



ROCKVILLE

ECONOMIC DEVELOPMENT, INC.

MARYLAND

Fiscal Year 26
Mid-Year Report
(July 2025 - December 2025)

February 9, 2026





REDI helps businesses launch, locate, and expand in Rockville by providing tools, resources, and guidance to support all stages of business growth.

MISSION

To identify and develop economic opportunities to help Rockville prosper.

VISION

Rockville is a 21st century city for business.

VALUES

- **Be proactive**
- **Be an expert**
- **Be innovative**
- **Be collaborative**
- **Be impactful**



ORGANIZATIONAL STRUCTURE

Mayor and Council



REDI Board of Directors



REDI CEO



REDI Staff



IMPACT OF FEDERAL RESTRUCTURING



WORKFORCE IMPACT

- **Washington D.C. region lost 52,400** jobs since Nov. 2024
- **Maryland lost ~25,000** federal jobs - leading the region and nation
- **9,900 jobs lost in Frederick-Gaithersburg-Bethesda area** between Jan. - Nov. 2025
- **Rockville unemployment rose** to **4.2%** (Sept. 2025) from 2.7% (Sept. 2024)
- **Deferred resignations** began at the end of September 2025 resulting in **10,000+ workers lost nationwide** through October and November 2025

Data source: Bureau of Labor Statistics



POLICY & SERVICES IMPACT

- **Deregulation** of energy, **increasing tariffs** and changes to federal agencies potentially **impacting climate, health and worker protections, and disrupted supply chains**
- Disruptions to SNAP, Head Start, and OSHA inspections
- Nonprofit grant cancellations lead to **program suspensions and layoffs**
- Research **data** from some agencies **suspended** including **economic indicators** like the **Consumer Price Index (CPI)** and **BLS employment data**
- Introduction of Maryland's **3% sales tax** on some **data and IT services**



INDUSTRY IMPACT: FEDERAL RESTRUCTURING EFFECTS

FEDERAL CONTRACTING

- 2025 federal spending in Montgomery County totaled **\$11.3 billion - a 38% decrease**
- **Department of Defense contractors** positioned for **stability** under proposed spending increases

Data source: Montgomery County Economic Development Corporation

LIFE SCIENCES

- Smaller firms facing **funding pressure** and seeking alternative sources with **loss of federal funding**
- **DEI-related NIH grants** restored by court order **will not renew in 2026**
- Mid-size companies **slower to expand**, adopting "wait-and-see" stance

RETAIL & HOSPITALITY

- **Retail is stable but softening** due to reduced federal payrolls and consumer spending
- **Big box closures** (Macy's closed 30% nationwide)
- **Lodging occupancy down** 4.9 percentage points
- Hospitality jobs grew post-pandemic, but federal cuts contribute to overall **decline in accommodation and food services employment**

Data source: Visit Montgomery

SMALL-SCALE MANUFACTURING

- **Reduced consumer spending** created a ripple effect **impacting food manufacturing**
- New tariffs have **increased the cost of imported inputs** and caused **supply chain uncertainty and disruptions**



ROCKVILLE COMMERCIAL REAL ESTATE



OFFICE

Inventory: **13 million SF**

Vacancy Rate: **25%**

Rental Rate/SF: **\$30**

Leasing Volume: **487,000 SF**

Sales Activity: **\$84 million**



INDUSTRIAL/FLEX

Inventory: **4.1 million SF**

Vacancy Rate: **7.7%**

Rental Rate/SF: **\$24**

Leasing Volume: **103,000 SF**

Sales Activity: **\$19.1 million**

OPPORTUNITIES



- **5 Class A buildings** with 100k+ SF available prime candidates for **redevelopment or incentive-driven leasing**
- Strong positioning for **early-stage companies** seeking **3,000-9,000 SF industrial/flex space**
- Regional edge: **Greater availability and lower rents than D.C.** for industrial and flex space

