

# Maryland Sustainable Communities Tax Credit Program



Investing in Preservation . . . Investing in Communities

Maryland Department of Planning | Maryland Historical Trust

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# About

The Sustainable Communities Tax Credit Program has proven to be a powerful economic development tool for counties, cities and towns across Maryland. The program, designed to encourage the redevelopment and reuse of historic buildings, has a track record of creating positive spin-off effects in existing communities—creating jobs, enhancing property values, encouraging reinvestment nearby and transforming neglected neighborhoods into places where people want to live, work and play.

As the state's most significant financial investment in historic preservation, the Sustainable Communities Tax Credit incentivizes private investment in the repair and restoration of the state's historic resources.

The O'Malley-Brown administration proposes the reauthorization of the Sustainable Communities Tax Credit Program in 2014.

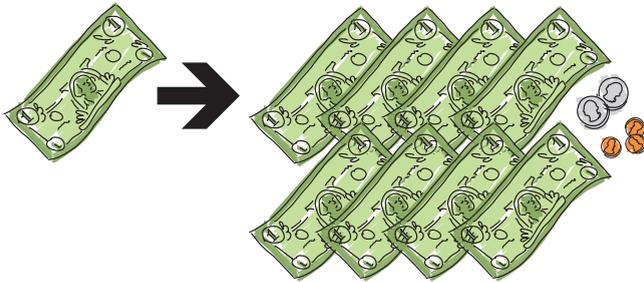
Reauthorizing the state Sustainable Communities Tax Credit Program will inject new life into old buildings, save energy and boost prosperity in Baltimore and countless small towns. Join state leaders in reauthorizing the tax credit program and invest in the future of Maryland.

The projects detailed on the following pages highlight some of the best examples of the tax credit at work in Maryland.

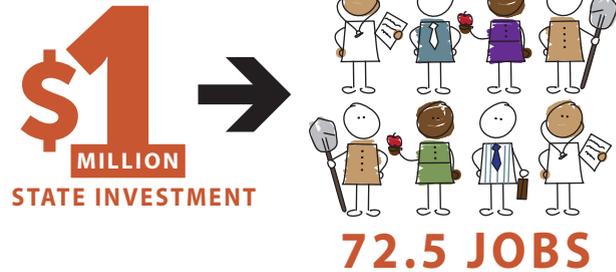


# Sustainable Communities Tax Credit Benefits

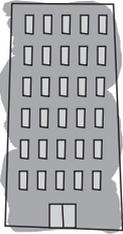
The tax credit more than pays for itself. Every dollar of rehabilitation tax credits generates \$8.53 in economic activity.



The tax credit creates employment opportunities. Each \$1 million in credits generates 72.5 jobs.



**vs**



**USES ENERGY  
CONSUMES LAND  
MORE LANDFILL**



**CONSERVES ENERGY  
SAVES LAND  
LESS LANDFILL**

The tax credit is good for the environment. Recycling historic buildings takes advantage of existing infrastructure, conserves energy, saves undeveloped land and directs less waste to landfills.

**17 YEARS**



**3,833**

**RESIDENTIAL  
PROJECTS**



**608**

**COMMERCIAL  
PROJECTS**

In the 17-year history of the program, it has helped restore 3,833 residential and 608 commercial historic structures. The state's investment—close to \$350 million since the tax incentive program began in 1996—has reached into all of Maryland's 23 counties and the city of Baltimore.



*“This project is doing a great job of revitalizing this area and keeping the original feel of the building intact.”*

—CUMBERLAND MAYOR BRIAN GRIM

# Klots Throwing Company Mill Cumberland, Maryland

The Klots Throwing Company was once one of the largest silk manufacturers in the United States. The silk mill in Cumberland, built in 1905, helped supply stockings and other high-end apparel. The long two-story brick mill housed machines operated by a primarily female workforce that twisted or wound raw silk into thread, which was sent to clothing manufacturers. Its western Maryland location near the B&O railroad, in a coal-producing-region and with access to inexpensive labor, was considered ideal for silk manufacturing and distribution.

The good years lasted until the Depression. Following a steady decline, silk production at Klots ended in 1958. The building later housed a discount center and the Western Maryland Food Bank. It was listed on the National Register of Historic Places in 2010. In 2012, developers converted the building into apartments that, along with townhouses built on site, total about 50 units rented at affordable rates. The Cumberland Times-News called the project “a blend of new apartments and old features.”

