct and are incorporated herein and made a part of this Agreement.
2. **Term of Agreement.** The term of this Agreement shall commence on the Effective Date, and shall expire on June 30, 2027, unless sooner terminated, extended, or otherwise amended in accordance with the terms of this Agreement (the “**Term**”).
3. **FY 2025 City Funds.** In consideration of the various obligations and covenants to be undertaken by REDI pursuant to this Agreement, the Mayor and Council agrees to provide REDI with the FY 2025 City Funds, to be used for the sole purpose of (i) funding and implementing REDI’s Economic Development Programs and Activities set forth in **Exhibit A**, and (ii) funding REDI’s Administrative Operating Expenses set forth in **Exhibit B** in order to implement REDI’s Economic Development Programs and Activities, subject to the terms of this Agreement.

4. **Disbursement of FY 2025 City Funds.** The City Manager or the City Manager’s designee will disburse FY 2025 City Funds to REDI pursuant to the terms of this Agreement.

a. On or about **July 1, 2024**, the City Manager shall direct the Department of Finance to disburse to REDI up to **\$896,980** of the FY 2025 City Funds for utilization by REDI solely to fund the following:

<i>REDI’s Administrative Operating Expenses</i>	\$431,987.50
<i>REDI’s Economic Development Programs and Activities</i>	
Small Business Impact Fund Grant Program	\$150,000.00
Incentive Grant Program	\$175,500.00
Life Sciences Branding Program	\$ 50,000.00
Rockville Rewards Program:	\$ 12,500.00
Economic Development Activities	\$ 40,750.00
Marketing Activities:	<u>\$ 36,742.50</u>
Total:	\$896,980.00

b. On or about **January 13, 2025**, REDI shall submit a request to the City Manager for the disbursement of the remaining **\$521,980** of the FY 2025 City Funds. Upon review of REDI request by the City Manager, and subject to REDI’s compliance with the terms of this Agreement, the City Manager will direct the Department of Finance to disburse up to the remaining **\$521,980** of the FY 2025 City Funds for utilization by REDI solely to fund the following:

<i>REDI’s Administrative Operating Expenses</i>	\$431,987.50
<i>REDI’s Economic Development Programs and Activities</i>	
Small Business Impact Fund Grant Program	\$ -
Incentive Grant Program	\$ -
Life Sciences Branding Program	\$ -
Rockville Rewards Program:	\$ 12,500.00
Economic Development Activities	\$ 40,750.00
Marketing Activities:	<u>\$ 36,742.50</u>
Total:	\$521,980.00

c. REDI hereby acknowledges and expressly agrees that all disbursements of FY 2025 City Funds to REDI under this Agreement shall be:

- i. subject to the availability of sufficient funds in the City of Rockville FY 2025 City Budget, and
- ii. subject to REDI’s compliance with all terms and conditions of this Agreement, including the reporting requirements and the monitoring and audit requirements set forth in this Agreement.

- d. Upon a finding by the City Manager that REDI has made an unauthorized or undocumented use of FY 2025 City Funds, and upon a demand for repayment issued by the City Manager and supported by the reason for the finding, REDI shall promptly repay such amounts to the Mayor and Council.
  - e. The City Manager will monitor REDI's actual operating fund reserve balance and when the actual operating fund reserve balance exceeds the target operating fund reserve balance, then the City Manager may decrease future REDI operating fund requests in the City Manager's proposed budget by the amount over the target reserve as reasonably determined by REDI's Board of Directors.
  - f. REDI shall not expend FY 2025 City Funds in violation of federal, state, or local laws existing during the Term of this Agreement. In the event any such unlawful expenditures of FY 2025 City Funds are made, REDI shall refund to the Mayor and Council the FY 2025 City Funds that were expended in violation of law.
5. **Independent Contractor.** REDI covenants and agrees that in the performance of the various obligations to be undertaken by REDI pursuant to this Agreement, REDI, including its employees, shall act as and be an independent contractor and not as an agent or employee of the City of Rockville.
6. **Insurance.** Prior to the execution of this Agreement, REDI shall obtain, at its own costs and expense, the policies set forth in **Exhibit C** entitled "Insurance Requirements," which is attached hereto and incorporated herein, and maintain and keep in full force and effect those policies for the Term of this Agreement. All policies, endorsements, certificates and/or binders shall be subject to approval by the City of Rockville's Safety and Risk Manager (the "**Risk Manager**") as to form and content. These requirements are subject to amendment or waiver if approved in writing by the Risk Manager. REDI shall provide the Risk Manager with a copy of said policies, certificates and/or endorsements demonstrating that the required insurance policies were in effect as of July 1, 2024, and will remain in effect for the duration of this Agreement.
7. **Records.**
- a. REDI shall be solely responsible for the implementation of internal controls and record keeping procedures that comply with this Agreement and all applicable laws. REDI's administrative, programmatic, and financial records pertaining to REDI's Administrative Operating Expenses and REDI's Economic Development Programs and Activities must sufficiently support the determination that expenditures are allowable. REDI shall retain all records pertinent to REDI's Administrative Operating Expenses and REDI's Economic Development Programs and Activities for a period of seven (7) years from the date of final disbursement. REDI shall retain such records beyond seven (7) years so long as any litigation, audit, dispute, or claim relating to REDI's performance under this Agreement is pending.

