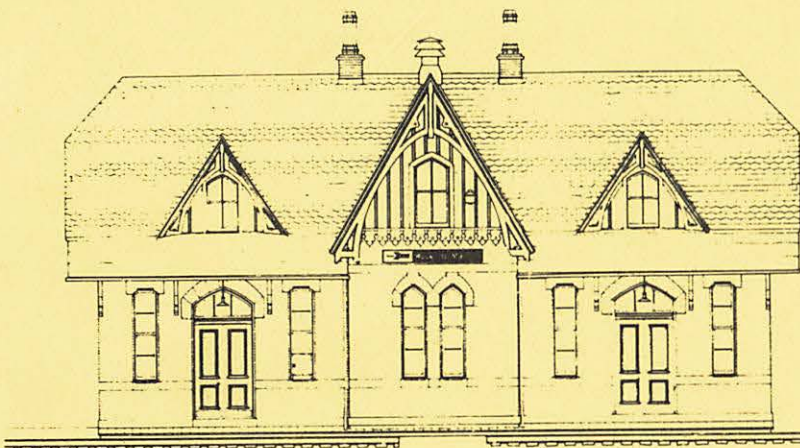
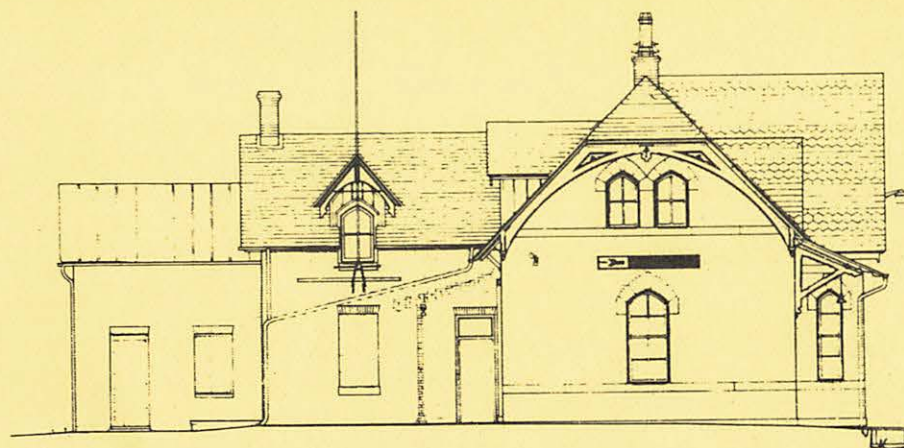




NORTHEAST (TRACK) ELEVATION

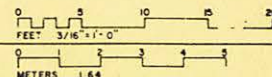


SOUTHEAST STATION ELEVATION

RECOMMENDED HISTORIC PRESERVATION ACTION PROGRAM APRIL 1983

MATERIALS

FOUNDATIONS: STONE WITH WATER TABLE
EXTERIOR WALLS: BRICK WITH STONE BELT COURSES
EAVES: WOOD
ROOF: SLATE
PORCH: WOOD



CITY OF ROCKVILLE HISTORIC DISTRICT COMMISSION

ABSTRACT

TITLE: Proposed City of Rockville Historic Preservation Action Program - 1983

AUTHOR: City of Rockville Historic District Commission

SUBJECT: Presentation of a series of related actions to improve the quality, appearance, and viability of Rockville's existing historic districts.

DATE: January 1983.

PLANNING AGENCY: Department of Planning, City of Rockville, Maryland,

SOURCE OF COPIES: Department of Planning, City Hall, 111 Maryland Avenue, Rockville, Maryland 20850

NUMBER OF PAGES:

