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**House Bill 414 - Economic Development - Project Restore Program and Fund**

**Position: Favorable**

**February 23, 2022**

**Keiffer J. Mitchell, Jr., Chief Legislative Officer**

**Jake Whitaker, Deputy Legislative Officer**

Dear Chair Atterbeary, Vice Chair Washington, and Members of the Committee,

We respectfully submit this letter of support for House Bill 414 - Economic Development - Project Restore Program and Fund.

Since taking office, Governor Hogan has remained committed to increasing economic growth and expanding job opportunities for all Marylanders. In June 2021, Governor Hogan announced Project Restore, which provided \$25 million in financial incentives for small businesses and commercial developers to revitalize vacant retail and commercial spaces. House Bill (HB) 414 is another important step towards that goal by establishing a permanent Project Restore Program and Fund to assist businesses in areas that need it the most.

The Project Restore Program and Fund will provide grants to help offset startup costs and incentivize commercial investment in vacant spaces, as well as in vulnerable and underserved communities. Businesses that begin new or expanded operations in spaces that have not been generating sales tax receipts for the past six months or more will be eligible for program funding. Specifically, businesses must open or expand in a retail or commercial space that has been vacant at least six continuous months prior to the date of lease for the business space or commencement of rehab of the formerly vacant space.

The Project Restore Program and Fund provides relief for businesses by offering two grants, the Property Assistance Grant and the Business Operations Grant. The Property Assistance Grant provides businesses with up to \$2,500 a month (\$30,000 a year) for up to one year for monthly rent payments. The Business Operations Grant provides up to \$250,000 a year for up to two years to businesses to support their operations.

Project Restore has already provided relief to Maryland businesses, including during the COVID-19 pandemic when they have needed it the most. This program has helped with the revitalization of vacant retail and commercial properties and proved critical to increasing economic activity in underserved communities. HB 414 will ensure that the Project Restore Program and Fund will continue to spur economic activity across the state and create high paying jobs for Marylanders for years to come.

For the aforementioned reasons, we respectfully request a favorable report on HB 414.