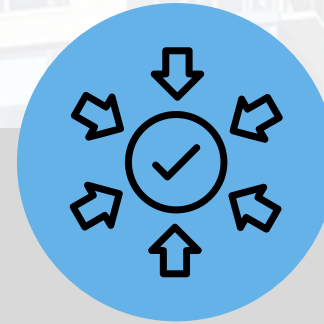


REDI'S STRATEGIC RESPONSE: AHEAD OF THE CURVE



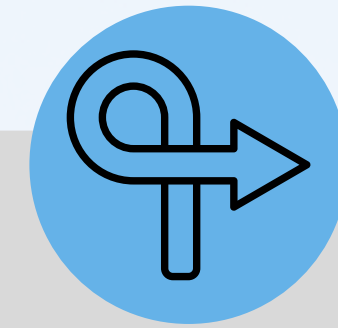
TARGETED INVESTMENTS

- Identified **Rock East District** and **Twinbrook** as **hubs for manufacturing**
- Developed tailored **programming and technical assistance** to **attract, retain and grow manufacturing**



PROACTIVE POSITIONING

- 2023: Board strategic planning session **affirmed need for industry diversification**
- 2024: **Initiated life science brand strategy**
- Early 2025: **Evaluated economic base** ahead of federal changes



STRATEGIC PIVOTS

- Launched **Biotech Corridor brand** to strengthen life science cluster
- Prioritized emerging industries: **AI, MedTech, Aerospace, Advanced Manufacturing**
- Identified **competitive advantage in small-scale manufacturing**
- Partnered with City and County Planning, Gaithersburg and MCEDC on **site readiness initiative** to **market shovel-ready sites**





In the Business of Connection

ACCOMPLISHMENTS

Mid-Year FY26

July 1, 2025 - December 31, 2025

ECONOMIC DEVELOPMENT CRISIS LEADERSHIP: FEDERAL RESTRUCTURING RESPONSE



Workshop for displaced federal workers and contractors



Cohort-based capacity building program for displaced federal workers and contractors



Partnership created for regional displaced federal workers and contractors



Mobilize Montgomery partnership resulted in nation's 1st Federal Workforce Career Center



BIOTECH CORRIDOR MOMENTUM

Rockville is the epicenter of the nation's #3 biotech cluster. The Biotech Corridor brand is putting us on the global map, bringing companies, talent and investment.

- Biotech Corridor brand launched at 2025 BIO International and sponsored Maryland booth
- Biotech Corridor inquiry conversions to Baltic region delegation visit and Italian embassy stakeholder invitation
- Ecosystem building through an exclusive executive dinner with Thermo Fischer partnership and BioBoost event with Scheer Partners
- RFP issued for website build-out and fundraising feasibility study



SMALL BUSINESS EXCELLENCE: MARYLAND WOMEN'S BUSINESS CENTER

- Maryland Women's Business Center (MWBC) served **446 unique clients**, and supported **548 jobs** and **\$118,750 of capital infusion** overall, including **59 entrepreneurs**, and **64 jobs** in Rockville
- Hosted **55 aspiring business owners** (45 from Montgomery County) at **Reboot, a launchpad workshop** for displaced federal workers and contractors
- Launched **Founders Rising, a 20-person cohort program** helping displaced federal workers and contractors **build business skills and sustainable ventures**
- Redesigned MWBC **retail incubator curriculum** to align with **current market needs**



BUSINESS ATTRACTION, EXPANSION & RETENTION

REDI maintained **business development momentum**, conducting **70 business visits**, **attracting 32 new businesses**, and supporting **business expansions and retention** in the first two quarters of FY26 despite the effect of federal restructuring on Rockville's workforce and economy

