

BaltimoreCounty_FAV_HB1203.pdf

Uploaded by: Amanda Kontz Carr

Position: FAV

JOHN A. OLSZEWSKI JR.
County Executive



JENNIFER AIOSA
Director of Government Affairs

AMANDA KONTZ CARR
Legislative Officer

WILLIAM J. THORNE
Legislative Associate

BILL NO.: HB 1203

TITLE: Economic Development - Strategic Infrastructure Revolving Loan Program - Established

SPONSOR: Delegate Smith

COMMITTEE: House Ways and Means

POSITION: **SUPPORT**

DATE: February 29, 2024

Baltimore County **SUPPORTS HB1203 – Economic Development - Strategic Infrastructure Revolving Loan Program – Established**. This additional financial tool can help important revitalization, infill, and redevelopment projects get off the ground in Sustainable Communities, Transit-Oriented Development and Priority Funding Areas – exactly where we need to focus these efforts.

Baltimore County is unique in Maryland, having created our Urban Rural Demarcation Line (URDL) decades ago to proactively protect farms and forests outside the URDL and concentrate development within the URDL. As the County has grown, redevelopment, infill development, and revitalization of older development will be the key to accommodating new residents, businesses and entertainment options in our County. Unfortunately, some of this type of development can be more complex and more costly, especially related to infrastructure improvements and expansion.

HB1203 creates an opportunity for a new revolving loan fund, managed through the Maryland Economic Development Corporation (MEDCO), to help provide funding for critical predevelopment and infrastructure-related needs to projects that seek to activate under-utilized parcels and spark revitalization near transit and in other designated areas.

Accordingly, Baltimore County requests a **FAVORABLE** report on HB1203 from the House Ways and Means Committee. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.

2024.03.27 HB 1203 Support Letter.pdf

Uploaded by: Christopher Mfume

Position: FAV

March 27, 2024

Senator Pamela Beidle
Chairwoman
Senate Finance Committee

3 East
Miller Senate Office Building
Annapolis, Maryland 21401

Dear Chairwoman Beidle:

I am writing to offer my support of **House Bill 1203** - The Strategic Revolving Loan Program. As a real estate development professional, I see many projects that would generate critical revenue for the State stalled due to rising construction costs and interest rates which threaten their overall viability. This challenge is magnified in the areas most in need of opportunity and investment, many of which exist in my home city of Baltimore. This infrastructure fund would help realize that potential and drive Maryland's GDP and tax base higher.

I believe a loan fund with flexible terms targeted at these projects would be a positive step towards Maryland's future and hope you and the legislature will move to support it.

Sincerely,



Christopher Mfume
Founder and Managing Partner

XHB1203_DHCD_SUPPORT.pdf

Uploaded by: Chuck Cook

Position: FAV



WES MOORE
Governor
ARUNA MILLER
Lt. Governor
JACOB R. DAY
Secretary
JULIA GLANZ
Deputy Secretary

DATE: March 28, 2024

BILL NO.: House Bill 1203

TITLE: Economic Development - Strategic Infrastructure Revolving Loan Program and Tax Increment Financing

COMMITTEE: Senate Finance Committee

Letter of Support

Description of Bill:

House Bill 1203 establishes a Strategic Infrastructure Revolving Loan Program within the Maryland Economic Development Corporation, for the purpose of making loans for targeted investments in real estate and infrastructure projects in Sustainable Communities, priority funding areas, and transit-oriented development areas. The bill also specifies the sources of funds for the program, along with certain requirements for loans and loan applications.

Background and Analysis:

The General Assembly established the Maryland Economic Development Corporation (MEDCO) in 1984 for the purpose of retaining, expanding, and attracting business and industry throughout the state. MEDCO's bond-issuing authority allows borrowers to finance costs such as land acquisition, building construction, and equipment purchase for important projects.

House Bill 1203 gives MEDCO another critical financing tool, complementing its existing authority, that can be used to support infill, redevelopment and revitalization projects in Sustainable Communities, transit-oriented development areas and priority funding areas. Loans made available under the program created by House Bill 1203 would be used to address predevelopment and initial infrastructure-related costs, which will provide much-needed assistance to projects that might otherwise be put on hold or canceled because of high development costs and commercial lending restraints. In combination with existing State Revitalization Programs administered by DHCD, this loan program will support transformative placemaking, community development, and inclusive and equitable economic growth objectives. The Strategic Infrastructure Revolving Loan Program will help to turn underutilized assets into revenue generators, boosting Maryland's economy.