ABSTRACT: This is another in a series of publications dealing with preservation of historic districts in Rockville, Maryland. In 1977, the Planning Department released two reports entitled Rockville, Maryland Historic Districts Preliminary Preservation Plan and Design Guidelines for the Exterior Rehabilitation of Structures in Rockville's Historic Districts. In 1980, the first Historic Preservation Action Program was submitted to the City's Planning Commission. It resulted in the adoption of a revision to the 1970 Master Plan to include historic preservation goals, objectives, policies, and eligibility criteria for judging the merit of future additions to existing historic districts. This report was developed by the Rockville Historic District Commission in response to a request from the Planning Commission for specific recommendations to improve the quality, appearance, and viability of Rockville's Historic Districts. The resulting Action Program is put forward for consideration by the Planning Commission for ultimate recommendation to the Mayor and Council for implementation. This Action Program is designed to identify practices which will contribute to improving the quality of the built environment. Five action items are identified in the report for consideration for the Planning Commission. Item 1 recommends additions and modifications to existing historic district boundaries, and the addition of new historic districts. Item 2 recommends improvements to sidewalks generally. Item 3 examines the B&O Station District. Item 4 recommends a new action item involving continuing historic research. Item 5 recommends a tax credit program for improvements to historic district properties.

CITY OF ROCKVILLE, MARYLAND

HISTORIC DISTRICT COMMISSION

Michael B. Patterson
Chairman

J. Bryan Blundell

Charles S. Rand

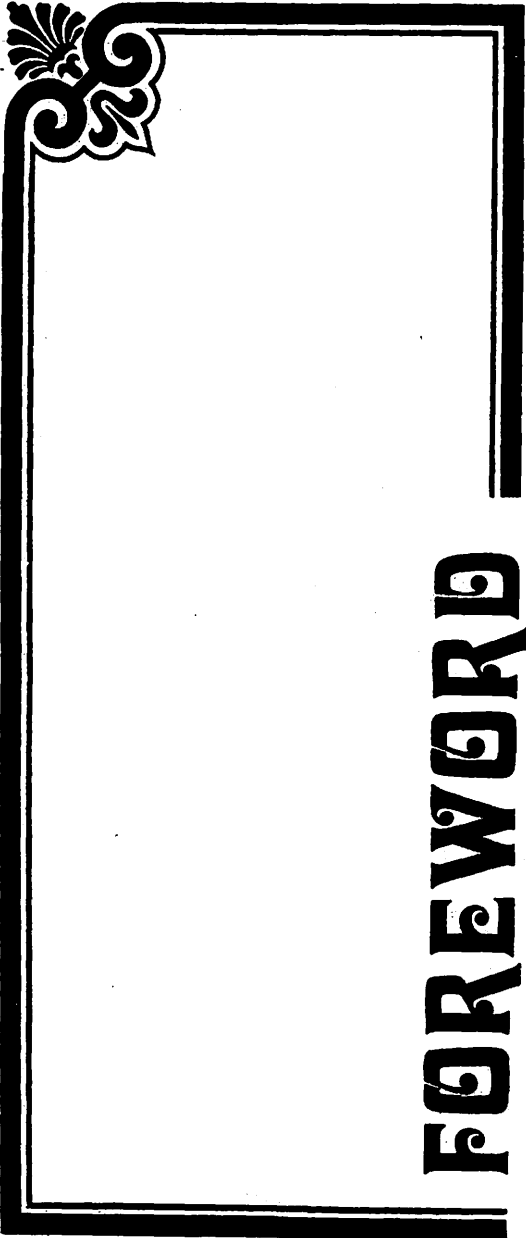
Susan E. Collett

Lynn L. Wagman

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FOREWORD

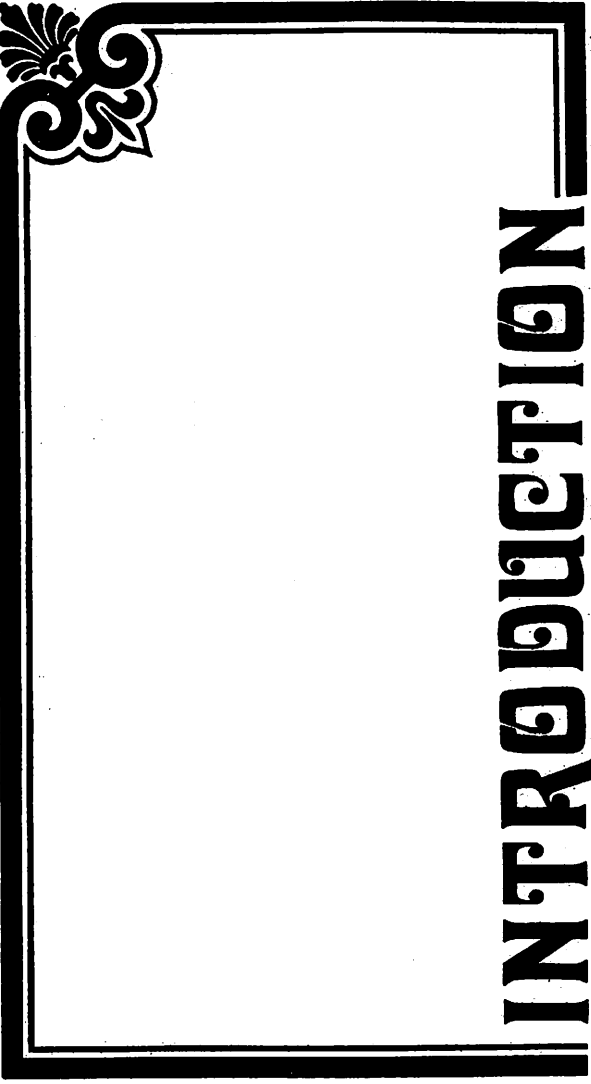
Rockville's history and character make a fascinating story of continuity and change. From its beginnings as a tavern stop along the Pike between Georgetown on the Potomac and Frederick, Maryland, to its commanding position as seat of government for one of the most prestigious counties in the United States, Rockville has maintained a perspective on its function, role, and purpose as the social, political, and cultural focus of Montgomery County.

Preservation activities in Rockville have undergone enormous change in recent years. Early preservation efforts relied chiefly on private initiatives with little interest toward area preservation. In 1974, the Mayor and Council adopted Sectional Zoning Map Amendments which established the West Montgomery Avenue district, the South Washington Street district, the B&O Station district, the 1891 Red Brick Courthouse, and the house at 541 Beall Avenue as the City's first historic districts. With these amendments, historic district preservation decisions moved into the public area.

