

ECONOMIC DEVELOPMENT COMMISSION MEETING MINUTES

May 7, 2025

PRESENT

Ariel Balog (OED), Mary Bolt (Cecil College), Rebecca Clark (Dep. Director, OED), Danny DeMarinis (NEMD URP), Joe DiNunzio (Artesian Water), Sandra Edwards (OED Director), Vince Fiorelli (Chesapeake Utilities), Jake Herman (OED), Woody Jackson (Citizen), Dr. Jeffrey Lawson (CCPS), Jeff Martindale (City of Newark), Robert Palsgrove (Citizen), Michael Ratchford (W.L. Gore & Assoc.), Arsalan Sheikh (rep. Christiana-Union), Mike Travers (Cecil Dancenter), Rachel Wright (rep. CCPL)

ABSENT

Kristina Brown (Delmarva Power), JoAnn Dawson (Fairwinds), Amy DiPietro (MRA), Ed Jones (Northrop Grumman), Kimberly Justus (SWN), Sandy Maruchi-Turner (Tourism Mgr.), Dr. Carl Roberts (BDC)

GUESTS

Hannah Allen (MD Chamber of Commerce), Randy Baynes (DPL), Laura Hannan (FHNC), John Ness (WCHC), Jen Peterson (BDC), Jack Schammel (Cecil Co. Chamber of Commerce), Dan Schneckenburger (CC Director of Admin.), Jeff Sellers (SB Realty), Toni Sprenkle (BDC), Clyde Van Dyke (CC P&R), Maura Van Syckle (SBDC), Jessica Worley (CC Chamber of Commerce)

Call to Order & Welcome – Mike Ratchford

- Meeting called to order at 8:01am
- April 2025 meeting minutes approved

Chairman's Report – Mike Ratchford

- Jack Schammel new head of Chamber
- Defer to Dan Schneckenburger for update

Administration Update – Dan Schneckenburger

- Couple of new appointments to EDC confirmed last evening
 - **Introduction - Jeff Martindale**
 - Cecil County District 2 resident moving to District 5
 - Assistant City Manager of Operations for City of Newark
 - **Brooke Summers** – Hope to have Brooke join us at June meeting

Director's Report – Sandra Edwards

- OED fully staffed now
 - **Introduction – Rebecca Clark**
 - Last 4 years at Queen Anne's County (QAC) Economic Development
 - Kent & QA Counties Community Development, specifically services to children and families
 - Excited to be here and take on role
- Rebecca, Jake, and I attended MEDA Annual Conference in Cambridge
 - Good networking: phenomenal speakers
- Last week, 2nd year of Ag Education Day in Cecil County – where every 7th grader goes to Fair Hill for a day to learn about agriculture and jobs
 - OED a participant; County Executive and Sec. of Ag Kevin Atticks also visited

- County Executive & County Council have proclaimed May as Small Business Appreciation Month in Cecil County
 - May 4-10 National Small Business Week
 - Visits planned; social media posts planned - Please support small businesses
- Rebecca and I will attend Delaware Life Sciences Conference tomorrow in Wilmington, DE
 - Hoping to connect with regional/national biomedical researchers, business leaders, investors
- Business Activity:
 - Ayars Property – annexation approx. 5 yrs ago; looking to develop
 - Southfields – moving along
 - Rt. 40 Revitalization Grant program – very active; 8 applications so far this year
 - Matching grant up to \$25,00; Purpose is to make Rt. 40 more attractive
- June EDC meeting to be in person at Cecil College
 - Shelly Gross-Wade – Consultant from Bay Crossing Consulting to speak
 - 40+ yrs experience; CEO FSC First; Sr. VP of Business Finance Program for Prince George's County; Incentive Fund Mgr. at Anne Arundel Co. Economic Development
 - Working for USRC exploring creation of revolving loan program for businesses in Upper Shore region; inviting businesses and banks across County
- April 8 – presented OED budget to Council
- Sept. 24 – Harvest Dinner
- Oct. 16-19 – MD 5 Star at Fair Hill
- Tourism:
 - May 4-10 – National Tourism & Travel Week
 - Working on social media campaigns, summer advertising
 - Shared booth at Outdoor Show in Kent Co., DE
 - St. Augustine Church designated part of underground railroad
- Economic Development Strategic Plan – in process; being deliberate in scope of work

A Post-Session Legislative Update was presented by Hannah Allen, Senior Director, Government Affairs, MD Chamber of Commerce

- MD Chamber weighs in on 100's of bill every legislative session (Jan – Apr)
- Big focus – State budget, taxes and fees, and revenue
- State came into session with \$3B+ deficit; mostly driven by Blueprint – no long-term dedicated funding
- Governor must introduce balanced budget every year – required by Constitution
- FY26 Budget proposes \$2B in spending cuts (about \$1B new taxes & fees)
 - Includes raising personal income taxes for filers \$500,000+ - Could be impacted by LLCs, LLPs, S Corps
 - Cannabis tax increase
 - Lowering estate tax threshold
 - Combined reporting (issue for large businesses operating in multiple states)
 - 2% Capital Gain surcharge
 - Increase in sports wagering tax rate
 - 6% sales tax on vending machine sales
 - Transportation revenue raisers
- Budget then goes to Legislature – they can make cuts, additions, and change aspects of it
- Other bills introduced:
 - Fair Share for Maryland Act – revenue proposals, mostly falling on businesses, and tax ideas
 - Business-to-Business Sales Tax of 2.5% on services (consulting, landscaping, accounting, repair service, etc.) did not pass

