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**Maryland**  
**DEPARTMENT OF PLANNING**  
**MARYLAND HISTORICAL TRUST**

Study of the Redevelopment of Historic Government Complexes  
Meeting of Study Steering Committee  
Tuesday, December 3 at 1 PM  
MHT Board Room, 100 Community Place, Crownsville, MD

### Meeting Minutes

Steering Committee Members: Robert S. McCord, MDP Secretary; Senator Katie Fry Hester; Delegate Regina Boyce; Nicholas Redding, Preservation Maryland; John Renner, Cross Street Partners.

Consultant Team: Cherilyn Widell, Widell Preservation Services; David Shiver (by phone) and Mary Burkholder, BAE Urban Economics; Patrick Sparks, Sparks Engineering (by phone).

State Agency Representatives: Elizabeth Hughes, Anne Raines, Collin Ingraham, Megan Klem, MHT; Adam Gruz, MDP; Atif Chaudry, MDH; Steve Pennington, MES (by phone); Hunter Pickels, DHCD; Tamar Osterman, Commerce.

Members of the Public: Steven McCleaf, Warfield/Langley.

Meeting convened at 1:10 PM

#### 1. Introductions

Secretary McCord invited meeting participants to introduce themselves.

#### 2. Approval of September 25, 2019 Meeting Minutes

Secretary McCord asked Steering Committee members to review the minutes from the September 25, 2019 meeting. The minutes were approved by consensus.

#### 3. Overview of Final Draft Report

Cherilyn Widell and members of the consultant team provided an overview of those recommendations included on pages 3, 4, 5, 43, 44, and 45 in the 100% draft report that was distributed to the Steering Committee for review.

#### 4. Recommendations

Meeting participants requested edits to the recommendations on pages 4 and 5 as follows:

Retitle this section “Recommended Policy and Legislative Actions”

##### 1. State Historic Revitalization Tax Credit Program and Other State Incentive Programs

Ensure that numbering of recommendations cited here correspond to the numbering of recommendations on pages 25-42 and include all of those recommendations noted on pages 25-42.

Revise recommendation 1.6 to also include: 1.) removal of requirement that eligible properties must be located in a sustainable community IF the applicant property is a state owned or formerly state-owned historic property; and, 2.) provide preference in the application process for applicant properties that are state owned or formerly state-owned historic properties.

Mr. Pickels noted that a statutory change to the program would likely be necessary in order to make properties outside of sustainable communities eligible for funding but would not be necessary in order to provide preference in the rating and ranking of applications.

Recommendation 1.7 should be re-written as follows: Support the development of Maryland-only Community Development Entities that maximize the use of the federal New Markets Tax Credits Program.

Create a new recommendation as follows: Explore creation of a Maryland New Markets Tax Credits Program.

Create a new recommendation as follows: Explore creation of a PACE program targeting the use of private capital to finance rehabilitation and remediation of formerly state-owned historic complexes.

A discussion of this recommendation will need to be inserted in the recommended incentives section on pages 25-29. PACE stands for “Property Assessed Clean Energy” and is designed to further the advancement of clean energy solutions and the reduction of energy costs. Maryland passed PACE-enabling legislation in 2009 and the first commercial PACE program, MD-PACE, began operating in 2015. Through MD-PACE, commercial, industrial, and nonprofit properties use private capital to finance 100% of efficiency and renewable energy upgrades which are then repaid as a long-term surcharge on the property which is added to the property’s tax bill. This recommendation proposes the development of a PACE program designed to assist with financing rehabilitation or remediation of historic properties such as the divested historic complexes that are the focus of this report. Mr. Redding can provide Ms. Widell with more information on this recommendation.

##### 2. MHT Easement Program

Move this section to serve as item 3.

Recommendation 2.2 should be rewritten as follows: Formulate Section 106 mitigation strategy to satisfy the needs and conditions of individual properties.

### 3. Pre-Disposition Due Diligence and Planning

Move this section to serve as item 2.

Recommendation 3.3 should be amended to remove “as required by the Act” as the Act does not presently require development of condition assessments, monitoring and reporting.

### 4. Codes, Standards and Historic Rehabilitation Treatments

No comments

### 5. Conveyance Strategies and Terms

No comments

### 6. Maryland Case Study Specific Recommendations

6.1 states “Will be included in 100% Final document”; this language needs to be updated to refer to those specific recommendations on pages 43-44.

Meeting participants requested edits to recommendation language included in the body of the report as follows:

Page 27: Delete Recommendation 1.2 as this is already permitted. This recommendation does not appear on page 4, so no change will be needed in that section of the report as a result of this deletion.

Page 28: Delete any reference to “opportunity zones” here and throughout the report as the designation of new opportunity zones is unrealistic.