The City of Rockville Historic District Commission is pleased to present to the Planning Commission recommendations for continued improvements within Rockville's historic districts. Historic District preservation is now recognized and accepted not only for its educational value, but also as a vital resource and creative tool for the larger process of enhancing and revitalizing our urban environment. This shift in emphasis has been accompanied by important conceptual trends which have expanded the scope and significance of preservation. Architectural and environmental significance combined with historic associations create a strong basis and rationale for historic preservation, whether it involves individual buildings or entire areas.

The Historic District Preservation Action Program is an out-growth of earlier efforts to document and justify historic preservation as a genuine public need. What follows is a number of program recommendations designed to respond to the need to protect and enhance our historic areas, landmarks and heritage. We look forward to discussing the recommendations presented in this action program.

Michael B. Patterson
Chairman
Rockville Historic District Commission



INTRODUCTION

Efforts in the historic preservation area do not begin with this report. In 1977, the City's Department of Planning released a report entitled Rockville, Maryland, Historic Districts Preliminary Preservation Plan.^{1/} The report contained a comprehensive background statement, analysis, and recommendations for several historic areas in Rockville. The purpose of that study was to establish the basis upon which an ongoing preservation planning program could proceed under the direction of the City's Historic District Commission, with planning, policy, and legislative support from the Planning Commission and Mayor and Council.

This Action Program update represents a continuing evolution of historic district preservation planning in Rockville.

The setting of historic areas can be of special significance and meaning for all who are concerned with maintaining a sense of place, historic context, and unique architecture for the City. Rockville's Historic Preservation Action Program is designed to identify practices which will contribute to improving the quality of the built environment. Five categories for action have been identified for the program. Each category presents a series of issues and a recommended course of action designed to achieve a particular preservation objective. Eventually, new program categories will be added to the original list along with a specific set of proposals to address the issues involved.

