



LEGISLATIVE TESTIMONY

To: Chairman Guzzone and members of the Senate Budget & Taxation Committee

Date: January 25, 2023

Re: **SUPPORT SB174 – Sales and Use Tax Exemption – Redevelopment Areas in Baltimore County – Sunset Extension**

TradePoint Atlantic (TPA), the owner, manager, and developer of Sparrows Point, the former home of Bethlehem Steel in Southeast Baltimore County strongly supports SB174.

TPA has taken on the challenge to clean up and remediate the environmental impacts of a century of steel making and prepare the former Sparrows Point steel mill for re-development into a global center of excellence as a leading tri-modal transportation, distribution, manufacturing, and logistics hub.

TradePoint Atlantic appreciates the support and vision the legislature had in 2016 to authorize this targeted incentive to encourage redevelopment and reinvestment in the former Sparrows Point steel mill. The pace of transformation that has occurred over the past six years is a testament to the intent and success of what has become a critical economic development program. The sales and use tax exemption on construction materials and equipment has allowed TradePoint Atlantic and Maryland to compete to bring world class companies, jobs and investment to a brownfield site that is oftentimes more expensive and complex to develop.

Since 2015 TradePoint Atlantic has attracted over 36 world-class companies, bringing with them over 12,000 permanent new jobs to Sparrows Point. There remains a great deal of opportunity to further attract investment and expand the original 10,000 job forecast in 2016 closer to 20,000 jobs. One such opportunity was recently identified in October 2022 when TradePoint Atlantic along with regional leaders announced a new partnership to redevelop the Coke Point area of Sparrows Point into a container terminal to serve MSC, the largest shipping alliance in the world and other global shippers, signaling the next major phase of the redevelopment of the former steel mill.

This strategic and sought-after exclusive partnership leverages the investment being made by state and federal partners to expand the Howard Street Tunnel and the overall capacity of the Port of Baltimore with the ability to double stack containers on rail to serve mid-west markets more efficiently. The long-term commitment and investment MSC will be making into the Port of Baltimore creates an opportunity for Baltimore to become a top tier east coast port for the next century, while also unlocking an additional 5 million square feet of development to support future logistics, manufacturing, and offshore wind operations.

Given the required long-term planning and overall complexity of this project which will extend beyond the current sunset of 2026, an extension to the sales & use tax exemption sunset provision is needed to help ensure financial feasibility, success, and viability of this planned significant investment into Baltimore and the State of Maryland. While a great deal has been accomplished, there is more to be done, and more time needed to maximize this generational opportunity to fully transform Sparrows Point into the economic powerhouse we know it can be for Baltimore and the State of Maryland. We encourage a favorable report and your support of this critical and proven program.

About TradePoint Atlantic

The 3,200-acre industrial site and former home of Bethlehem Steel in Baltimore, Maryland, offers a gateway to markets around the United States and the world, featuring a unique and unmatched combination of access to deep-water berths, rail, and highways. Groundbreaking agreements signed with federal and state environmental regulators in 2014 to remediate the legacy from a century of steelmaking enable the redevelopment of the site with the potential to become one of North America's most strategic multi-modal, multi-commodity global logistics hub.

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