b. Access to REDI Records. The City Manager and the City Attorney, or any of their duly authorized representatives, shall have access to and the right to examine the records and activities of REDI related to REDI's performance under this Agreement. The right to examine REDI's records under this Agreement shall be limited to the right to examine and make copies of all contracts, subcontracts, invoices, payroll records, benefit costs, training costs, and all other data or financial records relating to matters covered by this Agreement. The right to examine REDI's records does not encompass the proprietary or otherwise confidential records submitted by REDI clients/applicants as part of grant applications or other requests for assistance except with the client's/applicant's consent. The City Attorney's access to and examination of REDI's records shall be limited to matters involving actual or potential litigation. Notwithstanding any other provision herein, all access by the City Manager, City Attorney and any duly authorized designee shall be in accordance with applicable law, regulations, and statutes and shall not violate any federal grants to which REDI is subject. REDI shall cooperate with the City Manager and the City Attorney, or any of their duly authorized representatives, in such examination, and shall provide them with access to REDI's facilities, staff and to all relevant, disclosable records, documents, and data, including but not limited to, management letters, board of directors' minutes, and payroll. The materials shall be made available during regular business hours and not later than three (3) business days following the City Manager's or City Attorney's inspection request. REDI shall comply with any examination by the City Manager and the City Attorney, or any of their duly authorized representatives, at REDI's sole expense. Confidential, financial, and /or proprietary information received by the City Manager and the City Attorney, and any of their duly authorized representatives, pursuant to this paragraph shall not be publicly disclosed, except as may be required by law or court order. The City Manager shall notify REDI at least ten (10) days prior to such disclosure, or a shorter period of time as may be appropriate based on the law or court order.

8. Monitoring Use of the FY 2025 City Funds. As a way of ensuring that the FY 2025 City Funds will be used in compliance with the terms of this Agreement, the City Manager or the City Manager's designee shall monitor the FY 2025 City Funds as follows:

- a. Monthly Reports to the City Manager. REDI shall provide notes and financial reports from its monthly board of directors' meeting.
- b. Intentionally Omitted.
- c. Audited Financial Records. On or before September 30<sup>th</sup> during the term of this Agreement, REDI shall submit to the Mayor and Council and the City Manager its audited financial statements for the previous fiscal year, in a form approved by the City of Rockville Department of Finance, prepared in accordance with Generally Accepted Accounting Principles established by the Financial Accounting Standards Board or the American Institute of Certified Public Accountants, and certified by an independent firm of certified public accountants (the "**REDI Audited Financial Statements**"). The REDI Audited Financial Statements must include a schedule which details REDI's expenditure

of the FY 2025 City Funds. If REDI is unable to submit its audited financial statements by September 30<sup>th</sup>, then REDI shall provide City of Rockville Department of Finance with preliminary financial statements or other financial information requested for the City to prepare its Annual Financial Statements and then REDI shall submit the REDI Audited Financial Statements on or before October 31<sup>st</sup>.

- d. Presentations to The Mayor and Council. During the term of this Agreement, and subject to scheduling by the Mayor and Council, REDI shall make a minimum of two oral presentations to the Mayor and Council, including (i) a presentation during a Mayor and Council meeting in October in order to (A) provide the Mayor and Council and public with an explanation of REDI's expenditure of City funds from July 1<sup>st</sup> of the previous year to June 30<sup>th</sup> of the year of the October presentation, (B) provide an update on REDI's significant activities of the preceding six months and an update on performance measures, and (C) answer questions posed by members of the Mayor and Council, and (ii) a presentation during a Mayor and Council meeting in February in order to (A) provide the Mayor and Council and public with an explanation of REDI's expenditure of City funds from July 1<sup>st</sup> to December 31<sup>st</sup> of the previous year, (B) provide an update on REDI's significant activities of the preceding six months and an update on performance measures, and (C) answer questions posed by members of the Mayor and Council.
- e. Annual Joint Meeting. During the term of this Agreement, the Mayor and Council and the REDI board of directors shall hold an annual joint meeting, to be scheduled by the Mayor and Council.