NEW BUSINESSES

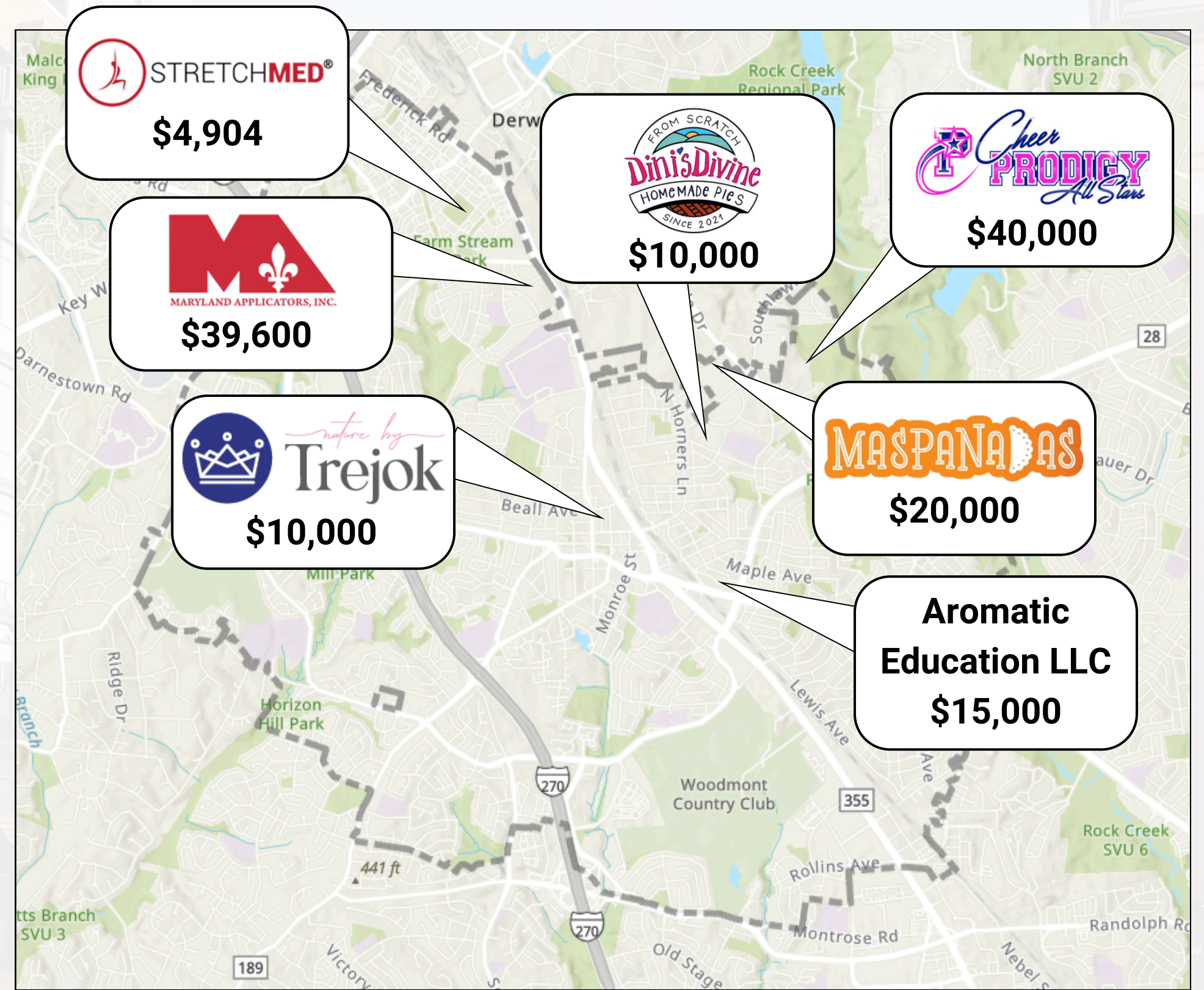


BUSINESS EXPANSIONS & RETENTION



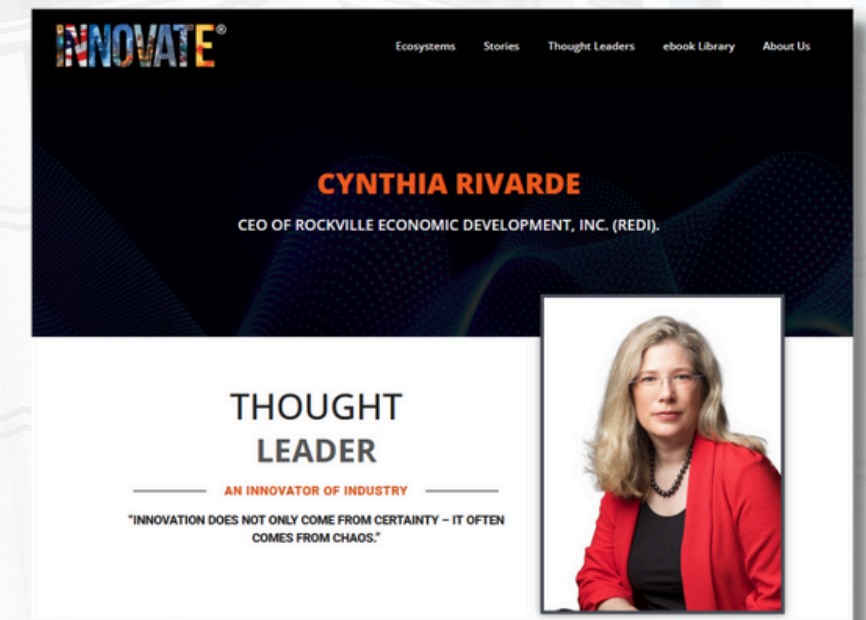
MID-YEAR FY26 INCENTIVE GRANTEES

Grantee	Grant
StretchMed Rockville	MOVE
Four Oaks dba Cheer Prodigy All Stars	MOVE
Maryland Applicators LLC	MOVE
Aromatic Education LLC	Small Business Impact Fund
Latin Goodness Foods LLC dba MasPanadas	Small Business Impact Fund
Nature by Trejok LLC	Small Business Impact Fund
Dini's Divine Pies	Small Business Impact Fund



REGIONAL RECOGNITION: STATE-LEVEL LEADERSHIP

- Board appointments to **Visit Montgomery**, **Greater Rockville Chamber of Commerce**, **Maryland Economic Development Association**
- Community support serving on **Interfaith Works** board, **Business Development Committee of Downtown Frederick Partnership** and **100 Black Women Coalition of Prince George's County**
- Appointed to **Comptroller's Business Advisory Council** and **Women's Empowerment Council**
- Industry leadership working with **Women in Bio Capital Region** and the **Maryland State Innovation Team**
- National recognition through CEO Monthly's Northeast USA **Economic Development CEO of the Year** award and **Innovate Maryland Thought Leader** feature
- **MWBC** was designated a **National WBC of Excellence** for **second consecutive year**