^{1/} City of Rockville, Department of Planning, Rockville, Maryland Historic Districts Preliminary Preservation Plan, prepared by Anatole Senkevitch, Jr. Ph.D and the Department of Planning under the nominal auspices of the University of Maryland, School of Architecture, Rockville, Maryland: October 1977.

Legal Basis

This Action Program presents a series of desired public actions and proposed legislative steps to address specific policy issues or problems regarding historic districts, buildings, or management objectives. This program is organized as a series of recommended actions directed toward achieving historic preservation goals and objectives.

This program is organized into a series of action areas; each represents a particular concern of the Historic District Commission and will require follow-up by City staff through the Planning Commission to the Mayor and Council. The program actions are predicted on work previously done by the Historic District and Planning Commissions including the Rockville Historic District's Preliminary Preservation Plan; Adopted Architectural Design Guidelines for the Exterior Rehabilitation of Buildings in Rockville's Historic Districts; and adopted and approved 1970 Plan, and Town Center Urban Design Plan; the 1980 Action Program as well as extensive site investigation and field survey. A complete bibliography of resources supporting the Action Program is presented in the Appendix.

The following is a summary of the five action areas presented in this report:

Action Item 1 - Recommended Additions to Existing Historic Districts

This program action is concerned with additions and modifications to existing zoned historic district boundaries. A Sectional Zoning Map Amendment would be the required action to implement this program recommendation.

Action Item 2 - Sidewalk Enhancement Program

The West Montgomery Avenue historic district is the largest and most complex historic district.

A major theme of this action program item is the enhancement of the environment and appearance of the streetscape within this area. Improvements include brick sidewalks, landscaping, and tree planting.

Action Item 3 - B&O Railroad Station District:

The B&O Railroad Station historic district is undergoing considerable stress due to the razing of four historic structures (adjacent to and outside of the district) and Metro construction. Future redevelopment of the block should be carefully coordinated with the existing historic structures so as to add and not detract from the district. Recommendations to this effect are included in this program.

Action Item 4 - Continuing Historic Research

This action item recommends that the Commission undertake with outside assistance a concentrated program to update existing historic survey form, develop a catalog of historic sites and properties in the City and prepare an audio-visual slide or video taped show that illustrates the historic character and charm of the City and measures being taken to protect its heritage.

Action Item 5 - Tax Credits for Improvements to Historic District Properties

State enabling legislation permits property tax credits on improvements and additions to properties of certified historic value. Frederick County has implemented an historic district tax credit program. This action item recommends that the City initiate a similar program.

This summary of action items was presented for the purpose of acquainting the reader with the overall scope of the program. Detailed discussion of each program appears in the following sections.

**ADDITIONS
TO
EXISTING
HISTORIC
DISTRICTS**

ACTION ITEM 1.

The State of Maryland was among the first states to enact legislation granting municipalities and counties the power to establish and regulate historic districts (Article 66B, Section 8 of the Annotated Code of Maryland). In April 1974, the City of Rockville established the West Montgomery Avenue, South Washington Street, and B&O Station historic districts. The Courthouse historic district and the single unit district at 541 Beall Avenue were created in December 1974. Since that time, both the West Montgomery Avenue district and the B&O Station district (including the WINX building)^{1/} have been entered into the National Register of Historic Places (Map showing National Register Boundaries). In December 1979, the West Montgomery Avenue and Courthouse Districts expanded to include six more properties including the Rockville United Methodist Church and parsonage on West Montgomery Avenue and Jefferson Street, and the 1930s Courthouse and Post Office on South Washington Street. (See Map 1 for existing historic districts.)

The City's Historic District Commission, in its role as monitor of these districts has reviewed and processed eighty-two (82) Certificates of Approval, granting permission to modify or restore properties within the historic districts. Through these efforts, properties have been sympathetically altered or restored, maintaining their integrity and value as historic resources.

