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March 2, 2022

The Honorable Johnny Ray Salling  
Senate Budget and Taxation Committee  
321 James Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401

Dear Senator Salling:

We present this letter to express our support of SB 644 as it brings light to the Federal SBA HUBZone program that is neglected at the State level in Maryland. Ligon & Ligon, Inc., is a utility construction firm that is committed to a strong Maryland and a strong Baltimore City. We recently marked our 100<sup>th</sup> Anniversary and have been based in Baltimore City since our founding in 1920. In 2019, the U.S. Small Business Association certified Ligon & Ligon, Inc. as a HUBZone small business, meaning we are located in in an Historically Underutilized Business Zone and hire a large share of our labor force from local HUBZones located in and around Baltimore City.

We support the espoused goal of HB 644 – to recognize and support Maryland’s businesses that operate within distressed communities impacted by low income, high poverty, and high unemployment. The U.S. Senate Committee on Small Business report accompanying the HUBZone authorizing legislation in 1997 stated:

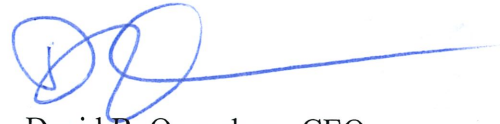
Creating new jobs in economically distressed areas has been the greatest challenge for many of our nation’s governors, mayors, and community leaders. The trend is for businesses to locate in areas where there are customers and a skilled workforce. Asking a business to locate in a distressed area often seems counter to its potential to be successful. But without businesses in these communities, we don’t create jobs, and without sources of new jobs, we are unlikely to have a successful revitalization effort.

Almost 25 years later, in our neighborhoods in Park Heights we see this challenge remains. While the other socioeconomic programs target assistance to individuals with specific characteristics, the HUBZone program targets assistance to geographic areas with specific characteristics, thus casting a complementary but wider net to meet the objectives of job creation and increased capital investment in distressed communities. At the federal level, with a 3% contracting goal, the HUBZone program cannot touch the thousands of HUBZone zip codes stitched all across the U.S.

map. It needs more local emphasis, specifically at the State level to have an impact on the over 300 HUBZone communities in Maryland. This legislation will incentivize businesses to establish in HUBZone locations, to get certified in the HUBZone program and to remain in HUBZone locations, thereby expanding employment opportunities and economic growth within Maryland communities that have the most need.

We strongly recommend that your bill move forward with favorable consideration from both sides of the aisle.

Sincerely,

A handwritten signature in blue ink, consisting of a stylized 'D' and 'O' followed by a long horizontal line extending to the right.

David B. Openshaw, CEO  
Ligon & Ligon, Inc.