

PGCEX_FAV_SB645

Uploaded by: Alsobrooks, Angela

Position: FAV



THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

BILL: Senate Bill 645 – State Income and Property Tax Credits – Purple Line Construction Zone

SPONSOR: Senator Smith

HEARING DATE: February 26, 2020

COMMITTEE: Budget and Taxation

CONTACT: Intergovernmental Affairs Office, 301-780-8411

POSITION: SUPPORT

The Office of the Prince George's County Executive **SUPPORTS Senate Bill 645**, which allows businesses that have lost income during construction of the Purple Line light rail project, to recoup this lost income by claiming a credit against the State income tax. If the income loss is greater than the amount of taxes owed, then the business can claim a refund for the difference.

Construction of the Purple Line light rail project began in 2019 and is expected to continue until the line opens in early 2023. This represents nearly four years of disruptions to existing businesses located near the Line that are impacted by construction. Lost parking and detours make it difficult for customers to find businesses, and the loss of pedestrian foot traffic has resulted in a loss of income for many small businesses.

Senate Bill 645 is vital to ensuring that small businesses remain open until construction is completed. Without this assistance, many long-term businesses could close, jobs would be lost, and many lives will be disrupted.

For the reasons stated above, the Office of the Prince George's County Executive **SUPPORTS Senate Bill 645** and asks for a **FAVORABLE** report.

SilverSpringCOC_FAV_SB645

Uploaded by: Chamber of Commerce, Silver Spring

Position: FAV



OUR MISSION:

Working to enhance the economic prosperity of greater Silver Spring through robust promotion of our member businesses and unrelenting advocacy on their behalf.

SB0645 - State Income and Property Tax Credits – Purple Line Construction Zone

Ways and Means Committee

February 26, 2020

SUPPORT

The Greater Silver Spring Chamber of Commerce thanks you for the opportunity to testify in support of SB0645, which would allow certain businesses impacted by the construction of the Purple Line light rail project certain credits against the State income tax and State property tax.

Our organization is a strong supporter of the Purple Line light rail as an important east-west transportation link that will spur economic development between Montgomery and Prince George's Counties. At the same time, we recognize that along some sections of the line, existing business and business property owners are being adversely affected by construction activities. Many of these businesses are small businesses that are barely holding on during street closures and other construction activities. Some are on streets that will be closed or nearly closed for extended periods during construction. Some will be losing access to convenient, critical, nearby parking. Some will lose pedestrian street traffic because potential customers simply won't come into a construction zone.

At the same time, most of the owners of these same businesses strongly support the line and look forward to its completion and opening. But they were not prepared for the financial challenges their businesses would experience through construction of this State of Maryland project. Being able to offset some of the expected financial loss with credits against Maryland income and/or property tax will go a long way to help assure that these already successful businesses continue to be able to support their families and contribute to the local and State economy.

For these reasons, we request a favorable report on Senate Bill 0645.

SamiraCook_FAV_SB645

Uploaded by: Cook, Samira

Position: FAV



CITY OF TAKOMA PARK, MARYLAND

SB 645 Support

Budget & Taxation Committee

February 26, 2020

SB 645: State Income and Property Tax Credits – Purple Line Construction Zone

City contact: Suzanne Ludlow, City Manager

SuzanneL@takomaparkmd.gov, 301-891-7229

The City of Takoma Parks strongly supports generous grants, tax credits and low-interest loans to businesses financially impacted by the construction of the Purple Line light rail project.

Takoma Park has been advocating for construction of the Purple Line for nearly 20 years – we believe our city's future economic health depends on it. But, our community just won't be the same if our long-time restaurants and stores cannot survive the impacts of construction.

Construction of the segment of Purple Line in Takoma Park is particularly damaging to nearby businesses. MDOT officials acknowledge that this may be the most congested segment in the whole project. This is not an area with several months of construction and then the major activity moves down the road a bit. Instead, after four months of blocking entry to parking lots and traffic gridlock, our businesses were told, "There's still at least a year to go of this same utility work in front of your business."