Article 66B, Section 8.02 of the Annotated Code of Maryland extends authority to each County and Municipality to "establish, change, lay out, and define districts which are deemed to be of historic and architectural value." The procedure to be used to accomplish this is the same as those set forth in the City's Zoning and Planning Ordinance (Article 6, Divisions 2 and 3 inclusive), and the Master Plan, as amended (1982).

^{1/} WINX Building is not within a City historic district. However, it was added to the List of the National Register of Historic Places in 1978. (See Map 1.)

The character and historical importance of the West Montgomery Avenue historic district have already been documented. The rich diversity of architectural styles creates a visual timeline that traces the growth of this part of Rockville. The proposed expansion of the boundary would add important examples of bungalow, arts-and-crafts style, and period houses. The nature of the modifications and expansions of the present historic district boundaries are as follows:

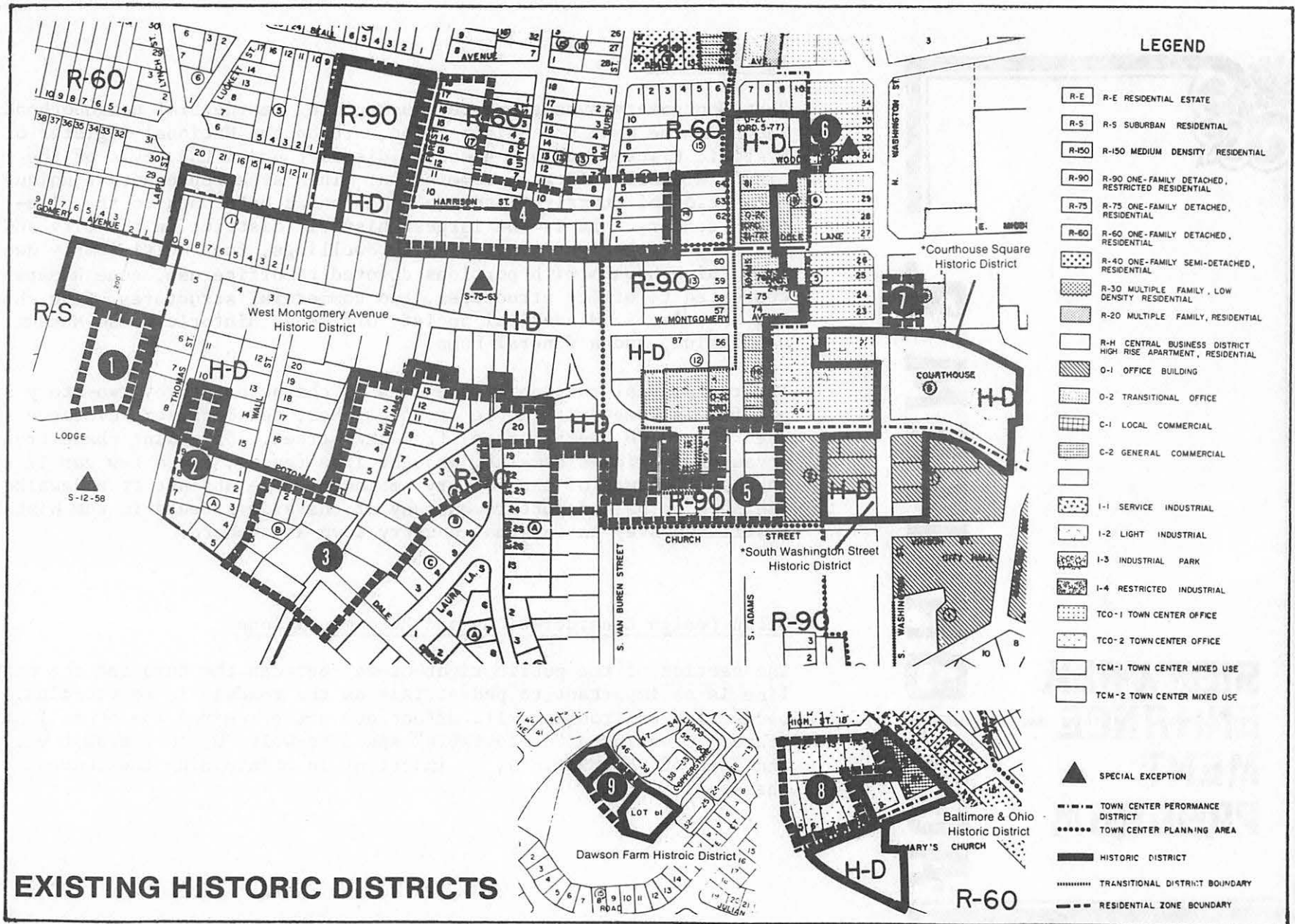
- 1* The frontage of the Chestnut Lodge property for a depth of 200 feet along West Montgomery Avenue is presently within the historic district. Chestnut Lodge, once Rockville's grandest resort hotels, is one of the City's most significant landmarks. The Lodge building and suitable environmental setting is proposed for inclusion in the district.
- 2 The two properties on the east side of Thomas Street, south of the existing district, are both colonial revival and are recommended for inclusion in the West Montgomery Avenue historic district.
- 3 This area facing Williams Street, Potomac Street, and Falls Road contains a cohesive number of significant buildings, including the former Brewer House at 307 Great Falls Road (1821), and Edwin West house at 304 Great Falls Road, (1886-88) and the former Montgomery County Club erected in 1916, as well as fine examples of the arts-and-crafts style. Together they form an important southern entrance to the historic districts.

