

**DW0110**  
**Department of Planning – Capital**

***Capital Budget Summary***

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**State-owned Capital Improvement Program**  
(\$ in Millions)

<b>Projects</b>	<b>Prior Auth.</b>	<b>2018 Request</b>	<b>2019 Est.</b>	<b>2020 Est.</b>	<b>2021 Est.</b>	<b>2022 Est.</b>	<b>Beyond CIP</b>
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Patterson Center Renovations	\$0.827	\$0.000	\$3.692	\$3.632	\$0.000	\$0.000	\$0.000
Maryland Archaeological Conservation Laboratory – Expansion and Renovation	0.000	0.000	0.000	0.329	2.458	2.401	0.000
<b>Total</b>	<b>\$0.827</b>	<b>\$0.000</b>	<b>\$3.692</b>	<b>\$3.961</b>	<b>\$2.458</b>	<b>\$2.401</b>	<b>\$0.000</b>

<b>Fund Source</b>	<b>Prior Auth.</b>	<b>2018 Request</b>	<b>2019 Est.</b>	<b>2020 Est.</b>	<b>2021 Est.</b>	<b>2022 Est.</b>	<b>Beyond CIP</b>
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GO Bonds	\$0.827	\$0.000	\$3.692	\$3.961	\$2.458	\$2.401	\$0.000
<b>Total</b>	<b>\$0.827</b>	<b>\$0.000</b>	<b>\$3.692</b>	<b>\$3.961</b>	<b>\$2.458</b>	<b>\$2.401</b>	<b>\$0.000</b>

CIP: *Capital Improvement Program*  
GO: general obligation

**Grant and Loan Capital Improvement Program**  
(\$ in Millions)

<b>Program</b>	<b>2016 Approp.</b>	<b>2017 Approp.</b>	<b>2018 Request</b>	<b>2019 Est.</b>	<b>2020 Est.</b>	<b>2021 Est.</b>	<b>2022 Est.</b>
Sustainable Communities Tax Credit Program	\$9.000	\$9.000	\$9.000	\$0.000	\$0.000	\$0.000	\$0.000
Maryland Historical Trust Revolving Loan Fund	0.300	0.300	0.300	0.300	0.300	0.300	0.300
African American Heritage Preservation Grant Program	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Maryland Historical Trust Capital Grant Fund	0.000	0.000	0.600	0.600	0.600	0.600	0.600
<b>Total</b>	<b>\$10.300</b>	<b>\$10.300</b>	<b>\$10.900</b>	<b>\$1.900</b>	<b>\$1.900</b>	<b>\$1.900</b>	<b>\$1.900</b>

<b>Fund Source</b>	<b>2016 Approp.</b>	<b>2017 Approp.</b>	<b>2018 Request</b>	<b>2019 Est.</b>	<b>2020 Est.</b>	<b>2021 Est.</b>	<b>2022 Est.</b>
PAYGO GF	\$9.000	\$9.000	\$9.000	\$0.000	\$0.000	\$0.000	\$0.000
PAYGO SF	0.300	0.150	0.300	0.150	0.150	0.150	0.150
GO Bonds	1.000	1.150	1.600	1.750	1.750	1.750	1.750
<b>Total</b>	<b>\$10.300</b>	<b>\$10.300</b>	<b>\$10.900</b>	<b>\$1.900</b>	<b>\$1.900</b>	<b>\$1.900</b>	<b>\$1.900</b>

GF: general funds  
GO: general obligation  
PAYGO: pay-as-you-go  
SF: special funds

Note: No out-year funding is projected for the Maryland Sustainable Communities Tax Credit Program since the tax credit is not included in the 2017 *Capital Improvement Program*. Chapter 601 of 2014 (Sustainable Communities Tax Credit Program – Extension and Alteration) altered and extended the tax credit through fiscal 2022 but did not specify an amount.

## ***Summary of Recommended PAYGO Actions***

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1. Concur with Governor's allowance of \$300,000 in special funds for the Maryland Historical Trust Revolving Loan Fund.
2. Concur with Governor's allowance of \$9,000,000 in general funds for the Maryland Heritage Structure Rehabilitation Tax Credit Program.

## ***Summary of Recommended Bond Actions***

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1. Maryland Historical Trust Capital Grant Fund  
  
Approve the \$600,000 general obligation bond authorization for the Maryland Historical Trust Capital Grant Fund.
2. African American Heritage Preservation Grant Program  
  
Approve the \$1,000,000 general obligation bond authorization for the African American Heritage Preservation Grant Program.
3. SECTION 2 – Maryland Department of Planning – Riverside Interpretive Trails and Exhibit Stations  
  
Approve the de-authorization of \$300,261 in general obligation bond authorization for the Riverside Interpretive Trails and Exhibit Stations project.

