

**Department of Planning**  
**OPERATING Analysis Response**  
**February 3, 2017**

***Performance Analysis – Managing for Results***

***Major Trends***

- 1. DLS recommends that MDP comment on whether, and when, it will conduct an economic impact study of the Maryland Heritage Areas Program in order to understand better how the grants issued impact the economic viability of heritage tourism.***

**Planning Response:** An economic impact study of the Maryland Heritage Areas Program, entitled *Investing in Our Communities – Maryland’s Heritage Areas Program*, was completed in 2003. That study, completed when the Maryland system of heritage areas included only seven certified heritage areas, found that every grant dollar generates a total of \$4.61 in annual, ongoing state and local tax revenues. Since that time, the heritage areas program has grown considerably. All agree that an updated economic impact study is needed.

Preparation of an economic impact study was cited in the MHAA strategic plan, *Charting a Sustainable Course for the Next Decade: 2010 – 2020*. The plan calls for the development of a protocol for measuring the economic impact of MHAA grant expenditures, along with the development of Program Impact Metrics and Direct Performance Measures for heritage area management entities. The undertaking of an economic impact study has been discussed by MHAA numerous times, and now that the Program Impact Metrics and Direct Performance Measures have been finalized and put in place, the Authority and the Coalition of Maryland Heritage Areas are exploring how best to proceed.

At the January meeting of the Authority, development of the study methodology, cost estimates, funding sources and potential contractors were discussed. At the April meeting, the Authority plans to identify a path forward including a project timeline.

- 2. DLS recommends that MDP comment on why so many National Register nominations are in the pipeline.***

**Planning Response:** As described in the analysis, Maryland Historical Trust staff do not prepare National Register nominations, but often have extensive input through technical support and editing, particularly when the nomination is prepared by non-professionals such as property owners or local volunteers. Especially in those cases, nominations may take longer to bring to fruition. In addition, some local governments are slow to complete their review of pending nominations which must be done before they are submitted to the National Park Service for action.

It should also be noted that nominations vary widely in scope; districts (like the just-listed Remington Historic District in Baltimore City) may contain hundreds or even thousands of contributing resources, and may require additional coordination and public outreach with

neighborhood groups. As an example, the Remington nomination was first initiated in May 2015 which was followed by the review of several drafts and time spent responding to numerous community questions over the ensuing months. Because Baltimore participates in the federal Certified Local Government program, the nomination had to be reviewed and approved by the local historic preservation commission and the (outgoing) Mayor.

Although the retirement of the long-term National Register program assistant in December 2015, delay in filling that position, and training of the new incumbent did affect program outputs in 2016, this issue has been resolved. Currently, there are eleven nominations on the agenda for February 14, 2017 Governor's Consulting Committee meeting. We expect most of these nominations to be forwarded to the National Park Service before the end of the fiscal year.

- 3. DLS recommends that MDP comment on the impact of increased Jefferson Patterson Park and Museum visitation on maintenance and repair costs associated with maintaining the park's infrastructure.*

**Planning Response:** More visitation at Jefferson Patterson Park and Museum does increase maintenance and repair costs associated with maintaining JPPM's infrastructure. Greater visitation results in more wear and tear on carpeting, walls, doors, and permanent exhibits. As repainting, replacement, and repairs occur more often, annual maintenance costs increase. Increased visitation also necessitates more frequent cleaning of buildings at JPPM which increases supply costs and staff time expended on those activities. More visitation is a product, among other things, of having buildings such as the Visitor's Center open throughout the year. These increased opening hours result in a corresponding increase in our energy costs.

