

# **SB333 Testimony.pdf**

Uploaded by: Antonio Hayes

Position: FAV

**ANTONIO HAYES**  
*Legislative District 40*  
Baltimore City

Finance Committee



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**THE SENATE OF MARYLAND**  
**ANNAPOLIS, MARYLAND 21401**

**February 8th, 2023**

**Testimony of Senator Hayes in Support of Senate Bill 333:**  
**Economic Development – Regional Institution Strategic Enterprise Zone Program – Alterations and Financing**

Chairman Guzzone and Members of the Budget and Taxation Committee,

Senate Bill 333 seeks to strengthen the RISE zone program in order to continue to support organizations in Maryland who create jobs and invest in the community where they are. As a refresher, this program allows certain institutions including universities, community colleges, technical schools, or nonprofits affiliated with a federal agency to qualify and incentivizes start-up businesses to base themselves in a RISE zone. Once an institution has an established RISE zone local government and the institution work together to leverage institutional assets and financial incentives to attract businesses and create jobs within the zone.

This bill will allow for the Secretary of Commerce to renew a RISE zone for an additional five years, approve more than three RISE zones in a county or municipality, and approve a RISE zone which is larger than 500 acres. It authorizes a political subdivision to pledge an amount of money to pay for infrastructure improvements located in a RISE zone. The bill also pushes back the termination date of RISE zone benefits from 2028 to 2030 and clarifies language in the bill.

I urge you to vote favorably on SB333.

Respectfully,

A handwritten signature in blue ink, appearing to read "Antonio L. Hayes".

Senator Antonio L. Hayes  
40<sup>th</sup> Legislative District – MD

# **SB 333 Testimony**

Uploaded by: David Wilson

Position: FAV



*Office of the President*

**Morgan State University Testimony  
Dr. David Wilson, President**

**Senate Bill 0333** (Senators Hayes and Guzzone)  
Economic Development – Regional Institution Strategic Enterprise (RISE) Zone  
Program – Alterations and Financing  
*Committee: Budget and Taxation Committee*  
**February 8, 2023**

**Favorable**

Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee. We, at Morgan, thank you for the opportunity to share our position on Senate Bill 333. The summary of the Bill states the following: *Altering the period of time that an area may be designated as a Regional Institution Strategic Enterprise (RISE) zone; repealing the prohibition on the Secretary of Commerce from approving more than a certain number of RISE zones in a certain area; extending the termination date of the RISE Program; and authorizing a political subdivision to pledge certain revenues to secure the payment of obligations to the Maryland Economic Development Corporation for infrastructure improvements located in a RISE zone.*

Morgan State University is the premier public urban research university in Maryland, known for its excellence in teaching, intensive research, effective public service, and community engagement. Morgan prepares diverse and competitive graduates for success in a global interdependent society.

Morgan State University is in support of this bill, extending the sunset date and expanding the boundaries.

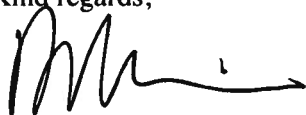
Morgan is witnessing and experiencing the transformation of the Northwood Shopping Center from a neglected area in the middle of residential communities and adjacent to Morgan's campus. The Center is now becoming a series of thriving businesses that also includes Morgan's recently opened Public Safety Building and the soon to open Morgan's Barnes and Noble Book Store. Approximately seven business have opened (Lidl's, Fulton Bank Chipotle, Harbor Bank, DTLR, Beauty Plus and McDonald's) with nine more to open between February and June of 2023 (Zips, Jersey Mikes, Tropical Smoothie, Nail Trix, Barnes & Noble, Georgia Peach, Pizza Hut, Quickway, and IHOP). Four businesses (Georgia Peach, Beauty Plus, Zips and Harbor Bank are MBE firms).

These businesses provide options for the communities and Morgan so leaving the area for basic needs and services is optional. Morgan would like to see the continued development of the rebranded Northwood Commons Center as stores and services continue to open with the assistance through the Rise Zone.