## ***Program Description***

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The mission of the Maryland Department of Planning (MDP) Preservation Services program is to preserve historical and archeological resources by providing financial incentives to property owners and enforcing regulations. MDP currently has four capital programs that serve to preserve historical and archeological resources: the Maryland Heritage Structure Rehabilitation Tax Credit Program (formerly the Maryland Sustainable Communities Tax Credit Program), the Maryland Historical Trust (MHT) Revolving Loan Fund, the MHT Capital Grant Fund, and the MHT African American Heritage Preservation (AAHP) Grant Program. All four programs seek to promote the acquisition and rehabilitation of historic properties by providing low-interest loan funds, tax credits, or grants, depending on the program. In addition to funding for all four of the capital grant and loan programs, there is funding programmed in the five-year 2017 *Capital Improvement Program* (CIP) for several State-owned projects administered by MDP, including the Patterson Center Renovations project and the Maryland Archaeological Conservation Laboratory – Expansion and Renovation project.

- ***Maryland Heritage Structure Rehabilitation Tax Credit Program (Formerly Maryland Sustainable Communities Tax Credit Program):*** The Maryland Sustainable Communities Tax Credit Program was created by the Sustainable Communities Act of 2010 (Chapter 487) as an extension and alteration of the existing Heritage Structure Rehabilitation Tax Credit Program – a budgeted tax credit. Chapter 601 of 2014 (Sustainable Communities Tax Credit Program – Extension and Alteration) altered and extended the program. Most recently, Chapter 578 of 2016 (Heritage Structure Rehabilitation Tax Credit – Alteration and Extension) reestablished the Sustainable Communities Tax Credit Program as the Heritage Structure Rehabilitation Tax Credit Program. The program has a commercial budgeted tax credit and both a small commercial and residential nonbudgeted tax credit. The small commercial nonbudgeted tax credit has a \$4 million overall cap, and the qualified rehabilitation expenditures cannot exceed \$500,000 per project. The tax credits offered are generally equal to 20% of qualified rehabilitation expenditures, not to exceed \$3 million for commercial rehabilitations and \$50,000 for both single-family, owner-occupied residences and small commercial projects. The tax credit is increased to 25% for a commercial rehabilitation that meets specified energy efficiency standards. Funding for the program is required for the commercial credit in fiscal 2018 through 2022. MHT is authorized to award an unlimited amount of residential credits to applications received through June 30, 2022.
- ***MHT Revolving Loan Fund:*** The MHT Revolving Loan Fund provides loans to nonprofit organizations, local jurisdictions, business entities, and private individuals for the purpose of acquiring, rehabilitating, or refinancing all categories of real property listed in or eligible for listing in the Maryland Register of Historic Properties. Short-term financing (up to two years) may also be available for predevelopment work required or recommended by MHT that is to be undertaken in advance of a construction project being funded with federal or State monies. The program may also be used to fund the cost of rehabilitation of historic property owned by MHT and for the acquisition of historic property by MHT. In return for loans, most recipients must convey to MHT a perpetual historic preservation easement on the property.
- ***MHT AAHP Grant Program:*** The MHT AAHP Grant Program was created by the AAHP Program (Chapters 278 and 279 of 2010) to identify and preserve buildings, communities, and sites of historical and cultural importance to the African American experience in Maryland. The program is administered by MHT in partnership with the Commission on African American History and Culture. Chapter 371 of 2015 (AAHP Program – Reestablishment and Revisions) reestablished, with alterations, and made permanent the AAHP Program. For each fiscal year, the Governor must include in the annual operating or capital budget an appropriation of \$1 million to the AAHP Grant Fund, a special fund established by the bill. Grant applications may be submitted by a date established annually by MHT and the Commission on African American History and Culture, and grants may be made to a business entity, individual, political subdivision, or nonprofit organization. In general, grant applications are considered competitively against all other grant applications submitted during the same fiscal year. Factors considered in granting applications include the public necessity and urgency of a project, the need for additional sources of funding for a project, the estimated cost and timeliness of executing a project, the viability of matching funds for a project, and geographic diversity. Nonprofit organizations are not required to provide matching funding, but for all other

recipients, the grant funding requires a match from any combination of federal, county, municipal, or private sources, and State participation must not exceed 50% of the total project cost. Up to 20% of the money available in the AAHP Grant Fund may be awarded to eligible emergency AAHP Projects not otherwise applied for during the regular application cycle. Unless waived by the director of MHT as infeasible, grantees must enter into an agreement to preserve and maintain the property. If the property is historic real property, then the agreement must be a recordable historic preservation easement.

- ***MHT Capital Grant Fund:*** The MHT Capital Grant Fund provides grants to nonprofit organizations, local jurisdictions, business entities, and individuals to assist with acquisition, rehabilitation, or restoration of properties listed, or eligible for listing, on the National Register of Historic Places. Nonprofit organizations and local jurisdictions may also receive funding for predevelopment costs directly associated with a project to rehabilitate or restore historic properties. Successful applicants must give MDP a perpetual preservation easement prior to the receipt of funds. The maximum grant offered is \$50,000.

