

# HB 540 State Income and Property Tax Credits – Purple Line Construction Zone

Testimony by Patricia Hayes-Parker, Executive Director CKAR CDC

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House Ways & Means Committee

Good afternoon Chairwoman Kaiser, Vice-Chairman Washington and other members of the House Ways & Means Committee. My name is Patricia Hayes-Parker. Thank you for agreeing to hear my testimony today. I am Executive Director and appear on behalf of Central Kenilworth Avenue Revitalization Community Development Corporation, headquartered in Riverdale, Prince George's County, Maryland. CKAR CDC is a 501c3 charitable non-profit with a mission to promote the social, environmental and economic development of Greater Riverdale, including twelve communities with over 36,000 residents. There are over 400 businesses in Greater Riverdale, mostly small businesses that service the communities. CKAR CDC is a member of the Purple Line Corridor Coalition.

Today I am before you to request your support for HB 540 that would provide a tax credit for small businesses that have lost business income as a result of Purple Line construction in Prince George's County. The Purple Line courses through the center of the communities of the Town of Riverdale Park and the unincorporated communities of Beacon Heights, Crestwood, Eastpines, Hanson Oaks, Madison Hills, Templeton Knolls, Riverdale Heights, Riverdale Hills, Roswill, West Lanham Hills and Woodlawn. Of the four hundred businesses, forty small businesses are located within a half-mile of Purple Line construction. They are mostly family-operated with a history of serving the community. Most want to remain. They work on close margins, paying a few or no employees, little marketing, small inventories and receive frequent deliveries due to small storefronts. We have several national brands also. Landlords have seized the opportunity in many cases to triple rents while the businesses are experiencing a 40% or more reduction in sales. Customers are changing their travel routes to avoid serious traffic delays. Sometimes storefronts are intermittently blocked due to construction. Most of the smaller businesses use little current technology to forecast the impact of these changes. CKAR's goal is to help these small businesses grow and prosper after completion of Purple Line construction; but first, they must survive.

It is estimated that there will be at least two more years to complete construction of the system. So how do these small businesses bridge this temporary adverse business climate? Organizations and institutions such as LEDC, Prince George's Economic Development Corporation, Prince George's Community College, Bowie State University and CKAR offer business support and entrepreneurship training; but small businesses need reliable cash flow to maintain stability and ultimately grow.

This bill would address this need. CKAR CDC asks that you offer State support through the **passage of HB 540 that provides a tax credit for those businesses with proof of lost business income as a result of Purple Line construction.**

Thank you.