

SUSTAINABILITY INFRASTRUCTURE

INCREASED TAX BASE JOB CREATION

ECONOMIC DEVELOPMENT STRATEGY

QUALITY OF LIFE BUSINESS RETENTION

SUSTAINABILITY INFRASTRUCTURE

INCREASED TAX BASE JOB CREATION

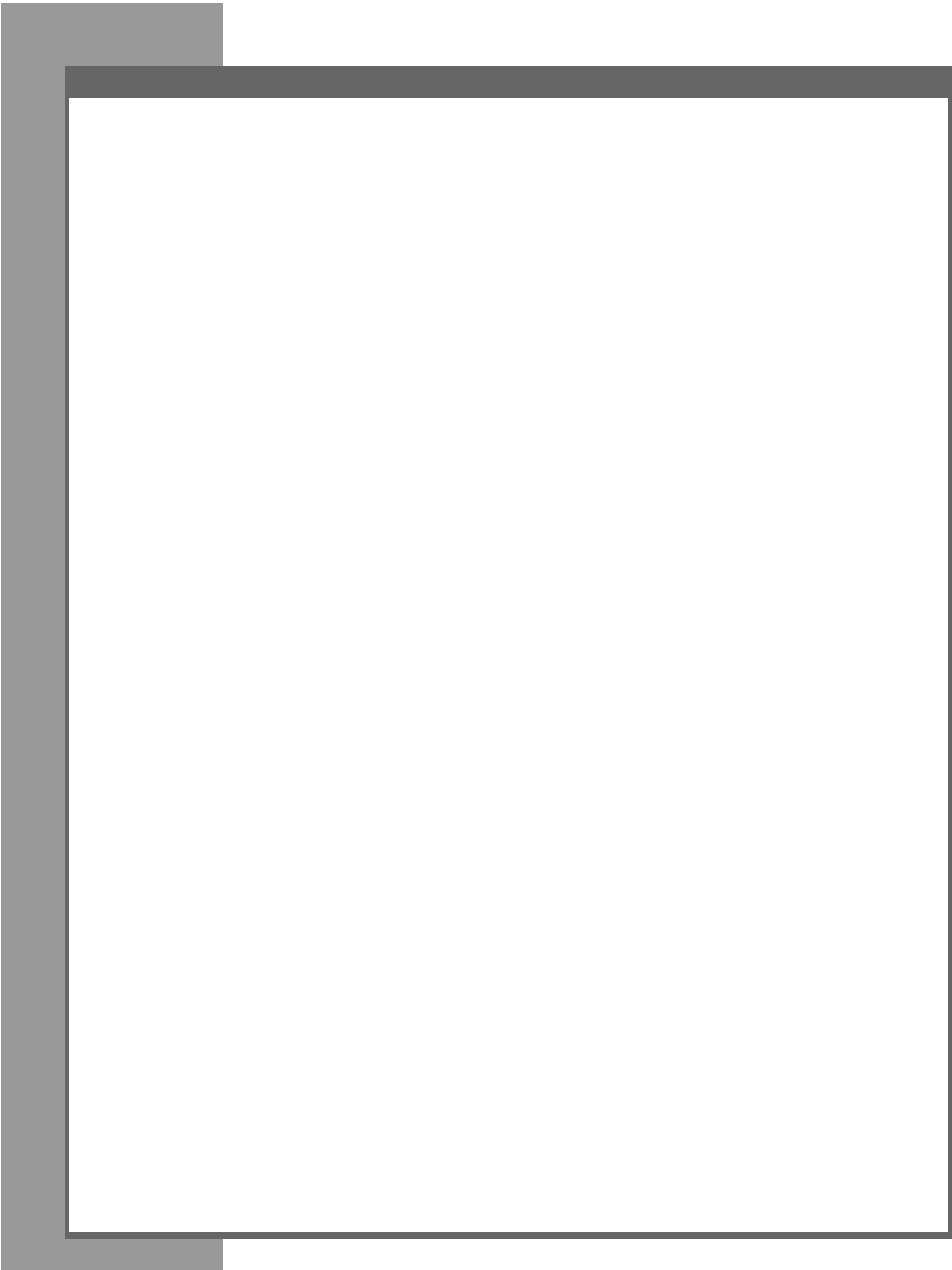
INNOVATION QUALITY OF LIFE

PREPARED FOR:

THE CITY OF GAITHERSBURG

PREPARED BY:

ORION VENTURES, LLC



ECONOMIC DEVELOPMENT STRATEGY

PREPARED FOR:
THE CITY OF GAITHERSBURG

PREPARED BY:
ORION VENTURES, LLC

April 2011

ACKNOWLEDGEMENTS

Orion Ventures, LLC would like to thank the many individuals who participated in the interviews that provided background for this report. We are particularly grateful to the business and government representatives who generously gave their time and input. Their knowledge contributed greatly to our understanding of the City of Gaithersburg's development opportunities.

We also would like to thank the leadership and staff of the City of Gaithersburg for their support, especially the:

City of Gaithersburg Mayor and City Council

Sidney A. Katz, Mayor
Council Vice President Jud Ashman
Council Member Cathy C. Drzyzgula
Council Member Henry F. Marraffa, Jr.
Council Member Michael A. Sesma
Council Member Ryan Spiegel

Gaithersburg City Manager

Angel L. Jones

Gaithersburg Deputy City Manager

Tony Tomasello

Gaithersburg City Staff

City of Gaithersburg Economic and Business Development Committee

Olde Towne Advisory Subcommittee

TABLE OF CONTENTS

Acknowledgements	Page 4
Table of Contents	Page 5
About Orion	Page 6
Forward	Page 7
Executive Summary	Page 9
Background	Page 13
Building the Brand	Page 18
Building the Commercial Base	Page 26
Building the Infrastructure for a Sustainable Community	Page 33
Opening the Economic Development Gateway to the County	Page 41
Conclusions and Next Steps	Page 43

ABOUT ORION VENTURES

Orion Ventures, LLC is a consulting firm that provides business development, public policy, and communications solutions to public and private sector organizations. Orion brings a unique perspective of government, business and non-profit experience to provide a customer focused, and comprehensive array of services to its clients.

17525 Charity Lane
Germantown, MD 20874
301-980-4095
orionventures@comcast.net

Consulting Project Team

Michael Knapp, CEO, Orion Ventures, LLC
Carol Ann Brideau, Project Consultant
Kyle Friis, Research Associate

FORWARD

As the most significant economic downturn since the Great Depression continued to buffet communities around the globe, the City of Gaithersburg (the “City” or “Gaithersburg”) was struggling with the same issues as other communities of reduced revenue and the need for additional services. Like other jurisdictions, the City leadership made difficult choices resulting in fewer services. However, they also had the foresight to recognize that these difficult times would end and they wanted to be prepared to rebuild their local economy as quickly as possible. To achieve this key objective, the City set aside \$2 million in its 2011 budget exclusively for economic development initiatives.

Additionally, in January 2010, it launched the Economic Development Toolbox Program (“Development Toolbox”) that includes a diversified array of grants, incentives and credits to help existing businesses realize their potential and improve the long-term marketability of commercial space in Gaithersburg. The Developer Toolbox includes matching grants and permit fee waivers for space fit-ups, job training, commercial signage, demolition assistance, ADA compliance and utility upgrades and job creation tax credit matches. In ordinary times, these are two fairly ordinary actions, but in the conditions in which these actions were undertaken these have become rather extraordinary efforts.

Before moving forward in making significant investments in economic development, Gaithersburg retained Orion Ventures, LLC (“Orion”) to assist in refining its economic development strategy, improve communication efforts and establish criteria for such increased investment. Orion’s Economic Development Strategy (the “report”) will serve to provide a framework for how the City can invest its current economic development resources and sets a foundation for future actions.

The City also asked Orion to assess where there are competing policy objectives when increasing economic development efforts and to establish some guidance as to the outcomes of the paths it might take when confronted with these competing interests. This report sets out the key economic development policy alternatives

facing the City. It should be recognized that rarely is there a singular government policy that has no impact on other policies. Economic development both influences and is influenced by almost all other City policies. Therefore, in constructing the economic development framework there must be an analysis of certain land-use, transportation, work-force development and marketing policies.

In developing this report, Orion Ventures conducted over 30 meetings with representatives of various community stakeholders to solicit an array of perspectives and opinions. These meetings were not meant to be a statistically significant sample of opinions, but instead were designed to solicit knowledge of activities, experiences, needs and goals from groups throughout the City in order to meet the objectives outlined by the City for this report.

EXECUTIVE SUMMARY

The Opportunity

During the most significant economic downturn in 80 years, the City of Gaithersburg is poised to become one of the most dynamic communities in the National Capital Region. It is uniquely situated to leverage numerous existing assets and to expand upon a solid economic foundation by providing critical infrastructure for a sustainable community, thus providing a high quality of life for its residents.

The City of Gaithersburg has the opportunity to market itself, and set the standard for other cities as a place where businesses and their employees come to work, live, learn and play. It is routinely acknowledged in national publications as one of the best small cities in the United States. It has strong infrastructure including schools, roads, transit, public safety, cultural amenities and community services. As a result of the government structure in Maryland, Montgomery County (the “County” or “Montgomery County”) — the county in which Gaithersburg resides — is able to provide many of the essential government services leaving the City to either supplement County services or provide additional amenities for its residents.

The City has seen significant growth over the past 50 years that is primarily attributable to annexation. Such growth has resulted in much greater land area, greater population and increased revenue. With annexation becoming a less viable means for growth, the City will

need to, and has already begun to, look at redevelopment. The City has several current redevelopment projects underway, as well as some slated projects. This approach will allow the City to continue to see significant growth. In fact, the City is projected to continue to grow as evidenced in the City’s Master Plan (“Master Plan”)¹ and in a recent report from the Metropolitan Washington Council of Governments.²

The Challenge

In spite of this great foundation, there are a number of forces impacting the City. Global competition is changing how and where companies choose to do business. A restructuring of the global credit markets is having a profound effect on how the economy operates both at a macro and micro level. A lack of funding for infrastructure from traditional sources is having an impact on transportation throughout the nation. Budget deficits in states and counties are creating turmoil as they wrestle with how to prioritize key government functions and how to keep reductions in services to a minimum.

Gaithersburg is facing many of the same challenges as other communities, but to a much lesser degree. The City’s 2011 annual operating budget was very lean, but it did take a step to recognize that this was the time to plan for the future by setting aside \$2 million for economic development. Now, the challenge — the City must decide how to invest the economic development resources and its other re-

sources in order to provide a sustainable environment for future growth.

How to Achieve Success

A Call to Action — A New Way of Doing Business. In order to capitalize on the great opportunity before it, City leadership must establish a clear set of objectives for the community to achieve. In order to do this, City leadership will be required to make tough decisions and choose from sets of competing opportunities and priorities.

Additionally, success will require the City leadership to establish innovative partnerships. There must be a new order of business where the City initiates the discussion and develops the framework for others to join. There must be a clear, assertive plan that has the support of the City's leaders. Finally, the plan must be implemented effectively. If these steps are taken, City leaders will ensure a vibrant, sustainable community for the City's current and future residents.

Communication is Key. It is important to communicate all that is occurring in Gaithersburg. Because of its proximity within the National Capital Region, activities in Gaithersburg tend to be overshadowed by its larger jurisdictional cousins. A clear communication strategy is required to tell the exciting story of what is happening now and through successful communication, set the foundation about how to communicate future efforts.

