

Testimony of Katie Parks
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Before the
Senate Budget and Taxation Committee
February 18, 2020

Pertaining To: SB978, Historic Revitalization Tax Credit Improvement Act of 2020

SUPPORT

On behalf of myself and the Eastern Shore Land Conservancy, I thank you for the opportunity to provide testimony on the value of historic preservation in Maryland.

The Eastern Shore Land Conservancy works to preserve and sustain the vibrant communities and the lands and waters that connect them on Maryland's Eastern Shore.

Why this Bill Matters

We believe that our Eastern Shore towns should be vibrant and well-defined. This means that by helping our towns host the majority of the growth in the region, they are better suited to become models of innovative economic development while simultaneously doing away with the need for senseless sprawl that further cuts into our irreplaceable landscape. The Historic Revitalization Tax Credit is an essential tool to realize this mission. Since 1996, these job-creating credits have fueled real and lasting economic growth on the Shore and across the entire state. They invest in projects that improve the economic situation of the communities where they are located. From the perspective of historic preservation and economic development, it is necessary to strengthen the efficacy of the historic tax credit program and provide adequate funding.

What this Bill Does

This legislation would provide for a stepped increase in funding for the Competitive Commercial historic tax credit program and would allow for the transferability of the credits to make financing difficult historic tax credit projects less cumbersome.

Why You Should Vote for This Bill

Maryland's Historic Revitalization Tax Credits are the backbone of the state's revitalization economy which embraces the breadth of historic rehabilitation – the developers, architects, engineers, contractors, craftsmen, and designers. It employs thousands of Marylanders in good paying, permanent positions in all parts of the state. Unfortunately, since 2002, investment in this critical source of tax credit funding has been drastically reduced. Today, the program is funded at a mere \$9 million for the entire state, while the need grows exponentially every year and outstrips available funding by millions of dollars.

Case in point is the redevelopment of the 60,000 sf historic Phillips Packing Company, Factory F into The Packing House - an active, mixed-use development designed to support and grow regional economic opportunities connected to agriculture, aquaculture, environmental technologies, and tourism. It is the last remaining factory from the Phillips Company's empire of vegetable and food packing businesses, which once employed thousands of people in Cambridge, but has sat vacant and deteriorating for 50 years. The Packing House investment is leveraging transformation revitalization for a larger area including creation of a new central park, restoration of the headwaters of Cambridge Creek, and a rail trail conversion. Without the Historic Revitalization Tax Credit this \$23 million project, that can support over 250 jobs, would not be viable.

In addition, projects like the Eastern Shore Conservation Center, a 3 building, 21,000 square foot mixed-use campus in downtown Easton would not be operating, supporting over 60 jobs in a formerly abandoned laundry factory.

SB967 would make the state historic tax credit a stronger program. Maryland needs to be investing in programs that make our communities and economy stronger, like the Historic Rehabilitation Tax Credit. It's important to note that these tax credits return more to the state treasury than they cost. In fact, an Abell Foundation report found that for every \$1 invested by Maryland in the historic tax credit program – over \$400 million since 1997 - there is about \$8.13 in economic activity generated – or over \$3.2 billion since the program's creation.

One large historic tax credit project can be a catalyst for a community – and as a result can have a very positive economic effect for a broader area than just the project site. Without more funding and common sense policy like making the credits transferrable, many of these catalytic projects across the state in the communities that need them the most, will not move forward.

That is why I ask the committee for a favorable report on SB967.