



Maryland
DEPARTMENT OF PLANNING
MARYLAND HISTORICAL TRUST

Study of the Redevelopment of Historic Government Complexes
Meeting of Study Steering Committee
Tuesday, June 8, 2021 at 1 PM
Virtual Meeting

Steering Committee Members Present: Robert S. McCord, Secretary of the Maryland Department of Planning; Senator Katie Fry Hester; Delegate Regina Boyce; John Renner, Nicholas Redding.

Other Attendees: Steven McCleaf, Langley Realty Partners; Steve Cassard, Bainbridge Development Corporation; Tamar Osterman, MD Department of Commerce; Atif Chaudry, MD Department of Health; Hunter Pickels, MD Department of Housing and Community Development; Jane Roger, MD Department of General Services; Elizabeth Hughes, Collin Ingraham, Maryland Historical Trust.

I. Call to Order Secretary Robert S. McCord

Secretary McCord called the meeting to order at 1:08 pm.

II. Approval of Minutes Secretary Robert S. McCord

Mr. Renner made a motion to approve the minutes as submitted. The motion was seconded by Delegate Boyce and approved unanimously.

III. Report on Items from May Meeting All

- Historic Tax Credit (1.1.1; 1.1.2) Nicholas Redding, Preservation Maryland

Mr. Redding reported that he had been working with Senator Hester and other members of the General Assembly to schedule a tour of completed and potential tax credit projects in October of 2021. MHT staff will be invited to participate in the tours in an informational capacity. Delegate Luedtke has shown particular interest in the historic tax credit program.

- Expanding Zone Designations (1.3) Elizabeth Hughes, MHT

Ms. Hughes indicated which historic complexes addressed by the study were located in which

zones as follows:

Property Name and Address	Opportunity zone?	Enterprise Zone?	Sustainable Community?	Priority Funding Area?
Glenn Dale Hospital Glen Dale, MD Prince George's County	No	No	No	Yes
Tome School Port Deposit, MD Cecil County	No	Yes	Yes	Yes
Warfield Sykesville, MD Carroll County	No	No	Yes	Yes

Mapping of these zones can be found on the DHCD website and the Commerce website using the following links:

DHCD Revitalization Zone mapper: <https://portal.dhcd.state.md.us/GIS/revitalize/index.html>

Commerce Enterprise Zone mapper:
<https://maryland.maps.arcgis.com/apps/InformationLookup/index.html?appid=08c59e9cf06a4be99b178cfda57e65d3>

Mr. Renner recommended the New Markets Tax Credit mapping tool provided by Novogradac as a useful resource as well: <https://www.novoco.com/resource-centers/new-markets-tax-credits/data-tools/nmtc-mapping-tool>

The Committee discussed the static nature of the Opportunity Zone program; the state is unable to designate new opportunity zones moving forward unless changes are made to this federal program. Secretary McCord suggested that changes in census geographies resulting from the most recent census could impact the ability of certain zones to continue to qualify under the zone requirements. It is unclear if or how those changes would impact the viability of already designated opportunity zones.

The Committee discussed the benefit of enterprise zones on the redevelopment of historic government complexes. Ms. Osterman observed that the Enterprise Zone program is focused on job creation and providing incentives to benefit employers; it is not designed to assist with a project's capital needs which is the primary challenge for the historic complexes this Committee is seeking to address. The Committee agreed that seeking to expand opportunity or enterprise zones to encompass these types of complexes would not be significantly impactful.

Mr. McCleaf observed that, based on his experience, the chief obstacle to redevelopment of these complexes is the inability to achieve the type of density and use that the market will support and the local zoning authority will accept. In future, he would advise that before a transfer takes place, there is agreement on a plan for redevelopment between the state, the local zoning authority, and the purchaser that is based on an analysis of market demands.

Delegate Boyce suggested that a feasibility study addressing these issues could be required

before transfer takes place. She also recommended that the Climate Change Commission and the Commission for Environmental Justice and Sustainable Communities be made aware of this effort. Secretary McCord indicated that in so far as he has staff serving on both Commissions, he would be sure to coordinate with them.

- Property Tax Abatement (1.2) Elizabeth Hughes, MHT

Ms. Hughes reported that she is working with the MDP Office of the Attorney General to determine what authority exists that authorizes local governments to implement property tax abatement programs and where there may be gaps that can be addressed through authorizing legislation.

- DHCD Funding Sources (1.4) Hunter Pickels, DHCD

Mr. Pickels indicated that DHCD's NED and BERNIE Programs were both limited to geographies inside the Washington DC and Baltimore beltways and that funding for BERNIE may be awarded to eligible Community Development Agencies only. As such, he recommended that expansion of Sustainable Communities designations to include historic state government complexes would be a preferable approach to changing the NED and BERNIE programs. The Sustainable Communities designation would provide access to Strategic Demolition Fund and Community Legacy grant resources.

Mr. Renner recommended that eligible recipients for these funds be expanded to include for-profit entities in order for the funds to support the redevelopment of historic government complexes once they had transferred out of state ownership.

- MD Community Development Entity (1.5) John Renner and Nicholas Redding

Mr. Renner reported that there is significant precedent for government affiliated CDEs – examples exist in Los Angeles, Chicago, Fort Wayne, etc. In order to be successful in receiving New Markets Tax Credits, a CDE must have a demonstrated track record of supporting development projects in designated census tracts. DHCD and Commerce have that experience. Creation of a CDE affiliated with one of those agencies, or the Comptroller's Office, should be explored. Mr. Renner will share a list of consultants who can assist in establishing CDEs.

Mr. Redding indicated that Preservation Maryland had explored doing this as well but did not yet have enough experience in investing in these areas. PM is continuing to work towards this goal.

Ms. Osterman agreed that this approach makes sense. By leveraging New Markets Tax Credits, the state could address the huge capital needs of historic government complexes and would incentivize equity investment by attracting funds from outside of Maryland.

- MD New Markets Tax Credits Program (1.6) Senator Katie Fry Hester

Senator Hester reported on her research regarding the creation of state New Markets Tax Credits Programs. She will confer with Mr. Renner to determine whether creation of such a program would be advantageous for Maryland.

- Historic Complex Disposition Team Hunter Pickles, DHCD and Adam Gruz, MDP

Mr. Pickles reported that a call between Secretary McCord and Secretary Holt to discuss the creation of a Historic Complex Disposition Team had taken place last week. The next step will be to bring together other agencies with an interest in the work of this group such as DGS, MDH, and MDE. Secretary McCord suggested that MES should also be included.

Mr. Pickles indicated that it does not initially appear as though creation of this body will require legislation. This could change if the body is required to take possession of the government complexes before they are transferred to a private entity. If it is simply a matter of accomplishing certain preservation and remediation activities at a site using existing contracts, then the issue is one of funding not statutory authority. He cited Project CORE as an example of how this could be accomplished.

Secretary Hester expressed concern that without legislation there may not be sufficient accountability to ensure the success of the Team's work.

Secretary McCord indicated that he would investigate whether the body could be created by regulation.

IV. Proposed Meeting Schedule

The next meeting will be held on Tuesday, July 13 from 1-2:30 pm. Ms. Hughes will send out a meeting invite later today.

The meeting adjourned at 2:35 pm.