Identify What Needs to Happen. By identifying the key projects necessary to move forward, the City then has a clear set of priorities on which to focus its efforts. Certain projects are critical to support the local planning efforts that have already occurred and will aid in achieving a sustainable, vibrant, mixed-use,

transit-oriented community. Whether it is expanding programming to encourage expansion of new businesses, funding infrastructure projects like the Watkins Mill Interchange or the Corridor Cities Transitway (CCT) or efforts to increase transit circulation within the City, leadership must be proactive in identifying and prioritizing new projects.

Develop the Plan. At a time when every community, every state and even the federal government is trying to figure out which activities they can undertake, it is no longer enough for the City to just state that it supports a project. It will be imperative for the City to have a plan about how various projects can move forward, to have a clear strategy about how to identify resources to move the projects forward and, then, to build a coalition to advocate for and complete those projects.

Lead the Charge. In this new environment, the City is uniquely positioned to be its own best advocate. As a result, it can facilitate a number of key opportunities that also will benefit many others in the region. The City is in a solid economic position and has the resources to lead efforts to build partnerships and coalitions to successfully achieve its priorities.

Recommendations to Meet Gaithersburg's Economic Objectives

Gaithersburg's economic objectives are linked to its heritage as a crossroads of commerce that has provided a sustainable community within a larger region where its residents can live, work and play. The recommendations set forth in this report focus on building upon this heritage for the community to serve as a regional leader in innovation, new company formation, job growth and transit-oriented development.

The recommendations set forth in this report are summarized below and described in more detail in this report using the following organization:

- **Background**

- ◇ **Gaithersburg**
- ◇ **Economic Development**
- ◇ **Competing Priorities.** Gaithersburg must recognize that there are certain policies in conflict with other policies and in order to achieve its economic development objectives these conflicts must be clearly addressed.

- **Building the Brand**

- ◇ **Build on Your Strengths.** Gaithersburg has strong economic development fundamentals and should build on those existing resources and should not develop new areas of focus.
- ◇ **Tell the Story.** The City is undertaking exciting economic opportunities, but needs to have a strong economic development message that it is open for business, as well as a plan to market the compelling reasons businesses should select Gaithersburg as the city of choice.
- ◇ **Activate Region-Wide Media Efforts.** Gaithersburg must have a focused media strategy to gain attention within the region and beyond as a growing, and dynamic community.
- ◇ **Implement a New Economic Development Website.** A separate economic development website should be created and have all of the necessary economic development information easily accessible.

- **Building the Commercial Base**

- ◇ **Gaithersburg is Montgomery County's Research and Development Hub.** Gaithersburg should establish a formal relationship with the National Institute of Standards and Technology ("NIST") to create a "Gateway to NIST." Building this relationship will provide access to new technologies and commercial partnerships in order to expand the City's accelerator programs for technology commercialization. Additionally, this will provide the City with a working model for how to work closely with other local research organizations as they come into the community.
- ◇ **Gaithersburg's Regional Retail Resource.** Gaithersburg has significant regional retail assets that can increase awareness of the City. Gaithersburg should co-market City and retail efforts to increase the number of customers coming to the City.

- **Building the Infrastructure for a Sustainable Community**

- ◇ **Appropriate Density Can Increase Resources and Efficiency.** Gaithersburg should continue to focus efforts on increasing density in commercial mixed-use and residential projects for new development and redevelopment projects. This will allow the City to create a more sustainable infrastructure model and to increase property values and City revenue.
- ◇ **Sustainable Infrastructure.** In order for the City to have sustainable development there are several key projects that need to move forward.

- ◇ **Financing Alternatives.** Gaithersburg must take the lead in developing public/private partnerships using City-backed financing mechanisms to move infrastructure projects forward.
- **Gaithersburg — the Gateway to Montgomery County**
 - ◇ **Ownership and Management of Economic Development Efforts.** Gaithersburg should have a team of two professionals dedicated to proactive management of economic development efforts within the City in order to take advantage of the reduction in economic development resources at the county and state levels.
 - ◇ **Planning and Permitting — A Competitive Advantage.** The City should develop a standardized planning and permitting process that has clarity and certainty for residents and developments. This will provide a clear competitive advantage and bring business to the community.
 - ◇ **Managing Broker Relationships.** The new economic development team should establish a proactive role with brokers in the region and provide Gaithersburg as the logical point of entry for businesses looking to relocate or expand.
- ◇ **Be The Place to Start or Expand a Business.** Gaithersburg should reach out to the entrepreneurs in the community by hosting events for networking and providing an opportunity to showcase the City as a key place to start businesses.
- **Conclusion and Next Steps**
 - ◇ **Recommendations and Competing Priorities.** Each set of recommendations includes much greater specificity, as well as identifies competing policy objectives where applicable. It is important to note that this is not a list of all of the things that a city like Gaithersburg could do to enhance economic development. Instead, it is a series of recommendations that are achievable and within the scope of the City to fund, enact or undertake, and in many cases build upon themes already identified within the City's Strategic Plan ("Strategic Plan").³ This report recognizes the City's strengths and uses them as the foundation to achieve a steady return on its resident's investments now and in the

BACKGROUND

Gaithersburg

Gaithersburg is located in Montgomery County and shares a border with the City of Rockville to the south, and Germantown to the northwest. Gaithersburg is 18 miles northwest of Washington, D.C. on the old Frederick Road (Route 355), an original American Indian trail through the county.

First referred to as Log Town in the mid 1700's, the settlement was renamed Forest Oak with the opening of the town's post office in 1851. This name was chosen to honor an old oak tree, a town landmark that is now memorialized as Gaithersburg's logo.

The Baltimore and Ohio Railroad built its line through the town in 1873, and named the station Gaithersburg after a founding member of the community. Spurred by the arrival of the railroad, the commercial center of the town soon featured a drugstore, hardware store and other businesses as well as tannery and manufacturing operations. The town would formally incorporate under the name Gaithersburg in 1878.

Since the turn of the century, Gaithersburg has experienced sustained growth. The first government employee to work in Gaithersburg arrived in 1899 with the construction of the Gaithersburg Latitude Observatory. Another significant addition to the community occurred when the Montgomery County Agricultural Fair relocated to Gaithersburg in 1950. However, it was not until the National

Bureau of Standards (now NIST) selected Gaithersburg for its home in 1960 that the City began to take on its modern-day shape. Following government workers to Gaithersburg were many other businesses in the technology sector, from IBM in the 1970s to Westat to Lockheed Martin and, more recently, biotechnology firms including MedImmune — Maryland's largest biotechnology company.⁴

Home of Edward P. Schwartz in the early 20th century, this building today houses Gaithersburg's City Hall.



Growth and Population

Gaithersburg has grown to a city of more than ten square miles with a 2010 census population of 59,933 — approximately 10 times its 1960 numbers. By 1960, the City had grown to 804 acres with a population of 3,847. By 1980, the City had expanded through a series of annexations and had grown to 4,869 acres with a population of 26,424. Expansion has continued and Gaithersburg now comprises 6,608 acres and includes the planned residential communi-

ties of the Kentlands/Lakelands and the Asbury Village retirement community, as well as new developments underway at Crown Farm (a newly annexed section of 183 acres for the City), the Watkins Mill Town Center and the Archstone project in Olde Towne.⁵

According to the 2000 Census, Gaithersburg, like its surrounding jurisdictions, is a highly diverse, well-educated community. More than 50% of its residents over 25 have a bachelor's degree, nearly twice the national average. Median household income in 2000 was approximately \$60,000, almost 20% above the national average, indicating the strength of the City's economic base. Gaithersburg contains significant Hispanic and African-American populations, with no one ethnicity being a majority, a fact reflected by the City's diversity of cultural activities.⁶

Year	Population	Land Area (Acres)
1960	3,847	804
1970	8,344	4,352
1980	26,424	4,869
1990	39,542	5,824
2000	52,613	6,402
2010	59,933	6,608

This table represents Gaithersburg's Land Area and Population since 1960.⁷

Retail

Retail in Gaithersburg consists of four main centers. The largest, Lakeforest Mall, contains over 140 retail shops, dining and service centers, anchored by Macy's, Lord & Taylor, Sears and JCPenny. There also is a large retail devel-

opment at the Washingtonian Center/Rio Center, as well as the Kentlands with the Market Square shops, Main Street shops and Kentland Square shops. Additionally, Olde Towne provides a walkable downtown atmosphere for shopping and dining.



Lake Forest Mall is Gaithersburg's largest retail center.

Transportation

Gaithersburg is served by a number of forms of transportation. More than 60% of the City's residents drive themselves to work.⁸ However, the Maryland Area Regional Commuter Train Service ("MARC") stops in Olde Town and at the Metropolitan Grove station (located in the heart of the new Watkins Mill Town Center) for those commuters going to jobs in White Flint, Silver Spring and Washington, D.C. The City is poised to become a model of transit-oriented development as efforts continue to construct the Corridor Cities Transitway ("CCT"), a proposed light rail commuter option linking the employment nodes along I-270 to the Metrorail at Shady Grove. In fact, four of the proposed CCT stations are located in Gaithersburg and will allow residents to live closer to where they work.



This historic train station in Olde Towne is still in use today on the MARC.

Economic Development

As the City of Gaithersburg recognized the need to focus on economic development it called into question what “economic development” really means. The local newspaper, The Gazette, commended the City for its foresight during difficult economic times to recognize the need to encourage increased economic activity. The Gazette then went on to suggest the City should establish “a well-defined plan to attract companies that help the city’s bottom line ... and could calm some investment jitters.”⁹ So, economic development is about attracting new businesses to a community, right?

As is often the case with public policy there is rarely a single, clear answer. Many years ago, economic development was typically seen as simply attracting new companies to locate in a community in order to increase jobs and thus expand the tax base. However, the definition is becoming more expansive as evidenced by a definition used by Martin County, Florida—a city that is making a significant investment in attracting life science research organizations—that states that economic development is a “snapshot of growth, development influencing growth and restructuring of an economy to enhance the economic well-being of a community, region, state, or nation and its citizens.”¹⁰

As the economy becomes more complex, especially in a higher cost community like the greater metropolitan Washington, DC area, to just measure jobs is no longer sufficient. This is because businesses cannot always provide the type of wages that will allow a person to adequately afford to live in many communities in the region and, thus, the jobs actually cost the community more in additional social services costs than they bring in from a tax perspective.

Since the type of jobs that a community attracts is now even more important, municipali-

ties must be cognizant of aligning its attributes with desired industries. This next definition captures more of the dynamic nature of what economic development is becoming: “typically measured in terms of jobs and income, but it also includes improvements in human development, education, health, choice, and environmental sustainability. Business and economic developers in the US are increasingly recognizing the importance of quality of life, which includes, environmental, and recreational amenities, as well as social infrastructure such as child care, in attracting and retaining businesses in a community.”¹¹

In fact, interviews with different people representing various interests within the City of Gaithersburg validate this increasingly broad definition of economic development. Answers to the question, “How do you define economic development?” ranged from making sure that enough patrons enter a popular street corner shop to ensuring the construction of new transit and providing access to affordable housing in a sustainable environment.

This increasing breadth of scope of the definition effectively means that economic development can mean just about anything to anyone. Therefore, it is imperative that when discussing economic development one must define what it means for the purposes of that discussion. Not everyone will necessarily agree with all aspects of the definition, but if the objectives are outlined effectively it will at least provide for an “apples to apples” comparison when determining if certain economic development outcomes have been met.

The City of Gaithersburg has asked that two key areas related to economic development be addressed in this report. First, identify activities and policies that can allow the City to have a steady and sustainable increasing source of revenue. Second, identify and prioritize ways

that the City's \$2 million economic development allocation can be invested to maximize the City's return. As previously discussed, these are not the only elements of economic development, and there are those who can argue that there are other issues to address. However, for the purposes of this community, at this time, these are the components that City leadership has requested for its consideration and are therefore addressed in this report.

