



Economic Development Toolbox Program: Update & Proposed Changes

Mayor & City Council
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Economic Development Toolbox

- Diversified economic development incentives.
- Focused on businesses that exhibit growth potential and provide stable, well-paying jobs.
- One-to-one matching grants.
- For existing businesses and eligible commercial buildings/spaces across the City.
- Maximum program award of \$50,000.

Matching Grants Categories

- Tenant Fit-Up
- Job Training
- Commercial Signage Assistance
- Demolition Assistance
- ADA Upgrades
- Utility Upgrades
- Storefront/Landscaping (Olde Towne)
- Custom

Parra Consulting

A grant for \$5,076 was awarded to assist with improving 1,269 square feet of newly leased space at 702 Russell Avenue.

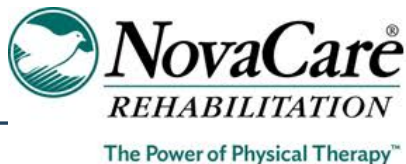
- Category: Enhanced Tenant Fit-Up (\$4/sq.ft.)
- Total Project Investment: \$12,690
- Status: Complete
- Jobs: 34



NovaCare

A grant for \$10,404 was awarded to support costs associated with 2,601 square feet of newly leased space at 501 North Frederick Avenue.

- Category: Enhanced Tenant Fit-Up (\$4/sq.ft.)
- Total Project Investment: \$90,000
- Status: Complete
- Jobs: 5



Applied Biomimetic

A grant for \$50,000 was awarded to assist with improving 15,100 square feet of new office and lab space at 942 Clopper Road & 202 Perry Parkway.

- Category: Enhanced Tenant Fit-Up (\$4/sq.ft.)
- Total Project Investment: \$2,600,000
- Status: Complete
- Jobs: 36

Customer First Renewables

Two grants totaling \$11,974 were awarded to assist with full renovations to approximately 5,987 square feet of office space at 9801 Washingtonian Boulevard.

- Category: Tenant Fit-Up
- Total Project Investment: \$115,000
- Status: Complete
- Jobs: 20

Columbia Bank

A grant for \$22,844 was awarded to assist with costs associated with improving 5,711 square feet of newly leased office space at 481 North Frederick Avenue.

- Category: Enhanced Tenant Fit-Up (\$4/sq.ft.)
- Total Project Investment: \$342,660
- Status: Complete
- Jobs: 20



Remedy Plan

A grant for \$13,800 was awarded to assist with costs associated with improving 3,470 square feet of newly leased office and lab space at 704 Quince Orchard Road.

- Category: Enhanced Tenant Fit-Up (\$4/sq.ft.)
- Total Project Investment: \$380,000
- Status: Under Construction
- Jobs: 5



481 North Frederick Associates

A grant for \$10,000 was awarded to assist with costs associated with common area improvements at 481 North Frederick Avenue.

- Category: Interior Demolition & ADA Upgrades
- Total Project Investment: \$120,473
- Status: Complete
- Jobs: 0



Cartesian Therapeutics

A grant for \$19,048 was awarded to assist with costs associated with improving 4,762 square feet of newly leased office and lab space at 704 Quince Orchard Road.

- Category: Enhanced Tenant Fit-Up (\$4/sq.ft.)
- Total Project Investment: \$189,400
- Status: Completed
- Jobs: 5



Mid Atlantic Federal Credit Union

A grant for \$14,944 was awarded to assist with costs associated with improving 3,736 square feet of office space at 555 Quince Orchard Road.

- Category: Enhanced Tenant Fit-Up (\$4/ sq ft)
- Total Project Investment: \$211,114
- Status: Under Construction
- Jobs: 69



2018-19 Toolbox Program Recap

- TOTAL Toolbox Assistance: \$158,090
- TOTAL Private Investment: \$4,061,337
- Space Secured/Improved: 42,636 square feet
- Jobs Created or Supported: 194

Quick Observations

- The total of 9 Toolbox grants awarded in FY 2018 & 2019 was lower than average, but jobs and private investment supported was about average. Several applications are pending for 2020.
- Brokers, property owners, site selectors and public partners all know about the program, and the City continues to use it for the right opportunities.

Quick Observations (continued)

- Regionally, absorption of office & lab space has slowed
 - Uncertainly at the Federal level
 - Lab space availability at historic lows
- The program continues to achieve its objectives, which include supporting stable, well-paying jobs, and reducing the City's inventory of empty and obsolete space.
 - Unemployment rate: 3.4%
 - Office vacancy rate: 6.8%

Investments To Date

TOOLBOX

- 70 Grants Totaling \$1,323,109 Awarded
 - 1382 Jobs Supported
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OPPORTUNITIES FUND

- 8 Grants Awarded
- \$1,523,758
- 1785+ Jobs Supported
- 536,000 sq.ft. Office/Lab Space Secured/Improved

Toolbox Program Modifications

- After almost 9 years, the Toolbox program has had demonstrated success and further distinguishes the City from competing locations.
- Since its inception, program amendments have been implemented to better attract target industries and to support properties in need of new investment.

Proposed Toolbox Program Modifications

Kentlands
Main Street

Proposed Changes: Main Street

Why?

- The changing face of retail has affected demand for traditional storefronts.
- Main Street live-work units replicated not only the physical characteristics of traditional shopping districts, but also the market-related challenges:
 - Independently owned
 - Independently managed
 - Mixed uses
 - Multi-tenanted
 - Small building footprints

Proposed Changes: Main Street

Vetting

- Economic & Business Development Committee
- Property owners
- Leasing agents
- Kentlands Citizens Assembly

Proposed Changes: Main Street

Commercial Signage

- Originally limited to office tenants in multi-tenanted buildings, this category was expanded in 2016 to commercial tenants along the Frederick Avenue Corridor and in Olde Towne.
- Category Maximum Grant is \$10,000.
- Eliminated multi-tenant requirement in these 2 targeted areas.
- Promotes improvement of appearance of older commercial areas.

Proposed Changes: Main Street

Storefront & Landscaping

- Category was established in 2016, but limited to Olde Towne.
- Maximum Grant of \$10,000.
- Addresses aging facades and general aesthetics of the central business district.



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Discussion & Feedback