The toll on the businesses is high: 30-40% drops in revenue for many businesses and, for some, 70% drops in weekend revenue. Business owners that have been in the City of Takoma Park for 15, 20 and 30 years are taking out high-interest loans, they are laying off staff – staff who have families and have worked for them for years. Additionally, the vendors that serve the businesses are being hurt as well because not as much product is being sold. The stories from business owner after business owner are heart-wrenching.

All efforts to maintain and support these cherished businesses will undoubtedly have financial benefits for the State of Maryland, Montgomery and Prince George's Counties and the municipalities along the Purple Line route, including the City of Takoma Park. This includes continued property taxes and income taxes as well as provide our residents goods and services they need.

The City of Takoma Park strongly urges favorable consideration of SB 645. To support the local businesses that we value so much.

KayleighGunnound_FAV_SB645

Uploaded by: Gunnoud, Kayleigh

Position: FAV

Budget and Taxation**February 26th, 2020****SB 0654: State Income and Property Tax Credits – Purple Line Construction Zone****CDA contact: Kayleigh Gunnoud, Executive Director****kgunnoud@takomalangley.org , 301-445-7910**

My name is Kayleigh Gunnoud and I am the Executive Director of the Takoma Langley Crossroads Development Authority. We are the commercial district management authority for the Takoma Langley Crossroads commercial district in the City of Takoma Park. The Purple Line Takoma/Langley Station will be in the center of our commercial district. Our membership consists of 177 businesses 45 directly along the Purple Line Alignment. The CDA believes the Purple Line is an important addition to our region's transit system offering new connectivity to and from our commercial district. We have long been supportive of the project and we are here today asking the State to support those businesses impacted by the construction of this massive project.

The Crossroads Commercial District is part of Maryland's International Corridor and is home to a diverse portfolio of immigrant owned businesses. These businesses serve an essential role providing ethnic specialty items and services to the neighboring community while serving as a regional hub for such goods and services.

The challenges our businesses have faced during purple line construction are immense. Our commercial district faces some of the worst traffic impacts due to purple line construction. While our commercial district is only a ½ mile wide, commuters frequently experience 20 minute delays to travel through the corridor. This has caused customers to completely avoid the area and many of our businesses report a drop in sales of 40% or more. With over two years left in construction, this has created an untenable new reality for business owners.

The CDA along with the City of Takoma Park is actively working with PLTC to improve traffic conditions in the area. However, this is an ongoing process without a quick fix. In the meantime, consumers are creating new behaviors that avoid the Takoma Langley Crossroads. The CDA is also working with the Latino Economic Development Corporation to provide technical assistance, marketing support, and training to our businesses. However, this only goes so far in assisting a business facing a drastic drop in cash-flow. That is where the financial support provided in this legislation comes in, complementing the technical support services currently being provided along the Purple Line corridor and creating a system that successfully retains Maryland businesses during and after Purple Line construction.

Our organization has existed since 1987. Many of our businesses have operated in the Takoma Langley Crossroads for over 20 years and have a demonstrated record of successfully operating a business and navigating common business challenges. Construction of the Purple Line has brought unprecedented impacts on our business market and now many of our business owners are worried that without financial support, this may be the end of the line for their business. Large scale business closures does not correspond with the promise of economic benefits made by the State of Maryland when proposing the Purple Line nor is it the legacy anyone wants to see for this project.

We strongly urge favorable consideration of SB0654.

TPMobilization_FAV_SB645

Uploaded by: Mobilization, Takoma Park

Position: FAV



Takoma Park Mobilization Environment Committee (TPMEC)

environment@takomaparkmobilization.org (email)

Committee: Budget and Taxation

Testimony on: SB 645 - "State Income and Property Tax Credits – Purple Line Construction Zone"

Position: Favorable

Hearing Date: February 26, 2020

Thank you for allowing our testimony today. The Takoma Park Mobilization Environment Committee (TPMEC) is a grassroots organization of over 200 members, and a member of two statewide coalitions (Maryland Climate Coalition and the Earth Coalition) as well as the Montgomery County 80 x 27 Coalition (a countywide group focused on helping the county achieve its goal to reduce its greenhouse gas emissions by 80 percent by 2027).

TPMEC strongly urges you to support SB 645. That Act will authorize State Income and Property Tax Credits for certain qualified businesses impacted by the construction of the Purple Line light rail project in Montgomery County and Prince George's County.