## ***Performance Measures and Outputs***

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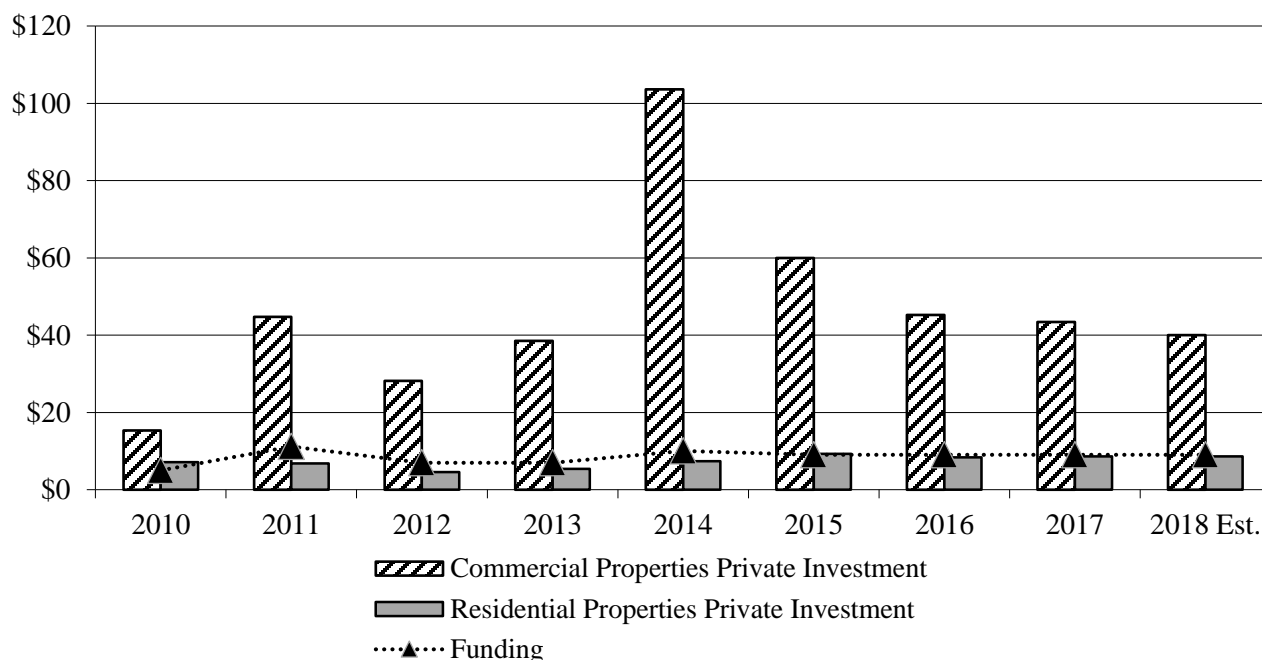
### **Sustainable Communities Tax Credit Program**

As shown in **Exhibit 1**, there was a substantial increase between fiscal 2013 and 2014 in the private investment for both rehabilitation of historic commercial properties and historic owner-occupied residential properties. For the commercial properties, the private investment increased from \$38.5 million to \$103.6 million, or 169%; residential properties' private investment increased from \$5.4 million in fiscal 2013 to \$7.4 million in fiscal 2014, or 37%. MDP has noted that the substantial increase in commercial property private investment between fiscal 2013 and 2014 is due to two large projects that had project costs in excess of the \$15.0 million in costs eligible for the credit under the \$3.0 million per project cap: the Baltimore Trust Company Building, with an estimated cost of \$75.0 million; and the Clipper Mill Project, with an estimated cost of \$17.3 million. The fiscal 2016 data reflects the return to a lower level of private investment with similarly conservative estimates for fiscal 2016 and 2017.

### **MHT Revolving Loan Fund**

While not formally included in its Managing for Results (MFR) measures, MDP does report on the types of projects served by the MHT Revolving Loan Fund. In the past, MDP has indicated that tight commercial lending conditions have made the MHT Revolving Loan Fund desirable, and it has not had trouble finding recipients for loans. Therefore, funding constraints – both the amount of funding and the fact that only loans are available – appear to limit the amount of loans provided.

**Exhibit 1**  
**Heritage Structure Rehabilitation Tax Credit**  
**Measure of Private Investment and Program Funding**  
**Fiscal 2010-2018 Est.**  
**(\$ in Millions)**



Note: No commercial tax credits were authorized in fiscal 2005. The former Maryland Heritage Structure Rehabilitation Tax Credit was first budgeted in the State budget as a tax credit in fiscal 2006, became the Maryland Sustainable Communities Tax Credit Program on June 1, 2010, and returned to being called the Maryland Heritage Structure Rehabilitation Tax Credit on June 1, 2016.

