GCCC Testimony SB 803 WMD Econ Futures Fund 2-24-2 Uploaded by: Christian, Nicole



Testimony offered on behalf of: THE GARRETT COUNTY CHAMBER OF COMMERCE

FAVORABLE: SB 803 – Economic Development – Western Maryland Economic Future Investment Board and Fund – Establishment

> Budget and Taxation Committee February 24, 2021

On behalf of the Garrett County Chamber of Commerce, representing 600 member organizations in Western Maryland, I write to express our support of <u>SB 803 – Economic Development – Western</u> Maryland Economic Future Investment Board and Fund – Establishment.

As a participant on the Task Force on the Economic Future of Western Maryland, the Garrett County Chamber of Commerce fully supports all of the recommendations included in the interim report, including the creation of the Western Maryland Economic Future Investment Board and Fund. Through the review and analysis of economic and demographic data, it became evident that Western Maryland's population (Garrett, Allegany and Washington Counties) is declining and aging. Over the last 10 years, the population of Western Maryland has declined by .9% where Maryland's population has grown by 4.4%. Reductions in population result in workforce shortages and reductions in demand for goods and services, and ultimately leads to economic declines.

Western Maryland has suffered a much different fate than the rest of the State. Another critical data point in the Interim Report is the number of businesses in a region. The number of businesses has shrunk in Western Maryland in recent years, even while the total number of businesses in Maryland has increased. According to the report, "From 2010 to 2018, each of the three counties in Western Maryland experienced a drop in the total number of businesses."

It is imperative that the Legislature take action now to prevent further decline and nurture the growth of this part of the State. The State must move away from its one-size-fits-all approach with economic development programs and recognize that different areas of the State have different needs.

The Western Maryland Economic Future Investment Fund (WMEFIF) will spur economic development in Garrett, Allegany and Washington Counties by creating a new program specifically designed for this region. It provides funding for capital infrastructure and business development projects that must lead to improved economic conditions in Western Maryland. The projects would include 10%-20% match and must meet certain metrics including: creation/retention of jobs, number of new/retained businesses, increased wages, or new state and local tax revenue.





The fund would be administered by the WMEFIF Board as outlined in the bill and will enforce that all projects meet the requirements or the project will be required to return the funding. An initial pilot period of five years for the program has been outlined in the bill with a \$20 million annual budget allocation. This is a minimal request to save a portion of the State.

Maryland must take action to prevent further declines in the economic conditions of Western Maryland. Efforts to increase economic dynamism in Western Maryland ensure that the economy will grow into the future.

The Chamber respectfully requests a **FAVORABLE REPORT on SB 803**.

Sincerely,

Nicole Christian, CCE, SOM

Nicole Christian, CCE, IOMM President & CEO Garrett County Chamber of Commerce, Inc. (301) 387-8745 office (301) 616-0396 mobile <u>nicole@garrettchamber.com</u>



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Delia

SB 803

FAVORABLE



One University. A World of Experiences.

То:	Chairman Guy Guzzone, Budget and Taxation committee
From:	Al Delia, FSU VP for Regional Development and Engagement
Date:	Wednesday February 24, 2021
Re: Board and Fund	SB 803 – Economic Development – Western Maryland Economic Future Investment - Establishment

I have been pleased to represent Frostburg State University on the Task Force on the Economic Future of Western Maryland, which identified several key initiatives to both jump start and sustain the evolution of the new economy for the region. Unlike statewide funds under the management of the Department of Commerce, this fund – and the oversight board and fund administration – will have the needs and interests of the three western Maryland counties in mind.

We are asking for \$20 million per year for five years to create a \$100 million fund, which can be used for both capital infrastructure in support of economic development and for business development projects and investments. Significant local match would be required (to be obtained from the county, a town therein, or a private entity partner.) The Board, comprised of representatives of business and government experts from the three counties plus the Department of Commerce will evaluate proposals based on criteria such as job creation; business creation, retention, or expansion; wage increases; or creation of state and local revenue. A well-respected and experienced third party, the Tri-County Council of Western Maryland, will be charged to manage this fund and the administration of the Board.

In anticipation and on behalf of the exciting future that awaits western Maryland under this initiative, I urge a favorable committee report.

