

House Bill 1203

Testimony of Brad Frome, Founding Partner RISE Investment Partners

RE: Favorable Reports of HB 1203

I would like to express my gratitude for being given the opportunity to testify on this innovative piece of legislation, House Bill 1203, and I would like to thank Delegate Smith for proposing the same.

While I will soon speak about a project I am currently working on and how the Strategic Investment Revolving Loan Program that would be created by this legislation would provide very positive and meaningful benefit, I would first like to share my opinion on this legislation grounded in my prior job working on economic development in county government. Before I joined the private sector, I worked for the duration of County Executive Rushern Baker's administration on economic development and from that perspective, I can't tell you how beneficial this legislation would be in helping to bring quality projects to fruition. Specifically, though there are many examples, two that come to mind is the construction of the new UMMS hospital in Largo and Riverdale Park Station home of the County's first Whole Foods Market.

The type of projects that could benefit from the program that would be created by this legislation are often complicated, in need of a major upfront investment in infrastructure and are often located in areas that in their current condition can become nuisances to those located around them. Conversely,

this program would help to allow the same to become community assets; providing housing opportunities, retail, community space as well as create tax revenue from land that previously generated none.

Wearing my current hat, I am proud to be part of a team that is working to redevelop the site of an abandoned hospital complex at Cheverly, transforming the site into a vibrant mixed use project with locally owned retailers, housing options for people of various ages and income, needed medical facilities as well as multiple gathering spaces for members of this and the existing surrounding community.

This site, like many that would benefit from this legislation, has massive infrastructure needs. The site I just mentioned is burdened by hundreds of thousands of square feet of decrepit hospital buildings, more than a little asbestos requiring costly abatement, significant grading, utility relocation and road and sidewalk construction and the incorporation, for the first time in the site's history, the introduction of stormwater management control devices. Thankfully the transportation infrastructure needs of this site aren't overwhelming, but many sites aren't so fortunate.

By creating a mechanism to allow for the financing of the required infrastructure of sites such as this one, it will allow for a more economical deployment of capital while making the development of the site more feasible at an accelerated timeframe. The legislation creates a program that is bound by common sense provisions regarding loan terms, protecting Medco's

financial interests by ensuring that the applicant has the financial ability to perform the project as designed, ensuring that Medco has financial recourse in case the loan is not repaid as agreed and establishing an advisory loan committee to guide Medco in its deliberations will ensure that Medco's interests are well protected and their decisions benefit from outside consultation. Lastly, the program would be targeted to those areas that everyone would agree are deserving from the type of investment that would benefit from such a program.

The types of projects that would benefit from this program are often complicated and have costly upfront infrastructure needs that make them poor candidates for pure private sector investment. By creating a program such as this one, targeted to transformative projects, it will allow for many of these projects to move forward creating tax revenue for the state, jobs for citizens, housing for residents and pride in the areas surrounding them.

I urge you to vote favorably upon this bill.

Thank you for your time.