

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 1369
Appropriations

(Delegate Gaines, *et al.*)

Maryland Consolidated Capital Bond Loan of 2010 - Prince George's County -
Community Forklift Project

This bill changes the grantee of the Community Forklift (CF) Facility project, as established by the Maryland Consolidated Capital Bond Loan of 2010, from the Board of Directors of the Sustainable Community Initiatives, Inc. (SCI) to its subsidiary organization Community Forklift, LLC. The bill also extends the deadline by one year – from June 1, 2013, to June 1, 2014 – for the grantee to present evidence that a matching fund will be provided. Likewise, the bill also specifies that the proceeds of the loan must be encumbered by the Board of Public Works or expended by the grantee by June 1, 2014.

The bill takes effect June 1, 2013.

Fiscal Summary

State Effect: The bill does not directly affect State operations or finances.

Local Effect: The bill does not directly affect the operations or finances of Prince George's County.

Small Business Effect: None.

Analysis

Current Law: Chapter 483 of 2010 (SB 142) authorized a total of up to \$200,000 in matching funds for the Board of Directors of SCI for the acquisition, construction, and repair of the CF facility located in Prince George's County. Matching funds had to be

provided by June 1, 2012. Matching funds may not consist of real property, in-kind contributions, or funds expended prior to the June 1, 2010 effective date of Chapter 483. Any proceeds of the loan likewise had to be encumbered by the Board of Public Works or expended by the grantee by June 1, 2012. However, Chapter 639 of 2012 (SB 1037) extended the deadline to present evidence of a matching fund and the termination of the grant by one year to June 1, 2013.

Chapter 483 authorized two separate grants totaling \$200,000 for this project; the bill's changes apply to both grants.

Background: SCI is a nonprofit that has been dedicated to enhancing the sustainability of communities in the Mid-Atlantic since 1996. Through 2002, SCI was involved in material reuse, building deconstruction job training, and "low-impact development" (water conserving) demonstration projects. In 2003, SCI opened CF, a wholly owned subsidiary.

CF is a center focused on the recovery, reuse, and sale of surplus, salvaged, and green building materials. CF obtains its products via tax-deductible material donations to SCI from homeowners and businesses, by agreement with area governments, and from consignments from an appliance repair company, a wood broker, an environmental product supplier, an antiques dealer, and deconstruction companies. Since 2005, CF has diverted more than \$4.0 million in building materials from landfills or incinerators to be reused by local homeowners, contractors, and related trades people. It has also provided material assistance to dozens of community-based nonprofit organizations.

CF has rented its facility in the Port Towns/Hyattsville area of Prince George's County from the Washington Gas Light Company (WG) since 2005. WG is selling the building, which CF intends to buy. WG intends to maintain control of the land on which the building sits, leasing it long term into the next century at a reasonable rate due to liability retained from the presence of coal tar in the soil as a result of the business practices of Hyattsville Gas in the 1930s. However, it is CF's understanding that the Maryland Department of the Environment has issued a "no further action" letter with regard to the site because the coal tar is contained and there is minimal risk of future liability. In addition, WG's desire to retain ownership of the land surrounding the building works in CF's favor by making the sale price affordable.

In 2011, WG decided to delay selling the property, so SCI decided to suspend fundraising for the project until it could ascertain that WG intended to sell the building. In January 2012, WG indicated it intends to sell the building and SCI began fundraising for the project again. However, the sale of the building was delayed again due to the vice president of WG retiring. As of March 2013, CF began working with the new

vice president of WG and his team on the sale of the building. CF anticipates that, with the extension, it will be able to purchase the building from WG and complete the project.

Additional Information

Prior Introductions: None.

Cross File: SB 925 (Senator Pinsky) - Budget and Taxation.

Information Source(s): Department of General Services, Community Forklift, Department of Legislative Services

Fiscal Note History: First Reader - March 13, 2013
ncs/ljm

Analysis by: Caroline L. Boice

Direct Inquiries to:
(410) 946-5510
(301) 970-5510