Morgan is also interested in seeing the zones expanded to assist with new development along Morgan's Portage Avenue property and the Lake Clifton High School property (acquisition completion is anticipated within the next one to two months).

In closing, Morgan supports the extension of the sunset date and expanded boundaries for the Rise Zone.

Kind regards,



Dr. David K. Wilson, President

cc: Erika Schissler  
Philip S. Anthony  
Daneen Banks  
Department of Legislative Services  
Kimberly J. Landry, Committee Manager  
Dr. Don-Terry Veal, VP for State and Federal Relations and Chief of Staff  
Senator Joan Carter Conway, Director Government Affairs  
Sidney H. Evans, EVP for Finance and Administration  
Kim I. McCalla, Assoc. VP for Facilities Design and Construction

**SB0333-BT\_MACo\_SUP.pdf**

Uploaded by: Dominic Butchko

Position: FAV



## **Senate Bill 333**

### *Economic Development – Regional Institution Strategic Enterprise Zone Program – Alterations and Financing*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: February 8, 2023

From: Dominic J. Butchko

The Maryland Association of Counties (MACo) **SUPPORTS** SB 333. This bill expands the use and flexibility of the Regional Institution Strategic Enterprise (RISE) Zone program.

Local governments, just as the State, have a vested interest in economic development. Local economic growth creates jobs and increases salaries, expanding the tax base both locally and statewide. Therefore, state and local governments must work in partnership on these efforts.

RISE Zones tap into the economic development potential surrounding higher education institutions and certain nonprofits. Businesses that relocate to or expand in the zones are eligible for certain benefits including property tax credits. This in turn creates jobs, contributes to enhancing quality of life, and expands the local tax base – enabling counties to better provide core services for their residents.

The RISE program is a primary example of these collaborative efforts. The program brings together state and local resources to encourage businesses in target industries such as engineering, biotechnology, aerospace, robotics, and agriculture to locate in communities anchored around higher education institutions, research parks, and nonprofits. The zones are created in partnership with local governments to help ensure that the business investment and associated incentives reflect community needs.

Counties support SB 333 as it adds flexibility within the RISE zone program. By extending a zone's lifespan from five to 10 years, removing the limit of three zones per county, and enabling the use of MEDCO obligations for financing, these measures serve to super-charge economic development within RISE zone communities and further efforts to advance local innovation at Maryland's world-class universities and research institutions.

Counties recognize RISE zones as an important tool for economic development and applaud measures to strengthen this program. Accordingly, MACo requests a **FAVORABLE** report on SB 333.

# **SB0333\_FAV\_MTC\_Eco. Dev. - Reg. Institution Strate**

Uploaded by: Drew Vetter

Position: FAV





# MARYLAND TECH COUNCIL

**TO:** The Honorable Guy Guzzone, Chair  
Members, Senate Budget and Taxation Committee  
The Honorable Antonio Hayes

**FROM:** Andrew G. Vetter  
Pamela Metz Kasemeyer  
J. Steven Wise  
Danna L. Kauffman  
Christine K. Krone  
410-244-7000

**DATE:** February 8, 2023

**RE:** **SUPPORT** – Senate Bill 333 – *Economic Development – Regional Institution Strategic Enterprise Zone Program – Alterations and Financing*

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The Maryland Tech Council (MTC) is a collaborative community, actively engaged in building stronger life science and technology companies by supporting the efforts of our individual members who are saving and improving lives through innovation. We support our member companies who are driving innovation through advocacy, education, workforce development, cost savings programs, and connecting entrepreneurial minds. The valuable resources we provide to our members help them reach their full potential, making Maryland a global leader in the life sciences and technology industries. On behalf of MTC, we submit this letter of **support** for Senate Bill 333.