This bill is necessary because local businesses are bearing disproportionate negative consequences of the disruption of traffic patterns caused by construction of the Purple Line. This disruption seems to be especially severe in our community of Langley Park, particularly at the cross roads of New Hampshire Avenue and University Boulevard. Construction near the site of a future purple line stop and a current transit hub has made foot and car traffic so difficult that businesses are experiencing severe losses of revenue due to a major drop in customers. For those businesses in the direct line of construction, it is reported that foot traffic and revenue are down 40% weekdays and an astounding 70% on weekends. This situation, having already occurred for months, is expected to continue for another year.

The businesses in this area are primarily small businesses owned and operated by people of color. Many of these business people and their employees and customers who are also predominantly people of color are already at the margin economically.

It is blatantly unfair that these people are suffering for a project that will benefit many people across two counties. Thus, this entirely predictable occurrence is a matter of economic injustice.

SB 645 would help to redress these injustices created by this government project by authorizing credits against the State income tax and State property tax. These credits are subject to guardrails and safeguards to prevent abuse.

While these businesses and their employees really need immediate and direct economic relief, the proposed tax credits may make the difference between the businesses failing and hanging on during the more than one additional year expected for purple line construction.

We are doing our best to provide our neighbors with at least some revenue by shopping at these businesses, but that will not be enough. Their plight is caused by a government project. Government assistance is needed to help right the wrong that is an unintended consequence of a project to serve the public good.

Javier_FAV_SB645

Uploaded by: Rivas, Javier

Position: FAV



Maryland State Senate Hearing re. SB- 645

Purple Line Small Business Displacement, February 26 2020

Latino Economic Development Center-Executive Director & CEO, Marla Bilonick

Thank you very much, Chair and Vice Chair and members of the Budget & Taxation Committee, for the opportunity to testify before you today. My name is Javier Rivas and I am the Resilient Business Corridors Program Manager at the Latino Economic Development Center - LEDC. LEDC is very pleased to have this opportunity to be with you all today to discuss the importance supporting small businesses located along the Purple Line in Maryland. LEDC is a 29 year old organization that serves the region and currently has three offices in Maryland (out of 6 total office locations). We are working closely to provide technical and financial assistance to small businesses that are impacted by Purple Line construction and that are at risk of closure and/or significant revenue loss. LEDC is also active by sitting on the Purple Line Corridor Coalition's Steering Committee and co-chairing its Business Action Team.

Our mission along the Purple Line is to help businesses survive construction and come out on the other side positioned to thrive and take advantage of the new economic vitality that the line promises. LEDC supports small businesses in several ways. We provide one-on-one technical assistance, group training sessions, and financing for start-up and expansion through micro-loans of \$5,000 to \$250,000. We also serve as liaisons between businesses and local government, construction companies, and utilities in areas where we are providing anti-business displacement support services.

On the heels of a very successful and ongoing project supporting small businesses in Wheaton, Maryland, that were located on the periphery of a large-scale Montgomery County construction project, LEDC has seen that intensive technical assistance and financial support is critical to helping businesses avoid displacement during and after disruption. In this case, the County has provided a grant to offset revenue losses caused by the County construction project. LEDC has actively worked with over 80 businesses in this corridor and over 90% remain on the corridor. This survival rate is impressive, even in the most supportive business environments. Therefore, we see this as proof positive that the combination of technical and financial support is needed if we want to see businesses stay in place during economic development.

In the case of the Purple Line, the train line runs through key business corridors that house traditionally immigrant-owned and minority-owned businesses. These businesses provide critical goods and services to residents in the surrounding areas. They often serve a secondary purpose as community meeting sites where key information is disseminated in the native language of immigrant groups, on site. Perhaps most importantly, these small businesses provide livelihoods for their owners and the people they employ. It would be a loss to vulnerable populations along the corridor as well as a threat to the integrity and social fabric of the communities along the line.

We have two full time staff people who have been deployed to work directly with businesses along the Purple Line in Montgomery County and Prince George's County and we are hearing reports from business owners who have experienced a 30 – 40% loss in revenues due to disruptions associated by the

construction. Traffic congestion due to road and lane closures and loss of parking spaces are limiting access to these businesses for not only customers, but also employees and vendors.