DHCD Position:

The Maryland Department of Housing and Community Development respectfully requests a **favorable** report on HB 1203.



HB1203-FIN_MACo_SUP.pdf

Uploaded by: Dominic Butchko

Position: FAV



House Bill 1203

Economic Development - Strategic Infrastructure Revolving Loan Program and Tax Increment Financing

MACo Position: **SUPPORT**

To: Finance Committee

Date: March 28, 2024

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1203. This bill establishes the Strategic Infrastructure Revolving Loan Program.

For the 2024 Maryland General Assembly Session, MACo has made it a priority – one of the Association’s four legislative initiatives – to *Advance Comprehensive Housing Solutions*. Much like climate change and sea level rise, the challenges surrounding affordable housing are vast and call for a large, multipronged effort. While in other policy areas, it may be easy to deduce a simple cause-and-effect relationship, housing is a complex web of multifaceted factors. Addressing challenges like workforce, financing, interest rates, broad economic trends, supply chain, and large out-of-state corporate interests – among many other obstacles – requires an all-hands-on-deck effort from policy makers at all levels.

MACo is working with sponsors to cross-file legislation to target several components of this crisis: abandonment/blight disincentives, corporate owner transparency, and short-term rental oversight. Additionally, under this initiative, counties will be supporting other pro-housing legislation which helps to advance the conversation, balances local flexibility, and ensures more Marylanders can afford a place to call home.

A major obstacle to unlocking additional housing production is financing. At the mercy of higher interest rates, state and county governments are limited in tools to offer more attractive financial incentives. If enacted, HB 1203 would provide another “tool in the toolbox” by establishing the Strategic Infrastructure Revolving Loan Program. The program would provide loans for targeted investments in real estate and infrastructure, ultimately providing additional resources to communities looking to redevelop and attract further investment.

A central element of the housing crisis is driven by financing, and HB 1203 offers innovative approaches to enable more housing projects to become financially viable. For this reason, MACo urges the Committee to issue HB 1203 a **FAVORABLE** report.

Howard Hughes HB1203 Support Letter 3-27-24.pdf

Uploaded by: Greg Fitchitt

Position: FAV



Greg Fitchitt
Executive Vice President
10960 Grantchester Road, Suite 110
Columbia, MD 21044

March 27, 2024

Senate Finance Committee
Maryland State Senate
11 Bladen Street
Annapolis, MD 21401

RE: Support for HB1203 – Strategic Infrastructure Revolving Loan Fund

Dear Chair Biedle and members of the Senate Finance Committee,

Transformative real estate projects almost always require partnership between the public and private sectors. The ongoing transformation of Downtown Columbia is an excellent example, combining sustained efforts and resources from the State of Maryland, Howard County, and Howard Hughes Holdings. This partnership is driving inclusive economic growth for Maryland, with the public sector investments already leveraging over \$1 billion in private sector investment from Howard Hughes and our partners, creating thousands of jobs, and millions in net new tax revenues.

The public finance tools that enable these transformative projects can be scarce, highly competitive, and/or subject to restrictions which may make them difficult or impractical to use. The Strategic Infrastructure Revolving Loan Program will be a new tool, able to make targeted investments into real estate and infrastructure projects that support transformative placemaking, transit-oriented development, community development and/or inclusive and equitable economic growth objectives, with a focus on bringing underutilized assets into performance and generating revenue.

In Howard County, the Gateway Innovation District is just commencing its planning process to guide its redevelopment over the next 30 years. There is often a financing piece missing for early-stage predevelopment and infrastructure-related project costs. This unique financial tool will provide a missing link to enable qualified developers to advance large, high-risk transformative projects, such as the Gateway Innovation District. The Maryland Economic Development Corporation (MEDCO) is well positioned as fund sponsor to serve as the link between public and private sector interests, raise capital, and build a pipeline of project investments that complement existing public-private revitalization goals.

Sincerely,

Greg Fitchitt
Executive Vice President
Government Affairs and Business Development
Howard Hughes Holdings

HB 1203 Porcari testimony Senate Finance Committee

Uploaded by: J. Thomas Sadowski

Position: FAV

Senate Finance Committee Testimony in Support of HB 1203: Strategic Infrastructure Revolving Loan Program

Chair Beidle, Vice Chair Klausmeier, and Members of the Committee:

My name is John D. Porcari, a resident of 6016 Kilmer St., Cheverly, Maryland in Prince George's County.