Page 30: In Section 2, provide background information regarding why MHT takes easements on divested state and federal property in order to provide some context for the information that follows. MHT can provide this text if needed.

Page 32: Delete “[t]he perception of many is that the Maryland State Clearinghouse handles pre-disposition planning for state agencies disposing of state property, but it falls far short of protecting these state assets or efficiently and effectively disposing of historic building complexes.” The actual role of Clearinghouse could be discussed with recommendation 3.1, indicating that with greater emphasis on pre-planning, a more robust process would allow agencies to pair their space needs with available properties through the Clearinghouse process

Page 34: If Rhode Island has developed return on investment information that demonstrates the advantages of redevelopment of historic properties under their control, it would be helpful to include it to support recommendation 3.1.

Page 34: Recommendations 3.1 and 3.2 as articulated here appear to be the same. Replace the language of 3.2 on page 34 with the language of 3.2 on page 4. Action on this item will impact the list of recommendations included on page 4-5.

Page 35: Accurate information on the state of State-owned historic properties is essential to ensure proper planning for and appropriate treatment of these properties consistent with the Maryland Historical Trust Act, Section 5A-326. However, the MHT Act does not require state agencies to “complete condition assessments or conduct monitoring and reporting on historic properties under their control” as is suggested here. To that end, recommendation 3.3 should be revised to require each State agency with real property management responsibilities to prepare a baseline report inventorying and assessing historic properties under its control and projecting the future disposition of those properties in support of the state’s economic development goals. Updates to this report should be required every three years. Enforcement of this requirement may be achieved by requiring the report to be reviewed during agency’s regular audits by the state. Action on this item will impact the list of recommendations included on page 4-5.

Page 39: In the section of Codes, Standards, and Historic Rehabilitation Treatments, include language clarifying that the goals of these actions include narrowing down what a building can and can’t be used for in order to identify an appropriate development scheme for the property, eliminating the perception of risk in order to attract developers, and assisting the state to establish an appropriate purchase price for the property.

Page 42: Include some discussion of what state entity would be appropriate to manage a ground lease and what characteristics such an entity should have in order for the ground lease to be successfully administered. MEDCO and MES are examples of state agencies that may have the capacity to manage ground leases. DGS could use their brokers on staff – CBRE – to carry out this work.

Page 42: Recommendation 5.2 and accompanying narrative should be added.

Page 43: Warfield recommendations - Delete 6.1.1 and 6.1.2 as these studies have already been done. Delete 6.1.5 as well. The obstacles that need to be addressed for this property include lack of funding for environmental remediation and selective demolition and a misalignment between the market and proposed commercial use of the property. To the end, include recommendations regarding increasing the caps (per project and aggregate) on the state historic tax credit and increasing the percentage of the state historic tax credit for these types of properties as have been described on page 27. Also include a recommendation to re-examine the relationship between the property owner, the Town of Sykesville, and MHT in carrying out the review process stipulated by the various agreement documents controlling redevelopment of the Warfield property.

Pages 43-44: Tome School and Glenn Dale recommendations – As has been suggested for Warfield, select from the menu of recommendations included in the front matter of the report those recommendations (e.g. improvements to the tax credit program, access to the DHCD Strategic Demolition Fund, etc.) which are expected to be successful in addressing redevelopment obstacles for these case study properties.

Page 45: Delete this page, but don't lose any of the good recommendations here that may be included elsewhere in the report. For example, revise recommendation 6 to read – “Explore creation of enterprise zone type program for divested state properties.” Creation of this program would provide businesses located here with access to income tax credits and real property tax credits in return for job creation and investments made in the zone. Note that the enterprise zone designation issue is unrelated to improving access to federal Brownfields funding available through the EPA. MDP's website notes that it can assist in connecting jurisdictions with funding and incentive opportunities to continue to help spur on brownfield assessment, cleanup and redevelopment.

Page 46: Preservation Maryland recently completed an economic impact study demonstrating the value of the historic tax credit; data for that study may be helpful to include here. Mr. Redding can provide the consultant with access to that report.

Appendices: Senator Hester requested that the information she provided on the properties owned by five principal property-owning State agencies be included in an appendix.

### Project Timeline

Secretary McCord thanked the Steering Committee and additional meeting participants for their participation in committee meetings and their constructive comments on the draft study. He indicated that staff would work with the consultant to make corrections to the final version of the report and adjustments to the report recommendations that were discussed today.

Senator Hester recommended that a letter from the Steering Committee framing the challenges that the study was undertaken to address be inserted in the front matter of the report. She volunteered to draft the letter.

Ms. Hughes reported that the final version of the report is due to be submitted to the Governor and General Assembly by December 15<sup>th</sup>.

Meeting adjourned at 4:00 pm.