Cc: Senator George Edwards and Senator Paul Corderman, sponsors

For more information, contact Mary E. Clapsaddle, Director of Government Relations at 410-562-2838 FSU is a constituent institution of the University System of Maryland

Support of SB 803 - Economic Development – Western Uploaded by: Ferguson, Colby



3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

February 24, 2021

To: Senate Budget & Taxation Committee

From: Maryland Farm Bureau, Inc.

<u>Re: Support of SB 803 - Economic Development – Western Maryland Economic Future</u> <u>Investment Board and Fund – Establishment</u>

On behalf of our member families, I submit this written testimony in support of SB 803, legislation that establishes the Western Maryland Economic Future Investment Board. The bill establishes the Western Maryland Economic Future Investment Fund as a special, nonlapsing fund to provide grant funding to capital infrastructure projects and business development projects that improve the economic conditions in the region. The amount of the fund would be \$20,000,000. The bill requires the Tri-County Council for Western Maryland to administer the Fund.

MDFB Policy: We support the State of Maryland increasing funding to the Tri-County Councils for the purpose of including and funding agricultural and natural resources development in their mission.

MARYLAND FARM BUREAU SUPPORTS SB 803 AND ENCOURAGES A FAVORABLE REPORT.

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Colby Ferguson Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396

Wash. Co. Chamber Support SB 803.pdf Uploaded by: Frey, Paul Position: FAV



1 SOUTH POTOMAC STREET, HAGERSTOWN, MD 21740

Legislative Position: Support Senate Bill 803 Economic Development – Western Maryland Economic Future Investment Board and Fund - Establishment Senate Budget and Taxation Committee

Wednesday, February 24, 2021

Dear Chairman Guzzone and Members of the Committee:

On behalf of the Washington County Chamber of Commerce, with 550 members representing over 40,000 employees, I am writing you in support of Senate Bill 803, Economic Development – Western Maryland Economic Future Investment Board and Fund – Establishment. Now is an especially critical time to invest in a program that will strengthen the current and future economic landscape of Western Maryland.

SB 803 was created by a diverse work group, meeting over the course of several months, and it included public access, comment, and recommendations. The legislation, itself, allows for strong collaboration and financial investment among the key stakeholders in Western Maryland: the private sector, local governments and municipalities, and the State of Maryland. Each representative brings an important perspective and level of creativity and experience on how to build and sustain economic growth in their respective County. The State of Maryland, via the Department of Commerce, will provide oversight and be the "managing partner" of this initiative.

To say that COVID-19 has had a tremendous and detrimental impact on Western Maryland's economy would be an understatement. The program created, as laid out in SB 803, would be an outstanding part of the work needed for our local economies to overcome the impact of the pandemic, and then allow us to capitalize on future opportunities created by working in a public/private relationship. Everyone invests together and everyone wins together.

On behalf of the business and non-profit members of the Washington County Chamber of Commerce, we respectfully request a **FAVORABLE REPORT** on SB 803.

Sincerely,

and mey

Paul Frey, IOM President and CEO

SB0803_SupportLetter_2.21.pdf Uploaded by: McCoy, Juli

ALLEGANY COUNTY CHAMBER OF COMMERCE



BELL TOWER BUILDING ■ 24 FREDERICK STREET ■ CUMBERLAND, MD 21502 301-722-2820 ■ FAX 301-722-5995 E-MAIL: info@alleganycountychamber.com

February 22, 2021

The Honorable Guy Guzzone, Chair Senate Budget and Taxation Committee 3 West Miller Senate Office Building Annapolis, MD 21401

Re: SB0803 – Economic Development – Western Maryland Economic Future Investment Board and Fund - Establishment

Dear Chairman Guzzone:

The Allegany County Chamber of Commerce respectfully requests the Senate Budget and Taxation Committee give a **Favorable Report** to Senate Bill 0803 – Economic Development – Western Maryland Economic Future Investment Board and Fund – Establishment.

The Task Force on the Economic Future of Western Maryland (defined as Allegany, Garrett, and Washington Counties) was formed by Senator George Edwards and Delegate Jason Buckel under HB436 in the 2020 Legislative Session with two primary objectives: to study the current economic conditions in Western Maryland, and to make recommendations for potential methods to improve the region's economy. The task force includes representatives from the Chambers of Commerce, TEDCO, Maryland Association of Counties, Maryland Municipal League, Frostburg State University, Tri-County Council for Western Maryland, and Maryland Department of Commerce.