Due to the bi-county trajectory of the light rail line, it has been challenging to understand where the responsibility for business support lies. If the state could respond with policies that could offset revenue losses and also the lack of a ceiling to commercial rent escalation, it would be extremely helpful to sustaining local small businesses that are located along the Purple Line. We urge you to enact policies that will allow for the sustainability of the existing business communities along the Purple Line Corridor. Thank you so much for your willingness to consider our testimony today. We look forward to collaborating with you to find solutions that support small business sustainability in Maryland.

A handwritten signature in black ink, appearing to read 'J. Rivas', with a stylized, angular flourish at the top left.

Javier Rivas

Program Manager – Resilient Business Corridors

Latino Economic Development Center

SB645_MCCC_FAV

Uploaded by: Swanson, Tricia

Position: FAV



To Lead, Advocate and Connect as the Voice of Business

Senate Bill 645 - State Income and Property Tax Credits - Purple Line Construction Zone

Budget and Tax Committee

February 26, 2020

SUPPORT

The Montgomery County Chamber of Commerce (MCCC), as the voice of Montgomery County business, supports Senate Bill 645, which creates property and income tax credits for qualified businesses impacted by the construction of the Purple Line light rail project in Montgomery and Prince George's Counties. Under Senate Bill 645, the Maryland Department of Transportation is responsible for administering the credit.

MCCC supports this bill because it recognizes that, during the construction phase, a large project such as the Purple Line can adversely impact businesses in a number of ways (short of taking private property). Although businesses can generally already declare losses on their income taxes, this tax credit could provide a useful alternative where appropriate. Moreover, a property tax credit is another useful alternative. Finally, the Fiscal Note estimates only a modest impact on State funds as a result of the legislation.

MCCC whole-heartedly supports the Purple Line, but recognizes that certain businesses may be displaced/negatively impacted during construction. For the aforementioned reasons, **the Chamber supports Senate Bill 645 and respectfully urges a favorable report.**

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.

CouncilMemberTaveras_FAV_SB645

Uploaded by: Taveras, Deni

Position: FAV



THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-4436

Deni L. Taveras

Council Member, District 2

February 26, 2020

Hon. Guy Guzzone, District 13
Chair, Budget and Taxation Committee
Maryland Senate
3 West, Miller Senate Office Building
Annapolis, MD 21401

Dear Chairman Guzzone and Esteemed Members of the Budget and Taxation Committee,

I am writing to express my enthusiastic support for Senate Bill 645, State Income and Property Tax Credit – Purple Line Construction Zone. I represent District 2 of Prince George's County Council, which includes the Purple Line stops of Riggs Road and New Hampshire Avenue.

There are approximately 500 businesses along the Purple Line Corridor in Prince George's County. Most of the businesses are small enterprises owned and operated by local residents. These businesses are overwhelmingly minority-owned and -serving, and are vital drivers of economic opportunity in some of the most low-income and least-educated areas of Prince George's County. These businesses are a key part of the community I represent, employing local residents, catering to their needs, and revitalizing commercial strips of Prince George's County.

The Purple Line is poised to change everything for these businesses. I am working hard to ensure that this change is for the better—that it brings increased investment to aging commercial properties, increased sales to small businesses, and more opportunities for those who are aspiring entrepreneurs. The first step in ensuring that we bring positive change to the Purple Line Corridor businesses is helping them survive the construction period. Most business owners I have spoken with report a 40% drop in sales since construction began. These business owners are in dire need of the financial assistance HB 540 would offer them. In Prince George's County, we have taken the leadership to launch the Purple Line Construction Corridor Business Assistance Program, but we need the state to match our efforts.

I understand that amendments are being considered for this bill. I am in support of converting the benefit into a grant and extending it to cover larger businesses that have fewer than 14 employees per site.

Thank you for your consideration and I again urge to you to support SB 645.

Sincerely,

A handwritten signature in black ink, reading "Deni Taveras".