Senate Bill 333 extends the length of time an area can be designated as a RISE zone and removes the limit on how many RISE zones can be designated in a single county or municipality. MTC believes that the RISE zones have been and can continue to be an effective economic development strategy. The RISE zones designated since the inception of this program are already producing tangible economic impacts. The benefits associated with locating within a RISE zone can be a real incentive for innovative companies to locate and grow. Proximity to institutional assets, such as universities, research hubs, and other companies, can lead to economic growth. MTC appreciates that the State is taking a leadership role in creating the conditions which can lead to this type of innovation.

We urge a favorable report.

**SB 333 RISE Bill B-T 2-8-23.pdf**

Uploaded by: Jim Hughes

Position: FAV

February 6, 2023

The Honorable Guy Guzzone  
The Honorable Jim Rosapepe  
3 West Miller Senate Office Building  
Annapolis, Maryland 21401

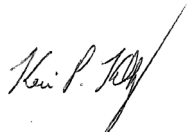
Dear Chair Guzzone, Vice Chair Rosapepe and members of the committee,

On behalf of UMB I am writing to support SB0333 which provides for an innovative approach to fund much needed infrastructure and capital improvements. There is and has been near zero inventory of wet lab space in the Baltimore region to support Maryland's early-stage life science companies. These companies are commercializing technologies from anchor institutions such as UMB. The majority of these companies operate with very little expendable income in the earliest years but tend to grow exponentially with high dividends to the State once they hit certain inflection points in their commercialization pathway. It is a good investment to nurture these companies as they grow.

Despite numerous efforts over the past ten years, it has been difficult to engage with developers to develop highly specialized wet lab facilities. Lab facilities are expensive to build and not conducive to pre-leasing given the growth trajectory of these early-stage life science companies. It is crucial that Maryland provide support in the earliest stages and have facilities to accommodate the growth to support life science companies. This bill would assist by providing another tool that would enable us to ensure that successful companies stay in Maryland and continue to contribute to the economy.

Additionally, SB0333 would have a significant impact on the continued expansion of the UMBioPark. As written, it could assist our fledgling early-stage BioTech and Life Science companies that need access to affordable tenant improvements and infrastructure. UMB could utilize this tool to build out a flex labs model with shared facilities to support life science companies in the UMBioPark. MEDCO can be a strong partner with the tools proposed in SB 0333 to fund innovative and much needed infrastructure in Maryland to keep us competitive with other States current offerings. For these reasons, UMB wholly supports SB0333.

Sincerely,



Kevin P. Kelly  
Chief Government Affairs Officer  
Vice President

**SB0333-BT-FAV.pdf**

Uploaded by: Nina Themelis

Position: FAV



BRANDON M. SCOTT  
MAYOR

*Office of Government Relations  
88 State Circle  
Annapolis, Maryland 21401*

**SB 333**

February 8, 2023

**TO:** Members of the Budget and Taxation Committee

**FROM:** Nina Themelis, Interim Director of Mayor's Office of Government Relations

**RE:** Senate Bill 333 – Economic Development - Regional Institution Strategic Enterprise Zone Program – Alterations and Financing

**POSITION: Support**

Chair Guzzone, Vice Chair Rosapepe, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 333.

SB333 aims to repeal the clause in the Regional Institution Strategic Enterprise (RISE) Program that prohibits the number of RISE zones in a certain area. SB333 also wants to extend the effectiveness of a RISE zone from 5 years to 10 years. These amendments to the current Bill as it is written would benefit economic development in Baltimore City and incentivize commercial development in areas of the city that have been historically neglected.

The RISE program has been instrumental in the development of commercial areas in historically disinvested neighborhoods that need revenue and job creation. The RISE program has been a crucial incentive for institutional commercial development in a few different large development projects in Baltimore City that has brought both investment and jobs to disinvested neighborhoods. RISE has helped increase the revitalization and stabilization within key Zones in the City. By lifting the limitation on the amount of eligible RISE Zones and extending the tax credit eligibility to 10 years, commercial development in targeted enterprise zones in Baltimore City will continue to flourish.

For these reasons, the BCA respectfully requests a **favorable** report on SB 333 to ensure the RISE Program continues to help attract development and business to commercial areas of the City that have been historically neglected.