- 3% tax on data and IT services for businesses and consumers - did pass – expected to bring in \$482M revenue – many questions from business community
 - Final budget passed with \$1.2B in new taxes and fees
- Budget Bill goes into effect July 1 – Governor expected to sign
- Concerns:
 - Businesses competitiveness with businesses across state lines due to new taxes (services, IT, data)
 - Planning to hold webinars with Comptroller's Office for FAQs, guidance, educational materials
- Transportation – sustainable funding so businesses can rely on, well-maintained transportation system
- Revenue for Transportation Trust Fund Ideas Proposed by Governor:
 - Proposed \$.75 retail delivery fee, i.e., Amazon orders
 - Lowering trade-in credit on car sales of no more than \$15,000
 - Both ideas scrapped by Legislature; added number of transportation fees to increase Transportation Trust Fund by \$500M
 - Increased vehicle excise tax rate from 6 to 6.5%
 - Tire Fee \$5
 - Certificate of Title Fee for vehicles doubled
 - Governor's Executive Order – advanced clean cars and trucks starting 2027 model year; 43% of new vehicle sales shipped to MD have to be 0 emissions - % increases till State is 0 emissions by model year 2035 – backlash from auto dealers, vehicle manufacturers
- State's Non-Economic Damages Cap – damages and losses hard to quantify (pain and suffering, death)
 - Cap on Non-Economic Damages at \$1M with \$15,000/year escalator
 - Growing efforts in MD to remove cap – bill did not pass
- Economic Damages are more quantifiable (hospital bills, lost income from not being able to work)
- Businesses carry insurance for both types of damages
- Labor & Employment:
 - Family Paid Medical Leave Act pushed back 18 months
 - Employees and employers begin paying into program Jan. 1, 2027; benefits begin Jan. 3, 2028
 - Workplace Fraud Act will continue as focus
- Energy & Environmental Issues:
 - State dealing with energy crisis – costs going up; transmission and grid system not built to handle demand
 - Leadership Energy Bills:
 - State preemption over local decision making on solar projects, permitting and licensing
 - Next Generation Energy Act – setting up new procurement process for nuclear energy projects in MD; maintain costs of distribution and transmission grid updates
 - Data Centers to pay special rate schedule
 - More requirements on Utilities on rate plan approvals
 - Legislative Energy Relief Fund set up – MD households receive \$80 refund/credit; split in 2 (spring, winter)
 - Building Electrification Issues:
 - Climate Bill passed requiring buildings 35,000+ sq. ft. to electrify, become net 0 greenhouse gas emissions by 2040
 - Applies to new construction and existing buildings, exempts hospitals
 - Costs to retrofit old buildings significant
 - Electric Vehicles, Building Electrification, Industrial Electrification – what does it do to existing grid, costs, must import more electricity?
- Bill to ban PFAS (chemicals used in everyday products like healthcare and medical devices, building materials, nonstick pans, energy technology and electronics aerospace airplanes) by July 1, 2026

- Bill also expanded liability for people exposed to PFAS
- Would cause supply chain issues, implementation challenges, overall economic impact
- Bill did not pass
- Comptroller's Bill – require business license applicants to designate specific person as license representative on application
 - Must be MD resident; would be responsible for penalties and violations related to license
 - Bill amended into a study
- Governor's Bill MD Chamber supported:
 - Raise Act (apprenticeship ratios)
 - Expungement Reform Act (get more people into workforce without creating undue liability on businesses)
 - Procurement Reform Act (streamline State's procurement process, esp. for businesses)
 - Housing for Jobs Act (workforce development)
- Rumors about Special Session in October – to deal with State's budget issues for future years and Federal impacts on State's budget

Others:

Cecil College – Dr. Mary Bolt

- Happy Nurses Week!
- May 18 - Graduation
- Exciting student events happening

Cecil Chamber/GRC – Jack Schammel

- Tomorrow is Chamber's 38th Annual Golf Tournament
- One month out – Gala at Bohemia Manor celebrating 350 years of Cecil Business

Christiana Care – Dr. Arsalan Sheikh

- Christiana Care closing Perryville Principio Imaging Center (Pet Can, MRI, Ultrasound, X-rays, Lab)
- Last day June 20; Expanding hours at Open MRI & Imaging in Elkton
 - New practice for Emergency Room - All patients will be asked to go into a gown to be fully/properly examined

CCPL – Rachel Wright

- Thank everyone for coming out to Friends Foundation Bourbon and Barbeque event
 - North East Branch - partnering with CCPS to have art on display (May)
 - Elkton Branch – will have a World War II exhibit (May)
 - Gearing up for Summer Reading
 - July – Hosting Cecil teen entrepreneurship camp

REMINDER: June 4, 2025, EDC Meeting will be IN PERSON at Cecil College, TC208.

Adjournment

The meeting adjourned at 9:05am.

Respectfully Submitted,

Terri Springel
Administrative Budget Assistant