Hon. Deni Taveras
Prince George's County Council, District 2

DeniTaveras_FAV_SB645

Uploaded by: Taveras, Deni

Position: FAV



THE PRINCE GEORGE'S COUNTY GOVERNMENT

(301) 952-4436

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Hon. Deni Taveras
Prince George's County Council, District 2

MoCo_Wenger_FAV_SB 645

Uploaded by: Wenger, Melanie

Position: FAV



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

SB 645

DATE: February 26, 2020

SPONSOR: Senator Smith

ASSIGNED TO: Budget and Taxation

CONTACT PERSON: Melanie Wenger (melanie.wenger@montgomerycountymd.gov)

POSITION: SUPPORT

State Income and Property Tax Credits – Purple Line Construction Zone

Montgomery County supports Senate Bill 645, which would allow businesses in Montgomery and Prince George's Counties that lost business income directly attributable to Purple Line construction refundable State income tax credits and State property tax credits. The State income tax credits would equal the amount of business income lost during the taxable year, as certified by the Maryland Department of Transportation (MDOT). MDOT would be required to develop the details of the program consistent with the goals envisioned in Senate Bill 645 through regulation.

When a major State infrastructure project results in the displacement of a business, the State has existing programs that provide those businesses with financial assistance. However, there is no existing State program that offers similar assistance to businesses that need not be relocated but do suffer financially from loss of business activity during the preparation and construction phases of major projects. A number of small businesses located near the Purple Line alignment will fall into this category and may need financial assistance to mitigate the impacts of lost revenue while the Purple Line is being built. Construction is well underway now, with the project scheduled to be complete in 2023.

Senate Bill 645 could effectively help support these small businesses and in fact, help avoid the closure of some that may not be able to survive the construction cycle. While the bill may be viewed by MDOT and the Department of Commerce as an imperfect vehicle, the details can be fleshed out via the regulatory process, including how lost business income would be determined and how the credits may be passed through to qualifying businesses that lease the property. In fact, Montgomery County's small business assistance program to help Wheaton business could be used as a "template" for the State. The County developed this program to provide technical and financial assistance to Downtown Wheaton businesses that are negatively impacted by the County's Wheaton Revitalization construction project. Information about that effort is attached.

Montgomery County respectfully requests the Committee to take favorable action on this legislation. It is not an insurmountable task to develop the tax credit program, and, these businesses that are struggling as the Purple Line is being constructed need greater assistance. The Purple Line is a State project and the County asks that the State take steps to help.

SMALL BUSINESS ASSISTANCE PROGRAM (SBAP)

The Montgomery County Small Business Assistance Program (SBAP) assists certain small businesses located in the County that are adversely impacted by a County-funded redevelopment project or a redevelopment project located on County-owned property, as required by [Bill 6-12](#) adopted by the Montgomery County Council on April 17, 2012.

The Wheaton Redevelopment Project, a public-private partnership between Montgomery County and Stonebridge-Carras is the current focus of the SBAP. County Parking Lot #13 in downtown Wheaton is being redeveloped, and the related construction is anticipated to impact businesses in close proximity to the project. The SBAP can provide technical and financial assistance to small businesses that meet eligibility requirements and criteria for assistance as described in [Executive Regulation 24-12AM](#)

Technical Assistance - Businesses are required to complete an evaluation by the County's resource partners, and may be required to complete one or more technical assistance programs to be eligible for financial assistance under the SBAP. Through the County, the resource partners provide programs and services free of charge, and a business may take advantage of them as often as they would like throughout the redevelopment project. If a business applies for financial assistance, the County will request documentation from our resource partners to validate whether a business has or has not completed the evaluation and technical assistance recommended by the resource provider. The County is utilizing the organizations below as resource partners for the SBAP:

- Latino Economic Development Corporation Consortium – The Consortium is comprised of:
 - The Latino Economic Development Corporation (LEDC) www.ledcmetro.org
 - The Greater Washington Hispanic Chamber of Commerce (GWHCC)
<http://www.gwhcc.org>
 - The Hispanic Chamber of Commerce of Montgomery County (HCCMC)
<https://hccmc.org>
- Contact:**
LEDC Consortium: Richard Cisneros (O) 202-540-7424, (C) 571-224-7930
r.cisneros@ledc.org

Financial Assistance - A small business may be eligible for a financial assistance if it meets the eligibility criteria and can demonstrate that the redevelopment project adversely impacted the business' net profit. The total amount of assistance that a business may receive through the Small Business Assistance Program - throughout the entire redevelopment project - is \$75,000.