## *Issues*

*DLS recommends that MDP comment on the reasons for the lack of progress toward the Reinvest Maryland website, the Priority Funding Areas (PFA) Impacts on Rural Communities spreadsheet, the Local Government Planning Resource Center, and the Sustainable Growth and Conservation Indicators Status Check website.*

**Planning Response:** There has been progress with the website. Please note that the Reinvest Maryland website was updated with many examples of Best Practices and Success Stories in April. These illustrations are key to spreading enthusiasm and information to assist local jurisdictions in promoting reinvestment in their communities. The Planning website comments are connected to the work of the Sustainable Growth Commission which was reconstituted under the current Governor who named a Chair in March of 2016. As staff to the Commission, Planning is always ready to provide whatever support the Commission needs; however, it is up to the Commission to set the work plan of the Commission. Although Planning has had staffing challenges, those challenges have not actually prevented us from accepting or completing any assignment from the Commission. The Commission is currently working on refining the initial set of Reinvest Maryland recommendations to identify more specific and actionable initiatives to present to the Administration and local governments. When the Commission requests Planning's

assistance to address Reinvest Maryland and the Indicator's Status Check, we will certainly provide whatever assistance is requested in order to address these two items.

The Priority Funding Areas (PFA) Impacts on Rural Economies spreadsheet referenced by DLS is a tool developed by Planning staff to help local planning departments and citizens understand what is required to be a PFA. This PFA Criteria Matrix has been distributed to the members of the Maryland Sustainable Growth Commission's Rural Economies Workgroup to be part of their evaluation of the impact of the PFA Law on rural areas of Maryland. Planning also distribute this PFA Criteria Matrix at the December 2016 Health Waters Roundtable discussion on sewer extensions. Planning is continuing to work with the Rural Economies Workgroup on evaluating the impact of the PFA law on rural development and regularly reports on its progress to the Growth Commission. Planning is also exploring how to integrate the PFA Criteria Matrix tool into the department's interactive PFA map currently on Planning's website.

The Local Government Planning Resource Center is an initiative that will continue to evolve as Planning fills its vacancies and increases its efforts at local outreach. We are still endeavoring to put all of our resources and training at the disposal of local governments so that they can have the tools to effectively plan for the future of their respective communities. Our greatest resource remains our dedicated staff and we continue to make them available. During this time, our regional planners, and especially our regional planners in the remote offices, continue to provide excellent service and access to all of the resources of the department. Our local planners on the Lower Eastern Shore were praised by local officials for all of their efforts from grant writing to Hurricane Sandy assistance and recognized by the Secretary with Customer Service Stars. Our staff from MHT was on site the day after the flooding in historic Ellicott City and were praised for providing guidance and assistance in the recovery efforts.

The State Development plan continues to be evaluated. Planning continues its efforts to re-assess the goals, objectives and implementation strategies of the former state development plan. Since the state development plan is an executive policy, it needs to reflect the priorities and direction of the current administration. Much of the information about managing growth, conservation of natural resources and impact of growth in Maryland can be found within Planning's main website that offers a wide range of land use and resource planning information and technical assistance for local governments and Maryland residents

***Preservation, Survey and Museum Operating Funding Needs to Be Reported: DLS recommends the deletion of \$379,197 in general funds for the MHT Non-Capital Grant Program in fiscal 2018 due to the State's fiscal condition.***

**Planning Response:** Funding for this program has not been available since fiscal year 2012. There are no alternative funding sources for these activities at this time. As more fully described in the 2016 Joint Chairmen's Report on preservation, survey, and museum grant funding, demand is substantial and grows each year that the program goes unfunded.

Non-Capital grants provide support for research, survey, and planning activities involving architectural, archeological or cultural resources—the tangible remains of our past. Eligible

activities include preservation plans, historic and cultural resource surveys, and National Register of Historic Places nominations. The primary goal of the Non-Capital Program is to fund broad-based and comprehensive historic site surveys to identify and document previously unknown historic structures and archeological sites in a systematic manner. Historic properties cannot be preserved, enhanced or interpreted until they have first been identified and evaluated

Non-Capital grants are needed to accomplish the following objectives:

- *Support Strategic Decision Making*

Historic preservation is not about preserving everything. It is about making strategic decisions about what to protect, what to enhance and what to let go – based on our understanding of the extant universe of historic properties, an evaluation of their relative significance, and local input. Historic site survey data assists us in managing change as we balance the needs of the present with a respect for the past. In order to work smarter, we need this data.