Competing Priorities

Perhaps the most significant challenge facing any democratic government is the issue of competing priorities. In every community there is an array of choices to be made to satisfy the needs of the residents, and rarely is the issue one of selecting the good option over the bad option, but rather the choice usually is between competing good options.

Gaithersburg faces the same competing policy conundrum as other jurisdictions, with one additional challenge – the expectations of residents in the City and in surrounding Montgomery County are very high. For example, competing policy considerations can be seen in the budgeting process where questions arise over whether to provide resources for a community's most vulnerable populations or whether to invest in infrastructure to support future growth and expand the City's tax base.

Another significant example of a competing priority looming for the City is the challenge of reconciling its Adequate Public Facilities Ordinance (APFO) — that places limits on residential development based on school capacity — with additional development that can provide a denser more sustainable environment and generate revenue for the City's programs and services. The City's Municipal Growth Element indicates that the City's overall vision for

future growth will address the need to “increase employment opportunities in this ever-growing region. The long-term developments within the City will be high density, mixed use projects with large multiple-family housing components.” Since the City has no fiscal relationship with its local school system, the Montgomery County Public Schools, there is no financial mechanism by which to increase school capacity if a development exceeds APFO guidelines. However, the type of higher density growth envisioned for the future will likely lead to projects that may in fact exceed the APFO guidelines, thus risking them being built even though these higher density, mixed-use projects will achieve a number of City's other stated objectives.¹²

Another example of competing priorities the City faces is weighing the redevelopment of areas in the community such as the 355 corridor — which would increase density and make it economically more attractive for a broader array of retail choices, something that most residents desire — against the alternative scenario of not altering the properties on 355 in order to preserve existing neighborhoods. Yet, the real challenge here is not that the choice is one option or the other, instead the City should do both, allowing for increased retail opportunities in a more pedestrian-friendly corridor while preserving the adjacent community.

As noted previously, it is often the case that policy considerations present false choices for policy-makers. While various interests will present the choice as an “either/or” scenario, it is usually necessary to try and address both issues. This will require the City's leaders to avoid the trap and identify new approaches that can accommodate the policy choices before them. For example, in the area of school capacity, is there a way to develop an alterna-

tive that can provide resources to address any capacity concerns, thus allowing the City to grow as planned?

Another challenge for City leadership is that it can be difficult to determine a community's perspective on a given set of issues. One needs only to look at the Citizen Survey ("Citizen Survey") conducted on behalf of the City at the end of 2009 to recognize some of the disconnects. Sixty percent of the survey's respondents indicated that the community's population is growing too fast. That same set of respondents also indicated that they thought job growth and retail growth was occurring too slowly, not recognizing the inherent conflict in those responses.¹³

As a result of these real and perceived competing priorities within the City, it will be important for two things to occur. First, the City's leadership needs to recognize that this conflict does, and will continue to, exist so they should not be surprised when it appears before them in public hearings and town hall meetings. Second, there is a need for clear direction and a new communication strategy through which direction and decision can be shared with interested residents. Indecision will be one of the most damaging elements for the City in coming years because it will stall significant opportunities.

To the latter's end, the City has developed a good process and framework in its Strategic Plan, which it reviews every six months. This planning process provides a time and place when the community's high level goals and objectives are discussed and modified or refined as necessary. As specific projects and opportunities present themselves throughout

the rest of the year, there must be a clear set of parameters within which to review them. As an example, if there is guidance — as in the Municipal Growth Element — that the City expects to have high-density, mixed-used development within the framework of its APFO, then there must be a mechanism to accommodate both. If no such mechanism exists, then the decision-making process is hampered and inaction is the result.

But, is this enough? Judging from the results of the Citizen Survey, Gaithersburg residents are generally pleased with the City's efforts. Yet, governments are continually seeking better ways to communicate with their residents. As it relates to communicating with interested residents (and those who do not know that they are interested) on specific projects or specific geographic activities, there is a model that has been used very effectively within the County to inform, educate and decide the best way to proceed on large projects with significant economic impact. The model followed by the White Flint Partnership was effectively used to engage residents during Montgomery County's consideration of the White Flint Master Plan. This model is discussed in more detail later in the report under the Community Communications Strategies section of this report, and is worth exploring further especially for specific projects.

Given the importance of this theme, this report identifies competing priorities throughout the recommendations and, where possible, suggestions are made as how to proceed. We cannot stress enough the importance of discussing competing priorities in the decision-making process and being proactive in making a clear communication plan for the decisions that City leadership makes.

BUILDING THE BRAND

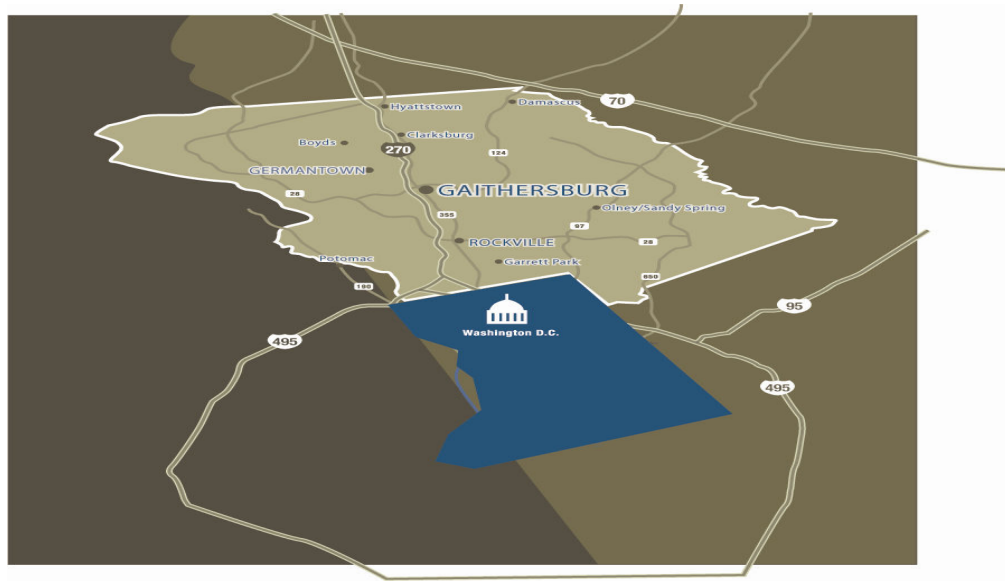
There is a compelling story to tell that transcends the typical recession story. This is a story of a small city where there is foresight, leadership and things beginning to be accomplished. The only problem is that no one knows the story.

Gaithersburg is doing many things right, but it needs to create an external communication strategy to let others know what is happening in order to create an environment to induce greater economic activity. Much of what is being proposed in this section relates to communicating outside of Gaithersburg in order to increase the City's "brand" recognition. The adage that success begets success is true especially as it relates to increasing economic activity. In such trying economic times the fact that

there is good news is a story in itself. It also allows the community to begin to bring attention to itself outside of the broader conversation of its home County.

Tell the Story

This is the story of Gaithersburg today. Located in the heart of Montgomery County's I-270 employment corridor, it is positioned to see the fourth most significant rate of residential and employment growth in the National Capital Region during the next 30 years.¹⁴ The City is undertaking a review of its Master Plan identifying the appropriate areas for development and preservation. Gaithersburg is consistently ranked as one of the best small cities in the United States, the City has four major retail hubs, its residents are well-educated, me-



dian housing prices are about the national average, its residents have access to good schools and other amenities of the County, and its residents have access to several forms of transportation.

Further, the City has three significant development projects underway. Archstone at Olde Towne is a 6.49 acre mixed-use development in Olde Towne with 389 residential units.¹⁵ Crown Farm is a 183 acre mixed-use development with approximately 2,200 residential units and 320,000 square feet of retail space.¹⁶ The Watkins Mill Town Center is a 200 acre mixed-use development with over 1,000 residential units, 1.4 million square feet of office and retail space and two hotels.¹⁷ In addition, there are other significant projects in various stages of review, such as the Y site in Olde Towne.



A rendering of Archstone at Olde Towne — a mixed-use redevelopment project.

Immediately adjacent to the City, Montgomery County approved the Great Seneca Science Corridor with 17.5 million square feet of commercial development, 52,500 jobs and 9,000 residential housing units.¹⁸ In turn, it will bring an additional demand for retail to the area, as well as to surrounding jurisdictions such as Gaithersburg. In addition, the City is home to many biotechnology firms. It is home to NIST with its approximately 3,600 employees, and in close proximity to the National Institute of Health (“NIH”), the Food and Drug Administration (“FDA”), the U.S. Dept. of Energy and other federal agencies.

Build the Brand on the City’s Strengths

As Orion conducted interviews throughout the City, one element kept coming up — Gaithersburg has great assets upon which to build. Many communities are trying to create something that does not exist. For example, in the area of biotechnology virtually every state, county and community is attempting to build a biotech cluster of assets through creation of incubators, research parks and incentives. Yet, studies indicate that very few, if any, of these communities will be successful in their pursuit. Comparatively, Gaithersburg is sitting on a gold mine that is just waiting to be tapped.



As the City examines how to increase economic development activities, it should not look to find new areas of focus. Instead, **Gaithersburg should seek to build its brand on its strengths**, which can serve as a strong foundation for success.

Economic Development Efforts. The economic development efforts that have been put forth by the City of Gaithersburg during the recession are by themselves notable. Nearly a year ago, the City of Gaithersburg had the foresight to approve a fund of \$2 million to invest in its economic vitality – a commitment totaling nearly 5% of the City’s overall budget.

In order to appreciate the significance of this commitment, consider the example of Prince Georges County, Maryland. In March, 2011 the new County Executive of Prince Georges County announced the creation of a \$50 million fund for economic development activities within Maryland’s second most populous county. If the County Council approves this

request, it makes a significant statement that the County is investing in the economic health of the community. Yet, even this significant statement of an investment totals less than 2% of the County's overall budget.¹⁹

Proportionally, Gaithersburg is investing more than twice as much as Prince Georges County, and yet this story warranted only a brief article in the local newspaper the week the City adopted its budget. In comparison, Prince Georges County's story was on all of the local news reports, the Washington Post and in various other local news outlets.

Yet Another Story To Tell. At a time when there are stories of communities throughout the nation losing population, cutting services and, in some extreme cases, razing whole neighborhoods because no one lives there anymore, the City of Gaithersburg has three new development projects underway primarily as a result of the partnerships the City struck with the property developers. This is a major feat since nationally only one in five projects that are seeking financing in the capital markets are being approved, a far cry from the four in five approval rate just a few short years ago.²⁰ The projects being undertaken in most communities are being done in partnership between property owners and municipalities. As noted, Gaithersburg already has established itself as a community that is willing to work with partners to see progress that will enhance the community.

Activate region-wide press efforts

The Washington Metropolitan Statistical Area ("MSA") is more than five million people and composes two states and the District of Columbia. As a result, establishing a media presence based solely on community activities is challenging since the information is only relevant to one third, or less, of the overall view-

ing market. However, there are a number of trends that are always relevant to the overall market. For example, some of the region's local weekly business journals have reporters that cover commercial development, residential development, technology issues and economic development within the region, but they do not cover geographic activities. Therefore, in order to reach out to this particular media outlet the right topic has to be identified and then communicated to the appropriate reporter. Interestingly, the activities identified earlier in this section that are currently underway in Gaithersburg would be of interest to each of the reporting areas used by this periodical.

A relatively new trend that is occurring in the region's monthly periodicals does cater more to specific geographic activities. Journals like the *Washingtonian* and *Bethesda Magazine* are looking for unique communities in the region to which they can expose their readers. In these articles they highlight unique shops and restaurants, quaint neighborhoods and different cultural activities. Gaithersburg has evolved dramatically over the past 30 years and many residents in the region are not aware of all its qualities and characteristics and it would be advantageous to work with the editors of these journals to place stories.

