

SENATE BILL 741

P3

9lr2227
CF HB 1403

By: **Senator Hester**

Introduced and read first time: February 4, 2019

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 12, 2019

CHAPTER _____

1 AN ACT concerning

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

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

21 ~~BY repealing and reenacting, without amendments,~~
22 ~~Article – State Finance and Procurement~~
23 ~~Section 5A-301(a), (m), and (n)~~
24 ~~Annotated Code of Maryland~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~(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;

1 (2) one member of the Senate, designated by the President of the Senate;

2 (3) one member of the House of Delegates, designated by the Speaker of
3 the House;

4 (4) one representative of the private sector with experience in historic
5 preservation, designated by the Secretary of Planning; and

6 (5) one representative of a nonprofit organization who has experience in
7 historic preservation, designated by the Secretary of Planning.

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

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

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

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

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

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

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

22 (i) structural conditions;

23 (ii) environmental and health considerations;

24 (iii) local community economic development goals;

25 (iv) prevailing market real estate conditions;

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

27 (vi) available tax credits and other incentives;

28 (2) develop a historic resource package of existing, new, and altered
29 enticements, programs, and resources that could be applied to support projects, such as the

1 preservation of campuses and complexes described under subsection (d)(1) of this section,
2 including:

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

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

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

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

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

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

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

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

25 (2) On or before October 31, 2019:

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

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

32 ~~Article – State Finance and Procurement~~

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

2 ~~(m) "Trust" means the Maryland Historical Trust.~~

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

5 ~~5A-321.~~

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

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

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

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

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

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

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

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