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MAYOR

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SB 289

March 30, 2022

TO: Members of the House Ways and Means Committee
FROM: Natasha Mehu, Director, Office of Government Relations
RE: Senate Bill 289 – Historic Revitalization Tax Credit – Funding and Extension
POSITION: **Support**

Chair Atterbeary, Vice Chair Washington, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 289.

SB 289 would require the Governor to include an appropriation in the Budget Bill to the Historic Revitalization Tax Credit reserve fund of at least \$22,000,000 for fiscal years 2023 through 2031. The bill additionally establishes the small commercial project trust account within the Reserve Fund for the purpose of issuing tax credit certificates for small commercial projects and requires the Governor to include an appropriation to the trust account of at least \$4,000,000 annually for fiscal years 2024 through 2031. The legislation also extends the deadline for utilization of the credits from July 1, 2024 to July 1, 2031.

Historic Tax Credits are essential to supporting comprehensive, equitable neighborhood development initiatives. Buildings that benefit from these tax credits are often the most visible and most distressed. This affects both real and perceived market health, visibly distressed vacant buildings contribute to a perception that these communities are not a place for or worth investments. These credits have provided funding for the rehabilitation and redevelopment of several commercial anchors in the City of Baltimore including the 85,000 square foot Hoen Lithograph Building. This building is now the home of the Center for Neighborhood Innovation, a vibrant, mixed-use complex that provides job opportunities and training. Additional projects supported by Historic Revitalization Tax Credits include the Gieske & Neiman Tobacco Warehouse in EBDI and 620 N Caroline Street in the Perkins Somerset Oldtown (PSO) Footprint. These projects create construction and permanent jobs and provide significant property tax revenue while attracting additional private investment that contributes to larger neighborhood revitalization initiatives.

The Hoen Building is a good example of the synergistic investment that inspires confidence and leads to catalytic equitable development. As the Hoen building was undergoing redevelopment, private and community-based developers focused efforts on redeveloping the blocks of vacant homes surrounding the site as new homeownership opportunities.

620 North Caroline Street is one of many catalytic and synergistic projects that are transforming East Baltimore as part of the Perkins Somerset Oldtown Transformation Initiative that when complete are projected to represent \$1 billion in public and private investment. The Chick Webb Center, adjacent to 620 North Caroline will be undergoing a nearly \$20 million upgrade and just a few blocks away, construction is underway at the former Somerset Housing Site where over 500 affordable and market rate units are coming online representing a total investment of more than \$200 million.

For these reasons, the BCA respectfully requests a **favorable** report on Senate Bill 289.

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