Source: Governor's Budget Books, Fiscal 2009-2016; Maryland Department of Planning

The Revolving Loan Fund averaged about 1.4 projects per year between fiscal 2005 and 2015, most of which are properties that were rehabilitated, as shown in **Exhibit 2**. For fiscal 2011 to 2015, all approved projects have been executed, which has not necessarily been the case in prior years. In terms of fiscal 2016 projects, MHT notes that the MHT Board of Trustees approved an application for the Gutman House property in Baltimore City for a refinancing using up to \$235,000. For fiscal 2017, one application has been received to date but is on hold pending the receipt of additional information. If approved, then the loan would provide for up to \$455,000 for a business to rehabilitate a commercial property in Washington County. No applications have been received to date for fiscal 2018.

**Exhibit 2**  
**Historic Properties Preserved**  
**Fiscal 2005-2018 Est.**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017 Est.</u>	<u>2018 Est.</u>
<b>Approved Projects</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>
Types of Projects Executed														
Historic Properties Acquired	1	0	0	0	0	0	1	0	1	0	0	0	0	0
Historic Properties Rehabilitated	1	0	1	2	1	1	1	1	0	1	1	0	1	1
Historic Properties Refinanced	0	0	1	0	1	0	0	0	0	0	0	1	0	1
<b>Projects Executed</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>To be determined</b>	<b>To be determined</b>	<b>To be determined</b>

Source: Maryland Department of Planning

## AAHP Grant Program

MDP does not report MFR measures for the AAHP Grant Program. MDP has noted that it usually treats non-State investment that is leveraged by a program as a performance measure but that the AAHP Grant Program does not require nonprofit applicants to provide matching funds. Instead, MDP has suggested that the match provided by local governments might be an appropriate alternative measure and that a potential objective would be to leverage a non-State match of more than 50% for each grant awarded to local government applicants.

**Exhibit 3**, which includes information about estimated fiscal 2018 projects, shows two trends: (1) a decline in the amount of non-State matching funds leveraged between fiscal 2012 (approximately \$480,000) and the fiscal 2018 estimate (approximately \$50,000); and (2) relatively few local government applicants in the six years of the program, as shown by the low numbers of applicants required to provide non-State matching funds. MDP has noted in the past that it encourages applications for funding through outreach efforts such as conversations both one-on-one and in grant workshops, relationships formed with African American heritage-orientated organizations, and by responses to public inquiries. Fiscal 2015 was the first year in which an online application was introduced.

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**Exhibit 3**  
**African American Heritage Preservation Grant Program Measures**  
**Fiscal 2012-2018 Est.**  
**(\$ in Millions)**

<b><u>Performance Measures</u></b>		<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018 Est.</u></b>
<b>Input:</b>	Applications received.	27	24	16	27	34	38	35
<b>Output:</b>	Grants awarded.	16	15	12	14	13	12	13
<b>Input:</b>	Funds requested.	\$2.07	\$1.97	\$1.48	\$2.29	\$2.96	\$3.25	\$3.00
<b>Output:</b>	Grants awarded.	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
<b>Output:</b>	Non-State matching funds leveraged.	\$0.48	\$0.17	\$0.11	\$0.13	\$0.04	\$0.03	\$0.05
<b>Output:</b>	Applicants required to provide non-State matching funds.	3 <sup>1</sup>	1 <sup>2</sup>	0	2 <sup>3</sup>	0	0	1
<b>Output:</b>	Non-State matching funds leveraged by local government applicants.	\$0.16	\$0.05	\$0.00	\$0.06	\$0.00	\$0.00	\$0.05
<b>Outcome:</b>	Percent of non-State investment leveraged by local government applicants compared to total project cost.	50%	50%	n/a	50%	n/a	n/a	50%

<sup>1</sup> Two local governments and one business entity.

<sup>2</sup> One local government.

<sup>3</sup> Two local governments.

