Organization: The City of Frederick: Department of Economic Development

Community Size: Small (Less than 200,000)

Name of Program: techfrederick

Contributions to Best Practices: techfrederick – a Frederick-based tech advocacy organization – is a highly-effective and efficient program that offers a model of economic development best practices.

techfrederick was first established over ten years ago as part of a joint initiative by The City of Frederick Department of Economic Development, Frederick County Office of Economic Development, and the Frederick Innovative Technology Center. Rallying local companies and talent under one banner, the organization was formed to support local technology businesses by providing advocacy, communication, networking and developing partnerships. In the early years, activity was organized largely by DED, OED, and FITIC, and included tech breakfasts, happy hours, initial website & brand development for the fledgling organization.

While attending this first era of advisory board meetings and networking events, several participating tech leaders recognized the opportunity for the organization to evolve to the next level. In 2015, techfrederick moved from under the wing of the government founders and was established as an independent, industry-led 501c3 non-profit dedicated exclusively to the promotion of the Frederick tech community. In most recent years, the non-profit has established three part-time staff positions and become a member-based organization. techfrederick has grown to now over 50 members and has 400 engage followers who work together to deliver a simple mission…'More tech opportunities in Frederick.'

Today, the organization is a regional leader in economic development initiatives – promoting, building & advocating for human resources, infrastructure, and capital resources for growing tech companies. The organization offers monthly events that develop entrepreneurial skills and provide networking opportunities. Through private sector and grant funding, techfrederick has developed a high caliber training program to provide training to local organizations within the technology fields. Post training information gathering has shown the training has enhanced attendees knowledge, skills and abilities, led to increased retention within their organizations, additional staff hired to their teams and at times increased compensation of training participants and revenue earned directly related to the work completed using skills from the training. Additionally, the organization has taken an active leading role in advocating for ample access to broadband, and branding Frederick as a tech hub.

The organization's recent accomplishments have largely been made possible through private funding and volunteers from local tech companies. The group has relied on an entrepreneurial approach to test opportunities the community needed (training, networking, skill development workshops, etc.) and invested in those ideas and initiatives which grew and showed returns. Though now under private direction, the organization and local public partners have maintained a strong relationship. Key members of the community from the City, County, and State-level, as well as other local non-profits & universities, meet as part of the "Tech Frederick Advisory Board" to discuss strategic process on a monthly basis. This effort has effectively

broken down the silos that can exist within the private sector, government and local community workforce.

Coordination of Partnerships: Strategic partnerships are the cornerstone of the techfrederick's origins, mission, and economic development strategy. The organization's governance depends on the collaborative efforts of a Board that represents a diverse range of private and public entities. The techfrederick Advisory Board is comprised of a leadership cross-section of the Frederick tech community, including local city and state Economic Development representatives, local non-profit leaders with a mission of economic development in the Frederick area, tech professionals with a pulse on the employee perspective, human resources and training professionals to map curriculum structures of training, higher education institutions, financial and legal professionals to ensure strategies and business process mapping adheres to best practices. The techfrederick Executive Board is comprised of local private sector CEO / CFO leaders who meet quarterly to guide the strategic initiatives, mission and manage the fiduciary responsibilities of the non-profit group. This combination of perspectives, resources and communication ensures techfrederick directly addresses the workforce needs of the local business community in creative and innovative ways.

An integral component of the organization's mission, the networking and educational events hosted by techfrederick are also designed to extend the concept of partnership to its members and active participant network. By providing a regular forum, techfrederick is a significant platform for Frederick's private sector companies, as well local & state agencies to build business opportunities together.

techfrederick has also closely partnered with the Maryland Department of Labor – most notably through the EARN Grant. Through the organizations' collaborative efforts, techfrederick's training program has enabled the workforce development of over 370 employed individuals in the tech sector to date. This skills development has lead not only to personal career development of attendees, but also has had an important positive impact for the local employers and organizations for which they work.