Additionally, there is a proliferation of online reporting opportunities, like Patch.com, Gazette.net, and local blogs, which are seeking news of a local interest. However, if there is a greater trend addressed in these online reports, the stories will get picked up for broader distribution by other media outlets. These are all great opportunities to place local stories with regional interest that can be captured through automated searches run by brokers and businesses looking for relocation opportunities.

Communicating a message on behalf of a community is a long, coordinated effort that requires a great deal of focus. That being said, once the City starts to become a regular source of newsworthy information, organizations will seek information as opposed to the City having to try to “pitch” them on stories. One way to get started on this effort is to have the City’s Public Information Officer (PIO) and/or Economic Development Director meet with all of the department heads on a regular basis to identify what activities are underway or will be coming up, see which of the stories fit within the broader message and may be of interest to specific media outlets (i.e. is it transportation, technology, jobs, etc.), and draft a calendar for the next six to nine months with one of these stories being presented every two to three weeks. It is important to ensure that there is a theme or message to the calendar of activities. This is not for those writing the stories; it is for the City to ensure a consistent message of what it is trying to communicate.

Revise Economic Development Website

The City has already recognized the need to revise its website, and Orion concurs with the City’s Strategic Plan that identifies the need to have an “off-site” web page as a part of this broader redesign. This is a critical component to making the City’s brand more visible and its programs more accessible for those organizations seeking to expand and/or relocate.

This seems like an intuitive activity to undertake, but many of the websites that an organization would access for information about the County or region are challenging to use and limited in the information they provide. If the City can implement a simple, clean user-interface that provides ready access to real information there is a strong likelihood that this will draw more people to this website because it’s an effective resource.

Upon review of many websites of communities that are of similar in size characteristics to Gaithersburg, as well as reviewing sites that have received various awards for their economic development website design, there are several components that need to be highlighted as a site is developed. Orion has provided a framework for such key elements in the mock-up that follows this section of the report.

Highlights of the Community. Gaithersburg is well-positioned because it derives many benefits and positive elements from Montgomery County. So, while the focus of the website will be to highlight Gaithersburg and its positive community characteristics, there also are many County elements that should be highlighted and links to the County website should be used to access such information.

Promote Existing Businesses. The website should regularly promote the existing business community. It is an opportunity to work with the Gaithersburg-Germantown Chamber of Commerce to highlight community businesses on a periodic basis and showcase their activities on the website. A feature to consider is highlighting a “business of the month” on the websites front page in order to bring exposure to individual businesses and to provide a survey of the multitude of industries that call Gaithersburg home.

Map of City. The website should include a map of the City and highlight activity nodes.

Develop Interactive Business Directory. It is important for the Economic Development Department to have a good understanding of the City’s businesses. A way to utilize social networking and make the economic development website more utilized is to develop an

interactive business directory. By providing local businesses a free, online space to provide information about their products and services, the City gains an opportunity to categorize and monitor the firms in the community thus providing a “win-win” scenario. In addition, it gives businesses a way to network with other businesses in the community and capitalize on any synergies they may have.

Highlight Existing Economic Development Programs. The City should highlight existing economic development programs including:

1. City-specific activities like the Economic Development Toolbox;
2. The City’s permitting and approval process; and
3. City, county and state tax incentives.

Community Outreach. The website should identify who is the point of contact for economic development efforts so residents, businesses or brokers can actually follow-up with a real, live person if they have any questions.

Calendar of Community and Business Events. The website should provide a calendar of community and business events in the City.

Community Communication Strategies

Many of the issues identified in this report are changes from the current way of doing business in the City. With change comes anxiety. Montgomery County has seen this in a number of communities as they move from suburban, residential communities to more urban ones. In some places there have been heated community discussions as residents resisted change. Often times this was seen because

the change was not adequately explained and resulting benefits not presented.

One place where there was a departure from this model was in Montgomery County’s review and revision of the White Flint Master Plan. The proposal was to take a developed area with a mix of uses that is supported by transit and ringed with residential development, and make it an urban, walkable community with a number of high rise buildings. While projects like this had occurred in other parts of the region such as in Arlington, Virginia, nothing of this magnitude had occurred outside of the Maryland communities of Silver Spring and Bethesda.

As a result, a group was formed called the White Flint Partnership. This organization took on the mission to facilitate a dialogue within and among the White Flint community to build consensus on the community’s priorities, as well as show how property owners how they could maximize value and how the County could provide amenities and opportunities for the community that did not exist. The end result was a very complex White Flint Master Plan that achieved significant changes in land use, transportation requirements and infrastructure financing while at the same time gaining broad support from the community.

The process that made White Flint’s process feasible included a great deal of outreach and communication with the community. This process served to educate the community and overcame the fear of change with an understanding of how the change could be of benefit. It was not an easy process, but it was ef-

fective and can serve as a model for the types of changes that can be undertaken in Gaithersburg.

Competing Priorities for Building the Brand

Resources. Time and money are scarce and a complete redesign of an organization's online presence can require a lot of each. Given the potential for economic gain for the City, which in turn translates into revenue for City programs and services, the stand-alone economic development website should be completed early in the redesign process.

Whose Message? As Orion conducted interviews, it became clear that representatives from some parts of the City are more interested in promoting their specific community and activity rather than the broader City message. This is not bad; however, it does create potential conflict because it creates a confusing message if it is not a part of a coordinated City-wide message. Therefore, it is important to have a broader Gaithersburg brand under which the individual communities consistently share in the message.

Message Building. Gaithersburg has many strong programs and services that provide excellent stories about the strength of the community, but that does not mean they are rolled into the broader economic development message. It will be important to focus on activities that position the City from a job location and creation perspective.

Community Communication Strategies.

Generally, expanded efforts to communicate with residents of a community are seen as very beneficial because it encourages a healthy exchange of ideas and perspectives and gets ideas on the table for people to consider in a non-threatening way. However, there are times — especially when there are discussions regarding how communities may change — where there can be some political backlash. As a result, there are times when elected leaders in particular are reluctant to engage in discussions that can be viewed by some in the community as negative, especially on issues that may never come to fruition because it creates a political liability.



Asian Pacific Heritage Month

- Link to City of Gaithersburg Home Page

- Located in I-270 Tech Corridor
- Quality of Life
 - Highly Ranked Schools/Universities
 - Parks
 - City/County Recreational Facilities
- Proximity to Washington D.C.
- Small Town Feel in Big City
- Transportation
- Public Safety
- Quality Healthcare

- Gaithersburg Tool Box/Incentives
- Highlight Ease of Permitting Process
- Incubator Program
- Outline of Proposed & Future Development
- County & State Programs
- List of Commercial Properties for Lease
- Bioscience Industry—Home of Medimmune.
- Home of NIST and Proximity to FDA, NIH and Other Gov. Agencies

- Demographics
- Workforce Data
- List of Top Employers
- Maps
- Reports and Master Plans
- Links to State and County Economic Development

CITY OF GAITHERSBURG ECONOMIC DEVELOPMENT

- ▶ CITY OF GAITHERSBURG
- ▶ WHY GAITHERSBURG
- ▶ EXPAND & RELOCATE
- ▶ NEWS & EVENTS
- ▶ OUR COMMUNITY
- ▶ BUSINESS DIRECTORY
- ▶ RESOURCES
- ▶ ABOUT US
- ▶ CONTACT US

A MESSAGE
Insert a paragraph
should consider
ling reasons.



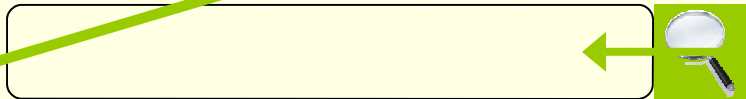
- FEATU**
- NAME, AD
 - NUMBER C
 - TRY
 - SHORT BA
 - TORY

Phone: (301) xxx-xxxx Info@CGOED.com 31 S

OFFICE OF
MENT



- Economic Development Specific Events—Speaker Series, Monthly Seminars, etc
- Upcoming Events
- News Releases
- Articles and Links to Features on the City



- Provide Searchable Site

FROM THE MAYOR
ph on why businesses
Gaithersburg ... compel-

FOLOW US ON TWITTER

FACEBOOK

- Map Showing Each Area
- Highlight the Different Parts of the City—Kentlands/Lakeland, Rio/Washingtonian Center/Olde Towne
- Short Description of the Major Retail Centers in the City

COME SEE WHY *MONEY*
MAGAZINE RANKED US
AS ONE OF THE TOP 100
PLACES TO LIVE

- Businesses Will Self Populate—Name, Location, Type, Size, Website, Phone, etc. —In Order To Create a Comprehensive, Searchable List of Businesses in Gaithersburg

RED BUSINESS
DRESS
OF EMPLOYEES, INDUS-
CKGROUND / HIS-

UPCOMING EVENTS
Insert a Calendar of
Events and an inter-
active Map of events in
each part of the City.

- Mission Statement
- Short Bio for the Office of Economic Development Staff
- Contact Information
- How to Work With the City

Summit Ave. Gaithersburg, MD 20877

Privacy Statement

BUILDING THE COMMERCIAL BASE

The City of Gaithersburg has approximately 50,000 jobs with an unemployment rate that is typically about half the national average. So, even as the nation is experiencing unemployment near 10%, Gaithersburg and the surrounding jurisdictions are at about 5%.²² The City's largest employers include MedImmune, NIST, IBM, Hughes Network Systems, Lockheed Martin, Sodexo USA and Qiagen. As previously noted, Gaithersburg also is home to a number of retail centers with new ones being developed in mixed-used projects throughout the City.

In the fall of 2010, the Washington Metropolitan Council of Governments reported where there would be job growth in the region over the next 30 years. Gaithersburg will see the fourth largest percentage increase in jobs of all the communities in the National Capital Region, increasing by 71% from 50,400 jobs to 83,400. The only communities outpacing Gaithersburg are three fast-growing counties in Northern Virginia - Loudon, Prince William and Stafford.²³

Gaithersburg is the County's Research and Development Hub

As previously noted, the City needs to build and brand on its strengths. One of these strengths is that Gaithersburg is fertile ground for new start-up companies primarily in the technology sectors. There are many references to the I-270 corridor in Montgomery County as "DNA Alley" as it was dubbed by Time Magazine over a decade ago.²⁴ While there are many research resources throughout the County, Gaithersburg is in a unique position because it has captured both ends of the process being home to both ground-

breaking research, as well as development of that research into products.

The primary elements to enhance local economic development include business retention and expansion of existing businesses in the City, attraction of new businesses and business start-ups. Gaithersburg has the potential to address all three of these elements in varying degrees, although it is particularly well-suited for business start-ups. It is always exciting to think that a large company will relocate its headquarters in your community, and Gaithersburg (as is addressed further on in this report) has opportunities for that to occur, but practically, small businesses are what make our nation's economy thrive representing 99.7 percent of all employers and generating 64% of new jobs over the past 15 years. However, some of the most significant statistics for a community with Gaithersburg's assets are that small businesses hire 40% of the nation's technology workers (such as scientists, engineers, and computer programmers) and produce 13 times more patents per employee than large patenting firms.²⁵

For these reasons, the City should focus its strategy on leveraging its research and development assets to create a fertile environment for small and growing technology firms. In addition, Gaithersburg should capitalize on another significant competitive advantage over other similarly situated cities — it has a large number of commercial properties that have been designed with technology companies' space needs in mind.

