



FREDERICK COUNTY GOVERNMENT
DIVISION OF ECONOMIC OPPORTUNITY

Jessica Fitzwater
County Executive

Lara Fritts, Director

February 13, 2024

Delegate Vanessa E. Atterbeary
Chair, Ways, and Means Committee
Room 131
House Office Building
Annapolis, Maryland 21401

**RE: Support for HB0692 Economic Development - County or Municipality
Economic Development Authority - Powers and Use of Proceeds**

Dear Madame Chairwoman,

As the Director of the Division of Economic Opportunity for Frederick County Government, I am responsible for enhancing the commercial tax base for the County while ensuring good jobs for our residents. After starting in this role last year, I learned about the planning efforts underway for revitalizing traditionally underinvested areas throughout the County, most notably our draft South Corridors plan. I quickly assessed - as the economic driver for the County - our economic development program lacks the tools necessary to help encourage redevelopment to implement this community led plan.

As I researched how Maryland local governments can help facilitate redevelopment and revitalization, I found Maryland counties have limited tools to address economic development needs. However, by expanding the uses of funds under the Industrial Development Authority (IDA) language as proposed in HB0692 Counties can accelerate redevelopment, invest in affordable housing, and prepare sites to be ready for development with the goal of accelerating economic growth. Concisely, HB0692 makes changes to the state's IDA code to expand the scope of industrial development authorities and broaden the permitted uses of tax increment financing revenues to allow Counties across Maryland to fund redevelopment programs that will target investments to underinvested communities.

I am writing to express my strong support for HB0692 Economic Development - County or Municipality Economic Development Authority - Powers and Use of Proceeds. As a certified economic developer, I have over 25 years of experience in economic development, community development, I bring a wealth of expertise to this endorsement. My experience spans city and regional levels in both public and private sectors assisting companies to execute their location strategies or development projects while helping communities achieve their goals. Over my extensive career, I have witnessed how real estate investment projects are becoming more complex and as a result developers are turning to the public sector to help bridge gaps in project financing. In addition,



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redevelopment is generally more expensive than greenfield development, and thus developers seek public sector assistance to help with these additional costs.

HB0692 would provide Frederick County with the ability to work with our County Council to create a Redevelopment Authority. As written this bill will allow the Redevelopment Authority to use future tax growth to reinvest in traditionally under-invested areas of the County. This enabling legislation would allow the Redevelopment Authority to share a portion of the tax increment with the County while accelerating commercial tax base growth. Accelerating the tax growth will be possible through the expanded uses such as investing in site readiness, providing loans to fill gaps in private development capital stacks, and providing revenue for much-needed affordable housing.

Frederick County needs additional commercial investment. We are the fastest-growing County in the state by four-fold, yet our commercial tax base has decreased over the past two years because of the surge in residential growth. HB0692 will help us facilitate commercial growth and address community goals such as affordable housing, commercial revitalization, environmental remediation, infrastructure that benefits districts, and more, thereby allowing the Authority to respond to the evolving challenges and opportunities of development.

In conclusion, I request the esteemed Ways and Means Committee to give HB0692 a favorable report. By empowering our local governments with the tools proposed in HB0692, we can revitalize our communities, foster economic growth, and ensure a prosperous future for our state. Thank you for your time and consideration.

Sincerely,

Lara Fritts, CEcD, FM