Source: Maryland Department of Planning

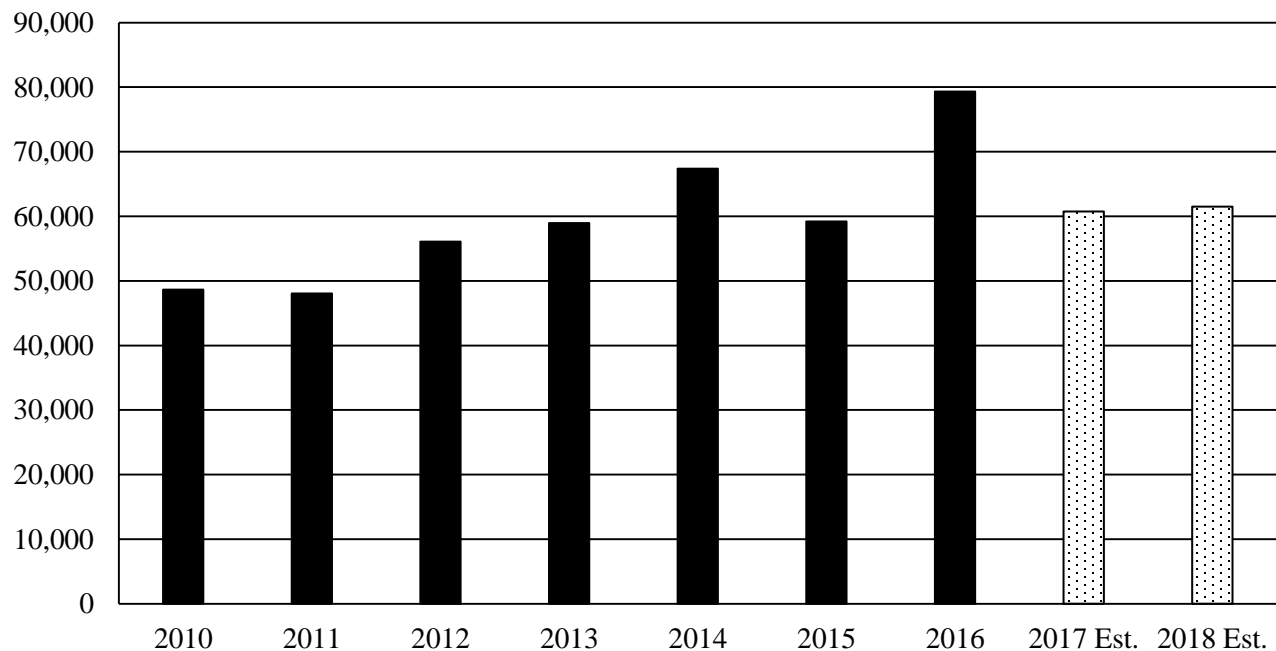
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## Patterson Center Renovations

Attendance is the primary performance measure for the Jefferson Patterson Park and Museum. As shown in **Exhibit 4**, the number of visitors increased from 59,203 in fiscal 2015 to 79,303 in fiscal 2016. MDP notes that the increased visitation more than doubled the monthly figures from December and March in fiscal 2015. MDP attributes the increased visitation to the park's extended hours – expanded to be open 362 days each year, from 7:30 a.m. to dusk – and the unseasonably warm weather in what are usually considered out-of-season months (December and March).

**Exhibit 4**  
**Jefferson Patterson Park and Museum Attendance**  
**Fiscal 2010-2018 Est.**



Source: Department of Budget and Management

## Budget Overview

### Fiscal 2018 Proposed Budget

All four MDP historic preservation programs are funded in the fiscal 2018 operating and capital budgets.

- ***Maryland Heritage Structure Rehabilitation Tax Credit Program:*** The fiscal 2018 allowance includes \$9 million in general funds, which is level with the fiscal 2017 working appropriation. The Maryland Heritage Structure Rehabilitation Tax Credit Program is not included in the 2017 CIP since the Administration considers it a financing mechanism and not a pay-as-you-go capital program. Chapter 578 of 2016 (Heritage Structure Rehabilitation Tax Credit – Alteration and Extension) reestablished the Sustainable Communities Tax Credit Program as the Heritage Structure Rehabilitation Tax Credit Program and made several adjustments, including extending the program to fiscal 2022, eliminating the requirement that MHT evaluate as part of its commercial project scoring system whether proposed projects are located in jurisdictions that have been historically underrepresented in the award of commercial rehabilitation tax credits and requiring MHT to adopt procedures to announce to the public which commercial projects have been awarded credits within 60 days after the selection is made. MHT notes that the change in program name has reduced confusion about the program's purpose, and extending the program timeline to fiscal 2022 has provided more certainty for applicants that need a longer planning time frame. The eight projects that received \$9,108,845 in tax credit funding in fiscal 2017 are shown in the projects section at the end of this analysis.
- ***MHT Revolving Loan Fund:*** The fiscal 2018 allowance includes \$300,000 in special funds. The 2016 CIP programmed \$150,000 each in special funds and general obligation (GO) bonds for fiscal 2018, but because there was a loan payoff during fiscal 2016 that provided sufficient special funds to fund planned activities no GO bonds are included in fiscal 2018. Capitalization funding of \$150,000 in GO bonds is programmed in the 2017 CIP for fiscal 2019 and every year thereafter through the end of the five-year planning period.
- ***MHT AAHP Grant Program:*** The fiscal 2018 capital budget bill includes \$1 million in GO bonds for the AAHP Grant Program, which is level with fiscal 2017 and consistent with what was programmed in the 2016 CIP. The 2017 CIP reflects funding for the program through the end of the five-year planning period. The fiscal 2017 projects are shown in the projects section at the end of the analysis.
- ***MHT Capital Grant Fund:*** The fiscal 2018 allowance includes \$600,000 in GO bonds for the MHT Capital Grant Fund. This is the first funding the program has received since it was last authorized \$700,000 in fiscal 2009. The funding level is consistent with what was programmed in the 2016 CIP. The 2017 CIP reflects \$600,000 in GO bond funding annually for the remainder of the five-year planning period. In response to staffing concerns for the program, which at least partially explained the lack of funding in prior years, MDP plans to create a contractual full-time equivalent (FTE) in order to administer the MHT Capital Grant Fund. While not ideal, given that a contractual FTE is not a permanent position and the program is considered more or less permanent, MDP notes that this would allow for the administration of funds as soon as they become available. Of note, a report was requested in the 2016 *Joint Chairmen's Report* on preservation, survey, museum (operating and capital) grant funding, and future plans to address these statewide needs. One of the report's recommendations was to restore funding for the MHT Capital Grant Fund as soon as possible.