The Process

After participating in the required technical assistance program, a business seeking financial assistance must complete a Small Business Assistance Program Application (English - page 4, Español - página 7) and provide, at a minimum, the information and documentation requested in the application.

Eligible businesses can apply for financial assistance on or after September 5, 2017 (the first quarter after construction for the Wheaton Redevelopment Project began).

Eligibility

For a business to be considered eligible to receive financial assistance, the County will evaluate the following:

- 1) Is the business a small business?
- 2) Is the business financially healthy?
- 3) What is the remaining term of the business's lease?
- 4) Did the business participate in any required technical assistance programs?

Definitions:

Small Business

- 1) Has its principal place of business in Montgomery County
- 2) Is independently owned and operated
- 3) Is not a subsidiary of another business, AND
- 4) Meets the size or sales criteria below

Business Type	Employee Less Than	OR	Prior 3 Years' Average Sales Less Than
Retail	30	or	\$5,000,000.00
Wholesale	30	or	\$5,000,000.00
Service	50	or	\$5,000,000.00
Construction	50	or	\$14,000,000.00
Manufacturing	40	or	\$14,000,000.00

Financially Healthy – The Business must demonstrate that it had a net profit prior to project construction. The County accepts the documentation below to validate a business' financial health.

- 1) Most Recent 3 Years Business Federal Income Tax Returns – One of the prior 3 years must show a net profit, or, if the business was in operation for less than 3 years, the most recent year must show a net profit; OR
- 2) Personal Tax Returns (required if Federal Business return was for an "S" Corporation, LLC or Partnership return) – One of the prior 3 years must show the business owner paid federal and state income tax; OR

- 3) Business Income for Schedule C (only applies to partnership, single-member LLC, or sole proprietorship) – One of the prior 3 years must show that income reported exceeded expenses reported; OR
- 4) Financial Statement and Bank Statements – Financial statements, supported by the business' or owner's bank statements, must show a net profit if the business has not filed a Federal Income Tax Return.

Lease – A businesses must have at least 12 months remaining on its lease at the time of its application. If a business does not have at least 12 months remaining on its lease it will be required to submit a letter stating that it will renew its lease for at least 12 months.

Net Profit – For purposes of this Program net profit shall be considered earnings before taxes, interest, depreciation, and amortization have been deducted.

Grant Calculation – The Federal annual tax returns, financial statements (Profit & Loss, Balance Sheet) and business bank statements referenced in the definition above will be analyzed by the County to determine the average annual net profit before construction began. This annual average will serve as a baseline against which adverse impact can be measured. To receive financial assistance, a business must also provide information and financial statements that demonstrate adverse impact from the redevelopment project, that is, the net profit reported after construction started is less than the average profit calculated prior to construction.

Businesses that intend to seek financial assistance on a periodic, ongoing basis (e.g., quarterly or semi-annually) will need to provide ongoing, appropriate financial information that enables the County to measure impact based on comparable fiscal periods. For example, if a business intends to request financial assistance on a quarterly basis, it would need to provide corresponding quarterly financial statements (Profit and Loss Statements) for the periods prior to impact (construction) as well as the same periods after impact. So, Quarter 1 in the years before impact would be compared to Quarter 1 after impact. Quarter 2 in the years before impact would be compared to Quarter 2 after impact, and so forth. It is recommended that businesses with operations that are seasonal provide information in such a manner.

In addition, the County will compare the actual annual net profit to the average annual net profit after Quarter 4 of the first year of construction and will adjust any future grant payments accordingly.

