



Baltimore

Development Corporation

The Honorable Paul G. Pinsky and Committee Members
Maryland Senate Education, Health and Environmental Affairs Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401

February 9, 2021

Dear Senator Pinsky and Committee Members,

The City of Baltimore Development Corporation (BDC) is the city's economic development agency. Our mission is to grow the city's economy in an inclusive manner by retaining, expanding and attracting businesses, and promoting investment to create jobs for residents. I am writing today in support of SB0365 - Neighborhood Business Development Program – Food Desert Projects – Business Retention to allow for business retention efforts within food deserts (aka Healthy Food Priority Areas, HFPA), increasing the loan amount and making loans forgivable in certain cases.

Over a decade ago, the City of Baltimore initiated an inter-agency food policy initiative – of which BDC is a participant - to bring awareness to the connection between chronic disease and lack of access to healthy food for some residents, and develop and implement solutions. The initiative has focused on addressing a lack of food access as a complicated constellation of factors relating to poverty, lack of transportation, systemic racism and market conditions.

Despite political and programmatic priority for healthy food access in the city, BDC has consistently heard from grocery stores it has only grown more difficult to operate in the last decade. Policies with broad support such as the stormwater management fee, bottle tax, and plastic bag ban have continued to impact the bottom line of grocery stores, an industry with razor thin margins already. Security costs increase with the need for more private security, and difficulty in retaining staff - a challenge in retail not unique to the city - along with nearly double city personal and real property tax rates versus surrounding jurisdictions, and the increase in the minimum wage all contribute to an increasingly challenging business model in the traditional brick and mortar format.

With the additional funding to support operating expenses, especially forgivable loans, SB0365 could potentially help retain grocery stores in the city, particularly in areas that need them the most.

Sincerely,

Colin Tarbert
President & CEO