Research. Research is the raw material for innovation. Gaithersburg has a great deal of raw materials with which to work to expand upon the successful track record that already exists. There are few cities in the nation with access to such a wide array of assets upon which to expand its economic activities — which is both a blessing and a curse. The blessing is the amount of material from which the City can facilitate the growth of new businesses is significant and provides an amazing amount of opportunity. The curse is that much of the research material is fairly early stage, and derived from government-funded efforts which have tended not to lend themselves as much to entrepreneurial activity as research in other parts of the country like Boston or Silicon Valley. However, Gaithersburg has the tools to capitalize on its research assets to grow its research jobs base.



The National Institute of Standards and Technologies located in the heart of the City of Gaithersburg.

The establishment of NIST in Gaithersburg nearly 50 years ago established a research hub for the community. NIST is located directly in the center of Gaithersburg and undertakes research efforts in 14 different areas ranging from bioscience and health to public safety and security. For FY2012, President Obama

has recognized NIST as a key element in the nation's overall strategy for global competitiveness and has requested an 8.6% increase in its budget for a total request of \$1.001 billion.²⁶ In particular, NIST will be focusing a great deal of effort in the areas of cybersecurity and health information technologies.

Gaithersburg is positioned to establish itself as the entry-point for new and existing businesses seeking to work more closely with NIST in these key areas of research. More importantly, the City can use the model it designs in partnership with NIST to replicate its success with the many other research organizations that exist in the community — like Johns Hopkins University and the University System of Maryland — or with businesses coming into the City.

As the years have gone by, the research hub has grown to include a cluster of life science and technology facilities and there are a number of new activities underway that will serve to augment that which already exists in the City. The University System of Maryland is seeking build upon its growing nucleus of 4,000 students to expand its research programs, technology transfer efforts and medical school programs immediately adjacent to the City. Additionally, the nation's largest federally-funded research institution, Johns Hopkins University, is expanding its activities nearby with the NIH consolidating elements of its ongoing research locally and the Great Seneca Science Corridor Master Plan approved with incentive zoning for technology research.

Development. Gaithersburg has a rich history as a community where exciting new research concepts go to be developed. Gaithersburg also has a very significant position in the region as a place where companies were established and effectively translated research opportunities into commercial prod-

ucts with the growth of MedImmune and Digene. Each of these firms has been purchased in the last 5 years since they started in Gaithersburg, but both remain located in the community. MedImmune was purchased by AstraZeneca in 2006 for \$15 billion and still operates under the name MedImmune.²⁷ Digene was purchased by Qiagen, which has its North American headquarters in Germantown, in 2006 for more than \$1 billion.²⁸ Each of these is a local story where promising research was translated into commercial success and represents two of the most significant efforts in this regard in Maryland.

MedImmune and Digene are not the only success stories. There is also Human Genome Sciences and the J. Craig Venter Institute (JCVI) –which began as The Institute for Genomic Research (TIGR) which helped form Celera Genomics. In addition, Gene Logic began its operations in the City, as well as OpGen, MaxCyte, Zyngenia and many others.²⁹

While it is difficult to create a singular model for success in areas of innovation, it is surprising how certain communities have created a culture that yields to the creation of many more commercial organizations than is typical. Gaithersburg is one of these communities. It has a proven track record, it has access to raw materials to create this culture of innovation and it has access to affordable space that meets the needs of young companies moving from research into the initial stages of product commercialization. Further, the City has been open to working with real estate firms and start-up companies to provide financial assistance to make space suitable for their needs.

Branding the Research and Development Activities in the Community. Certainly with two firms like MedImmune and Qiagen it is possible to consider reaching out to attract larger firms to re-locate in Gaithersburg. Yet, it is important to remember that while both MedImmune and Digene are parts of larger companies now, each of them was a start-up company in Gaithersburg. This is a more likely a model that suits the resources of a city like Gaithersburg. So, the question then becomes how to cultivate the formation of new companies in the City.

A component of the message that should be communicated to the regional media outlets is Gaithersburg is the County's home for Research and Development. The City should seek outlets to sponsor, support and promote the research community.

Expansion of the Incubator/Accelerator Model. In 2010, Gaithersburg announced the formation of an accelerator for life science companies that it is sponsoring with Scheer Partners, a real estate firm. This model is a good first step for the City in the area of public/private partnerships. In this model the City contributes by waiving all interior commercial-renovation permit fees, such as fees for mechanical, electrical, life safety, and occupancy when tenants are building out their space at the accelerator. Additionally, the City utilizes its Economic Development Toolbox to provide, on a reimbursement basis, a tenant fit-up grant of up to \$3.00 per square foot to assist tenants in readying their space for use.³⁰



This is one of the many real estate spaces in Gaithersburg designed for technology companies.

However, it is not enough to just provide access to space. The City can be more proactive in establishing the types of relationships that will directly result in firms moving into the City. The Anne Arundel Economic Development Corporation worked with the National Security Agency (NSA) to establish an accelerator — The Chesapeake Innovation Center (CIC) — that addressed each of their needs. The CIC's goal is to focus the power of entrepreneurship on America's homeland and national security requirements. The CIC identifies and screens early stage technology companies to:

- Connect innovative technology and business models with NSA and corporate Partners who contract the CIC to identify specific technology solutions;
- Nurture and support promising businesses within the CIC accelerator program in Anne Arundel County, Maryland; and
- Coach Member and Affiliate companies to succeed in the market.³¹

NIST and Gaithersburg are ideally positioned to establish a relationship on a very similar model that meets key objectives for each organization. NIST has a renewed focus on technology transfer and commercialization and on building commercial partnerships. Gaithersburg is seeking to leverage its research assets into companies locating in the community that will enhance economic environment of the community. Another key strategic element is that there is a great deal of real estate designed with a technology focus built or capable of being built immediately adjacent to NIST.

There are a number of ways that this specific interaction could proceed, but the first step is to enter into a strategic partnering relationship for the City with NIST to outline what each organization could bring to the table. The City already has an the accelerator model that can be ex-

panded to provide more business support to the emerging companies through an Executive in Residence program or other business support model. This relationship increases the pipeline of new opportunities by working more closely with NIST to understand what technologies may exist, and by having a proactive organization working with NIST to understand the commercial partnerships it is seeking to try and attract them to the City.

Regional Cooperation

Innovation and technology development is too big for a single community in this region to undertake singlehandedly and there are many activities in the region underway with similar goals in mind. Rockville Economic Development, Inc. (“REDI”), the City of Rockville's economic development organization, is investing a great deal of effort to cultivate emerging entrepreneurs by providing programs like Innovate and the Women's Business Center. There are opportunities to partner with REDI in connection with existing programs or through an expansion of the City's accelerator programs. This allows each community to leverage its assets whether they are people, technology or real estate to increase its economic activity.

One opportunity that exists for both Rockville and Gaithersburg is providing locations for emerging firms. Each community has the challenge of making these firms aware of the space and programs available for start-ups. One way to do this is to reach out to entrepreneur clubs/organizations and host regular sessions for entrepreneurs at local restaurants. This fairly low cost activity starts to get both communities working together reaching out to entrepreneurs, and has the added benefit of bringing business into local restaurants on slower evenings.

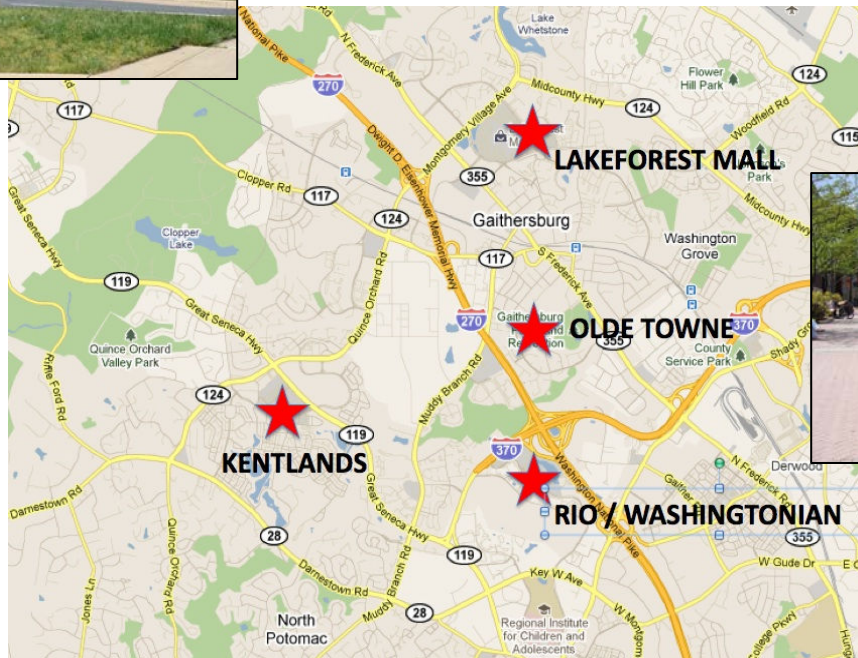
Gaithersburg's Regional Retail Community

Typically, retail activity is not something that communities focus on to measure economic development success. Yet, a strong and vibrant retail community is something that does enhance residents' quality of life and certainly is an indicator of a healthy economic base. Therefore, there are some recommendations that were identified through our interview process that can provide benefits to the retail community. More importantly, they can enhance awareness of Gaithersburg within the region as the retail sector represents a significant asset to the City and serves as a way to draw more attention to the community.

Gaithersburg has four significant retail hubs that anchor the City – Washingtonian Center/ Rio Center, Kentlands, Lake Forest Mall and Olde Towne. Olde Towne is clearly in the redevelopment stage, but with the major redevelopment projects underway it provides an opportunity for the City to showcase its walkable, downtown atmosphere. Representatives of these hubs all recognize efforts that the City has made on their behalf, and not surprisingly, each of them would love to see more resources spent in their areas. To its credit, the

City has done a good job balancing the competing interests in each of these retail areas and has not set up too much internal competition. Each of these hubs has distinct, City-sponsored events that occur and serve to attract residents from throughout the City and County. Yet, there is still more that could be done to reach beyond the City's borders to attract people from outside the community that will serve to enhance the City's reputation and increase commercial benefit for the retail sector.

Washingtonian Center at Rio (left) and Kentlands Square (right) are two prime examples of thriving retail centers in Gaithersburg.



Each of the retail hubs undertakes their own advertising and outreach efforts to attract consumers. Meanwhile, the City publicizes the events that it hosts in each of the retail hubs. It is possible to undertake a more coordinated approach that would likely be similar in costs to what each is doing independently. Following is a rough outline of what a schedule could look like:

- **Spring (February – March)**

RIO – St. Patrick’s Day Celebration and Spring Break – mailing would highlight festivities, unique retail opportunities for spring and restaurant opportunities as outdoor activities increase.

- **Summer (May – June)**

Kentlands, RIO, Olde Towne, and Lake Forest – mailing would highlight Summer activities that take place weekly in all four areas (i.e. summer concert series, daytime children’s activities, etc.).

- **Back to School (August – September)**

Olde Towne and Lake Forest – Labor Day Parade and Celebrate Gaithersburg festivities – mailing would highlight Gaithersburg heritage activities and back to school retail opportunities.

- **Fall/Winter (October –December)**

Kentlands –Seneca Creek Park-- Oktoberfest and fall/winter festivities – mailing would highlight festivals, holiday shopping opportunities and restaurant opportunities for holiday events. Winter Light Festival in Seneca Creek Park.



St. Patrick’s Day Celebration at Washingtonian Center/RIO



Summer Entertainment Series in Olde Towne



Bolivian Dancer at Gaithersburg Labor Day Parade



Kentlands Oktoberfest Celebration

Coordinate Outreach Efforts With Local Businesses and Retail Establishments.