**9. Allocation and Subsequent Distribution of City of Rockville Funds to REDI.** Prior to the allocation, if any, and subsequent distribution of local taxpayer funds to REDI by the Mayor and Council in FY 2026 and FY 2027:

- a. REDI shall submit to the Mayor and Council and the City Manager a budget request and spending plan on or before (i) October 15, 2024, for Fiscal Year 2026, and (ii) October 15, 2025, for Fiscal Year 2027, detailing how REDI shall utilize the requested local taxpayer funds for the applicable fiscal year;
- b. The City Manager shall provide a written certification to the Mayor and Council providing that REDI is in full compliance with all terms and provisions of this Agreement; and
- c. The Parties shall amend this Agreement to account in detail how REDI will utilize the requested local taxpayer funds for the applicable fiscal year.

**10. City Acknowledgment.** REDI shall acknowledge the support of the Mayor and Council, where appropriate, in written documents and informational materials regarding REDI's Economic Development Programs and Activities.

**11. Representations and Warranties of REDI.** REDI represents and warrants to the Mayor and

Council that:

- a. REDI is duly formed, validly existing and in good standing under the laws of the State of Maryland and has the legal power and authority to conduct its business, to own its properties, and to execute, deliver and to perform its obligations under this Agreement.
- b. This Agreement has been duly authorized, executed and delivered by REDI, and constitutes a legal, valid and binding obligation of REDI for the benefit of the Mayor and Council.
- c. All proceedings legally required to be taken by REDI in connection with the authorization of this Agreement and of the transactions related thereto, and all approvals, authorizations, consents and other orders of the REDI board of directors as may be legally required to be obtained by REDI with respect to all or any of such matters, have been taken or obtained.
- d. The execution and delivery of this Agreement by REDI, and the performance of REDI of its obligations hereunder, do not (i) violate any provisions of the REDI Articles of Incorporation, as amended, or any other governing instrument of REDI, including but not limited to its bylaws, (ii) violate any law, rule or regulation having applicability to REDI or any order, writ, judgment, decree, determination or award to which REDI is a party, or (iii) result in the breach of or constitute a default under any agreement, lease or instrument to which REDI is a party or by which REDI is bound.

## **12. Covenants and Obligations of REDI.**

- a. REDI shall make available the necessary qualified and trained personnel, resources, materials, and supplies to perform and provide REDI's Economic Development Programs and Activities, including but not limited to, an independent board of directors.
- b. REDI shall utilize the FY 2025 City Funds for the sole purpose of:
  - i. Funding and implementing REDI's Economic Development Programs and Activities set forth in **Exhibit A**; and
  - ii. Funding REDI's Administrative Operating Expenses set forth in **Exhibit B**; and
- c. Pursuant to the terms of that certain funding agreement between the Parties, dated January 1, 2021, REDI was required to adopt a strategic plan that supported the Mayor and Council's economic development policies and priorities, which included the following:
  - i. Promote the retention and expansion of existing businesses in the City;
  - ii. Encourage the formation of new business enterprises in the City and attract new businesses to the City;
  - iii. Research, recommend, market, administer, enforce, measure the success of, and report

on all existing incentive programs (including any tax credit or other payment waiver programs), which must include funded incentives, which currently include the MOVE and Expansion funds as well as the Small Business Impact Fund, provided the City approves funding for such incentive programs or REDI procures funds from other sources for such programs, though REDI shall have no obligation to procure additional funding. REDI shall report to the Mayor and Council regarding the jobs created and/or retained by incentive programs.