Total Rehabilitation Costs: \$10,163,437

Tax credit: \$1,101,809

Original Use: Mill

Present Use: Apartments

Housing Units Created: 33

Estimated total employment: 80

Estimated construction jobs: 50

Estimated economic impact: \$9,398,430



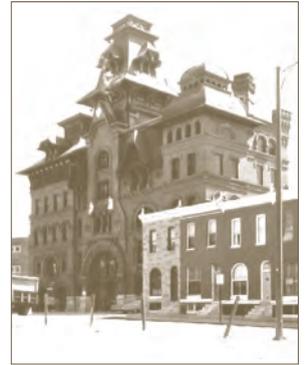


*Photo by Paul Burk*

# American Brewery Baltimore, Maryland

This former beer-making powerhouse in East Baltimore was one of the largest breweries in Maryland in the late 1800s. The five-story building of brownstone, brick, copper and slate defined east Baltimore's skyline. Built in 1887 by John Frederick Wiessner, a German immigrant, the brewery was described as "a monument to the development of brewing" in 1973 when listed on the National Register. Prohibition shut down operations. The Wiessner family sold the brewery in 1931 to the American Malt Company, which operated it for the next four decades.

Following a period of abandonment and decline, the building was acquired by Humanim, a nonprofit social services and job training organization, which redeveloped it in 2009 as its headquarters. The renovation included remaking the 30,000-square-foot brewhouse into offices and the 60,000-square-foot industrial building once used for bottling into a center for nonprofit groups. During construction, Humanim created 106 jobs. After taking occupancy, Humanim created 103 new jobs, more than half for people with challenging employment histories. The organization has hosted more than 600 events, 63 percent for community groups at no cost. On an adjacent parcel, Humanim partnered with Baltimore city and nonprofit groups to develop a park where 18 vacant, blighted houses once stood, attracting people of all ages to a new, environmentally sensitive gathering space on a city block transformed.



Total Rehabilitation Costs: \$21,274,358

Tax credit: \$4,759,752

Original Use: Brewery

Present Use: Retail / Office

Estimated total employment: 103

Estimated construction jobs: 106

Estimated economic impact: \$40,600,684



*“If you want to revitalize a small town, which has lower rental rates, you need tax credits for it to make economic sense. Drywall costs the same in Cambridge as in Washington, D.C.”*

—BRETT SUMMERS, PARTNER, NOVO DEVELOPMENT CORP.

## The High Spot Cambridge, Maryland

The High Spot restaurant plays a key role in downtown Cambridge's resurgence. Located in a renovated building, the restaurant was built in the gutted shell of a commercial building that had sat vacant for close to a decade. Developers, who bought four other buildings in Cambridge, have dedicated themselves to helping turn around the downtown. Cambridge was designated a Main Street Maryland community in 2003, which focuses state resources on improving the appearance, image and economic health of downtown business districts.

The High Spot was so named in remembrance of the original diner that once occupied the building but closed in 1998. The new High Spot aims to capture the appeal of the original, which was known over its 50-year run as a neighborhood diner with killer custard. The new 80-seat restaurant opened in August 2011. Above and behind it, developers built six apartments.

Total Rehabilitation Costs: \$1,100,000

Tax credit: \$220,000

Original Use: Retail/Residential

Present Use: 1st floor restaurant/  
commercial / upper level apartments

Estimated total employment: 80

Estimated construction jobs: 50

Estimated economic impact: \$1,876,600





# Proctor House Bel Air, Maryland

Also known as the Cassandra Gilbert House, this historic two-story Gothic-style home was constructed between 1860 and 1873 and enlarged about 1884. The interior features an arched slate mantel painted to resemble several colors of inlaid marble.

The significance of Proctor House derives from its architecture. One of the few examples of the Gothic Revival style in the town of Bel Air, the seat of Harford County, the house is symbolic of the picturesque country cottages popular between the 1840s and the Civil War. Proctor House was listed on the National Register of Historic Places in 1990. In 2010, a financial services company renovated the house and converted the structure into offices for its use.



Total Rehabilitation Costs: \$543,377

Tax credit: \$100,000

Original Use: Dwelling

Present Use: Commercial / offices

Estimated total employment: 7

Estimated construction jobs: 5

Estimated economic impact: \$853,000



*“After years of decline and neglect, the National Park Seminary project has developed into a unique new community. This land, and its collection of historic and eclectic buildings, is truly a ‘national treasure,’ and I am proud that a creative vision put in place several years ago has ignited a transformation that not only saved the property, but ensured its best possible use.”*

—ISIAH LEGGETT, MONTGOMERY COUNTY EXECUTIVE

# National Park Seminary Silver Spring, Maryland

Buildings at the National Park Seminary that used to be part of a girls' finishing school have been converted into a mixed housing project in Silver Spring that showcases the economic and cultural value of historic preservation. First built in 1890 as the Forest Glen Inn, the main building was converted into a school, with other buildings—constructed between 1894 and 1915—to follow. In 1942, the property was requisitioned by the U.S. Army for the Walter Reed Army Medical Center. Decades later, the campus was abandoned and many of the little-used buildings fell into disrepair. The site was listed on the National Register of Historic Places in 1972.

In 2004, developers rehabilitated the 32-acre campus, providing hundreds of new residents with a range of housing options near a Silver Spring Metro station. The main building became apartments, while the rest of the campus was redeveloped into eight single-family homes, 42 condominiums and 90 townhomes, giving rise to a socially and economically dynamic community on what had so recently been a neglected federal government facility.