**Consolidated Administrative Expenses – All Programs**

	<b>FY 2016 Actual</b>	<b>FY 2017 Estimated</b>	<b>FY 2018 Estimated</b>
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<b>Sources:</b>			
General Funds			
Sustainable Communities Tax Credit Program	\$36,710	\$23,627	\$23,627
<b>Subtotal – General Funds</b>	<b>\$36,710</b>	<b>\$23,627</b>	<b>\$23,627</b>
Special Funds			
Sustainable Communities Tax Credit Program	\$227,862	\$324,420	\$300,234
Maryland Historical Trust Revolving Loan Fund	47,587	43,790	46,004
African American Heritage Preservation Grant Program	0	0	0
<b>Subtotal – Special Funds</b>	<b>\$275,449</b>	<b>\$368,210</b>	<b>\$346,238</b>
<b>Total Funds</b>	<b>\$312,159</b>	<b>\$391,837</b>	<b>\$369,865</b>

<b>Uses:</b>			
Direct Expenses	\$312,159	\$391,837	\$369,865
Indirect Expenses (legal, marketing, asset management)	0	0	0
<b>Total Direct and Indirect Expenses</b>	<b>\$312,159</b>	<b>\$391,837</b>	<b>\$369,865</b>

MDP notes that fiscal 2016 administrative expenses were lower than anticipated due to two vacancies in the Maryland Heritage Structure Rehabilitation Tax Credit Program throughout parts of the year. For fiscal 2018, MDP notes that expenses are lower because 1 regular position in the Maryland Heritage Structure Rehabilitation Tax Credit Program has been substituted with 1 contractual FTE in order to allow the regular position to fill a high-priority need.

## **Summary of Other Projects in the Capital Improvement Program**

### **Patterson Center Renovations**

The Patterson Center Renovations project consists of renovating three buildings at Jefferson Patterson Park and Museum in Calvert County – the main house, pool house, and garage – in order to fulfill the function of a house museum. Renovations include remediating structural failures; upgrading to meet current codes for fire, electrical, and the Americans with Disabilities Act; and landscaping. In

fiscal 2017, \$327,000 in GO bonds were authorized for planning the renovations. While the timing of future funding for the project is consistent between the 2016 and 2017 CIPs – both program funding for fiscal 2019 and 2020 – the total project cost has increased from \$6,686,000 to \$8,151,000, as shown in **Exhibit 5**. The total cost increase of \$1,465,000 primarily consists of the additional construction funding needed in fiscal 2019 and 2020. MDP notes that the cost increases are due to schedule changes and the completion of schematic phase detailed cost estimates by the design team for the project – John Milner Associates – that give consideration to the historic nature of the Patterson property. The additional planning funding is provided for special services by the design team during the first year of construction. In terms of the condition of the physical plant, MDP notes that there has been further deterioration that is associated with the aging of the property and the absence of adequate utility systems.

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**Exhibit 5**  
**Patterson Center Renovations Funding Increases Between 2016 and 2017 CIP**  
**Fiscal 2019-2020**

	<u>2019</u>	<u>2020</u>	<u>Total Increase</u>
Planning	\$61,000	\$0	<b>\$61,000</b>
Construction	701,000	703,000	<b>1,404,000</b>
Equipment	0	0	<b>0</b>
<b>Total Increase</b>	<b>\$762,000</b>	<b>\$703,000</b>	<b>\$1,465,000</b>

CIP: *Capital Improvement Program*

Source: Department of Budget and Management; Department of Legislative Services

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## **Maryland Archaeological Conservation Laboratory**

The Maryland Archaeological Conservation Laboratory is an archaeological research, conservation, and curation facility housed at Jefferson Patterson Park and Museum. It is a clearinghouse for archaeological collections associated with land-based and underwater projects conducted by State and federal agencies and for major collections acquired through private donation. In terms of recent concerns, mold was discovered at the Maryland Archaeological Conservation Laboratory but has since been remediated as provided through arrangements made by the Department of General Services (DGS).

The Maryland Archaeological Conservation Laboratory is programmed in the 2017 CIP to receive funding in fiscal 2020 through 2022 for design, construction, and equipping of improvements including the expansion of archival storage capacity and upgrades to the heating, air conditioning, and ventilation and humidity controls. MDP notes that in September 2016, it was estimated that the Maryland Archaeological Conservation Laboratory will still reach capacity at the end of calendar 2022, which is unchanged from previous estimates.