STRATEGIC POSITIONING: SECTOR DIVERSIFICATION



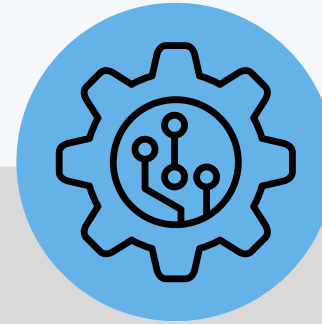
BIOTECH/LIFE SCIENCES

PROGRESS MADE

- **Biotech Corridor** brand launched
- RFP for **website feature enhancements** issued

ASSETS

- **120+** biotech companies
- **International recognition**
- **#3 U.S. cluster** for life sciences



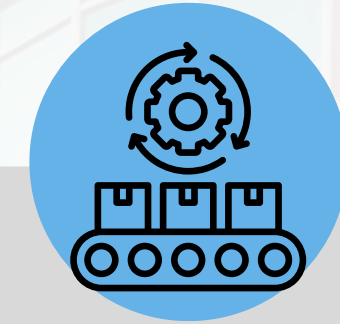
EMERGING & CLEAN TECH

PROGRESS MADE

- Use of prospect lists for **targeted attraction**
- Assisted emerging tech businesses including **Liatriis**, **Pirl**, and **Next Glass**
- **Sponsored 2025 Maryland Clean Energy Summit**

ASSETS

- **26%** of county's clean tech located **in Rockville**



SMALL-SCALE MANUFACTURING

PROGRESS MADE

- **3 cohorts** trained

ASSETS

- **Manufacturing hubs:** Twinbrook & Rock East
- **County funding** for further development



FORWARD LOOKING: 2026 STRATEGIC PRIORITIES

Rather than waiting, **REDI** is building Rockville's stability through **expanded workforce transition programs, new revenue streams, and deeper biotech ecosystem investments**



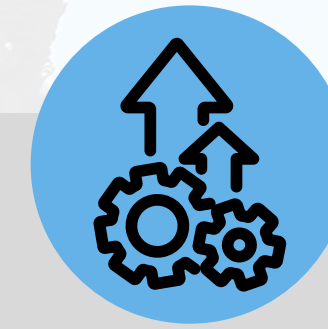
CRISIS RESPONSE & RESILIENCE

- Continue **analysis and response** to federal landscape changes
- **Scale Founders Rising** based on pilot success