Leverage of Resources: The genesis of the modern, non-profit model for techfrederick came when three local tech leaders engaged with City of Frederick and Frederick County Economic Development offices to transition the organization to independent, non-profit status. The City of Frederick provided a $5,000 seed grant and the local team of Economic Development partners helped the start-up chart a course, which has led to the organization that exists today. The financial & in-kind investment of public support in those early years has led now to a self-sustaining organization with a >$75k annual budget and that is >90% privately funded. This unique partnership of private sector leaders, government leaders, and other non-profit leaders is a driving force for economic development in the technology industry in Frederick.

Strategic partnerships and relationships built over the years have now enabled techfrederick to leverage non-monetary resources as well. These resources include a broad selection of local offices and university training rooms to hold the techfrederick meetings, events, & training classes; as well as the incredibly talented human resource pool of local private sector CEOs/presidents, business owners, and tech professionals who have donated their time,

knowledge and staff in order to advance the organization's mission.

Techfrederick's strategic growth of its resources has also enabled the organization to hire part-time staff positions -- first an Operations Coordinator in 2018, followed by a Grants & Training Coordinator, and an Operations Assistant in 2019. The addition of these three dedicated staff members has accelerated the growth trajectory and efficiency of the previously all-volunteer organization.

Innovation and Creativity: techfrederick, since its inception, has placed utmost value on relationship and community building within the tech sector, and between the tech sector and its community partners. Providing creative and innovative opportunities for this type of networking to occur is a key focus of our organization.

In addition to offering Quarterly Evening Networking Events, Quarterly Informative Networking Breakfasts, and a Quarterly Sales & Marketing Happy Hour & Speaker Series, techfrederick hosts "Tech Games" every October, a day to bring together professionals from the tech industry, local private sector, education sector, and city and state agencies for a day of "Community, Camaraderie, and friendly Competition".

A >90% privately funded event, Tech Games has grown from 25 tech employees spending an afternoon in Baker Park back in 2016, to a one of a kind, premier event this year that drew 250+ community professionals to play, volunteer and support the day of community fun. Tech Games saw 36 teams participating in 11 olympic-style games, 45+ volunteers from private sector, local non-profit agencies, and universities to help run the event, and countless spectators and supporters. Games ranged from the absurd to the ridiculous and included: Life sized Hungry, Hungry, Hippos, Celebrity Whack-a-mole, Human Foosball, water balloon volleyball, whacky relay races, pizza eating competitions, and more. The event features a torch lighting 'opening ceremony' and an after-party. In addition to the team building and networking, techfrederick issued a "Tech Games Giving Challenge" that resulted in 600+ non-monetary items and over $6,300 in cash donated to The Frederick Rescue Mission! The Games has proven wildly successful at bringing our community out to build relationships and to give.

Jobs (before): 10762

Jobs (after): 13345

Source of Fund (public investment): techfrederick has been the recipient of the Maryland Department of Labor EARN Grant. This funding is awarded to successful partnerships who leverage community resources to address the demands of a sector of business. The process must be innovative and flexible and utilize the power of coordination of training, workforce development and economic development initiatives to be successful. As of our latest funding for 2020, techfrederick has been awarded almost $800,000 over the past 3 years. The Department of Labor has recognized that there is meaningful and innovative work being done and supports techfrederick's partnership and economic development-based model. The City of

Frederick and Frederick County Departments of Economic Development also provide event sponsorships throughout the year.

Source of Funds (private investment): The techfrederick organizational structure prides itself in being >90% funded by the local tech community it supports. The organization has raised over $175k in private funding since its inception to support the infrastructure required to deliver these key economic development initiatives. These private sources come from techfrederick corporate and individual membership packages, ticket sales to events, sponsorships and corporate donations.