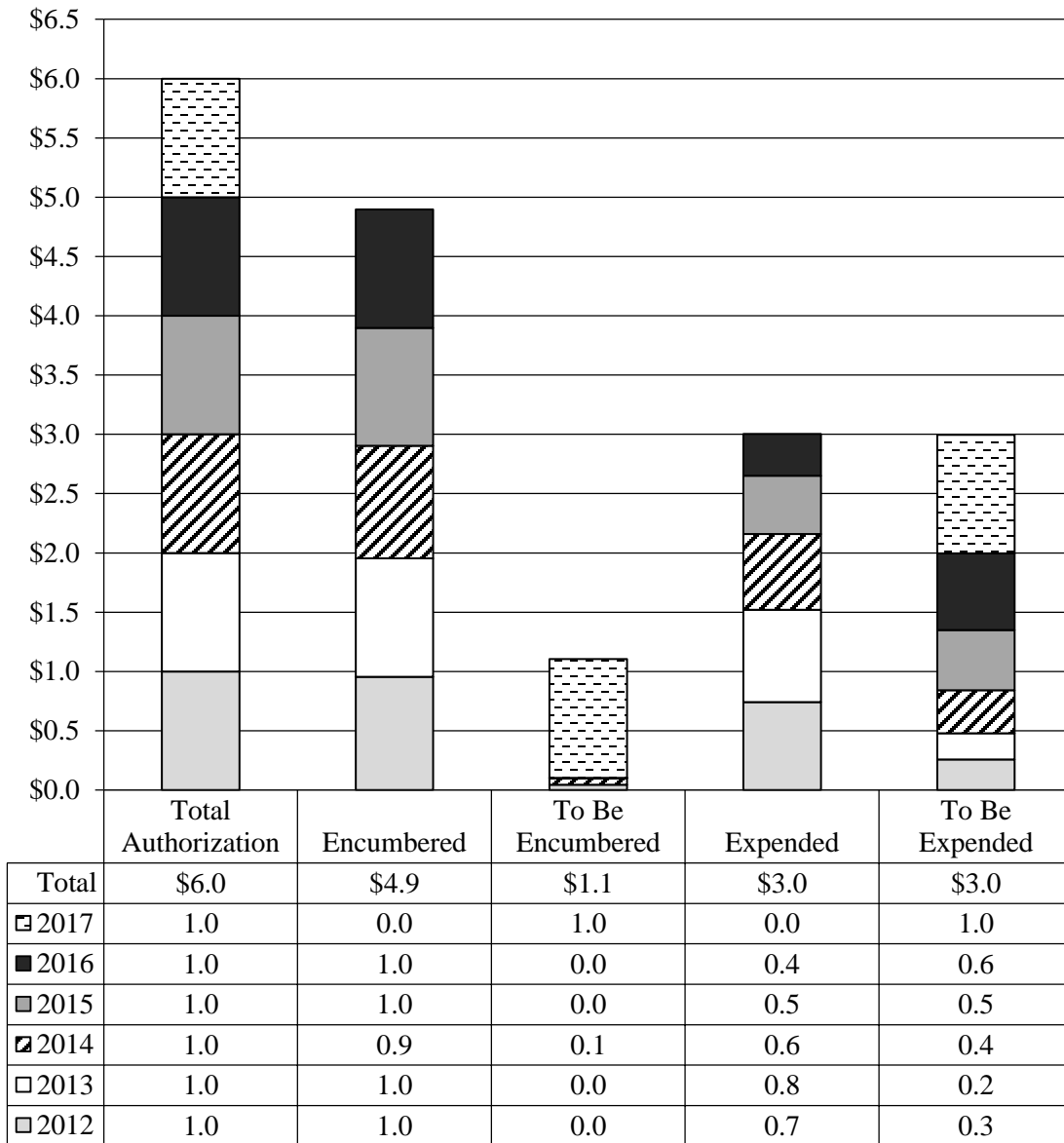
The 2017 CIP reflects an overall reduction in the project cost from \$5,310,000 in the 2016 CIP to \$5,188,000 in the 2017 CIP and a shift in the timing of funding. MDP notes that the reasons for the reduction include a lower escalation to mid-point percentage to calculate the construction estimate and the elimination of the green building construction premium.

## ***Encumbrances and Expenditures***

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**Exhibit 6** reflects the encumbrance and expenditure schedule for the AAHP Grant Program. As can be seen, the majority of funding to be encumbered is from the fiscal 2017 authorization, while the amounts to be expended are relatively evenly spread over the first five years the program has received funding. The \$3.0 million still to be expended is rather sizeable given the relatively short period of the program's existence, but it has decreased from the \$3.3 million still to be expended noted in last year's analysis. MDP has noted in the past that projects are normally given a two-year window but that very few projects meet this schedule due to the following possibilities: inexperience on the part of the nonprofit applicants, lack of design team involvement, limited available qualified preservation contractors, and the time required to convey an historic preservation easement to MHT. MDP has also noted in the past that if a project is clearly not moving forward, then it has the option to cancel a grant or not to extend the project completion date on the grant agreement and that MHT has greater flexibility in reusing funds from canceled projects, which will provide an incentive to be more aggressive in canceling grants.

