

Chapter 334

(Senate Bill 741)

AN ACT concerning

~~Maryland Historical Trust – Properties Subject to Historic Preservation Easements – Waiver Process~~
Secretary of Planning – Adaptive Reuse of Historic Properties – Study

FOR the purpose of ~~requiring the Maryland Historical Trust to develop a process for the waiver, in exceptional circumstances, of certain requirements, regulations, and processes applicable to a property subject to a certain historic preservation easement; specifying the conditions under which exceptional circumstances exist for purposes of this Act; and generally relating to properties subject to historic preservation easements held by the Maryland Historical Trust requiring the Secretary of Planning to contract with a certain consultant to conduct a certain study on the adaptive reuse of certain historic properties; authorizing the Secretary to use up to a certain amount to pay for the costs of the study; requiring that the work of the consultant be guided by a certain steering committee; requiring that the study focus on certain complexes and campuses; prohibiting the study from including certain properties; requiring that the study identify certain factors and obstacles, develop a certain historic resource package, develop certain case studies, and provide certain recommendations; requiring that certain reports be submitted to certain persons on or before certain dates; and generally relating to a study of the adaptive reuse of historic properties.~~

~~BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 5A-301(a), (m), and (n)
Annotated Code of Maryland
(2015 Replacement Volume and 2018 Supplement)~~

~~BY adding to
Article – State Finance and Procurement
Section 5A-321
Annotated Code of Maryland
(2015 Replacement Volume and 2018 Supplement)~~

Preamble

WHEREAS, Preservation of Maryland’s irreplaceable heritage is intrinsically valuable; and

WHEREAS, Historic preservation can result in substantial economic benefit, as well as significant economic cost; and

WHEREAS, The disposal of excess and underutilized historic real property by state and federal government agencies is often challenged by competing stakeholder interests, regulatory constraints, costly environmental requirements, geographical location, and design; and

WHEREAS, It is in the public interest to identify solutions in support of the redevelopment and adaptive reuse of excess historic real property in a manner that is economically feasible, results in positive preservation outcomes, supports local community development goals, and takes into account exceptional circumstances; now, therefore,

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That ~~the Laws of Maryland read as follows:~~

(a) (1) Subject to paragraph (2) of this subsection, the Secretary of Planning shall contract with a consultant to conduct a study on the adaptive reuse of historic properties located within the State that are or were owned by the State or the federal government.

(2) The consultant contracted to conduct the study under paragraph (1) of this subsection must be an independent, nongovernmental party with multidiscipline experience and knowledge in the areas of historic preservation, construction and development, economic development, and stakeholder engagement.

(b) The Secretary of Planning may use up to \$75,000 to pay for the costs of the study required under subsection (a)(1) of this section.

(c) The work of the consultant contracted to conduct the study under subsection (a)(1) of this section shall be guided by a steering committee that includes:

- (1) the Secretary of Planning, or the Secretary's designees;
- (2) one member of the Senate, designated by the President of the Senate;
- (3) one member of the House of Delegates, designated by the Speaker of the House;
- (4) one representative of the private sector with experience in historic preservation, designated by the Secretary of Planning; and
- (5) one representative of a nonprofit organization who has experience in historic preservation, designated by the Secretary of Planning.

(d) Subject to the discretion of the Secretary of Planning, the study conducted under subsection (a)(1) of this section:

(1) shall focus on complexes or campuses consisting of multiple buildings that:

(i) are or were owned by the federal government or the State; and

(ii) consist of at least three discrete buildings, which may be interconnected, that encompass at least 50,000 square feet in total gross floor area located on at least 3 acres of land; and

(2) may not include farms and other properties that are primarily used for agricultural purposes.

(e) The study conducted under subsection (a)(1) of this section shall:

(1) identify key success factors and primary obstacles to the preservation and redevelopment of historic properties, including how major components contribute to the delicate cost–value balance of a project, including:

(i) structural conditions;

(ii) environmental and health considerations;

(iii) local community economic development goals;

(iv) prevailing market real estate conditions;

(v) material, labor, and other regulatory requirements; and

(vi) available tax credits and other incentives;

(2) develop a historic resource package of existing, new, and altered enticements, programs, and resources that could be applied to support projects, such as the preservation of campuses and complexes described under subsection (d)(1) of this section, including:

(i) existing federal, state, and local governmental and private programs and resources that have been used or can be used to support projects, such as the preservation of campuses and complexes described under subsection (d)(1) of this section;

(ii) potential new support programs that could be created to help support projects, such as the preservation of campuses and complexes described under subsection (d)(1) of this section; and

(iii) regulatory changes that might be effective in balancing financial, fiscal, economic development, preservation, and local community development goals;

(3) develop three case studies of historic complexes or campuses that are not yet preserved or redeveloped that:

(i) exemplify how the major components outlined under item (1) of this subsection contribute to the delicate cost–value balance of the project; and

(ii) demonstrate how the historic resource package developed under item (2) of this subsection could positively impact the redevelopment of the historic complexes or campuses; and

(4) provide recommendations, based on items (1) through (3) of this subsection, for a historic resource package to be considered by the Secretary of Planning and the General Assembly for the 2020 legislative session.

(f) (1) On or before September 15, 2019, the consultant contracted to conduct the study under subsection (a)(1) of this section shall submit a draft report of its findings and recommendations to the Secretary of Planning and the steering committee described under subsection (c) of this section.

(2) On or before ~~October 31~~ December 15, 2019:

(i) the consultant contracted to conduct the study under subsection (a)(1) of this section shall submit a final report of its findings and recommendations to the Secretary of Planning; and

(ii) the Secretary of Planning shall forward the report submitted under item (i) of this paragraph to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.

~~Article – State Finance and Procurement~~

~~5A–301.~~

~~(a) In this subtitle the following words have the meanings indicated.~~

~~(m) “Trust” means the Maryland Historical Trust.~~

~~(n) “Undertaking” means a project that involves or may result in building construction, building alteration, or land disturbance.~~

~~5A–321.~~

~~(A) THE TRUST SHALL DEVELOP A PROCESS FOR THE WAIVER, IN EXCEPTIONAL CIRCUMSTANCES, OF REQUIREMENTS, REGULATIONS, AND PROCESSES APPLICABLE TO A PROPERTY SUBJECT TO A HISTORIC PRESERVATION EASEMENT HELD BY THE TRUST.~~

~~(B) FOR THE PURPOSES OF THIS SECTION, EXCEPTIONAL CIRCUMSTANCES EXIST IF:~~

~~(1) THE PROPERTY IS SUBJECT TO REPEATED FLOODING OR OTHER CONTINUING CONDITIONS THAT HAVE RESULTED IN DAMAGE TO THE PROPERTY'S INFRASTRUCTURE;~~

~~(2) THERE IS AN URGENT NEED TO STABILIZE HISTORIC STRUCTURES OR CONDUCT ENVIRONMENTAL REMEDIATION AT THE PROPERTY;~~

~~(3) THE COST OF COMPLYING WITH THE REQUIREMENTS, REGULATIONS, OR PROCESSES OF THE TRUST WOULD EXCEED THE NORMAL COST OF AN UNDERTAKING BY 20% OR MORE;~~

~~(4) EXTRAORDINARY INFRASTRUCTURE COSTS CHALLENGE THE VIABILITY OF AN UNDERTAKING; OR~~

~~(5) THE TRUST DETERMINES THAT, IN THE ABSENCE OF A WAIVER, THE PROPERTY MAY BECOME ABANDONED OR DILAPIDATED.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October~~ June 1, 2019.

Approved by the Governor, April 30, 2019.