



CITY OF HAGERSTOWN, MARYLAND

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House Ways and Means Committee
House Office Building, Room 131
6 Bladen St., Annapolis, MD 21401
Annapolis, MD 21401

RE: OPPOSITION to Bill HB0478 – Economic Development – Enterprise Zone Program – Alterations

Dear Ways and Means Committee Members:

On behalf of the City of Hagerstown, I am writing you in opposition of Bill HB148 which is being considered by the Maryland Legislature altering the circumstances under which the Secretary of Commerce may designate an area as an enterprise zone or a focus area; prohibiting the Secretary from designating a new enterprise zone or granting an expansion or extraordinary expansion of an existing enterprise zone under certain circumstances; limiting the amount of a certain credit against the State income tax that may be claimed by a business entity each taxable year; limiting the total amount of credits against the State income tax that certain business entities may claim each taxable year; providing that, for any taxable year, the amount of a certain credit against the property tax imposed on certain qualified property may not exceed a certain amount; providing for the termination of the Enterprise Zone Program and, except under certain circumstances, eligibility for certain tax credits provided under the Program; and generally relating to the Enterprise Zone Program.

Our position is based on the experience Hagerstown property owners and businesses have had with the use of the Enterprise Zone Tax Credit program. Just one example is NorthPoint Development who is in the last phase of construction on 1.6 million sq/ft warehousing, distribution and ecommerce fulfillment business park project located in the City of Hagerstown and Washington County, MD.

Decision makers involved in this legislation should be very aware that NorthPoint Development's nearly \$169 million-dollar investment into the State of Maryland would have been driven to a neighboring state where more business-friendly tax incentive environments exist.

The proposed alterations negatively impact distressed census tracts by limiting growth to existing zones. The bill will eliminate growth opportunities for struggling areas by making the Enterprise Zone inaccessible and reducing development opportunities.

We strongly encourage you to oppose this bill. Please consider the well-paying jobs just this one project alone stands to create. NorthPoint Development is just one national developer that found the Enterprise Zone and pro-business environment offered by Maryland welcoming. We view this bill as degrading that climate, and we offer you the success story of NorthPoint Development as evidence.

Sincerely,

Emily Keller
Mayor, City of Hagerstown