Grant Calculation Example - Business A is eligible for grants under the SBAP. The average annual net profit for 2014 - 2016 is \$100,000, and the average quarterly net profit for 2014 - 2016 is \$25,000. The following are Business A's grant calculations for all four quarters in 2017:

Quarter	Average Net Profit Before Impact (A)	Actual Net Profit After Impact (B)	Grant Payment (A minus B)
2017 – Q1	\$25,000	\$15,000	\$10,000
2017 – Q2	\$25,000	\$25,000	\$0

2017 – Q3	\$25,000	\$30,000	\$0
2017 – Q4	\$25,000	\$15,000	\$5,000*
Totals	\$100,000	\$85,000	\$15,000

*Since the actual annual net profit of \$85,000 was \$15,000 less than the average net profit of \$100,000, the Q4 grant payment is adjusted accordingly.

Use of Funds – The SBAP does not stipulate a specific use for the grant funds, so eligible businesses may use the grant payments in whatever manner they deem necessary to support their business during the redevelopment project. The County and its resource partners, however, will work closely with each eligible business to ensure that the grant funds are meeting the goals of the SBAP.

For further information on the Small Business Assistance Program Contact:

Justin Stone
Manager, Small Business Assistance Program
Montgomery County Department of Finance
101 Monroe Street, 15th Floor
Rockville, MD 20850
240-777-8864 (Direct)
Justin.Stone@montgomerycountymd.gov

Lattuca_INFO_SB645

Uploaded by: Lattuca, Charles

Position: INFO

February 26, 2020

The Honorable Guy Guzzone
Chair, Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis MD 21401

**RE: Letter of Information – Senate Bill 645 – State Income and Property Tax Credits –
Purple Line Construction Zone**

Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 645 but offers the following information for the Committee's consideration.

The Purple Line project, a 16-mile, 21-station light rail transit line, will connect several communities in Maryland, from Bethesda in Montgomery County to New Carrollton in Prince George's County. Senate Bill 645 would create an income and property tax credit for businesses in the impacted area, equal to the amount of revenue lost as a result of construction related to this project. The Maryland Transit Administration (MDOT MTA) would be required to calculate the amount of credit that businesses would be eligible to receive, as well as deliver the credit.

Conducting the complex business analyses required by this legislation is not a task that the MDOT MTA is currently equipped with the expertise to accomplish, and thus would need to create a new division within the Agency to accomplish this new mission. The basis of a business interruption claim – for example, a businesses' changing financial circumstances – is a complicated matter and isolating these circumstances to a direct correlation to a particular construction project is difficult.

Further, anticipated revenues of a business can be speculative and dependent upon a number of changing and varying circumstances, so a pre-existing knowledge of a business' financial health would be an essential component to any effort to establish credible loss of income. Determining if a business has some level of business interruption insurance may also be a necessary element of this exercise. In summary, there are fluctuating factors that would need to be considered when determining recipients of the credits.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating Senate Bill 645.

Respectfully submitted,

Charles E. Lattuca
Executive Director
Transit Development & Delivery
Maryland Transit Administration
443-326-7574

Jeff Tosi
Director of Government Affairs
Maryland Department of Transportation
410-841-2850

MDOT MTA_INFO_SB0645

Uploaded by: MTA, MDOT

Position: INFO

February 26, 2020

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Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 645 but offers the following information for the Committee's consideration.

The Purple Line project, a 16-mile, 21-station light rail transit line, will connect several communities in Maryland, from Bethesda in Montgomery County to New Carrollton in Prince George's County. Senate Bill 645 would create an income and property tax credit for businesses in the impacted area, equal to the amount of revenue lost as a result of construction related to this project. The Maryland Transit Administration (MDOT MTA) would be required to calculate the amount of credit that businesses would be eligible to receive, as well as deliver the credit.

Conducting the complex business analyses required by this legislation is not a task that the MDOT MTA is currently equipped with the expertise to accomplish, and thus would need to create a new division within the Agency to accomplish this new mission. The basis of a business interruption claim – for example, a businesses' changing financial circumstances – is a complicated matter and isolating these circumstances to a direct correlation to a particular construction project is difficult.

Further, anticipated revenues of a business can be speculative and dependent upon a number of changing and varying circumstances, so a pre-existing knowledge of a business' financial health would be an essential component to any effort to establish credible loss of income. Determining if a business has some level of business interruption insurance may also be a necessary element of this exercise. In summary, there are fluctuating factors that would need to be considered when determining recipients of the credits.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating Senate Bill 645.

Respectfully submitted,

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