

Testimony in support of Senate Bill 270/Senate Bill 602– Maryland Technology Infrastructure Program and Maryland Tech Partnership Program

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Dear Chairman Kelley and members of the Senate Finance Committee:

My name is Kevin Byrne and I am the President and Chief Executive Officer of The University Financing Foundation (TUFF). TUFF is a nationally recognized independent 501(c)(3) non-profit foundation that implements creative financing for institutions such as universities and their related research park facilities.

I am submitting testimony to support Senate Bill 270/Senate Bill 602– the Maryland Technology Infrastructure and Partnership Program. I previously served as the Association of University Research Parks President and have advocated locally and nationally for meaningful innovation policy. I believe Senate Bill 270/602 expands the State of Maryland’s strong foundation of innovation and will deliver place based economic development to the state.

TUFF was created exclusively to provide infrastructure to institutions of education and research at below the cost of market. Over our 37 year history, TUFF has provided over \$1.3 billion in 45 infrastructure projects for institutions of education and research. TUFF executes on a simple mandate – provide infrastructure to these organizations at the lowest cost of occupancy. We provide infrastructure at the lowest cost of occupancy by using creative and innovative financing tools and techniques combined with either low-cost municipal finance (tax-exempt bonds) or no-cost funding.

One particular project I will highlight is the Technology Square project which TUFF developed in Atlanta with Georgia Tech. Georgia Tech did not provide credit or loan guarantees for the financing of the incubator facility. Instead, TUFF leveraged a \$4.8 million letter of credit from the Georgia Tech Foundation to finance the \$50 million development of the 250,000 square feet used by Georgia Tech in Tech Square. TUFF’s original \$50 million investment combined with

another \$150 million of private sector investment created a community which has spurred over a billion dollars of additional private investment to create tremendous innovation infrastructure in Midtown Atlanta.

This type of approach to the implementation of Senate Bill 270/602 would allow the state of Maryland to multiply the amount of research and development spending that comes into the state and become a national innovation leader.

Our model of leveraging a small amount into a much larger amount can multiply the \$16 million of funds provided through this legislation by 5 to 10 times. The model has been proven and recently was studied by the U.S. Economic Development Administration for use in the loan guarantee program under the Regional Innovation Strategies program.

One suggestion I make today would be to ensure you have experts on the Authority who have experience with alternative finance approaches to research and innovation facilities. With proper planning, this legislation can provide significantly more impact than envisioned currently and will solidify Maryland as a leader in building communities of innovation.

To conclude, I thank you for the opportunity to testify and congratulate the Maryland General Assembly and Governor Hogan for proposing this legislation. Standards of living can only be increased with innovation and this legislation will lead to innovation which will help improve the lives of all citizens of Maryland.

Thank you.