BIOTECH CORRIDOR GROWTH

- Complete **fundraising feasibility** study
- Launch **enhanced Biotech Corridor website**

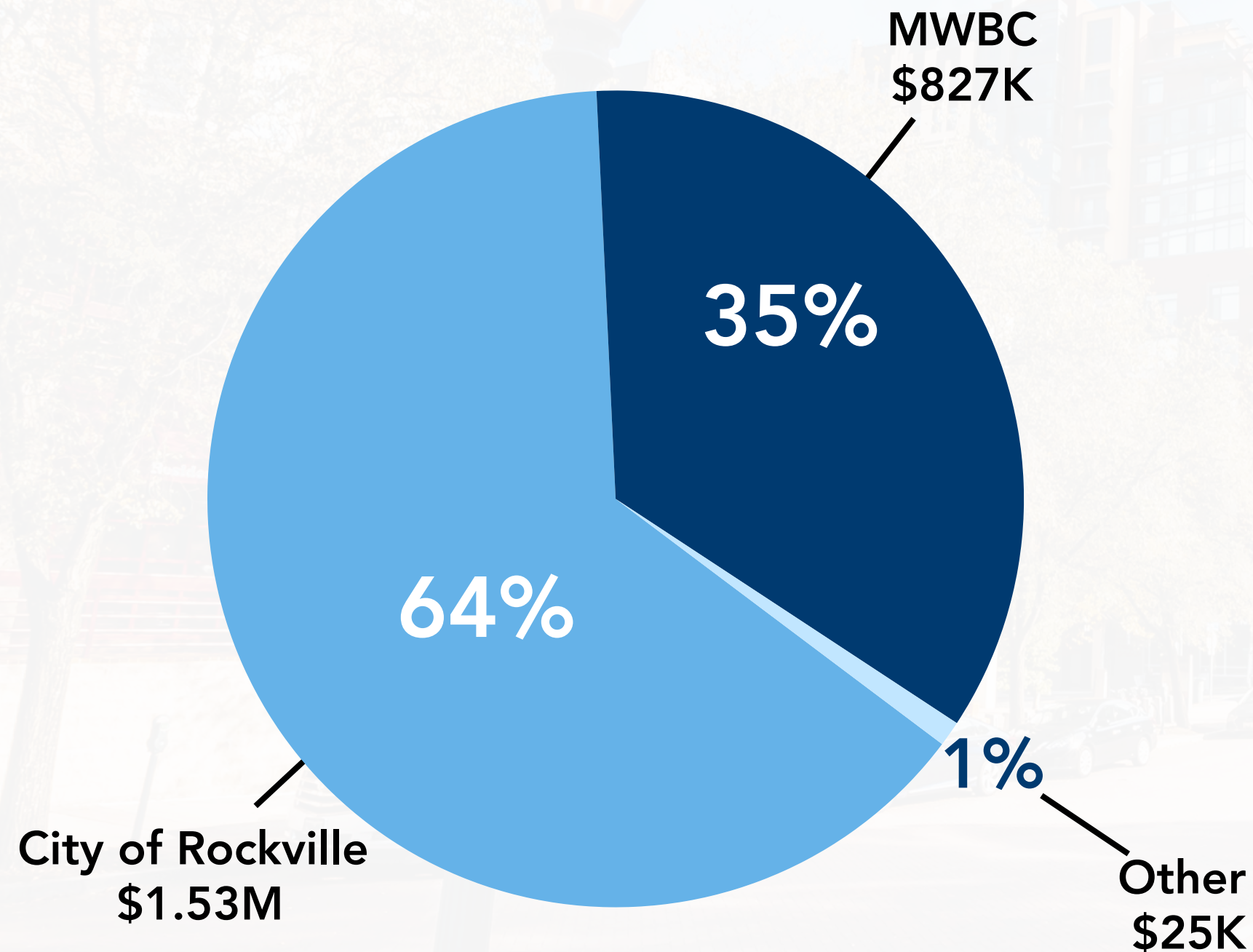


ORGANIZATIONAL EXCELLENCE

- **Diversify MWBC funding** streams for long-term security
- **Enhance communications strategies** based on stakeholder feedback
- **Data system integration** and **performance measurement modernization**