- iv. Help cultivate an environment for businesses to create, retain and attract jobs within the City, which includes acting as a liaison to other agencies such as the Montgomery County Economic Development Corporation, Montgomery County Government, Montgomery County Council, the Maryland Department of Commerce, BioHealth Innovation, local chambers of commerce, arts and culture organizations, and other agencies that support and promote local business growth and development;
- v. Foster education and communication between the City's business community, the Mayor & Council, City staff, and the general public;
- vi. Assemble, maintain and disseminate to appropriate brokers, site selectors, and business leaders/decisionmakers information on the City's business community, workforce and economic climate, which should include an assessment of the competitive advantages and challenges of the Rockville market and economy, and proactively engage these key stakeholders;
- vii. Assemble and disseminate information on available workforce for target industry sectors and facilitate connection between businesses and educational institutions to meet business workforce needs;
- viii. Provide impartial support for strategic real estate development and redevelopment projects and initiatives within the City to encourage transit-oriented development, quality of life for residents and businesses, successful office and industrial projects and businesses, and neighborhood shopping center revitalization, recognizing City priority areas such as Town Center, the MD 355 corridor (Rockville Pike, Hungerford Drive and Frederick Road), Stonestreet Avenue, Research Boulevard, Piccard Drive, Southlawn, the Shady Grove corridor, and other important areas of the city economy;
- ix. Support small businesses and entrepreneurs through Small Business Administration (SBA) programs, such as the Maryland Women's Business Center, and promote resources available to small businesses and entrepreneurs, including a focus on socially disadvantaged and minority businesses;
- x. As needed and subject to approved funding, hire experts and consultants to provide analysis and research on topics that support economic development efforts for the City;

- xi. Engage in such other activities, within the power and authority of REDI, as the Board of Directors of REDI reasonably deem necessary to carry out the goals and mission of REDI, as determined from time to time;
- xii. Undertake such economic development assignments as may be requested by the Mayor and Council; and
- xiii. Collaborate with City staff on City initiatives supportive of economic development.

If the Mayor and Council revises its economic development policies and priorities, REDI shall adopt a strategic plan that supports the revised economic development policies and priorities.

- d. REDI shall maintain its corporate, non-profit status in the State of Maryland with the federal Internal Revenue Service for the Term of this Agreement. If REDI should, during the Term of this Agreement, lose its corporate or non-profit status, it shall immediately notify the City Manager within five (5) days of the event.
- e. The Mayor and Council shall vote to designate one of its members to serve as a liaison to, but not a member of, the REDI board of directors. The City Manager shall also serve as a liaison to, but not a member of, the REDI board of directors. The City Manager and the designated member of the Mayor and Council, as liaisons to REDI's board of directors, shall have the right to attend all meetings of REDI board of directors, including committee meetings and special meeting, and shall receive electronic copies of REDI board of director meeting minutes, except confidential closed session minutes, following each such meeting.

### **13. Default and Remedies.**

- a. The following shall constitute a default of REDI under this Agreement:
  - i. Breach of any of REDI's covenants, agreements, or certifications in this Agreement, including the expenditure of FY 2025 City Funds for any use other than for the purposes set forth in this Agreement or in an unauthorized manner; or
  - ii. REDI's failure to comply with federal, state, or local laws, regulations, or rules related to the expenditure of FY 2025 City Funds.
- b. Upon occurrence of any default, the Mayor and Council shall have the right to terminate this Agreement by written notice to REDI.
- c. To the extent that any such default is curable, REDI shall have ten (10) business days from the date the Mayor and Council's notice of default is postmarked or sent via electronic mail (whichever is sooner) to cure the default; provided, however, if the default is of a nature that cannot be cured within ten (10) business days, an event of default shall not arise

hereunder if REDI commences to cure the default within ten (10) business days and thereafter prosecutes the curing of such default with due diligence and in good faith to completion and in no event later than thirty (30) calendar days after receipt of the notice of default. After the conclusion of the cure period, if REDI has not cured the default to the satisfaction of the Mayor and Council, the Mayor and Council may, at its option:

