



February 26, 2024

The Honorable Brian J. Feldman, Chair  
Education, Energy, and the Environment Committee  
Miller Senate Office Building, 2 West  
Annapolis, MD 21401

**Oppose: SB 1086 – Environment – Environmental Justice Districts – Designation and Requirements**

Dear, Chair Feldman and Committee Members:

On behalf of the NAIOP Maryland Chapters representing seven hundred companies involved in all aspects of commercial, industrial, and mixed-use real estate I am writing in opposition to SB 1086.

This bill requires that MDE designate Environmental Justice Districts in accordance with criteria specified in the bill. MDE is prohibited from approving a permit if it directly or indirectly increases pollution in the Environmental Justice District. NAIOP has concerns about the designation process and the likelihood that that bill will be a disincentive to beneficial redevelopment in Environmental Justice Districts.

The rationale for NAIOP's opposition includes the following points:

- MDE is prohibited from approving any permit that directly or indirectly increases pollution, in even the smallest amounts. NAIOP believes that beneficial redevelopment is a catalyst for positive economic and environmental change bringing housing, commercial amenities, and improved quality of life. These kinds of conversions often result in environmental conditions that are an improvement compared to prior uses. As written, it is hard to see how residential or retail uses that generate automobile trips could be approved. A new healthcare facility or commercial use that requires back up power generators would also be prohibited in the EJ districts as defined in the bill.
- Designating an Environmental Justice District includes consideration of areas, "in close proximity to traffic" which would make many areas across the state eligible. The bill charges MDE with designating Environmental Justice Districts by April 1, 2025, and publishing a list on its website.

The bill also permits a resident to apply for designation but does not provide any guidance on an approval process. State law sets out procedures for residents and business owners in business improvement districts, for example, to participate in a public approval process prior to designation.

**For these reasons NAIOP respectfully requests your unfavorable report on SB 1086.**

Sincerely,

A handwritten signature in blue ink that reads 'T.M. Ballentine'.

Tom Ballentine, Vice President for Policy  
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Education, Energy, and the Environment Committee Members  
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