REDI FY26 TOTAL FUNDING BUDGET



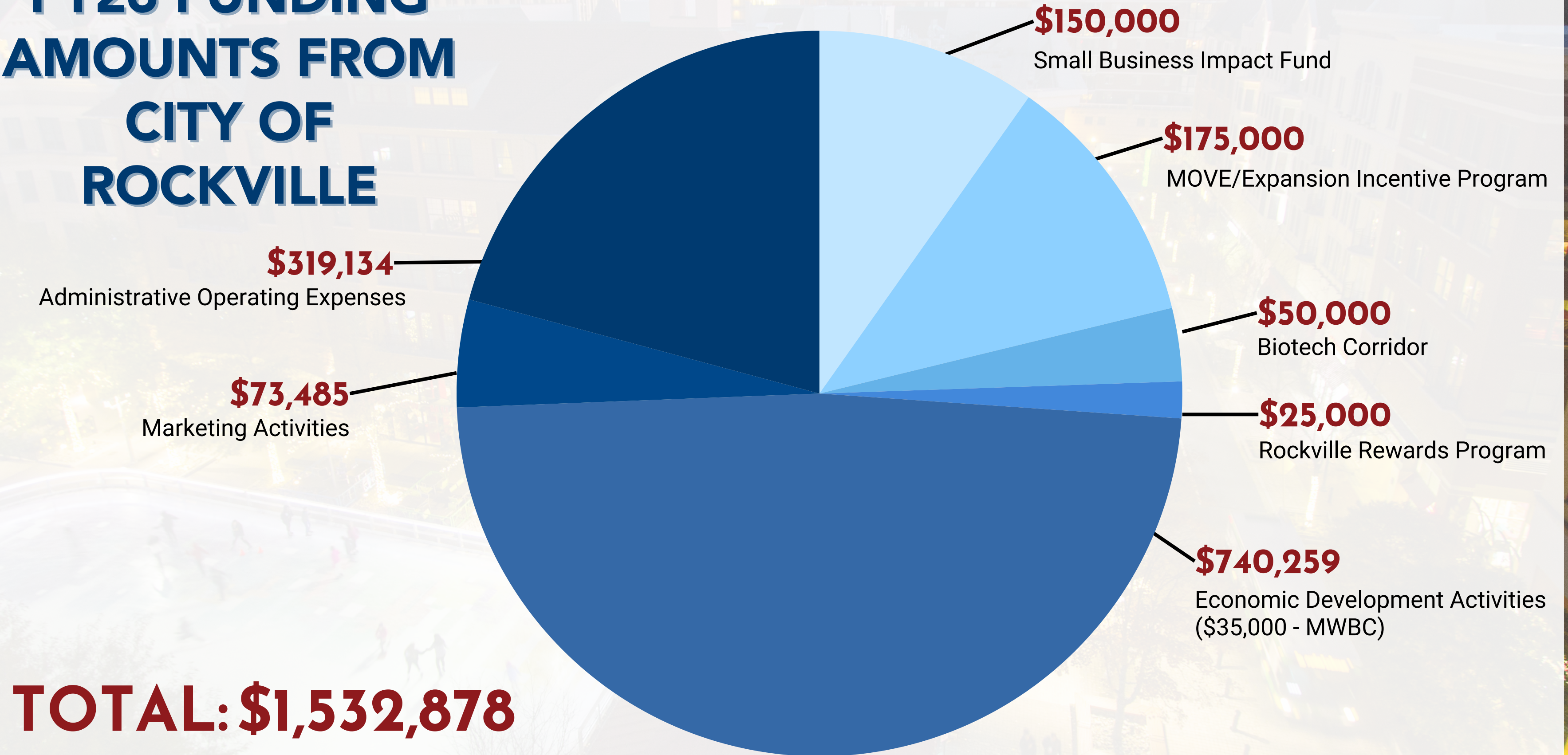
TOTAL BUDGET: \$2.38M

OTHER FUNDING SOURCES

- SBA
- City of Bowie
- Frederick County Office of Economic Development
- MCEDC
- Montgomery County
- Childcare Trainings
- Montgomery County Health & Human Services
- Networking Events
- Trainings
- Contributions



