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February 22, 2022

The Honorable C.T. Wilson  
Chairman  
House Economic Matters Committee  
Room 231 House Office Building  
#6 Bladen Street  
Annapolis, MD 21401

**RE: Proposed House Bill 835: Retail Service Stations – New Construction – Setbacks and Electric Charging Stations (the “Proposed Legislation”) Statement of Opposition on Behalf of Sheetz, Inc.**

Dear Chairman Wilson, Vice Chair Crosby and Committee members:

On behalf of Sheetz, Inc. (“Sheetz”), thank you for the opportunity to submit this letter in opposition to the above-referenced Proposed Legislation. Sheetz is a regional, family-owned and operated convenience store and fueling service station, and we are currently investing significant resources in (and intend to continue to invest in) bringing our customer/community-focused brand of convenience store and fuel dispensing facilities to the State of Maryland. Sheetz owns and operates over 630 stores in our current six (6) state footprint and is presently focused on growing our presence in, among other locations, the greater Washington D.C. and Baltimore markets and surrounding Counties. However, the Proposed Legislation presents undue obstacles and/or burdens for Sheetz and other similar convenience store/gas-station users to develop within the State, in essence eliminating the State of Maryland as a viable market for modern convenience stores, and we wanted to take the opportunity to share our initial concerns for your consideration. To that end, please accept this letter as Sheetz’s written opposition to the Proposed Legislation.

Sheetz understands the increasing demand for Electric Vehicle Charging Stations (“EV Stations”) and has worked hard to develop successful relationships with multiple electric charging service providers (“EV Providers”) and take a pro-active approach to providing our customers electric charging options. Although we would like to implement EV Stations at all our locations, we are a convenience store and fueling station business first and foremost, and our extensive experience implementing EV Stations at our stores has shown us that the “one size fits all” approach to implementing EV Stations set forth in the Proposed Legislation would reduce the already limited opportunities for service stations to expand within the State to almost nothing. This, in our view, results in the opposite effect as intended with the Proposed Legislation by discouraging new development that may otherwise bring new EV Stations to the State.

Further, Sheetz does not currently install or operate any of the EV Stations available for use on our properties, but rather enters into subleasing and/or licensing arrangements with one of multiple third-party

electric charging service providers where there is mutual interest between Sheetz and the applicable provider to install and operate EV Stations at our stores. Sheetz presently has existing agreements and working relationships with three (3) major EV Station providers, including Tesla. If the Proposed Legislation is passed as drafted, Sheetz will be reliant on the cooperation of these third-part EV Station providers to be compliant unless and until we are able to develop an internal electric charging program/product.

Undoubtedly, the Proposed Legislation, and specifically the increased setback/buffer requirements, will materially and unjustly restrict the number of properties available for Retail Service Station use within the State. This is particularly true, and increasingly problematic, for certain modern convenience store operators such as Sheetz, with a prototypical site/building design and offering (including expanded kitchen and food offerings, indoor and outdoor seating, etc.) that set us apart from certain similar operators, but also require more physical property and unique site characteristics (and, at times, specified zoning districts or requirements) than smaller, more traditional service stations.

We believe that the decision to impose requirements of the type included in the Proposed Legislation is a land use and zoning matter that should remain within the oversight of local jurisdictions and governed by local development standards, codes and ordinances, where unique economic and/or physical characteristics impacting EV Station implementation can be addressed. This recently occurred in Prince George's County, Maryland with the adoption of Zoning Bill No. CB-48-2021, which imposes similar (some more stringent, some less) requirements on service stations as those set forth in the Proposed Legislation. While the County bill will certainly make it increasingly challenging for Sheetz to develop new stores in that County, keeping the regulations within the local ordinance at least allows for the possibility of flexibility (e.g., variance) and allows us to continue to seek opportunities to develop in that County; whereas adoption of the Proposed Legislation will almost certainly require Sheetz and other Retail Service Stations to pull resources out of the State and focus efforts in alternative markets.

Generally speaking, the Proposed Legislation, if adopted, will have a significant negative and unduly prejudicial impact on Retail Service Station operators such as Sheetz and the ability of property owners in the State to sell, lease or otherwise develop property for Retail Service Station use (and, in some instances, denying property owners of the potential highest and best use of their property). That said, Sheetz understands the need and desire to impose development restrictions/limitations within the State, and, as such, we welcome the opportunity to discuss our concerns (and the Assembly's underlying objectives) in more detail with you and your staff at your convenience should you desire.

In any event, we thank you for the opportunity to provide comment and (in advance) for your attention to, and consideration of, our concerns regarding this matter. Please do not hesitate to contact me for any reason.

Respectfully,



Kyle R. Smith  
Senior Associate Real Estate Counsel  
Encl.

cc: (via email only):  
Steven P. Augustine, Vice President of Real Estate  
Michael LaCesa/Real Estate Director  
Allen Stevens/Real Estate Site Selector