- i. Direct the City Manager to assist REDI in curing the default;
  - ii. Suspend its disbursement of FY 2025 City Funds to REDI until such time as the default has been cured by REDI; or
  - iii. Immediately terminate this Agreement for cause.
- d. In the event the Mayor and Council terminates this Agreement for cause:
- i. REDI's authority to request disbursements shall cease and REDI shall have no right, title, or interest in or to any of the FY 2025 City Funds not already disbursed or appropriately encumbered;
  - ii. The Mayor and Council may demand repayment from REDI of any amounts the City Manager determines were not expended in accordance with this Agreement;
  - iii. The Mayor and Council, at its sole discretion, may demand repayment of all FY 2025 City Funds disbursed to REDI; provided that REDI shall not be required to repay those FY 2025 City Funds that have either been appropriately (A) disbursed by REDI pursuant to the terms of this Agreement, or (B) encumbered by REDI for payment to a third party pursuant to the terms of this Agreement, prior to the Mayor and Council's notice of termination; and
  - iv. The Mayor and Council, at its sole discretion, may bar REDI from receiving additional funds from the Mayor and Council.
- e. In addition to the rights and remedies contained in this Agreement, the Mayor and Council may at any time, proceed to protect and enforce all rights available to the Mayor and Council by suit in equity, action at law, or by any other appropriate proceedings, all of which rights and remedies shall survive the termination of this Agreement.
- f. Termination for Convenience. Either Party, through a vote of its governing body, shall have the right to terminate this Agreement at any time during the term of this Agreement, for any reason, including without limitation, its own convenience, upon three (3) months' prior written notice to the other Party. Within thirty (30) days of such termination, REDI shall be paid in full for services provided up to the effective date of the termination and shall return to the Mayor and Council all funding under this Agreement that has not been expended or encumbered for activities under this Agreement.

- g. Appropriations. The payment of any amounts due REDI under this Agreement is contingent upon the proper appropriation of funds by the Mayor and Council in accordance with the Rockville City Charter and Code. If funds are not appropriated for payment under this Agreement, the Mayor and Council may terminate this Agreement without the assessment of any charges, fees or financial penalties against the Mayor and Council by providing written notice of intent to terminate to REDI. REDI shall not begin any additional services related to this Agreement upon receipt of notification of intent to terminate by the Mayor and Council.

#### **14. Miscellaneous Provisions.**

- a. Notices, Demands, and Communications Between the Parties. Formal notices, demands, and communications between REDI and the Mayor and Council shall be given either by (a) personal service, (b) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, (c) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, or (d) delivery by facsimile or electronic mail (email) with transmittal confirmation and confirmation of delivery, addressed to:

**To The Mayor and Council:** City of Rockville  
111 Maryland Avenue  
Rockville, Maryland 20850  
Attn: Sara Taylor-Ferrell, City Clerk / Director of  
Council Operations  
Email: [cityclerk@rockvillemd.gov](mailto:cityclerk@rockvillemd.gov)

**With a Copies to:** Barack Matite, Acting City Manager  
Email: [bmatite@rockvillemd.gov](mailto:bmatite@rockvillemd.gov)  
Robert E. Dawson, City Attorney  
Email: [cityattorney@rockvillemd.gov](mailto:cityattorney@rockvillemd.gov)

**To REDI:** Rockville Economic Development, Inc.  
51 Monroe Street, PE-20  
Rockville, Maryland 20850  
Attn: Chief Executive Officer  
Email: [Admin@rockvilleredi.org](mailto:Admin@rockvilleredi.org)

Notices personally delivered or delivered by document delivery service or United States mail shall be deemed effective upon receipt. Notices delivered by facsimile or email shall be deemed effective the next business day, not less than 24 hours, following the date of transmittal and confirmation of delivery to the intended recipient. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as

any Party may from time to time designate in writing.

- b. Relationship of Parties. The provisions of this Agreement are intended solely for the purpose of defining the relative rights of the Parties as funder and recipient and no relationship of partnership, joint venture or other joint enterprise shall be deemed to be created hereby by and among the Parties pursuant to this Agreement.
- c. Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against any Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply. The Section headings are for purposes of convenience only and shall not be construed to limit or extend the meaning of this Agreement.
- d. Assignment. The Parties agree that the expertise and experience of REDI are material considerations for this Agreement. REDI shall not assign or transfer any interest in this Agreement nor the performance of any of REDI's obligations hereunder, without the prior written consent of the Mayor and Council. This provision does not limit REDI in seeking expert assistance or consultation to support its performance of its obligations hereunder. In the event the Mayor and Council determines that any of the rights, duties, obligations under this Agreement have been subcontracted or assigned to another vendor by REDI, without the written consent of the City Manager, then the Mayor and Council may exercise its right to take any appropriate remedy including, without limitation, termination of this Agreement.
- e. Entire Agreement, Waivers and Amendments. This Agreement integrates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the Parties with respect to the FY 2025 City Funds. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Parties. A Party's failure to act with respect to a breach by the other Party does not waive its right to act with respect to subsequent or similar breaches. The failure of either Party to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.
- f. No Third-Party Beneficiaries. No provision of this Agreement shall be construed to confer any rights upon any person or entity who is not a Party hereto, whether a third-party beneficiary or otherwise.
- g. Conflict of Interests. No member of the Mayor and Council or any employee of the City of Rockville, Maryland shall be entitled to receive any funds provided pursuant to this Agreement or to any pecuniary benefit that may arise therefrom.
- h. Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this

Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement. In the event that all or any portion of this Agreement is found to be unenforceable, this Agreement or that portion which is found to be unenforceable shall be deemed to be a statement of intention by the Parties; and the Parties further agree that in such event, and to the maximum extent permitted by law, they shall take all steps necessary to comply with such procedures or requirements as may be necessary in order to make valid this Agreement or that portion which is found to be unenforceable.

- i. Indemnification. Subject to and without waiving common law and other governmental immunities, if any, REDI shall indemnify, defend and hold harmless, the Mayor and Council and the City of Rockville's appointed officials, employees and agents from any and all claims, liabilities or damages whatsoever arising out of the activities of REDI, the conduct of the activities specified above, for any and all debts incurred by REDI or for any of the acts of omission or commission by REDI, any of its officers, employees or any members of its board of directors, to the fullest extent permitted by law. REDI also agrees that it shall comply with all laws applicable to the conduct of the activities described above. REDI acknowledges that neither it nor its personnel shall be acting as an employee or official representative of the City of Rockville for purposes of being offered any protection or coverage under the City of Rockville's insurance policies for tort immunity or other legal purposes. REDI shall have sole control over the manner and means of providing the work and services performed under this Agreement. The Mayor and Council's relationship to REDI under this Agreement shall be that of an independent organization. REDI's personnel and officers will not be considered employees of the City of Rockville for any purpose.
- j. Liability. REDI releases the Mayor and Council, its officers, employees and agents from, and agrees that the Mayor and Council, its officers, employees and agents shall not have any liability for, any and all suits, actions, claims, demands, losses, expenses, and costs of every kind and nature, including reasonable attorneys' fees, incurred by or asserted or imposed against the Mayor and Council, its employees and agents, as a result of or in connection with the Funded Activities except for the gross negligence or willful misconduct of the Mayor and Council, its employees and agents. This subsection shall survive the Term of this Agreement.
- k. No Attorneys' Fees. In the event of any dispute or legal action arising under this Agreement, the prevailing Party shall not be entitled to attorneys' fees.
- l. No Waiver of Sovereign Immunity by the City or REDI. Notwithstanding any other provisions of this Agreement to the contrary, nothing in this Agreement nor any action taken by the Mayor and Council or REDI pursuant to this Agreement nor any document which arises out of this Agreement shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the Mayor and Council's elected and appointed officials, officers and employees or, if any, of REDI, its Board of Directors and employees.

- m. No Discrimination. REDI shall not discriminate against any person in employment or in the provision of its obligations under this Agreement, including the performance of Program Services, because of age (except as provided by other applicable law), ancestry, color, religion, disability, genetics, pregnancy, veteran status, marital status, national origin, presence of children, race, ethnicity, sex or sexual orientation, gender identity or expression, and failing to make reasonable accommodations for a qualified person with a disability.
- n. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Maryland. Each Party consents to the jurisdiction and venue of the Circuit Court of Montgomery County, Maryland.
- o. Exhibits. All Exhibits referred to in this Agreement are by such references fully incorporated herein.
- p. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

**[Signatures and acknowledgments appear on the following pages]**

**IN WITNESS WHEREOF**, the Parties have each executed, or caused to be duly executed, this Agreement under seal in duplicate, in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives, as the case may be, thereunto duly authorized) as of the day and year first written above.

**MAYOR AND COUNCIL**

**Approved as to form:**

**THE MAYOR AND COUNCIL OF  
ROCKVILLE**, a body corporate and municipal  
corporation of the State of Maryland

\_\_\_\_\_  
Robert E. Dawson, City Attorney

By: \_\_\_\_\_  
Barack Matite, Acting City Manager

**Attest**

\_\_\_\_\_  
Sara Taylor-Ferrell, City Clerk /  
Director of Council Operations

**REDI**

**ROCKVILLE ECONOMIC DEVELOPMENT,  
INC.**, a Maryland nonstock corporation

By: \_\_\_\_\_  
Cynthia Rivarde, Chief Executive Officer

**ACKNOWLEDGMENT**

STATE OF MARYLAND  
COUNTY OF MONTGOMERY

On this the \_\_\_ day of June, 2024, before me, personally appeared Cynthia Rivarde, known to me (or satisfactorily proven) to be the person whose name and title is subscribed to within the instrument, who acknowledged herself to be the Chief Executive Officer of Rockville Economic Development, Inc. in the above instrument, and that she, as Chief Executive Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Rockville Economic Development, Inc., by herself as Chief Executive Officer of Rockville Economic Development, Inc.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