**Exhibit 6**  
**African American Heritage Preservation Grant Program**  
**Program Inception through January 2017**  
**(\$ in Millions)**



Source: Maryland Department of Planning

## ***Pre-authorizations and De-authorizations***

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As shown in **Exhibit 7**, the fiscal 2018 capital budget bill reflects the de-authorization of \$300,261 in prior year Riverside Interpretive Trails and Exhibit Stations funding. MDP notes that the de-authorization of funding is presumed to be the result of unexpended funds set aside for trail design and construction. Since the trail design and construction are now complete, the funding is no longer needed. MDP notes that DGS expects to advertise the design and construction of the exhibit structures for the Riverside Interpretive Trails and Exhibit Stations project in February 2017. **The Department of Legislative Services recommends that the \$300,261 in prior year Riverside Interpretive Trails and Exhibit Stations funding be de-authorized.**

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### **Exhibit 7 De-authorizations**

<b><u>Project</u></b>	<b><u>De-authorized Amount</u></b>	<b><u>Reason</u></b>
Riverside Interpretive Trails and Exhibit Stations	\$300,261	The trail design and construction are complete and so the funds set aside for this purpose are no longer needed.

Source: Department of Budget and Management, 2017 *Capital Improvement Program*

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## ***PAYGO Recommended Actions***

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1. Concur with Governor's allowance of \$300,000 in special funds for the Maryland Historical Trust Revolving Loan Fund.
2. Concur with Governor's allowance of \$9,000,000 in general funds for the Maryland Heritage Structure Rehabilitation Tax Credit Program.



## ***GO Bond Recommended Actions***

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1. Approve the \$600,000 general obligation bond authorization to be credited to the Maryland Historical Trust Capital Grant Fund for historical preservation and museum assistance.
2. Approve the \$1,000,000 general obligation bond authorization for the African American Heritage Preservation Grant Program to assist in the protection of properties with cultural and historical significance to the African American community.
3. Approve the de-authorization of \$300,261 in general obligation bond authorization for the Riverside Interpretive Trails and Exhibit Stations project. The trail design and construction are complete and so the funds set aside for this purpose are no longer needed.

# ***Maryland Heritage Structure Rehabilitation Tax Credit Fiscal 2017 Projects***

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<b><u>Project Name</u></b>	<b><u>County</u></b>	<b><u>Description</u></b>	<b><u>Estimated Project Costs</u></b>	<b><u>Credit Amount</u></b>
St. Peter's School	Baltimore City	Conversion of former Catholic School to workforce housing.	\$3,010,947	\$752,737
Home of the Friendless	Baltimore City	Conversion of former orphanage to rental apartment housing.	2,300,000	460,000
Peale's Baltimore Museum	Baltimore City	Rehabilitation of museum.	3,300,000	660,000
National Enameling and Stamping Company Warehouse Tinshop 1, Tinshop 2	Baltimore City	Conversion of former factory to rental apartment housing.	21,618,250	3,000,000
302-304 Park Row	Kent	Rehabilitation of office/rental apartment housing building.	1,050,000	210,000
Auto Outing/Tulley's Dancing Academy	Baltimore City	Conversion of former auto shop/dance hall to office/commercial use.	5,225,000	835,548
Phillips Packing Company, Plant F	Dorchester	Conversion of food packing plant to house food-related businesses.	15,145,429	3,000,000
Ramocciotti/Professional Arts Building	Washington	Rehabilitation of office building.	952,800	190,560
<b>Total</b>			<b>\$52,602,426</b>	<b>\$9,108,845</b>

## ***African American Heritage Preservation Program Fiscal 2017 Projects***

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<b><u>Project Name</u></b>	<b><u>Location</u></b>	<b><u>Jurisdiction</u></b>	<b><u>Award Amount</u></b>
McComas Institute	Joppa	Harford County	\$100,000
Jane Gates House	Cumberland	Allegany County	100,000
Morgan State University: Carnegie Hall, University Memorial Chapel, and Holmes Hall	Baltimore City	Baltimore City	100,000
Catoctin Furnace Iron Master's House Ruins	Thurmont	Frederick County	5,000
Mutual Memorial Cemetery	Sandy Spring	Montgomery County	78,000
John Wesley Methodist Episcopal Church	Deal Island	Somerset County	100,000
Old Pomonkey High School	Bryan's Road	Charles County	100,000
Wiley H. Bates Legacy Center	Annapolis	Anne Arundel County	100,000
Denton Colored School	Denton	Caroline County	100,000
Sis's Tavern/Baby Dee's	North Brentwood	Prince George's County	50,000
Bethel African American Methodist Episcopal Church	Easton	Talbot County	100,000
Asbury Methodist Episcopal Church	Easton	Talbot County	67,000
<b>Total</b>			<b>\$1,000,000</b>