COMPARISON OF STRUCTURES

Note: Green are pros and Brown are cons

Economic Development Organization (EDO) as a separate entity:	Internal Economic Development Department:
Business Development Support/External Partnerships: o Businesses are able to discuss their concerns with staff prior to any submittals or meetings, providing a trusted partner to the business community. Businesses appreciate this independent informed viewpoint. o REDI provides technical assistance through MWBC programming that creates a pipeline for attracting existing and start-up businesses and helps with business retention. o MWBC has established partnerships with other jurisdictions that feed referrals for businesses interested in locating in Rockville. o Because REDI is an autonomous entity, it can participate in and facilitate regional problem solving without representing an official city position. o REDI's current structure has been a successful model since 1997, and Rockville has a robust and attractive business community and economy. o Many jurisdictions look to REDI as best practices, and have sought to replicate programs such as retail and childcare incubators, and support for small-scale manufacturing o If roles are not clearly delineated between the EDO and city staff, there may be overlap or confusion in service delivery, especially in technical assistance or outreach. o May face barriers in accessing internal city systems (e.g., permitting, planning), slowing down coordinated responses for business needs.	**Business Development Support/External Partnerships:** o Businesses would have a single point of contact for navigating permitting and incentives, reducing confusion between REDI and city departments and enabling faster and more coordinated support for businesses. o ED staff would have direct use of city properties, GIS systems, permitting databases, and demographic data enhances the ability to support site selection, outreach, and retention efforts. o While the MWBC program is not permitted to be hosted by a governmental entity, the city could establish an entrepreneurship center to provide technical assistance to the small business community. o MWBC program would have to be eliminated ending direct support for Rockville businesses. o Staff would be bound by government rules and requirements, limiting the ability to quickly create or adjust pilot programs, small grants, or partnerships in response to new business needs. o Staff may become absorbed in city processes and lose the business-first mindset. o Might lose the perception of neutrality as businesses may be less candid about challenges or concerns when engaging directly with government staff, fearing regulatory or political repercussions.

Marketing Support o Ability to promote businesses and private industry through tools like Explore Rockville, which has a business directory and calendar for city and non-city events. o Ability to tailor messaging to different audiences like tourists, employees, employers, and investors. o More flexibility in branding and messaging to craft campaigns and public messages that align with market trends and business language, rather than needing to conform to government communication protocols. o Ability to create placemaking and identity through marketing and other placemaking efforts like Rock East, Biotech Corridor, etc. o REDI's marketing may not be automatically aligned with broader city initiatives missing opportunities for cross-promotional impact. o REDI must independently fund or outsource marketing functions and remain independent on external tools, which can slow execution and increase costs.	**Marketing Support** o Communication efforts are more easily aligned with the city's overall communication strategy and priorities, creating a cohesive message for residents, businesses, and investors. o Marketing content may move more smoothly through internal city review channels when produced by in-house staff. o Economic development marketing can be more easily tied into broader city campaigns (e.g., sustainability, equity, housing), enhancing visibility and cross-departmental collaboration. o Restricted in ability to promote private businesses or city assets not for public benefit/service. o Would not be able to host the tools for businesses such as Explore Rockville's events calendar or the business directory. o Economic Development initiatives and programs may not have as much visibility to the public or business community.
Funding & Programming o Private entities are often more comfortable donating to or partnering with a nonprofit than a government entity, increasing potential sponsorships or philanthropic funding. o Incentive programs are run by a committee, which provides separation in decision-making from the political process. o Ability to host MBWC as an SBA program, which gives a competitive edge, as most EDOs do not also	**Funding & Programming** o Could still provide incentive programs, and if funded, staff can provide technical support services and entrepreneurship support possibly without federal or other local government funding – or there could be a hybrid model where a separate non-profit is retained to deliver technical services through MWBC with outside funding. o Grant compliance, audits, reporting, and financial

- provide technical business support services.
- MWBC elevates the ecosystem as a place that encourages entrepreneurship and innovation, which is an underpinning of the key industry areas of bio/life science, small-scale manufacturing, and other technology companies.
- Managing multiple grants with varied reporting requirements diverts staff time from direct business support and strategic planning.

- management would be supported by existing city departments (Finance, Legal, Procurement), reducing overhead for program administration.
- Economic development functions are typically built into the city's base budget, providing greater year-to-year stability and predictability and providing stable core funding.
- If delivery of all REDI services is brought in house, the city would need to absorb costs currently covered by other jurisdictions for entrepreneurship/technical assistance if retaining entrepreneurial technical assistance is desired.
- The city is not eligible for some external funding sources like grants for non-profits, foundations, etc.

Infrastructure & Operations support
- A separate entity EDO is nimbler in procurement, contract management, and decision-making, as they are not "in line" for services from procurement or other departments.
- Lack of internal infrastructure and operations support and must outsource some IT, HR, Finance, and Legal support.
- Required to follow the Open Meetings Act, the Maryland FOIA, and the Maryland Archive requirements, without City Clerk or Legal Department support.

Infrastructure & Operations support
- In-house support for IT, HR, Finance, Legal, Records, and Open Meetings.
- The City Manager would direct work rather than an autonomous board.
- Easier access to city staff for planning & collaboration.
- Cost savings on rent are unlikely, as the Economic Development team would not be in City Hall, and most departments require separate offices to ensure confidentiality for businesses.
- Economic development work often demands agility and operating as a

	city department could create procurement delays and bureaucratic constraints.
Hiring Employees/Board Function o Participation by high-level business owners and executives who are more engaged by being a part of an autonomous Board. o Ability of business leaders to provide business perspective and vision for the future to guide the Mayor and Council. o Ability to access key business leaders to get input on pressing current issues and proposed ordinance/regulatory changes. o Able to attract staff with government and non-government experience, which businesses appreciate. Employees are mission driven. o REDI staff are recognized as thought leaders in economic development across the State. o Jobs may not seem as stable because each year requires a funding discussion o Limited ability to influence other Rockville city departments; REDI staff can be treated as outsiders instead of partners. o Funding for MWBC positions is competitive with respect to some other small non-profits, but not with government and private sector positions, which leads to turnover. o Limited funding from Rockville, impacts staffing levels for business development activities, is currently at capacity without additional staff.	**Hiring Employees/Board Function** o Economic Development staff would be "on the team," & able to interject the business point of view in decision internally. o Economic development will become part of the city's overall management structure, allowing for more holistic integration into land use, housing, transportation, and infrastructure planning. o Eliminates the complexity of managing an autonomous board, streamlining decision-making and administrative oversight. o Without an autonomous board composed of business leaders or developers, there is less risk of perceived or actual conflicts in decision-making related to programming or initiatives. o Employees would have municipal benefits and might have a perception of more job security. o Business leaders and industry experts have less formal influence over program direction, innovation, and responsiveness to market trends. o Without an active board structure, the city may struggle to foster deep partnerships with the business community, which can impact referrals, credibility, and collaborative funding opportunities. o A Business Advisory Board is unlikely to get the same participation as the current REDI board. o Employment may not be attractive to entrepreneurial professionals who value performance-based

	incentives, flexibility, or innovation-driven environments.