On January 20, 2021, the task force submitted fourteen recommendations, including the establishment of the Western Maryland Economic Future Investment Board and Fund, which would support economic development in the western part of the state. The Fund has been proposed to run for a period of five years, with the Governor allocating \$20 million each fiscal year, with any unallocated dollars at the end of the fiscal year being carried over, not to impact the budget for the next fiscal year.

The Fund will be governed by an eleven-person board to include one representative from the Maryland Department of Commerce, one commissioner from each county, one economic development organization representative from each county, one representative from each Chamber of Commerce, and one representative from the Maryland Municipal League to represent the three counties. The Tri-County Council will serve as support staff to the board.

Capital infrastructure projects linked to economic development will be considered, must be linked to economic development, and will include a 20% match by the county of location, local entity, private business, or combination of these. Business development projects including capital grants, downtown/area revitalization, small business tourism grants, and other items not related to capital infrastructure may be approved, and will include a 10% match as outlined above. Projects must prove economic improvement through specific metrics, including jobs (created or retained), new or retained businesses, increased wages, or state and local tax revenue. Projects will be presented to the board for a vote.

The board will provide an annual report to highlight details based on the metrics included in each project and will determine any insufficient progress, including lack of delivery on promised economic improvements, with the authority to claw back the award. It should be noted that investments from this fund will not replace existing funding opportunities from other state programs, but will serve as an additional source.

Greater opportunity and a brighter future in Western Maryland can be born from your support of the Western Maryland Economic Future Investment Board and Fund. With respect, we ask that you give due consideration to the potential that exists in this unique, but often-forgotten, part of the state.

Thank you.

Sincerely,

Leverny frons

Jeremy G. Irons Legislative Committee Chair

Juli R. McCoy Executive Director

cc: Honorable Jim Rosapepe, Vice Chair, Senate Budget and Taxation Committee Senate Budget and Taxation Committee Members Western Maryland Delegation

MRHA SB803 - Economic Development – Western Maryla Uploaded by: Orosz, Samantha



Statement of Maryland Rural Health Association

To the Budget and Taxation Committee

February 24, 2021

Senate Bill 803 Economic Development – Western Maryland Economic Future Investment Board and Fund – Establishment

POSITION: SUPPORT

Chair Guzzone, Vice Chair Rosapepe, Senator Edwards, Senator Corderman, and members of the Budget and Taxation Committee, the Maryland Rural Health Association (MRHA) is in SUPPORT of Senate Bill 803 Economic Development – Western Maryland Economic Future Investment Board and Fund – Establishment.

MRHA supports this legislation that establishes the Western Maryland Economic Future Investment Fund as a special, non-lapsing fund to provide grant funding to capital infrastructure projects and business development projects that improve the economic conditions in the region.

Rural Maryland faces many unique challenges compared to the rest of the state, including deteriorating infrastructure, economical and broadband issues. This fund would provide greatly needed initiatives and solutions to address infrastructure and economic situations across rural Maryland.

MRHA's mission is to educate and advocate for the optimal health and wellness of rural communities and their residents. Membership is comprised of health departments, hospitals, community health centers, health professionals, and community members in rural Maryland.

Rural Maryland represents almost 80 percent of Maryland's land area and 25% of its population. Of Maryland's 24 counties, 18 are considered rural by the state, and with a population of over 1.6 million they differ greatly from the urban areas in the state.

And while Maryland is one of the richest states, there is great disparity in how wealth is distributed. The greatest portion of wealth resides around the Baltimore/Washington Region; while further away from the I-95 corridor, differences in the social and economic environment are very apparent.

MHRA believes this legislation is important to support our rural communities and we thank you for your consideration.

Lara Wilson, Executive Director, larawilson@mdruralhealth.org, 410-693-6988

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UPMC LIFE CHANGING MEDICINE

UPMC Western Maryland

February 19, 2021

12500 Willowbrook Road Cumberland, MD 21502 T 240-964-7000

> The Honorable Guy Guzzone, Chair Senate Budget and Taxation Committee 3 West Miller Senate Office Building Annapolis, MD 21401

Re: SB0803 – Economic Development – Western Maryland Economic Future Investment Board and Fund - Establishment

Dear Chair Guzzone:

On behalf of the nearly 2,200 employees at UPMC Western Maryland, we applaud Senators Edwards and Corderman for sponsoring legislation aimed at improving the economic conditions in Western Maryland.

