



## LEGISLATIVE TESTIMONY

To: Chairwoman Atterbeary and members of the House Ways & Means Committee

Date: February 2, 2023

Re: **OPPOSE - HB148 – Economic Development – Enterprise Zone Program – Alterations**

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TradePoint Atlantic (TPA), the owner, manager, and developer of Sparrows Point, the former home of Bethlehem Steel in Southeast Baltimore County requests an unfavorable report of HB148.

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.

HB148 seeks to alter the Enterprise Zone program, a critical incentive tool that has helped Maryland compete for business investment into the state. In 2015 TPA was included as part of the Chesapeake Enterprise Zone in Baltimore County as an effort to help Sparrows Point compete on the world stage and attract investment back to a site and a community that saw significant decline and disinvestment. The Enterprise Zone program is referenced in many conversations we have with prospective companies seeking to invest in new facilities and operations, and they do take note.

Changes to this program such as a sunset date, and potential benefit caps will greatly limit this program's effectiveness, especially with investments at the scale that has occurred at TradePoint Atlantic. A sunset provision is unnecessary and redundant in that an established Enterprise Zone must be recertified every 10-years. The re-certification process provides an opportunity for state and local officials to assess a designated zone's effectiveness and overall geographic makeup. Additionally, HB478 (2022) which passed just last year sought to address gaps in data reporting on the program. Before this committee acts again on legislation, we think it prudent to examine several years of data before considering additional changes to the Enterprise Zone program.

We are also concerned with the conclusions made in the December 2022 interim report from Legislative Services which suggest that local communities in an Enterprise Zone don't benefit from job creation within the zone. We have evidence to the contrary of which we are happy to share with the committee. The conclusion asserts lack of transportation connectivity and other legacy public infrastructure issues as the reason residents in enterprise zone communities don't benefit from the jobs created in the zone. This is a larger historic issue around lack of public infrastructure investment in transportation connectivity which falls outside the scope of private sector investments the Enterprise Zone benefit seeks to attract.

The Enterprise Zone program is perhaps one of the most effective and best used economic development incentives provided by the State of Maryland. The changes sought by HB148 creates uncertainty for business looking to invest in Maryland and significantly cripples a critical economic incentive tool, one that has proven extraordinarily successful to bring investment and jobs back to a former shuttered steel mill and industrial brownfield site like Sparrows Point. We respectfully urge an unfavorable report.

### **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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