I have had the honor of serving in a number of statewide positions in the State of Maryland, including twice serving as Secretary of the Maryland Department of Transportation; Deputy Secretary of MDOT; Vice President of Administrative Affairs at the University of Maryland; and Governor's Economic Development Ombudsman and Assistant Secretary for Economic Development Policy at the then-Maryland Department of Business and Economic Development (now the Department of Commerce). I also served at the federal level as Deputy Secretary of the United States Department of Transportation for President Obama and, most recently, as the White House Port & Supply Chain Envoy during the pandemic for President Biden. Today I am a member of the redevelopment team of the abandoned Prince George's Hospital Center, a 44- acre complex located inside the Beltway in Prince George's County.

It is primarily from the perspective as Governor's Ombudsman and Assistant Secretary for Economic Development Policy that I am testifying today. In that position, I had the opportunity to work very closely with MEDCO, the Maryland Economic Development Corporation, on projects throughout the state that served as economic development anchors and employment nodes. These projects included the Rocky Gap resort in western Maryland, the redevelopment of the former Eastern Shore Hospital Center into the Hyatt Resort in Cambridge, the recruitment and establishment of the Institute for Human Virology in the City of Baltimore, and many other projects that would not have happened without the financial tools that MEDCO provided.

I applaud the House of Delegate's passage of HB 1203 and urge its support by the Senate Finance Committee.

The **Strategic Investment Revolving Loan Program** will provide an important new tool for MEDCO to make targeted investments in real estate and infrastructure projects that support transformative placemaking, transit-oriented development, and equitable

economic growth opportunities, transforming underutilized properties into community assets.

The early-stage financing of these transformative projects is often very difficult, as the infrastructure, remediation, demolition and other costs are front-loaded, making private sector lenders reluctant to invest until vertical construction on these projects is underway. This proposed fund, which should include providing revolver financing for early site work, is an essential new tool as MEDCO increasingly collaborates with local jurisdictions throughout the state on transformative redevelopment projects. HB 1203 builds on and strengthens MEDCO's essential historic function as the bridge between public and private financing for projects of regional and statewide significance.

There is a strong pipeline of potential projects throughout the state that will benefit from the Strategic Investment Revolving Loan Program, and I heartily endorse the adoption of HB 1203 by the Senate Finance Committee.

I would be happy to answer any questions that the committee may have. Thank you for your consideration.

John D. Porcari

Managing Partner

3P Enterprises

HB 1203 Porcari testimony Senate Finance Committee

Uploaded by: Justin Ross

Position: FAV

Testimony in Support of HB 1203: Strategic Infrastructure Revolving Loan Program
Maryland Senate Finance Committee

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John D. Porcari

Managing Partner

3P Enterprises

medco legislation testimony.pdf

Uploaded by: Justin Ross

Position: FAV

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.

HB1203 - TSO - Strategic Infrastructure Revolving

Uploaded by: Nora Corasaniti

Position: FAV

March 28, 2024

The Honorable Pamela Beidle
Chair, Senate Finance Committee
3 East, Miller Office Building
Annapolis, Maryland 21401

***RE: Letter of Support – House Bill 1203 – Economic Development - Strategic Infrastructure
Revolving Loan Program – Established***

Dear Chair Beidle and Committee Members:

The Maryland Department of Transportation (MDOT) supports House Bill 1203 as it will serve as a critical financing tool for future project development and delivery.

House Bill 1203 proposes the establishment of the Strategic Infrastructure Revolving Loan Program in the Maryland Economic Development Corporation to make targeted investments in real estate and infrastructure projects that support transformative placemaking, transit-oriented development, community development and/or inclusive and equitable economic growth objectives, with a focus on bringing underutilized assets into performance and generating revenue.

The MDOT recognizes the critical need for flexible financing mechanisms that can effectively support large-scale, high-risk transformative projects. As such, the proposed revolving loan fund will serve as a vital complement to existing State programs aimed at supporting infill, redevelopment, and revitalization efforts. This fund represents an innovative approach to financing real estate and infrastructure projects that align with Maryland's vision for sustainable development and economic prosperity. By targeting investments towards underutilized assets and projects that advance the state's objectives of revitalization and inclusive growth, this initiative holds significant promise for driving positive change across communities. In providing a missing link in the financing ecosystem, this fund has the potential to unlock opportunities for qualified developers to undertake projects that would otherwise face significant financial barriers to implementation.

For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant House Bill 1203 a favorable report.

Respectfully submitted,

Jaclyn Hartman
Assistant Secretary for Transportation Investments
Maryland Department of Transportation
410-865-1005

Pilar Helm
Director of Government Affairs
Maryland Department of Transportation
410-865-1090