Leverage of Resources (initial investment): 20000

Leverage of Resources (total investment): 1000000

Expansion of tax base (before): 0

Expansion of tax base (after): 0

ROI: Though impossible to measure, the impacts techfrederick's programs are having on the local economy and its tax base are very real --- as seen in the following examples from just one of the participating tech companies. According to a testimony from CEO Nick Damoulakis: "Prior to EARN via TechFrederick, our company remained flat in revenue for 8 years. Since EARN started and we trained our sales people, developers, business analytics, and system admin team our company has grown 20-40% over the past 3 years. We have made the Inc 5000, in 2018 and 2019 and doubled our workforce from 15 to 33 FTE's. In addition to great growth we were able to secure contracts that allowed our company to increase salaries to compete and pull people from the DC and Northern Virginia area. They have relocated and now live and work in Maryland. All this while retaining our workforce with a 96% retention rate vs the industry standard in the area of 70%. [Techfrederick's programming] creates a culture of learning, training, retaining and recruiting that builds successful businesses." By connecting talent to employment opportunities; enabling local companies to expand, and attracting new business to the area, techfrederick's aggregate impact on the tax base is incalculable. Frederick has seen remarkable growth in the tech company is recent years – now boasting over 100 companies, and seeing major expansions in companies such as Yakabod, High Gear, and ACDI. In addition, the Maryland Department of Labor maintains a strict set of requirements when it comes to effectively utilizing and deploying EARN grant funds. Techfrederick's impactful, effective and creative use for these funds to develop the local tech community has led to a year over year doubling of the grant provided by the state.

Budget and Source of Funding: From an operational standpoint there are two subdivisions of budget funding which techfrederick utilizes. The training initiative is largely funded through the Maryland Department of Labor EARN Grant. To date, techfrederick has been awarded close to $800,000 in grant funding to provide necessary skills enhancement to the current workforce. That funding is braided with leveraged resources from established partnerships within the local

private sector, higher education and donated time and resources from area tech professionals. Other leveraged resources utilized by the training component of techfrederick include the recent donation by a local software development firm of their high-end applicant tracking system which has a face value of $11,700 if purchased. A local higher education institute offered the use of its computer lab, computers and resources at a substantial discount in the form of a leveraged resource. The collaborative aspect to techfrederick's process strategy provides these leveraged funding or material donations. Techfrederick's operations budget is >90% privately funded. What started back in 2013 as a seed fund of $5,000 from the City Department of Economic Development has grown to a cumulative investment in excess of $175,000.

Impact on Employment: As techfrederick focuses on both creating a networking community for the tech sector and training incumbent workers to propel them within their organizations, success and impact on employment is measured in a number of ways.

With regards to training, the workforce development of over 370 employed individuals in the tech sector has impacted their skills, led to certifications and/or credentials. This skills development leads to success and positive impact for the employers and organizations for which they work.

For local organizations who find training cost prohibitive, techfrederick is able to provide the necessary curriculum to enhance the skill set and provide an avenue to make the training possible. This opportunity improves retention rates, creates new roles as employees become more skilled and progress or take on additional work as a result of the new skill or credential. As for the networking community component, the access to business leader resources, job boards, community events, networking socials, speaker series and more provides an environment for both the currently employed or those seeking to enter the tech sector access to all of these incredible benefits at no cost. The direct impact on those community members now engaged in a forward thinking and supportive workforce environment lends itself to create connections that lead to job opportunities, shared knowledge and moving the needle forward on the entire local tech sector.

(the numbers above submitted represent the estimated change in high tech employment overall throughout Frederick County)

Expansion of Impact on Tax Base: Techfrederick impacts the local Frederick tax base in a variety of ways. Through its partnership with EARN training funds, techfrederick has trained over 370 employees- equipping them with broader skills leading to career development, expanded work scope and promotions. Improving the skills of the local workforce has enabled existing tech companies to continue to expand operations and is a major incentive for attracting new companies to the area. The group is also having an impact on the awareness of opportunities in Frederick both on an individual level and at a new start-up company level. All of which will continue to drive new jobs into the community.

The organization also has a more direct impact on the tax base. Techfrederick has added 3 paid

positions to its organizational staff. Additionally, of the ~$75k direct annual budget > 90% of it is directed back into the community through local service providers and workers.

Diversification of Economy: The targeted sector for techfrederick is the technology industry with a collaborative goal amongst all partnership members to grow that sector rather than work to develop a new industry division. Within the technology sector, there is great diversity within the types of positions targeted for growth and expansion. The techfrederick team focused on not only traditional technology positions (ex. software developer, programmer, etc) but instead included those with other more unlikely areas of technology to be address- such as businesses who provide services to the tech industries, creative media organizations, financial operations within the tech umbrella and more. By targeting the entire tech ecosystem, tech frederick has expanded the community and aligned those businesses and it's members who might otherwise not collaborate or intersect.

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