

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 952
Appropriations

(Delegate Grammer, *et al.*)

State Acquisition of the Fort Howard VA Campus Property

This bill requires the Land Acquisition Division within the Department of General Services (DGS) to acquire title to the entire parcel of property or any portion of the property known as the Fort Howard Veterans' Administration (VA) Campus if the federal government makes it available for sale or other transfer of title.

Fiscal Summary

State Effect: The bill is not expected to have a material effect on State finances because there is no imminent prospect of the Fort Howard VA property being made available for acquisition, as discussed below. To the extent that the bill requires the State to acquire the property if it becomes available, the requirement likely causes the price of acquisition to increase significantly.

Local Effect: State acquisition of the Fort Howard VA property could have beneficial economic development effects on Baltimore County, but as the chances of any such acquisition are remote, the bill likely has no effect on Baltimore County finances.

Small Business Effect: None.

Analysis

Current Law: Except for specified land acquisitions by the Department of Natural Resources, the Land Acquisition Division has exclusive authority to negotiate the acquisition of land for any public improvement. The division makes each land acquisition in the name of the unit of State government or the principal department of State government to which the unit belongs.

Except for specified capital expenditures by the Maryland Department of Transportation, a contract for the acquisition of land must be reviewed by the Secretary of General Services and, subject to limited exceptions, approved by the Board of Public Works (BPW). BPW supervises the expenditure of any money that the General Assembly appropriates for the acquisition of land. Except for real property acquired by gift, BPW must obtain two independent appraisals of any property before it is acquired.

Background: The Fort Howard VA campus is located on the North Point peninsula of Baltimore County. It was decommissioned by the U.S. Army in 1940 and donated to the VA for a hospital. The outpatient VA hospital operated until 2002, when it was closed; an outpatient clinic remained on the site until 2016, when it was closed following significant water damage. Since the VA closed the outpatient hospital in 2002, it has leased the building and surrounding land to two different developers seeking to build a mixed-use development on the land. However, Baltimore County has not made the necessary zoning changes to allow the developments to go forward. The current developer holds a 75-year lease on the property.

The VA previously offered 10 acres of the Fort Howard property to the State, but the land was deemed unsuitable for a proposed veterans' home for various reasons. DGS advises that it notified the VA in March 2015 that the State wished to remove its interest in exercising a right of first refusal for the property.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of General Services; Maryland Department of Planning; Board of Public Works; *Baltimore Sun*; Department of Legislative Services

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