*Refer to Map 1 for numerical identification.

- 4 The area along Forest Avenue, Harrison Street, and Van Buren Street, composed of numerous fine period colonials, bungalows, brick jacobean, and a georgian revival cottage, is proposed for inclusion in the West Montgomery Avenue District.
- 5 The remainder of the Rockville Academy grounds is proposed for district status. Fragmentation of property runs contrary to sound historic district planning. Consequently, the remaining property is to be added to the district to provide the correct environmental setting under historic district protection. Also proposed is the addition of the first five houses on the east side of South Adams Street, just south of Jefferson Street. These houses were judged to be significant examples of Georgian Revival Cottage and Bungalow styles. In addition, three properties on South Van Buren Street, including an arts-and-crafts style, are recommended for inclusion.
- 6 The parsonage building for the Jerusalem Methodist Church built in approximately 1913, is as important as the church building itself in this historic grouping. Inclusion will ensure the survival of an important Black history.

- 7 The only expansion in the Courthouse historic district is to include the First National Bank Building. This building has been identified in the Town Center Urban Design Plan as an integral part of future development in the downtown area. The Mayor and Council has previously expanded this district to include the Old Post Office and 1931 Courthouse and grounds. The inclusion of the First National Bank Building in this grouping will complete a well-integrated ensemble at this key City intersection. The building itself is of the Art Deco mode, handsomely proportioned and detailed, and is one of the few significant buildings left of Rockville preurban renewal commercial core.
 - 8 The B&O Station district is presently made up of four structures - the B&O Station and freight building, Wire Hardware, and old St. Mary's Church and cemetery. Additions to this district would include the property at 8 Baltimore Road (WINX Radio Station), and the storage building directly behind Wire Hardware, and the vacant lot at the corner of Route 355 and High Street. The house at 8 Baltimore Road although much altered, was built in 1875-80 and was the home of Lee Offutt, six-term Mayor of Rockville. It is all that is left of the residential area that had existed west of the B&O tracks close to the station building. The Wire Hardware storage building is proposed for inclusion to complete the Victorian railroad commercial ambiance that is characteristic of this enclave. Its loss would seriously detract from the B&O Station setting.
 - 9 The original Dawson Farm comprised approximately fourteen (14) acres of land, two structures, and several out-buildings located on Rockville Pike, just south of Ritchie Parkway. The estate survives as one of the few farms remaining within the corporate limits of the City and as an example of the grand houses which once lined Rockville Pike. Not only is the grouping significant in its architecture, but the socio-historical significance relates to the lives of persons making significant contributions to Rockville and Montgomery County history. The 1852 farmhouse and the 1912 main house both located within historic districts will provide a sense of time and place for the City and surrounding neighborhood.
- The Commission recommends that the land between the 1852 farmhouse and 1912 main house, currently owned by the City as park land, be included in a new historic district. The purpose of which is to tie the two existing single unit districts into a cohesive entity.