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**EXHIBIT A**  
**REDI's ECONOMIC DEVELOPMENT PROGRAMS AND ACTIVITIES**

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*1. Small Business Impact Fund Grant Program* *\$150,000*

Description of the Small Business Impact Grant Program

The SBIF program aims to foster economic vitality by providing financial assistance through grants 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.

City's Expected Goals and Accomplishments for the Program

REDI will advertise and implement the grant program with a goal to assist eligible businesses with the provided funds. They will do so utilizing a committee in accordance with written and published procedures, currently the Incentive Review Process, as adopted by the REDI board of directors on February 22, 2024. They will report on awards made using their website and in other reports. They should ensure the funds for this grant program are not commingled with operating funds or with other grant programs.

*2. Incentive Grant Program* *\$175,000*

Description of the Incentive Grant Program

The MOVE program attracts businesses to Rockville from outside the city limits or allows a business to move into its first space in the city. Eligible businesses may receive up to \$4 per square foot of space. The Expansion program retains businesses that are growing in the city limits by providing up to \$4 per square foot of new space for at least 1,000 square feet for office/industrial/flex or 500 square feet of retail. The maximum award for both is \$40,000 and the commitment for the space must be for at least three years.

City's Expected Goals and Accomplishments for the Program

REDI will advertise and implement the grant program with a goal to assist eligible businesses with the provided funds. They will do so utilizing a committee in accordance with written and published procedures, currently the Incentive Review Process, as adopted by the REDI board of directors on February 22, 2024. They will report on awards made using their website and in other reports. They should ensure the funds for this grant program are not commingled with operating funds or with other grant programs.

*3. Life Sciences Branding Program* *\$ 50,000*

Description of the Life Sciences Branding Program

REDI is working with a marketing firm, Medium Giant to develop a brand for the life/bio science cluster of which Rockville is part.

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**EXHIBIT A**  
**REDI’s ECONOMIC DEVELOPMENT PROGRAMS AND ACTIVITIES**

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This effort is anticipated to continue to grow as an asset for placemaking, attraction, retention, and identity. The project is in partnership with Montgomery County, Montgomery County Economic Development Corporation, the City of Gaithersburg, the Maryland Tech Council, and the Universities of Shady Grove, all of which are participating.

City’s Expected Goals and Accomplishments for the Program

The FY 25 goal is to begin implementation of the new branding. After completion of the naming stage, which is being tested with stakeholders, the consultant will deliver the final brand documents. Part of the deliverables from Medium Giant will be a recommended implementation plan. The \$50,000 will be used to execute on some of that plan. It is hoped that the project partners (County, MCEDC, Gaithersburg, etc.) will also help with implementation.

*4. Rockville Rewards and Global Bites Program* *\$ 25,000*

Description of the Rockville Rewards Program

The program has been transformed to allow for an electronic card that can be used in the “wallet” app. REDI staff work with businesses to develop the “deals” they are offering to rewards holders, and working to keep the deals fresh. In addition, REDI is using the function to provide the restaurant offers during Global Bites. Global Bites is a campaign/event that highlights the diverse international dining scene that is part of Rockville’s identity, and which also attracts visitors. This should be part of the regular Marketing budget line, but is separated to show that this was not an addition to the budget, but rather a transfer from the Chamber to REDI.

City’s Expected Goals and Accomplishments for the Program

REDI will execute the Rockville Rewards and Global Bites program by selling the rewards cards for use through the wallet apps on mobile devices. This includes a kickoff event and then a restaurant week style period for promotion of restaurants with opportunities for new customers to learn more about their menus. The sale of rewards cards continues to provide donations to certain nonprofit organizations in Rockville.

*5. Economic Development Activities* *\$ 81,500*

Description of the Economic Development Activities to be Funded.

