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Education, Energy, and
Environment Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB783 - Historic Properties Disposition and Preservation Team and Extension of the Income Tax Credit for Catalytic Revitalization Projects

March 7th, 2023

Chair Feldman, Vice-Chair Kagan, and members of the Education, Energy, and Environment Committee, thank you for your consideration of SB 783, which will establish a Historic Properties Disposition and Preservation Team in the Executive branch, as well as extend the sunset for the Catalytic Revitalization Tax Credit for an additional four years, to 2035.

Our state is in the unique position of owning a diverse real estate portfolio which includes some of the oldest buildings in the United States. Providing adequate maintenance and care for these buildings can present a challenge but, when managed appropriately, they offer significant economic and cultural potential for our state. For especially large complexes, such as Warfield or Fort Ritchie, thoughtful redevelopment partnerships between the public and private sector can result in hundreds of thousands of additional square feet for commercial space and affordable housing.

This idea is not new. In fact, in 2019 this General Assembly commissioned the Department of Planning to figure out an efficient, continual process for evaluating historic state properties. I have provided [a copy of that report](#) for Committee members as part of my testimony.

In 2021, the General Assembly approved a pilot program to implement the study's first recommendation – the Catalytic Revitalization Tax Credit – which provides a powerful tool for spurring private sector investment and reducing long-term government expenses. This is a \$15M tax credit, given every 2 years by DHCD to support the redevelopment of a former state-owned institution. It has been used to help the redevelopment of Springfield Hospital in Carroll County, and now for the redevelopment of Fort Ritchie in Washington County. At the time this Committee passed the legislation, it put a 4 year sunset on the tax credit, to be able to review its progress and incorporate any changes. The first thing this bill does is to extend the tax credit.

At the same time, the Department of Housing & Community Development submitted a memo to several state agencies to initiate the second recommendation – The Historic Properties

Disposition and Preservation Team. I have also submitted that memo as part of my testimony. This Team would identify and maintain a database of historically significant, state-owned properties, support maintenance efforts, and facilitate the thoughtful divestment of surplus properties. As part of the divestment process, the Team would develop a plan for preservation of the building, conduct necessary environmental and commercial assessments, and determine the suitability of the building for redevelopment as affordable housing.

Unfortunately, this Team did not materialize, which brings us to today. The second thing the bill does is to create this Team and provide for adequate staffing. I am currently still working with our new administration in the Department of Planning and Department of Housing and Community Development who like the concept. However we will need an amendment to the legislation that will further refine this interagency, multi-disciplinary approach.

I want to thank the diligent partners who conducted this original study, and I am grateful for the engagement of our current executive partners. Our state is lucky to have so many historic properties enriching our communities. Going forward, it is our responsibility to keep these properties in good state, preserve our local histories, and revitalize our communities for the benefit of current and future Marylanders. **For these reasons, I respectfully request a favorable report on SB783.**

Sincerely,

A handwritten signature in cursive script that reads "Katie Fry Hester".

Senator Katie Fry Hester
Howard & Montgomery Counties