

## Testimony for CR107-2025, and CR110 – Support with amendment.

CR107 – Increase of Building Excise tax fee from 1.90 per square foot to 1.92.

CR110 – Increase in fee-in-lieu of providing MIHU – 3.65 per square foot to 3.71.

Each year the Council considers these Resolutions, both of which contain a coded cap on increases from the Engineering News Record Construction Cost Index for the Baltimore Region.

The problem with this measurement is that instead of being a cap, the ENR rate should be applied as an automatic indexing annually. Having it reviewed every year to decide an increase up to the cap is counter-productive; when inflation is high for the industry, the Council does not want to make costs worse by adding large increases. Conversely, when the index is low, that cap makes it impossible to increase using other analyses of getting to appropriate market amounts.

In the APFO Review Committee, we voted unanimously to create longer sidewalk requirements to bus stops, with a cap that increases with the ENR rate. In that example, the ENR involvement is not an increase that is capped, just a stable equivalency established TO their rate each year. This makes sense. Please change the ENR language in the Code, especially with regard to these two Resolutions, so that the ENR index is just followed. Any increase should equate to the construction industry's own index and end the annual decision and review that has to take place on these topics.

As it is now, the public does not even have the information of what the ENR Construction Index for the Baltimore Area even is, which should be part of the financial information on the legislation. Googling only produces a national average. The rest is behind a paywall, even though in Howard County it derives an important set of funding.

Thank you for considering making the ENR a useful index to allow the construction industry to have automatic indexing equivalents, and not a cap on increases evaluated by the County annually. We request that whatever that current rate is, it should be applied to these Resolutions. If that is already the case this year, great, but the code should still be changed, and the information should still be provided.

Thank you,

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