The annual funding for Economic Development supports attraction, retention and expansion support for businesses looking at Rockville or operating in Rockville. This includes location support through Co-Star subscriptions and demographic information needed by businesses to make their location decisions, some of which data is

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**EXHIBIT A**  
**REDI’s ECONOMIC DEVELOPMENT PROGRAMS AND ACTIVITIES**

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purchased. In addition, economic development activities include partnership building and prospecting, which includes attending trade shows and conferences for staff. The main conference that REDI has attended since inception is the International Bio Conference.

City’s Expected Goals and Accomplishments for the Activities

REDI will continue to pay the Co-Star subscriptions, fund other data needs, attend trade shows and conferences, partnership building and prospecting.

**6. Marketing Activities**

\$ 73,485

Description of the Marketing Activities to be Funded.

Marketing funds support Economic Development, tourism, and small business support. This includes websites, social media platforms, constant contact, etc. Funds are used for creation of collateral and branded items for promotion. \$20,000 per year is set aside for the MOU with Visit Montgomery, which built and maintains the Explore Rockville website content. This allows REDI to leverage the VM SEO for greater reach in our messaging.

City’s Expected Goals and Accomplishments for the Activities

REDI will use the marketing funds to promote Rockville as a city of choice for residents, visitors, workers, and businesses. REDI will determine the right mix of resource information for general use, as well as targeted pieces for specific industry areas or prospects. They will also create collateral (digital and hardcopy), advertising, public relations, social media, and support for strategic events and trade shows.

**Sub-Total**

\$ 554,985

*(End of Exhibit “A”)*

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**EXHIBIT B**  
**REDI'S ADMINISTRATIVE OPERATING EXPENSES**

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Employee Salaries	\$454,837	
Employee Benefits / Payroll Taxes	\$ 90,142	
Employee Professional Development	\$ 8,250	
Office Rent	\$102,600	
Office Expenses	\$ 42,746	
Insurance	\$ 6,000	
Travel / Parking	\$ 9,900	
Professional Services	<u>\$149,500</u>	
Sub-Total		<u>\$ 863,975</u>

*(End of Exhibit "B")*

**EXHIBIT C**

**FY 2025 Rockville Economic Development Grant Funds  
Insurance Requirements**

Prior to the execution of the Agreement by the City, REDI must obtain, at their own cost and expense, and keep in force and effect during the term of the contract including all extensions, the insurance listed in Table 1 with an insurance company/companies licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. With respect to the various obligations undertaken by REDI pursuant to this Agreement, REDI’s insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City shall be deemed in excess of REDI’s insurance and shall not be called upon to contribute with it.

REDI must submit to the Risk Manager, Rockville City Hall, 111 Maryland Avenue, Rockville, MD 20850, a certificate of insurance and/or copies of the insurance policies prior to the start of any work. Unless approved by the Risk Manager, in no event may the insurance coverage be less than the amounts listed in Table 1.

**Table 1 – Mandatory Minimum Insurance Requirements**

Type of Insurance	Amounts of Insurance	Endorsements and Provisions
<b>1. Workers’ Compensation</b> <b>2. Employers’ Liability</b>	Bodily Injury by Accident: \$100,000 each occurrence  Bodily Injury by Disease: \$500,000 policy limits  Bodily Injury by Disease: \$100,000 each employee	Waiver of Subrogation: <i>WC 00 03 13 Waiver of Our Rights to Recover From Others Endorsement – signed and dated.</i>
<b>3. Commercial General Liability</b>  a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	Each Occurrence: \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage. <i>CG 20 37 07 04 and CG 20 10 07 04 forms to be both signed and dated.</i>
<b>4. Automobile Liability</b>  a. All Owned Autos b. Hired Autos c. Non-Owned Autos	Combined Single Limit for Bodily Injury and Property Damage - (each accident): \$1,000,000	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage. <i>Form CA20 48 02 99 form to be both signed and dated.</i>

**Policy Cancellation**

No change, cancellation or non-renewed shall be made in any insurance coverage without a thirty (30) day written notice to the Risk Manager. REDI shall furnish a new certificate prior to any change or cancellation date.

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**EXHIBIT C**

**FY 2025 Rockville Economic Development Grant Funds  
Insurance Requirements**

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**Additional Insured**

The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents, and employees must be named as an additional insured on REDI's Commercial General Liability Insurance policy. Endorsements reflecting the Mayor and Council of Rockville as an additional named insured are required to be submitted with the insurance certificate.

**Certificate Holder**

The Mayor and Council of Rockville  
City of Rockville  
111 Maryland Avenue  
Rockville, MD 20850

*(End of Exhibit "C")*