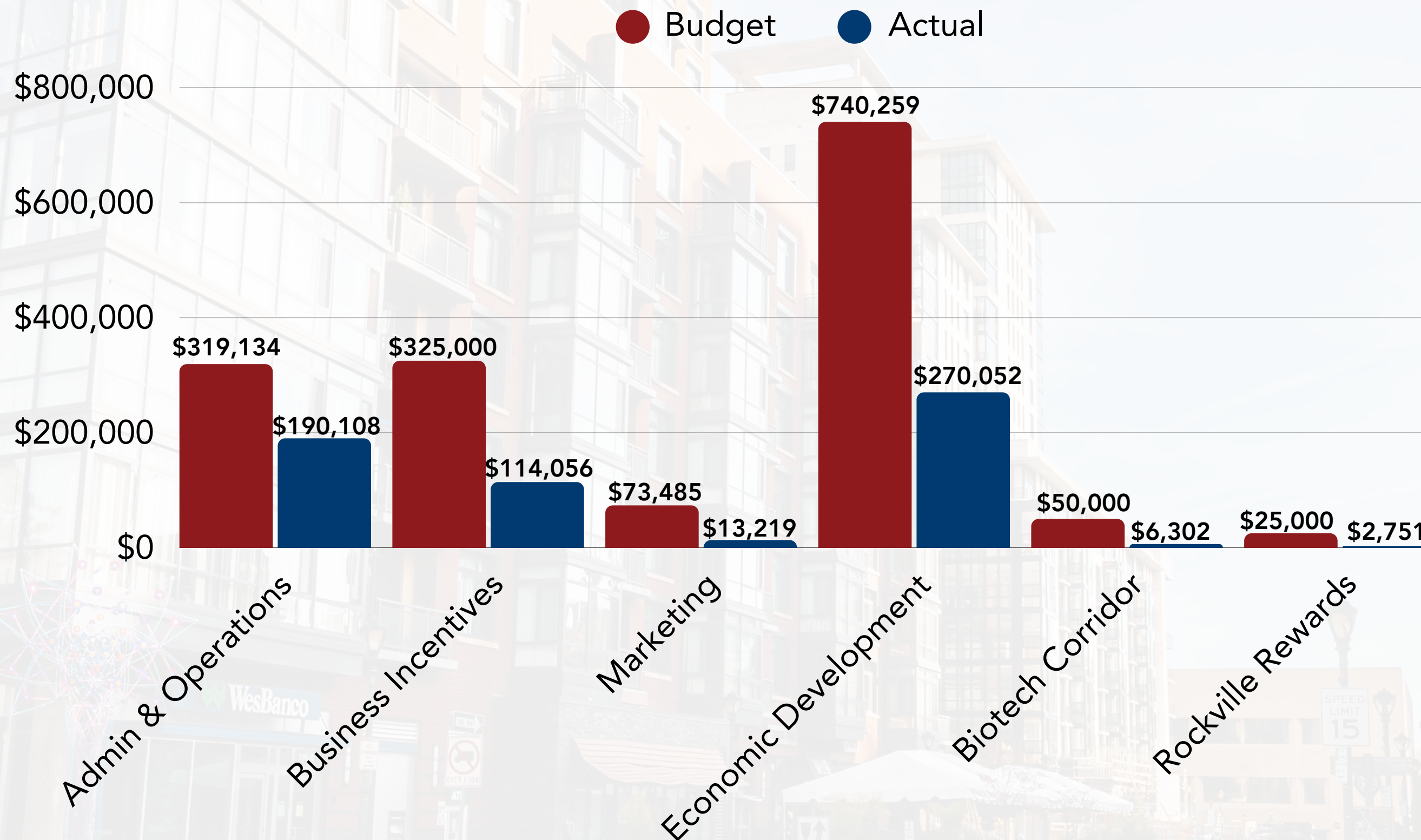
FY26 FUNDING AMOUNTS FROM CITY OF ROCKVILLE



TOTAL: \$1,532,878



MID-YEAR FY26 EXPENSES



TOTAL EXPENDITURE: \$596,488 or 39% of Budget





ROCKVILLE

ECONOMIC DEVELOPMENT, INC.

— MARYLAND —

THANK YOU

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