



Maryland DEPARTMENT OF PLANNING

BILL NO: SB783 - Historic Properties Disposition and Preservation Team and Extension of the Income Tax Credit for Catalytic Revitalization Projects

HEARING DATE: March 7 at 1:00 PM

COMMITTEE: Hearing 3/07 at 1:00 p.m. (Education, Energy, and the Environment)

POSITION: Letter of Information with Amendments

FOR INFORMATION CONTACT: Secretary Rebecca L. Flora - (410) 767-4500

BILL ANALYSIS:

SB783 establishes the Historic Properties Disposition and Preservation Team within the Department of Housing and Community Development which includes as its members the Secretaries of DHCD, DGS, Commerce, MDE, Health, Labor, DNR, and MDP. The bill provides for the membership, duties, and staffing of the Team; and extends the sunset for the income tax credit for catalytic revitalization projects until 2031. DHCD would staff the team and the co-chairs of the Team would be the Secretaries of DHCD and DGS or their designees.

SB783 includes certain reporting requirements. The Team must report to the Governor and General Assembly on or before December 1, 2024 on the activities of the Team in the prior fiscal year and the recommendations, including legislation, to assist the Team in carrying out the purpose and performing duties of the proposed legislation. By this date, the Team must also compile a summary of historic properties owned by the state to include various factors.

POSITION:

MDP played a critical role on both the initial Steering Committee and in the management of the consultant team that prepared the report which served as the catalyst for this legislation. **MDP supports this legislation, with suggested amendments**, as the goal of SB 783 is to ensure that the recommendations of the report entitled *Advancing the Preservation and Reuse of Maryland's Historic Properties*, are carried out. The duties and requirements of the proposed Team created by SB783 would ensure that historic properties impacted would have the review necessary to facilitate a greater benefit to the State. Though these properties would be few, the potential for a higher value of each would be established by the work of the Team.

Planning would be able to facilitate the work of the Team through efforts by the Maryland Historical Trust, and the State Data Center. Further, with a leadership role on and staff support

for the Smart Growth Subcommittee, we would be well-positioned to address the needs of this legislation.

BACKGROUND:

During the 2019 legislative session, legislation (Senate Bill 741 - Secretary of Planning – Adaptive Reuse of Historic Properties – Study) sponsored by Senators Hester, Ready, Salling and Young was enacted by Governor Larry Hogan requiring the Secretary of the Maryland Department of Planning (Planning) to conduct a study of obstacles to and opportunities for the redevelopment of historic real property formerly owned by state and federal government agencies. The bill developed a Steering Committee that was composed of: the Secretary of Planning, a member of the Senate and of the House of Delegates, a representative of the private sector with experience in historic preservation, and a representative of a nonprofit organization with experience in historic preservation oversee development of the study. The Committee oversaw the hiring of the consultant team to develop recommendations in support of the redevelopment and adaptive reuse of excess historic campuses. The consultant presented a final report to the Steering Committee in January 2020. That report, entitled Advancing the Preservation and Reuse of Maryland’s Historic Properties serves as the catalyst for this legislation. Two additional documents detailed the work of the Steering Committee and provided recommendations. In 2021, the Maryland General Assembly renewed the Steering Committee (SB885) and directed it to make recommendations to the Maryland Department of Housing and Community Development (DHCD) and the Department of Commerce (Commerce). The Steering Committee, which will sunset on June 30, 2023, made recommendations in a memo dated September 21, 2021. A subsequent study was provided to the Steering Committee on the “Redevelopment of Historic Government Complexes” on December 31, 2021.

The Steering Committee concluded that the two recommendations of greatest importance to the successful redevelopment of historic government complexes would be the creation of a Historic Properties Disposition and Preservation Team embedded in DHCD and increased appropriations to the Historic Revitalization Tax Credit Program administered by the Maryland Historical Trust (MHT).

SUGGESTED AMENDMENTS FROM THE MARYLAND DEPARTMENT OF PLANNING:

1. Page 3, section 5-102(B)(1), line 21 – Insert “(IX) THE DIRECTOR OF THE MARYLAND HISTORICAL TRUST”

Rationale: Since MHT has a role in reviewing all state agency actions involving the mothballing, rehabilitation or deaccessioning of historic properties, it would be helpful to involve the Director in the work of the Team.

2. Page 3, section 5-102(B)(3). Line 25 - Delete "DEPUTY SECRETARY" and replace with "REAL PROPERTY STAFF LEAD"

Rationale: Agency staff with responsibility for the unit's real estate holdings will be most familiar with the processes that the Team will be undertaking and most effective in assisting with the work of the Team.

3. Page 4, section 5-103(B) and 5-103(B)(1), line 25 - Delete “ (B) THE TEAM SHALL: (1) IDENTIFY AND MAINTAIN INFORMATION ON STATE-OWNED HISTORIC PROPERTIES;” and insert – “STATE UNITS SHALL REVIEW AND UPDATE STATE-OWNED REAL PROPERTY DATA MAINTAINED BY THE MARYLAND DEPARTMENT OF PLANNING ON AN ANNUAL BASIS.”

Rationale: MDP already maintains a state-owned real property database which includes fields for dates of construction. However, state agencies are not diligent about updating their data and MDP has no mechanism to require state agencies to update and maintain their data. Including a provision that would require state units to ensure that the state-owned real property database is complete and up to date would be helpful. This existing database can then be utilized by the Team.