Total Rehabilitation Costs: \$19,800,000

Tax credit: \$3,000,000

Original Use: Private Boarding School /  
Military Hospital

Present Use: Apartments

Housing units created: 85

Estimated total employment: 218

Estimated construction jobs: 137

Estimated economic impact: \$25,590,000



*Photo by Jennifer Falkinburg*



*Photo by MNCPPC*

# Gateway Arts Center Brentwood, Maryland

Built as an automobile dealership in 1945, this two-story building in Brentwood near the Washington D.C.-Prince George's County line is a good example of a relatively intact mid-20th century commercial strip property. The property changed hands over the years, with its most recent use as a government surplus warehouse before being transformed in 2010 to the Gateway Arts Center.

The center now houses the Brentwood Arts Exchange, which presents and promotes the visual arts. Visitors find a wealth of crafts and functional art by local artists in their studios and public galleries. The building's renaissance anchors the new cultural hub along the Route 1 Corridor, identified by Brentwood and neighboring municipalities Hyattsville, Mount Rainier and North Brentwood as the Gateway Arts District.

Total Rehabilitation Costs: \$2,421,650

Tax credit: \$315,835

Original Use: Warehouse

Present Use: Community arts center

Estimated total employment: 23

Estimated construction jobs: 14

Estimated economic impact: \$2,694,072.55





# Independence Hall Princess Anne, Maryland

Independence Hall, located in the heart of Princess Anne—whose historic district is on the National Register of Historic Places and designated a Main Street Maryland community—was constructed in 1899 as the Princess Anne Hotel. The building was remodeled several times, and in 1925 was converted into a town theater and restaurant. In the 1970s, a heavy brick façade with modern windows and a balcony was tacked on to the building, completely concealing the original façade.

Rehabilitation efforts focused on removal of the imposing 1970s brick and included repair of original interior tin ceilings, cornices and restoration of the lobby. Today, the former Princess Anne Hotel has been converted to a shop, café and apartments, featuring an early-20<sup>th</sup> century storefront true to the original.

Total Rehabilitation Costs: \$1,262,375

Tax credit: \$160,000

Original Use: historic hotel and theater

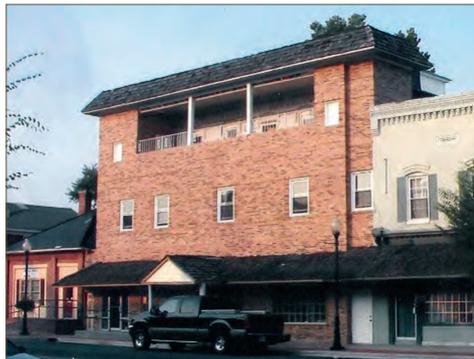
Present Use: retail/commercial ground floor, apartment units upper floors

Housing units created: 10

Estimated total employment: 12

Estimated construction jobs: 7

Estimated economic impact: \$1,364,800





*“A lot of the teachers who moved here as renters wanted to stay. So right up the street from Miller’s Court, Seawall bought houses, renovated them and sold them at an affordable cost so some of the people they were attracting to the neighborhood put down roots as homeowners. It’s really quite exciting.”*

—MARY PAT CLARKE, BALTIMORE CITY COUNCIL MEMBER, 14TH DISTRICT

## Miller's Court Baltimore, Maryland

An innovative adaptive re-use of a vacant historic building, Miller's Court provides affordable workforce housing for teachers and incubator space for education-related businesses and nonprofit organizations in a LEED-Gold certified building. The property was not only an ideal space, it also was in an ideal location—near Baltimore City Public Schools headquarters and the Johns Hopkins University School of Education, where many Teach for America participants earn master's degrees while working in the city school system.

Through a combination of historic preservation tax credits and enterprise zone credits, the developer, Seawall Corp., opened the doors to Miller's Court in 2009. What makes the project unique is its focus not just on environmental and economic sustainability, but on social sustainability. The spin-off effects have been dramatic: a corner coffee house rapidly became a neighborhood hotspot, a theater company is transforming a car dealership into a performance space, community groups are installing public art, and teachers are buying rowhouses renovated by Miller's Court developers, who want to retain young talent in the Remington neighborhood.

Total Rehabilitation Costs: \$19,988,362

Tax credit: \$2,720,000

Original Use: Factory

Present Use: apartment units, offices,  
retail coffee shop

Housing units created: 93

Estimated total employment: 197

Estimated construction jobs: 124

Estimated economic impact: \$23,201,600





Martin O'Malley, Governor  
Anthony G. Brown, Lt. Governor



Richard Eberhart Hall, AICP, Secretary  
Amanda Stakem Conn, Esq., Deputy Secretary

For more information on the tax credit program and how to apply, visit <http://mht.maryland.gov/taxcredits.html>.