

**TESTIMONY ON BEHALF OF COUNTY EXECUTIVE MARC ELRICH ON BILL 3-21
SPECIAL TAXING AREA LAWS – SILVER SPRING BUSINESS IMPROVEMENT
DISTRICT – ESTABLISHED.**

February 23, 2021

Good afternoon Council President Hucker and councilmembers. I am Dale Tibbitts, Special Assistant to County Executive Marc Elrich testifying on his behalf on **Bill 3-21**, Special Taxing Area Laws - Silver Spring Business Improvement District – Established.

We believe this bill is attempting to address some issues in downtown Silver Spring, and the Executive recognizes that the urban district needs improvement; however, we do not believe that this BID is the appropriate solution. We are concerned about the unintended consequences of the bill and do not believe that a BID is necessary to address concerns.

While some may say that the private, non-profit Bethesda Urban Partnership, known as BUP, performs better than the current “Red Shirts” model in Silver Spring, it is important to note several points. First, BUP is not a BID, as envisioned in this legislation. Second, Silver Spring is doing quite well as compared to Bethesda according to the OLO Economic Impact Statement. OLO noted that the Silver Spring Urban District was outperforming the Bethesda Urban Partnership in terms of both business and employment growth.

The OLO statement also noted the concern that the BID would give “undue influence” to large business owners instead of the broad group of stakeholders currently helping to operate the Urban District. Each property owner would get one vote per \$500 of BID tax paid. Additionally, OLO’s Racial Equity and Social Justice Impact analysis raises the real concern that there could be “**a negative impact on racial equity and social justice**” because the smaller businesses are more likely owned by entrepreneurs of color.

Furthermore, a review of the application petition shows a divided community split 208-186. Additionally, concerns about the BID have been raised by Fenton Village businesses, the Silver Spring Urban District advisory board and MCGEO.

The Executive recommends:

Improve the operations of the existing Silver Spring Urban District. The existing operations, staffing, and budget of the SSUD has remained essentially the same since its inception while the growth in activity - and ‘feet on the street – in Silver Spring has grown exponentially. While the SS Urban district is successful in certain endeavors, there is definitely room for improvement. We’d like to suggest a careful analysis of the operations of the Urban District to identify improvements that could better resolve many of the issues that the proposed BID intends to address.

Encourage the creation of a privately funded Silver Spring Marketing Association. Such an association could choose to collectively market Silver Spring in a way of their own choosing. Its

existence could be similar to the Chamber's or other efforts, and the association could collaborate with the SSUD and others where agendas intersect while pursuing their own mission-driven interests independent of public funds.

In sum, we understand the motivation behind this bill and believe that we can address the concerns in a more appropriate fashion. We look forward to working with you on this effort.