**SB333\_USM\_FAV.pdf**

Uploaded by: Patrick Hogan

Position: FAV



**SENATE BUDGET AND TAXATION COMMITTEE**  
**Senate Bill 333**  
**Economic Development – Regional Institution Strategic Enterprise Zone Program –**  
**Alterations and Financing**  
**February 8, 2023**  
**Favorable**

Chair Guzzone, Vice Chair Rosapepe and committee members, thank you for the opportunity to share our position on Senate Bill 333. The bill alters the period of time that an area may be designated as a Regional Institution Strategic Enterprise (RISE) zone, repeals the prohibition on the Secretary of Commerce from approving more than a certain number of RISE zones in a certain area, and extends the termination date of the RISE Program.

RISE Zones leverage University System of Maryland (USM) assets for economic development; these assets include student/faculty entrepreneurship, industry-sponsored research, and related innovation activity. All this activity drives an increase in the development of coworking spaces, innovation labs, startup incubators and tech accelerators on, or in close physical proximity to, our USM campuses.

The USM has long supported the intent of the RISE Zone program and has supported recent changes that have improved the program. Numerous national studies suggest that of those startups who survive, eighty percent will remain in those communities where they first received funding, investment and/or mentorship support. The RISE Zone program provides this type of support, specifically the granting of rent subsidies and provision of other stated benefits direct to the startup company. The challenges are many, but some of the most pressing demands include:

- Near zero inventory of expensive wet laboratory space to support early-stage life science companies that are emerging from anchor universities such as UMB and JHU. Lab facilities are expensive to build and not conducive to pre-leasing but tend to lease quickly once built.
- Fledgling early-stage biotechnology and life science companies need access to affordable Tenant Improvements and Infrastructure to support their growth which could be assisted through the RISE program.
- USM institutions could consider “flex lab” models with shared facilities to support these companies and further grow the important and profitable life sciences spinouts in Maryland.
- MEDCO can be a strong partner with additional tools to fund innovative and much needed infrastructure in Maryland to keep us competitive with other states’ current offerings.

These trends have persisted as the nation and Maryland continues to recover from the COVID-19 pandemic, which has increased the importance of and tailored the types of places that emerging companies can leverage to support their growth. The RISE Zone program incentivizes public-private

partnerships that create a virtuous cycle of economic growth and community development. The USM and competing institutions across the country recognize that successful venture creation and innovation-driven economic development requires the right environment or “place” in which to occur.

These “places” also need to offer the support necessary to retain, scale and attract startup activity. Successful innovation-driven communities call this “place-making.” Good “place-making” practices do not occur organically, however, and must be nurtured through programs such as the RISE Zone.

Since 2012, the USM has been particularly successful in facilitating the creation of new businesses, having helped launch over 1,000 new ventures. The pace of USM intellectual property-based startup growth has increased as well and in 2016, the USM began making investments in early-stage startups to help fuel their growth in Maryland. USM institutions perform over \$1.3 billion in research and development annually, which feeds the institutional and Maryland innovation ecosystem. More growth is anticipated, and USM has strengthened its focus on research and research-derived economic benefits, including establishing the USM Office of Research and Economic Development, led by USM’s first Vice Chancellor for Research and Economic Development.

We are pleased to support Senate Bill 333 and urge a favorable report.



### **About the University System of Maryland**

The University System of Maryland (USM)—one system made up of twelve institutions, three regional centers, and a central office—awards eight out of every ten bachelor’s degrees in the State of Maryland. The USM is governed by a Board of Regents, comprised of twenty-one members from diverse professional and personal backgrounds. The chancellor, Dr. Jay Perman, oversees and manages the operations of USM. However, each constituent institution is run by its own president who has authority over that university. Each of USM’s 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes Historically Black Colleges and Universities, comprehensive institutions, research universities, and the country’s largest public online institution.

USM Office of Government Relations - Patrick Hogan: [phogan@usmd.edu](mailto:phogan@usmd.edu)