- *Assist Local Governments*

One of the primary goals of the Maryland Department of Planning's Strategic Plan is to assist local governments. Local governments play a critical role in identifying, protecting and enhancing historic places and culturally significant sites. Planning activities supported by the Non-Capital Program, including the development of local preservation plans, educational programs related to preservation, and planning documents such as design guidelines, provide essential support to county and municipal governments of all sizes.

- *Streamline Project Review*

The active engagement of MHT and local communities in state and federal project reviews ensures that agencies are a good neighbor and that there is a local voice in state and federal decision making. This so called "Section 106 Review" is mandated under Section 106 of the National Historic Preservation Act and the Maryland Historical Trust Act of 1985. These reviews are much more efficient for all parties when the affected area has been professionally surveyed to identify historic properties in advance. Non-Capital Program surveys are conducted outside the constraints of time pressures and specific project needs and in collaboration with local government and nonprofit partners. These surveys are more focused on an objective evaluation of resources and ultimately save time and money for project sponsors.

- *Provides Access to State and Federal Rehabilitation Tax Credits*

For the past 17 years, the Maryland Heritage Structure Rehabilitation Tax Credit has played a key role in community revitalization by supporting the rehabilitation and adaptive reuse of underutilized historic properties across the state. This critical investment in Maryland's existing communities would not have been nearly as extensive and impactful without the Non-Capital Program, which funded surveys that resulted in the nomination of at least fifty National Register districts, as well as numerous individual property nominations. Property owners can't do it alone. Non-Capital Program support has often been the first step in assisting local communities to become eligible for this effective revitalization tool.

- *Assist with Hazard Mitigation Planning and Disaster Preparedness*

Most counties and municipalities with significant historic properties and cultural sites do not include these irreplaceable assets in local hazard mitigation plans. Non Capital Grant funding assists communities with documenting cultural resources threatened by natural hazards, assessing the vulnerability of historic structures and archeological sites, and developing plans to help ensure their long-term protection.

In addition to planning for ongoing and future threats, counties and municipalities -- as well as stewards of historic properties and cultural sites -- should develop plans for protecting their historic and cultural resources in the event of a disaster. There is currently no funding available to help State agencies, local governments or organizations do this work. Survey work that has been completed in advance permits MHT to quickly provide data to local jurisdictions, developers and property owners if a disaster occurs.

### **Recommended Actions:**

1. *Add budget bill language deleting funding for reclassifications because the funding is not being used for its intended purpose.*
2. *Add budget bill language reducing the Maryland Humanities Council appropriation contingent on a Budget Reconciliation and Financing Act provision striking the funding requirement.*
3. *Delete funding for the Non-Capital Grant Program*

### **Planning Response:**

#### 1. REJECT

Planning disagrees that this funding was not used for its intended purpose. The assertion that the amount for reclassifications is not being used for its intended purpose has no basis in fact. That is exactly what it is being used for. It was included in object 0112 as a way to track the offset needed for the reset back to base of all of the positions that had become vacant. This was correctly identified in the DLS Analysis at p.14. We were fairly certain that in many cases the department would not need to hire a replacement at the same high grade and step as the long-serving incumbent. This was not a wholesale reclass of an entire group of positions. It was a thoughtful and tedious process that proceeded position by position. Some of the positions were also reclassified to accommodate increased responsibilities and increased funding. Planning undertook the process of reclassifying many of the vacant positions and made a projections of the cost of the new hires at the expected grade and step for each vacancy. If this amount was placed in the wrong place by not burying it in 0101, then that attempt to be transparent should not be taken as an indication that the department does not need the money to cover the salaries of everyone hired at the salary at which we planned to hire them.

#### 2. ACCEPT

#### 3. REJECT (The response is detailed above on page 3.)