At one time UPMC Western Maryland, formerly Western Maryland Health System, was one of several major employers in our region. During my 30-year career, I have witnessed the loss of thousands of good-paying jobs due to the closures of Kelly-Springfield Tire Company, PPG Industries, Biederlack, Bayliner and, most recently in 2019, the closure of the Verso paper mill. The loss of these jobs has not only negatively impacted families financially, this job loss has also affected their health and well-being as a result of losing their health benefits. While health insurance is not a pre-requisite to receiving medical attention, many individuals without insurance opt not to seek medical treatment, which often results in a diminished quality of life for those individuals.

In addition to providing opportunities for much-needed jobs and increased wages, this legislation will provide funding for other economic development projects for our region. As a rural hospital, it is becoming increasingly difficult to attract and retain physicians and other health care professionals because of our location. The improved economic conditions (e.g., infrastructure enhancements, new businesses, neighborhood revitalization, etc.) resulting from this legislation will be a tremendous asset in our recruitment efforts.

Therefore, we respectfully request that you and the Senate Budget and Taxation Committee give a **favorable report** to SB0803. Thank you.

Sincerely,

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President

cc: B&T Committee Members Senator George Edwards Delegate Wendell Beitzel Delegate Jason Buckel Delegate Mike McKay Nicole Fedeli, UPMC

SB 803 W. MD Eco Future Investment Bd and Fund (Ed Uploaded by: Wilkins, Barbara

Position: INFO

LARRY HOGAN Governor

BOYD K. RUTHERFORD Lieutenant Governor



DAVID R. BRINKLEY Secretary

> MARC L. NICOLE Deputy Secretary

SENATE BILL 803 Economic Development – Western Maryland Economic Future Investment Board and Fund – Establishment (Edwards and Corderman)

STATEMENT OF INFORMATION

DATE: February 24, 2021

COMMITTEE: Senate Budget & Taxation

SUMMARY OF BILL: SB 803 establishes the Western Maryland Economic Future Investment Board to be chaired by a representative of the Department of Commerce; creates a Fund to provide grants for capital infrastructure projects and economic development projects in Western Maryland; and mandates an annual appropriation in the amount of \$20 million in FY 2023 - FY 2027, which require a 20% match for capital infrastructure projects and a 10% match for economic development projects. The provisions of the bill terminate on September 30, 2026.

EXPLANATION: The Department of Housing and Community Development manages several programs, such as Community Legacy and the Strategic Demolition Fund, which provide grants for economic development and neighborhood revitalization capital projects throughout the State.

The State has also provided Miscellaneous capital grant funds for various projects related to Cumberland economic development, as well as the Hagerstown Revitalization project.

Cumberland Investment Plan: FY 2018: \$500,000 FY 2019: \$420,000

City of Cumberland - Baltimore Street Town Centre/Street Access FY 2021: \$500,000 FY 2022: \$500,000 (proposed)

Cumberland to LaVale Water and Sewer Line FY 2020: \$250,000

Hagerstown Revitalization: FY 2018: \$1,700,000 FY 2019: \$500,000 FY 2020: \$500,000 FY 2021: \$2,500,000 FY 2022: \$2,250,000 (proposed) The Department of Budget and Management's focus is not on the underlying policy proposal being advanced by the legislation, but rather on the mandated funding for this program. DBM has the responsibility of submitting a balanced budget to the General Assembly annually, which requires spending allocations for FY 2022 to be within the official revenues estimates approved by the Board of Revenue Estimates in December 2020.

Economic conditions remain precarious as a result of COVID-19, making revenue predictions for the remainder of FY 2021 and FY 2022 highly volatile. Many individuals and households are unemployed or underemployed, with many industry sectors operating at much less than 100% capacity. Federal stimulus programs are providing much needed relief, but the impact of the COVID-19 pandemic continues to present a significant budgetary vulnerability.

The General Assembly and Administration have successfully enacted the Governor's emergency Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families Act (SB 496 RELIEF Act), which provides \$1.2 billion in direct stimulus and tax relief for Maryland working families, small businesses, and those who have lost their jobs as a result of the COVID-19 pandemic. It is incumbent upon us to allow the impact of this unprecedented relief package on the State's economy to take effect. Further mandated spending increases need to be reevaluated within the context of an ongoing pandemic.

For additional information, contact Barbara Wilkins at (410) 260-6371 or <u>barbara.wilkins1@maryland.gov</u>