



February 18, 2020

The Honorable Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

Support: SB 978 – Historic Revitalization Tax Credit – Transferability, Funding and Extension

Dear, Chair Guzzone and Committee Members:

The NAIOP Maryland Chapters represent more than 700 companies that develop and own commercial, industrial and mixed-use real estate.

Maryland's rich architectural heritage is culturally important but buildings across the state are at risk from decay and obsolescence. Rehabilitating historic buildings to meet current code standards and repurposing them to meet the needs of contemporary users is extremely expensive and labor intensive. But the results are some of the most exciting projects our members bring to market.

Historic tax credits make these projects feasible. The tax credit program reduces the financial barriers that would otherwise discourage the reuse of historic buildings. The benefits of the tax credit program have previously been estimated to return to the State \$8.53 for each \$1 in tax credit.

SB 978 proposes important changes to the financing of historic renovations. Making the credit transferable brings investment capital to the market in ways that can accelerate the rate of building reuse. The increase in annual appropriations provides funding at levels that will give smaller commercial projects, which have been squeezed out of contention in recent years, a realistic chance to be awarded credits in the competitive review process. Awarding more small and mid-sized projects will disburse benefits throughout the state and across a wider set of neighborhoods within jurisdictions where these redevelopments are located.

For these reasons NAIOP respectfully requests your favorable report on SB 978.

Sincerely,

A handwritten signature in blue ink, appearing to read "T.M. Ballentine".

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

cc: Senate Budget and Taxation Committee Members
Nick Manis – Manis, Canning Assoc.