One of the issues raised by local retailers was a request for assistance from the City to facilitate interactions between local businesses and retailers. In such a commuter-oriented community, an average person spends 25 to 35 minutes traveling alone in their car to work. While the City hopes to transform Gaithersburg to a community in which people can both live and work, that transformation has not yet fully occurred and many people travel into the City for their jobs. As a result, there isn't as much familiarity with the local retail establishments near where they work.

Additionally, many large employers provide cafeteria alternatives at work that keeps employees at their place of employment during lunch. It is often difficult for small retailers to reach out to larger businesses and provide special pricing options for employees. However, with the City's assistance a coordinated approach could facilitate specific "shop where you work" types of opportunities. This could be as simple as working with the Kentlands' retailers to reach out to NIST and MedImmune employees and host a networking event at a local retailer where other retailers could

provide coupons or other inducements to increase familiarity with their offerings. Likewise, similar activities could be undertaken with firms in the Great Seneca Science Corridor and the RIO retailers, and with firms in north Gaithersburg and along the 355 corridor in conjunction with Lake Forest Mall and Olde Towne.

Competing Priorities -- Retail Growth vs. Economic Development.

One of the primary challenges in focusing economic development resources on retail is that it competes directly with resources to attract, grow or retain businesses that provide a higher earning potential for their employees and as a result provide a more significant return on the City's investment. Additionally, if other business opportunities can flourish, then almost by definition retail activity will increase. In this case, since the major retail hubs have their own brand, the City of Gaithersburg tends not to gain much increased visibility for having provided these significant amenities. Therefore, by showcasing the retail that exists in Gaithersburg it can help to bring more attention to the community and the other activities that are taking place.

Renderings of the Proposed mixed-use Crown Farm project in Gaithersburg with both residential and retail space.



BUILDING THE INFRASTRUCTURE FOR A SUSTAINABLE COMMUNITY

One of the biggest challenges for economic development in the National Capital Region is ensuring that there is adequate infrastructure to support growth and in turn ensure a sustainable quality of life for local residents. As the region shifts from being an urban core primarily consisting of the District of Columbia surrounded by suburbs to a region of urban/suburban communities scattered throughout, there is a need to provide additional infrastructure. Additionally, adequate infrastructure is a critical component for future economic expansion within the City.

The regional shift in land use patterns in the National Capital Region has many positive benefits, but as discussed earlier, it also evokes difficult community conversations because of the perception that the shift is changing communities for long-time residents. There is a balance that must be struck between maintaining the positive characteristics of existing communities while providing the necessary infrastructure and development changes necessary to provide sustainable future growth. There are a number of successful examples of this in the region, and it is important to share these examples with the potentially affected residents so they can understand how other neighborhoods have been impacted, how benefits have accrued to the community and how to advocate for elements and amenities that will be of benefit to them.

A New Approach – A More Efficient and Dense Land Use Pattern

There was a time when communities were self-sufficient entities that had all of the elements necessary for survival – by necessity they were what are now known as “mixed-use” developments. Communities were organized around a core where there were shops, services, housing and transportation with people living near where they worked. Then after World War II there was a shift to developing communities based on specific uses with residential uses in certain areas, industrial uses in other areas and so on. Now as communities are seeking to be more economically and environmentally sustainable, there is a shift back to “old-style” mixed-use communities.

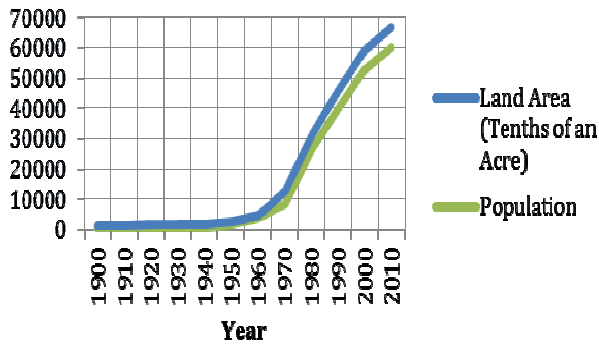
When Gaithersburg was incorporated in 1878 it served as the cross-roads for an agricultural and emerging industrial community with transit access and for the past 130 years it has never lost its foundations as a mixed-use community. As a result, many of the attributes that communities are attempting to build from scratch already reside in this community and provide the basis for sustainable future growth.

Gaithersburg has seen significant geographic and population growth from a semi-rural whistle-stop in the 1960s with a little more than 800 acres and 3,847 residents to a city of

over 6,600 acres and nearly 60,000 residents.³² Along with the acquisition of additional land area has come an increased source of revenue to provide City services. However, as the opportunities for annexation are increasingly scarce because of encroachment on existing communities, the sources for increased revenue must change.

Obviously, any government has the ability to increase taxes and raise fees. There are times when this is a fair and legitimate approach. In most communities this opportunity is usually reserved for extraordinary circumstances and generally is not sustainable year over year. Therefore, where past growth has come through annexation, the next stage of growth for the City will require the implementation of a more efficient and dense land use pattern.

Gaithersburg Population and Land Area By Decade



This table represents Gaithersburg’s population and land area growth since the 1900s. While the City has grown exponentially since its incorporation in 1878, land areas has grown in step with population.³³

It will be important to acknowledge that this new approach to growth for the City will require some change, but that the change will

take place primarily in those places that need it. For example, key opportunities exist in the strip malls and older commercial space along the 355 corridor. By re-examining the density in these areas: (1) it will potentially increase the value for property owners by allowing them to do more with their property; (2) it will encourage redevelopment; and (3), by allowing additional density in places where development already exists it will increase property tax revenue that can be used for City services and amenities for City residents.

This example can be further illustrated by examining two hypothetical properties along 355 in Gaithersburg. The first hypothetical property would be an existing property that is a single story retail use on .75 acres with an assessed value of \$750,000. The second hypothetical property would be a redeveloped six story mixed-use, residential over retail containing five stories of condominiums with first floor retail with an assessed value of \$7,950,000. On the same lot size, along one of the City’s key transportation corridors, it is possible to achieve a 10-fold increase in property value with the increased density. The result for the City is a transit-oriented development that can generate 10 times as much property tax revenue each year by encouraging a denser and efficient land use on an already developed parcel.

This new approach also provides a more sustainable model for the City as it allows services to be provided more efficiently because of the proximity of any additional growth. As the City explores increasing transit services, this type of approach provides increased jobs, increased retail and residential development along existing thoroughfares and increased transit ridership and accessibility — all without dramatically increasing costs.

A New Approach to Funding Infrastructure

In order to make this new approach effective it is critically important to identify how to fund the required additional infrastructure. By identifying what mechanism the City has for funding capital projects, it will determine how much money it actually has available to spend. This will then enable the City to determine what projects are fundable, relative to how much money is available and in turn what development and/or redevelopment can occur because of the infrastructure required to support it.

Gaithersburg has been very successful at leveraging capital funds from the County and state for implementation of local projects. Given the costs of many of the new capital projects, funding from the County and state will still be a key component of the City's strategy. However, given the current fiscal climate, this approach will require some modification in order to be effective.

As the state and County attempt to prioritize their limited resources for the many projects needed in all communities, it will be important for Gaithersburg to identify and exploit a competitive advantage. In this instance, one of the most straightforward ways to proceed is to actually provide funds that can be used to reduce the overall cost of the project. Since the objective is trying to figure out how to do more with less, this approach provides the state and County with the answer.

The onus then lies with the City to look internally to determine if it desires to take this new kind of approach. If the answer to that question is yes, then the City must identify potential funding sources that can be significant enough to entice other partners to join and to move projects forward, but not so large so as to make it unfeasible for the City to fund.

Financing Alternatives. How infrastructure projects get funded has become one of the most discussed, and unaddressed topics in American governance. There is universal agreement that exist-

ing infrastructure needs to be maintained and that key new infrastructure investments must be made. Yet, there are few, if any, realistic new alternatives that have been identified, thus creating heightened demand for the few resources that remain. The changing economy has placed an even greater burden on local finance agencies in providing resources. Resources available 10 years ago at the state and federal level do not exist today, thus requiring more innovation on the part of local governments. This is where Gaithersburg has alternatives that many communities do not.

Gaithersburg has typically taken a fairly conservative approach to its finances and as a result has not looked to fund large capital projects unless it could be done by leveraging County and state resources. This means that unlike many jurisdictions that have already used much, if not all, of their fiscal capacity, Gaithersburg can explore an array of potential financing alternatives. Given the magnitude of the projects that require funding, it would be difficult for the City to be the sole financier. However, with the County, state and federal governments looking for ways to prioritize and leverage their resources this gives the City a distinct advantage by being able to put some resources into important projects.

However, it should be reiterated that before one explores the types of financing that exist, it will be important for the City to assess its appetite for taking a new approach to participating in the financing of capital projects. It would appear that the electorate is more comfortable with this approach than perhaps it has been in the past. In the Citizen Survey, residents were asked whether or not they supported the City of Gaithersburg borrowing money to fund large capital projects in the future and 66% of the respondents strongly or somewhat supported this concept.³⁴ Yet,

it is important to recognize that this is a departure from how jurisdictions have typically approached large capital projects, especially transportation.

In the past, major transportation projects have been funded in large part by the federal and state governments. During the past decade, local governments have become greater participants in this process as the larger government entities have reduced the percentage share that they contribute. Many local governments have struggled with the best way to handle this.

The first approach is to say that these projects are federal and state projects and we will wait for those entities to move forward as they have in the past. The second approach is one that some more industrious jurisdictions have employed — that is to either forward fund certain projects to get them started or to provide a participating share of the overall cost of the project. In certain cases this has served to “prime the pump” to get state and federal government to participate because the overall cost of the project has been reduced by the local participation. The upside to the local government is that the project moves ahead. The downside is that now local government has accepted some responsibility for projects that have typically not been their domain.

Later in this report Orion identifies key projects that will enhance Gaithersburg’s vitality. Given the significant role that the identified projects will play in the future economic growth for Gaithersburg, the length of time that these projects have languished and the reality that there will not be much additional revenue at the state and federal level now would seem an opportune time for the City to step up and play a role. If the City chooses to move ahead, then following are some types of financing that could be considered.

- **Incremental Financing**

This approach allocates a portion of the increased tax revenue that is recognized by the City as a result of the development of new projects to a fund that can be used to provide resources for the construction of infrastructure. In some cases, the future value of this increment can be used to finance debt that is known as “tax increment financing” or a TIF. Alternatively, the City can choose to set aside in escrow some increment of the increased tax revenue resulting from a project and use it to finance infrastructure. Given some of the development that has already been approved by the City and given the reductions in property tax assessments, there is an opportunity for the City to use this type of mechanism. In fact, using the approved development plans for the Spectrum at Watkins Mill, only one of the approved projects in that area, the incremental tax revenue will total nearly \$3 million over 10 years.

- **Financing Districts**

There are examples of different types of taxing districts that are currently being used in the County and state. In 2010, Montgomery County gave conceptual approval to the use of a special tax district in the White Flint area that would be used to fund infrastructure supporting the development in that community. This special tax district will impose a marginal property tax increase to the property owners in a specified area who would benefit from the infrastructure improvements.

In 2010 the Maryland General Assembly passed legislation establishing Transit Oriented Development (TOD) districts that would allow municipalities to issue debt for the purposes of funding infrastructure

that meets the criteria of being transit oriented.³⁵ The activities being proposed in Gaithersburg would likely all fall within the characteristics of a TOD.

- **General Obligation Bonds**

As the name implies, these are traditional financing tools used to finance the facilities that serve “an essential government function.” They are tax-exempt and provide a low cost source of capital employed by most communities to provide general infrastructure and necessary capital improvements.