MAP 1



*Note: For discussion and planning purposes South Washington Street and the Courthouse Square district are considered independent Historic Districts even though they are shown on the existing zoning map as one district.

Recommended addition
to existing Historic District



**SIDEWALK
ENHANCE -
MENT
PROGRAM**

ACTION ITEM 2.

Introduction

West Montgomery Avenue and the surrounding residential neighborhood, known as the West End Neighborhood, are on the National Register of Historic Places and is a historic district under the aegis of the City's Historic District Commission. This area represents a unique collection of stately Victorian homes which date back to the nineteenth century. It is the largest historic district in the City and includes fifty-eight single family dwellings, four multi-family dwellings, nine houses with portions devoted to office use, none houses converted to office structures, two commercial structures, five churches, two schools, a Historical Society Office, a Historic House Museum, a sanitarium, and a funeral home.

The residential portion of the area is characterized by two-story single family homes with ample front porches, set back some distance (between 40 and 60 feet average) from the street. Spreading shade trees, occasional brick sidewalks, wrought iron fences, and a few gas lights enhance the turn of the century ambiance. The absence of sidewalks and finished curbs and gutters on many of the side streets in the historic district convey an informal country town atmosphere.

Urban Design Considerations and Recommendations

The section of the public right-of-way between the curb and the property line is as important to pedestrians as the roadway is to vehicles. The pedestrian environment will affect how one perceives the overall streetscape. Creating a "comfortable" space to walk in, away from the traffic and free of obstructions, is important in maintaining the character of the area.

