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MAYOR

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SB 384

February 15, 2022

TO: Members of the Finance and Budget & Taxation Committees

FROM: Natasha Mehu, Director of Government Relations

RE: Senate Bill 453 – Economic Development - Maryland Makerspace Initiative Program

POSITION: Support

Chairs Kelley and Guzzone, Vice Chairs Feldman and Rosapepe, and Members of the Committees, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 453.

Made In Baltimore is a program of the Baltimore Development Corporation that supports makers and manufacturers in Baltimore City. We fulfill that mission by providing an array of programs and services to help local manufacturers operate more efficiently, grow profitability, implement new technologies and create more jobs and opportunities in Maryland. The proposed legislation creates a non-lapsing fund to be administered by TEDCO that would support the expansion and establishment of further makerspaces in the State of Maryland.

Made In Baltimore has had diverse impacts. In our three years in operation, we have built and supported a community of over 300 makers, manufacturers, retailers, and makerspaces that collectively round out Baltimore's 'maker economy'. This community employs over 1,450 people and generated over \$34M in revenue in 2020. Our efforts to help this community grow jobs and revenue for the people of Baltimore are supported by the offerings at Open Works. Many of our member businesses have utilized the shop space, studio space, and course offerings at their facility; some of whom have 'graduated' out of Open Works and into formerly vacant industrial buildings elsewhere in town. We frequently partner with Open Works to offer business support services including workshops, product photography events, and vending opportunities.

Made In Baltimore strongly believes other communities in Maryland can derive similar benefits by building makerspaces, especially as communities struggle to dig out of the interlocking economic, educational, and health crises triggered by the Covid-19 pandemic. Further, creating a

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network of public makerspaces will scale additional operational efficiencies and funding opportunities, significantly scaling the current impacts of Open Works' current location. Creating a network of five locations would have the following impacts:

Economic Impact

- In 2019, state and local tax revenues generated by Open Works and associated businesses topped \$450,000.
- Five locations will produce \$45M in annual economic impact, \$2.25M in annual tax revenues, and 600 jobs through direct employment and startup creation.

Educational Impact

- In 2019, Open Works enrolled 1,339 adults and 171 youth in technical education classes.
- 5 locations could educate 6,700 adults and 850 youth annually.

Emergency Resilience

- Based on Open Works' experience with Makers Unite, we could organize a civil manufacturing reserve to provide supply chain resilience in case of natural disaster, terror attack, or pandemic.

Workforce Development

- In late 2021, Open Works was awarded \$223,000 from the City of Baltimore to run a two-year apprenticeship program for industrial sewing machine operators.
- 5 locations will provide the scale to address the diverse workforce needs of manufacturers and tech companies across the state and better compete with Pennsylvania, Washington D.C., and Virginia.

Constructing a makerspace network would immediately catapult Maryland into a national leadership role in cultivating an innovation economy, and have profound implications on the next 25 years of economic growth, workforce development, STEM educational excellence, disaster preparedness, and startup activity.

We respectfully request a **favorable** report on Senate Bill 453.