- **Federal Support**

The federal government is still the largest provider of resources for funding infrastructure, particularly transportation. Therefore, working with Gaithersburg’s Congressional delegation to identify specific funds that could be used to achieve the City’s objective is still a realistic alternative. However, as funds become scarce, it is important to show the cost-effectiveness of particular projects and that will require broader partnerships to achieve.

Two Approaches Come Together

Now, the two new approaches for the City – more densely developed areas and new approach to infrastructure funding — can dovetail nicely. First, by looking to create more densely developed areas in the existing City commercial areas there is a value increase recognized by the property owners. Next, this value increase in turn provides additional resources that can be used to assist in funding the necessary infrastructure to make this new land use pattern work. Ultimately, it provides the residential and commercial capacity to increase economic activity that will provide a sustainable revenue increase for other City services and programs.

Locations With Redevelopment or Development Opportunities

The following are locations that have redevelopment or development opportunities.

The Watkins Mill Town Center. There is 4.5 million square feet of approved development potential, permits pending. The completion of the Watkins Mill Interchange off of 270, as well as the completion of the CCT, will have a huge impact on the completion of this development.



Rendering of the mixed-use project at Watkins Mill Town Center in Gaithersburg.

Montgomery County Agricultural Center (“The Fairgrounds”). Zoning changes have been approved, but there needs to be transportation improvements around this site to make any activity on this site truly feasible.

Lake Forest Mall. Mall owners are beginning to explore mixed-use alternatives and are beginning to discuss with anchor store owners on a vision for the mall and the property.

355 Corridor. This area has been identified in the Master Plan process as an area for redevelopment, but City leadership needs to ensure that densities provide significant enough opportunity to encourage redevelopment and that it meets the community’s needs.

Kentlands. The commercial/retail component of the community is already laid out in a manner suitable for denser redevelopment. This area will be impacted by completion of the CCT and as density increases in the Great Seneca Science Corridor.

Great Seneca Science Corridor. This project will require completion of the CCT that will then open up a total of 15.7 million square feet of commercial development adjacent to the City that can have a positive impact with the appropriate infrastructure.

The City's Infrastructure Needs

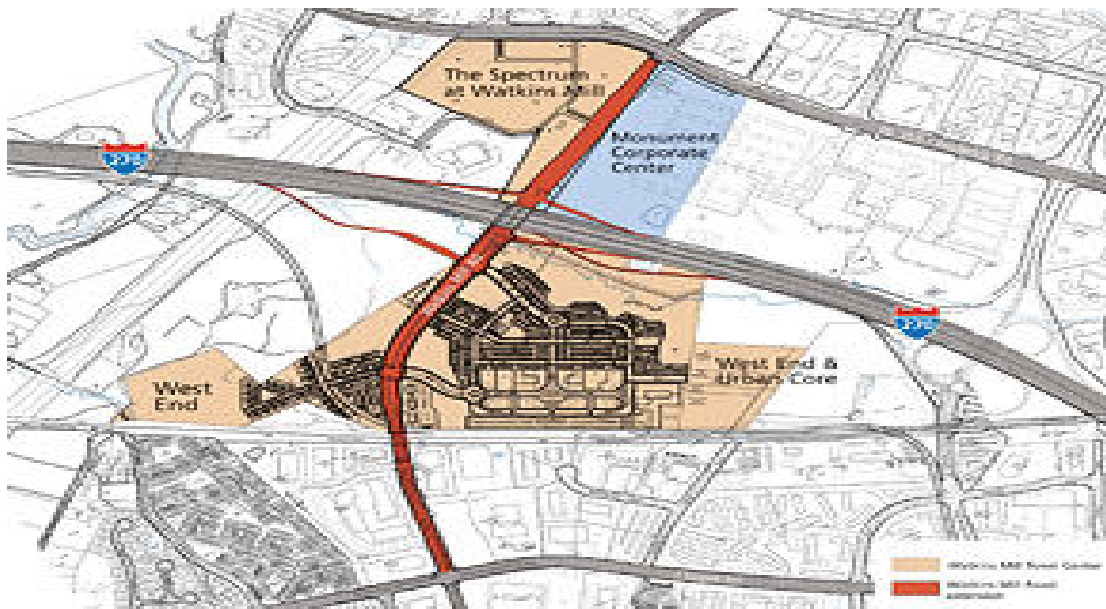
There are a number of key projects that will enhance Gaithersburg's economic vitality. They are outlined here in recommended order of priority, but as is often the case, the perfect should not become the enemy of the good. Therefore, if one of these projects is more readily doable in the short term than another and provides immediate benefit then changing the order should be explored.

Watkins Mill Interchange. This is a significant project for both the City and Montgomery County and has been on the top of the County's priority list for the past six years. This interchange addresses many key issues and if constructed will be the first domino to fall that will provide the impetus for other positive activities within the City.

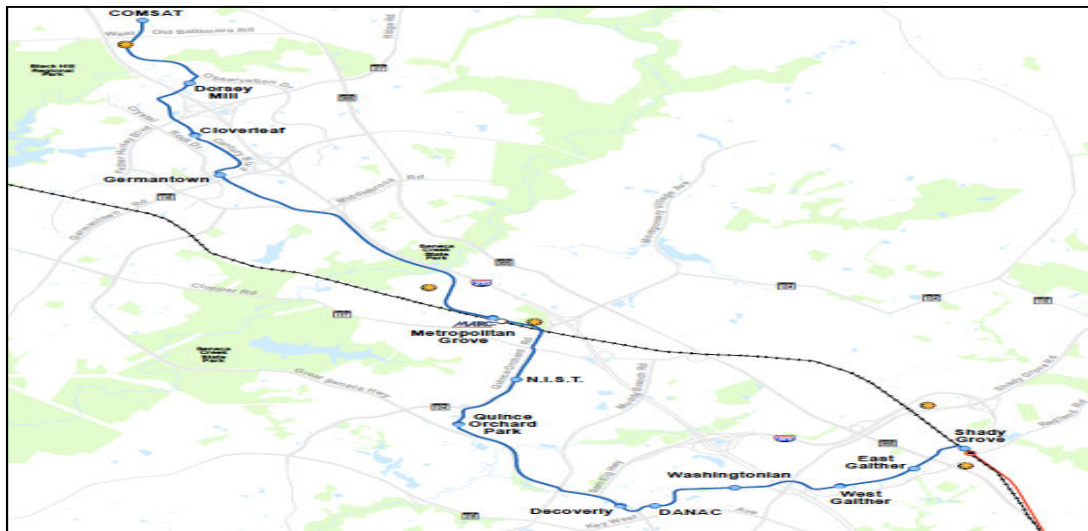
First, the construction of this interchange will improve traffic flow along I-270 at Gaithersburg's northern end. Additionally, it will provide improved access to Route 124 and 355, thereby increasing the attractiveness of the commercial and retail locations in that area and encouraging potential redevelopment of

key sites like Lake Forest Mall. Second, this interchange will provide ready access to more than 1,000 approved residential units and 1.4 million square feet of approved mixed-use commercial and retail development that enhances the community's underlying economic base. Third, it will provide direct, multi-modal access to the research and development assets within Gaithersburg. Finally, by allowing planned and approved development to occur, the City will begin to generate tax revenue that can be used to fund this project and City programs and services.

Much of the preliminary infrastructure is in place as a result of the City and County working with the developers, and one can go now and stand on the roads that have been constructed on either side of I-270 that dead-end at the highway. Additionally, more than 75% of the land acquired for the Watkins Mill Interchange has already been dedicated by the City. As a result of the efforts that have already been undertaken, this project presents an ideal opportunity for continued public-private partnership, bringing the State Highway Administration in as the fourth partner.



The proposed CCT Route with four CCT stops located in Gaithersburg.



The Corridor Cities Transitway (“CCT”).

The benefits of this project for the City of Gaithersburg have been discussed for decades, but have been highlighted just this past year with approval of the County’s Great Seneca Science Corridor Master Plan. The CCT provides a transit link from the Metro at the City’s southernmost point at RIO, through its newest mixed-use community at Crown Farm, extending through the County’s newly approved life science research community that is directly adjacent to the City, connecting into the residential and retail hub that is Lakelands and Kentlands and extending to the Watkins Mill Town Center where it connects into the MARC station, I-270 and the City’s northernmost new development.

Funding for a transit alternative along the Rte. 355 corridor. There are two main north-south routes through Gaithersburg – Rte. 355 and Great Seneca Highway. The transit alternative along Great Seneca Highway is addressed with the CCT, and the construction of the Watkins Mill Interchange will clear up some of the automotive traffic. However, in order to achieve the type of vibrancy

the community desires, it will be important to explore the options for transit along the 355 corridor. Transit here could take a number of forms ranging from being a part of a large bus rapid transit network that the County may deploy, to developing a circulator model that has seen success in Bethesda and the District of Columbia. The first step in exploring the City’s options would be to fund a feasibility study to identify which type of transit is most feasible in the short-term, and which would provide the most benefit to the City.

Parking Improvements in Olde Towne. The City is making significant progress in increasing mixed-use development with its public/private partnerships in the Olde Towne community. Ideally, these new developments will go a long way to revitalizing an important part of the community’s heritage. New residential development and increased transit should encourage the expansion of retail activity in this area. In order for that to be maintained and enhanced it will require visitors from outside the immediate area. An additional parking facility in this area will have to be contemplated in order to achieve the type of success that is envisioned here.

Competing Priorities

Redevelopment vs. Current Environment.

The perceived competing interest is that redevelopment will eliminate the character of an existing community. The reality is that the elements of the existing neighborhoods the residents

appreciate and enjoy can be maintained while redevelopment can provide access to new opportunities that enhance quality of life.

Additional Revenue Growth vs. Current Environment.

Because of the unique characteristics of Gaithersburg's growth through annexation, the growth in revenue that the City has seen in the past cannot be sustained. If there is not redevelopment and new development encouraged where it is approved, the City will be limited in the services and programs it can provide to its residents without regular tax increases.

Which Development and/or Redevelopment projects move forward first?

This is a basic competing priority as it places projects fighting for the same resources in conflict. Fortunately, the projects in Watkins Mill are the significant projects pending and the revenue generation for the City from those projects

will provide capability to expand services and finance portions of needed infrastructure.

Infrastructure Needs. Again, the competing interest is which project(s) goes first. In this instance, the Watkins Mill Interchange needs to be the top priority because it provides such a significant benefit to the City by allowing for the build out of Watkins Mill Town Center, addressing traffic congestion on Rte. 124 and 355 and allowing other development projects to move forward. In parallel, however, because it will cost much less and also will provide benefits to the same corridor, the City should look to move forward with a study on a transit alternative along the 355 corridor.

Funding Mechanisms. The primary question here is fiscal. Using any financing alternative, except establishing an escrow account for a percentage of incremental revenue or total financing through federal funds, will create debt service that can compete with other programs and services in the City's general fund. However, in all cases there should be offsetting increases in revenue as a result of the projects moving forward.

OPENING THE ECONOMIC DEVELOPMENT GATEWAY TO THE COUNTY

With an effective land use and transportation strategy, as well as appropriate funding mechanisms and partners, the next step in the process is to grow the businesses in the community. Fortunately, given Gaithersburg's assets and the issues that the County and other jurisdictions are facing, this is not a sequential process. There are a number of activities that can be undertaken simultaneous to the previous recommendations that have been identified.

First, as the economy continues to make a slow, but steady, improvement there are companies that will make the space changes they have needed to address previously but could not because of the economic uncertainty. Interestingly, as this is beginning to occur, the County's Department of Economic Development is facing significant additional budget reductions. This provides a window of opportunity for a jurisdiction with a strong economic development infrastructure to fill this void.

Second, Gaithersburg has a great array of assets to present to emerging new businesses and re-locating/expanding firms. The City has a vision for the community, a plan for increasing infrastructure, access to affordable space, opportunities for build to suit space, an effective and straightforward planning and permitting process and resources to provide assistance to the firms. By executing the right strategy, it is possible for Gaithersburg to establish itself as a first place that firms look because of these unique assets. Following are

actions that the City can take to more strongly position itself as a leader in this space.

Hire a Director of Economic Development

The City should hire a director of economic development and consider hiring a second economic development professional. Jurisdictions of a similar size to Gaithersburg that have had success in economic development typically have at least two FTEs undertaking these efforts. This is true in both Rockville and Frederick, but also jurisdictions throughout the nation. A rule of thumb in suburban/urban communities is three economic development professionals per 100,000 residents. Given the breadth of the recommendations in this report, it will be difficult for one person to engage in all of them. More importantly though, it will allow the City to proactively implement the economic development plans and make

Department	Municipal Population	Department Staff
City of Frederick, MD	~60,000	3 Full Time Staff
City of Rockville, MD	~61,000	2.5 Full Time Staff
City of Bowie, MD	~55,000	1 Full Time Staff
City of Charlottesville, VA	~45,000	3 Full Time Staff
City of Greenville, SC	~56,000	2 Full Time Staff

This table shows municipalities with similar populations to Gaithersburg and their Economic Development Department FTEs.³⁶

Outline and Highlight Development

Approval Process

One of the most significant challenges to development in Montgomery County is the time it takes for an organization to have a new development project go through the County's development review process. Gaithersburg is responsible for its own land use policies and procedures and this can provide a significant advantage for firms looking to do business in the City. Anecdotally, there are a number of organizations that have developed projects in the region and have found Gaithersburg one of the most constructive places to do business. The planning department is a small, efficiently run operation that can respond to a business's development request quickly and personally.

While the City has already made an efficient review process part of its goals in its Strategic Plan, if the development approval process can be highlighted to provide any organization with clarity, certainty and efficiency, the City can have a distinct competitive advantage for projects in the County. It would be ideal if the City could provide a specific amount of time to approve development applications and permits. This sets a clear marker for people looking to do business with the City that you are serious about getting things accomplished.

Initiate Proactive Broker Engagement

Most brokers working with a business looking to either move to Montgomery County or expand their operations within the County, would first reach out to the Montgomery County Department of Economic Development to begin that process. For the reasons outlined previously, this will not likely be as strong an approach as it has been in the past. If the new Economic Development Director for the City can actively engage the broker community to present specific opportunities in Gaithersburg, there is an opportunity to be the first stop for many brokers. These efforts could include:

- Developing a working list of brokers in the region;

- Hosting regular meetings (annually/semi-annually) with brokers (either as a group or individually); or
- Quarterly outreach (this could be an e-mail or newsletter that is developed in conjunction with local property owners).

Identify a Single Point of Contact for the Business and Community

Land-use, planning and economic development can be confusing for even savvy residents and business persons. If the City can identify a single point of contact for the community and another for the business community when it comes to these issues, it builds a relationship, confidence in the process and clarity about how things happen.

Competing Priorities

Hiring an Economic Development Director.

The obvious competing interest for this action is that it is an additional position that competes against other positions in an already tight budget. However, unlike many other positions this is one position, that can directly influence efforts that increase value and revenue for the City thereby offsetting the cost of the position.

Outline and Highlight Development Approval Process.

First review of the recommendations in this section could concern residents who might think that standardizing the development approval process could negatively impact their ability to provide input to the process. However, with a transparent and more standardized process, then all participants know exactly where they stand at each point in the process. In addition, if there is a dedicated staff-person for direct contact with the community, then there is an assurance that a person can communicate the same message to all participants and increase consistency for all participants in the development process.

NEXT STEPS AND CONCLUSION

As outlined in the Executive Summary and reiterated throughout this report, the City of Gaithersburg is a community with tremendous resources and potential. It can continue and expand upon its efforts to grow in a sustainable way to achieve its revenue objective while at the same time provide a significant quality of life for its residents now and in the future. By setting aside resources and commissioning this report, clearly there is an interest moving forward in a concerted way. The City's biggest impediment to success is the inability to act in a deliberate way in the near term to take the critical next steps to be successful.

This report does not create just a list of activities that might be undertaken by any community to enhance economic development. This document outlines specific recommendations for Gaithersburg based on community feedback and research on the City's strengths and weaknesses. As a result, many of these recommendations can begin to be implemented almost immediately and, in fact, time is of the essence on specific projects like the hiring of the Economic Development Director, implementation of the website, the regional media strategy and probably, most important, the Watkins Mill Interchange.

The City has already identified economic development funds that can be deployed to implement the key elements of this plan. Proba-

It will be important for the Mayor, Council and City management to agree to the recommendations in whole or in part and be clear in the direction they hope to take. Then, it will be important to identify the individual(s) or team accountable for developing specific task lists and milestones for projects so that progress can be measured.

Next Steps

The following are the next steps and estimated funding recommendations for the Mayor, Council and City management's consideration:

1. Continue efforts to recruit and hire a strong candidate to serve as the City's Economic Development Director. (~\$175,000);
2. Identify a point person to develop a funding strategy for the City and coordinate with the private sector, County and State to move forward as quickly as possible with solutions for funding of the Watkins Mill Interchange. (~\$200,000);*
3. Design, develop and implement new economic development website. (included in broader City website redevelopment);
4. Develop a media strategy and objectives for outreach to regional media outlets for 6 to 12 month time period. (~\$100,000);
5. Conduct a feasibility study for implementation of transit alternatives in the 355 corridor including a circulator option, BRT option connecting to Shady Grove Metro and/or the possible realignment of the County's bus routes to increase connectivity within the City. (~\$100,000);*

6. Fund permitting fees for key approved City projects that are ready to move forward with construction in a specified time period. (~\$600,000);
7. Coordinate, plan and scope activities with NIST to develop a proposal for a “Gateway to NIST” and an enhanced accelerator model to include business development and support activities. (~\$50,000 - \$75,000);*
8. Seek to hire additional economic development/communications/business development professional in support of the City’s economic development activities. (~\$150,000); and
9. Develop regional retail marketing plan and fund implementation of plan in conjunction with retail centers (~\$200,000).

These recommendations do not total \$2 million of the funds set aside by the City because each of these could have follow-on activities that would require additional resources. Thus, this keeps funds in reserve so that the projects can move forward in a timely fashion.

Conclusion

In conclusion, as the City of Gaithersburg looks to build upon its solid foundation, it is well-positioned for success. With a commitment to take full-advantage of the resources and opportunities at its disposal, the City can be pleased with its efforts to date and can be enthusiastic about its ability to achieve its goals for a sustainable community with a high-quality of life for its residents.

*Funds identified are for the planning phase of these projects. Once the project plans are developed, then the remaining economic development funds may be used to implement specified projects.

ENDNOTES

- 1 City of Gaithersburg 2003 Master Plan Elements, as amended.
- 2 “Growth Trends to 2040: Cooperative Forecasting in the Washington Region.” Metropolitan Washington Council of Governments. 2010.
- 3 City of Gaithersburg 2011 Strategic Plan dated October 2010 and draft dated February 2011.
- 4 “City History.” City of Gaithersburg, Maryland. 2011. http://www.gaithersburgmd.gov/poi/default.asp?POI_ID=111&TOC=112;111.
- 5 “Municipal Growth.” A Master Plan Element. City of Gaithersburg, Maryland. April 6, 2009. http://www.gaithersburgmd.gov/Documents/masterplan/municipal_growth_element_adopt_040609.pdf.
- 6 “Gaithersburg (city), Maryland,” State & County Quick Facts. U.S. Census Bureau. 2000. <http://quickfacts.census.gov/qfd/states/24/2431175.html>.
- 7 See endnote No. 5.
- 8 “Dwelling Units and Estimated Population.” City of Gaithersburg Planning and Code Administration. January 2011.
- 9 “Economic Seed Dollars.” Gaithersburg Gazette. June 2, 2010.
- 10 Business Development Board of Martin County, Florida. 2011.
- 11 Riberio, Rosaria and Mildred Warner, Ph.D. “Measuring the Regional Economic Importance of Early Care and Education: The Cornell Methodology Guide.” Cornell University Department of City and Regional Planning. 2004. <http://economicdevelopment.cce.cornell.edu>.
- 12 See endnote No. 5.
- 13 “2009 Citizen Survey.” City of Gaithersburg, Maryland. January 25, 2010.
- 14 See endnote No. 2.
- 15 “Archstone at Olde Towne.” City of Gaithersburg, Maryland. 2011.
- 16 “Crown Farm Annexation: X-182.” City of Gaithersburg, Maryland. 2011.
- 17 “Watkins Mill Town Center” and “The Spectrum at Watkins Mill.” City of Gaithersburg, Maryland. 2011.
- 18 “Great Seneca Science Corridor Master Plan.” Montgomery County Department of Planning. 2010.
- 19 “Prince George’s County Executive Rushern L. Baker, III, Announces \$50 Million Economic Development Incentive Fund and Introduces Economic Development Team.” Prince George’s County Government Office of the County Executive. March 14, 2011.

- 20 Mattson-Teig, Beth. "Borrower Trends: Lenders Come Out of Hibernation." National Real Estate Investor. January 1, 2011.
- 21 A selection of Economic Development Department websites was surveyed from similarly sized cities around the country focusing on those websites that had received awards from the International Economic Development Council. Top examples include: the City of Frederick, MD at <http://www.businessinfrederick.com>; City of Rocky Mount, NC at <http://www.rockymountnc.gov/econdev.html>; City of Grand Junction, CO Economic Partnership at <http://www.gjep.org>; City of Rockville, Rockville Economic Development, Inc. at <http://www.rockvilleredi.org>; City of Greenville, SC at <http://www.greenvilleeconomicdevelopment.com>.
- 22 See endnote No. 5.
- 23 See endnote No. 2.
- 24 Buia, Carole. "DNA Alley." Time Magazine. December 25, 2000.
- 25 "How Important Are Small Businesses to the U.S. Economy?" SBA.gov United States Small Business Administration. 2011. <http://www.sba.gov/advocacy/7495/8420>.
- 26 "Summary and Analysis of the President's FY 2012 Budget Request for Federal Research and Education Programs." Lewis – Burke Associates LLC. February 14, 2011.
- 27 Medimmune News Pressroom. 2011 Medimmune LLC. <http://www.medimmune.com/newspressroom.aspx?NID=1068810>.
- 28 Ackerman, Ruthie. "Digene Hot After Qiagen Buyout." Forbes.Com. June 4, 2007. http://www.forbes.com/2007/06/04/digene-qiagen-acquisition-markets-equity-cx_ra_0604markets21.html.
- 29 Montgomery County Biotechnology Potentials." Gaithersburg West Master Plan. Partners for Economic Solutions. June 3, 2009.
- 30 "Scheer Partners and City of Gaithersburg to Market Accelerator." Scheer Partners. 2010. <http://www.scheerpartners.com/test-post-2/>.
- 31 Chesapeake Innovation Center: Connecting Innovation with America's Homeland and National Security Needs. 2005. <http://www.cic-tech.org/>.
- 32 See endnote No. 5.
- 33 Dwelling Units and Population." City of Gaithersburg Planning and Code Administration. January 2011.
- 34 See endnote No. 13.
- 35 House Bill 475 – The Sustainable Communities Act of 2010." Enacted May 20, 2010. <http://mlis.state.md.us/2010rs/billfile/HB0475.htm>.
- 36 See endnote No. 21.