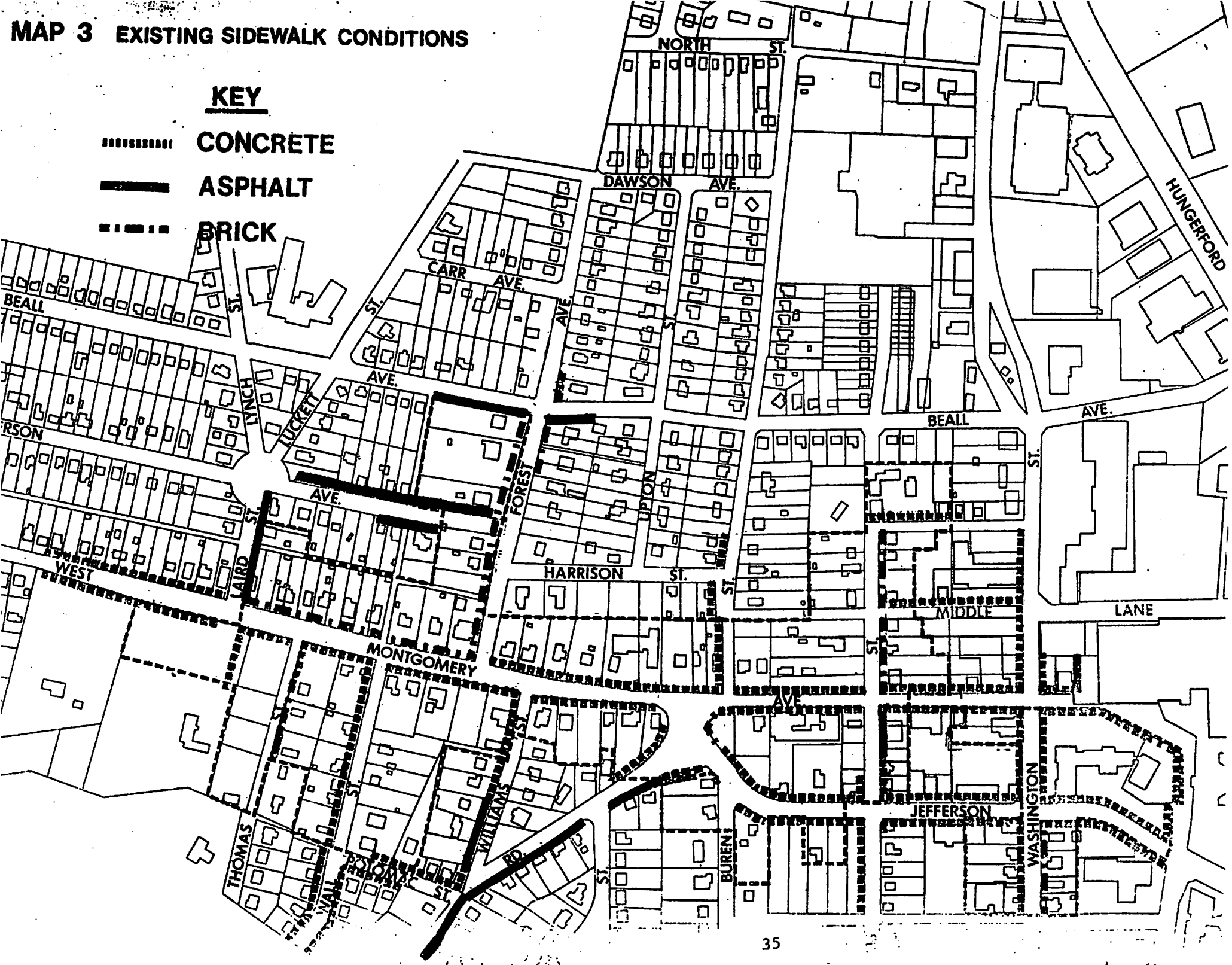
In 1888-89, the City Council developed detailed specifications for the construction of sidewalks in Rockville. The sidewalk to be constructed along both sides of what is now a part of West Montgomery Avenue (formerly Darnestown Road), was to be eight feet wide; the outer five feet were to be of brick, the inner three feet of clay. "First class paving bricks" to be purchased from one James W. Richards, were to be laid over a six-inch sand bed in "herringbone style, conforming to the curves" of the road. Significantly, a portion of this sidewalk still exists on West Montgomery Avenue from Laird Street to Forest Avenue. In addition, portions of the original brick sidewalks are still in existence on Forest Avenue, Beall Avenue, Anderson Avenue, and Thomas Street within the West Montgomery Avenue historic district. It is a recommendation of this Action Program that all the existing black asphalt top sidewalks be replaced with herringbone pattern brick laid in a sand base. Areas where no sidewalks presently exist should remain without sidewalks to retain their rural atmosphere.

The Commission believes this to be a general benefiting, public improvement and strongly recommends that the cost of the improvement(s) not be passed on to abutting properties in the form of special benefit assessments. The general fund or other innovative funding technique should be used to enhance sidewalks in existing historic districts. The staff is requested to investigate tax increment financing as one possible alternative funding program. By earmarking future property tax revenue resulting from increased assessments for improvements within historic districts, a more equitable funding mechanism could be employed to maintain and/or enhance the historic character of such areas.

MAP 3 EXISTING SIDEWALK CONDITIONS

KEY

- CONCRETE
- ASPHALT
- BRICK



[illegible]

■ ■ ■ BRICK
■■■■■ CONCRETE

The following estimates are based on premises that every street in the historic district will have completely new curbs and gutters, sidewalks, streetlights, all underground electric wires, sodding between the curb and sidewalk and resurfacing of asphalt pavements as follows:

			<u>Sidewalk Only</u>
Montgomery Avenue	5,800 L.F.	\$600,000*	\$ 210,000
Adams Street	1,300 L.F.	\$144,000	47,000
Forest Avenue	1,800 L.F.	\$200,000	65,000
Wood Lane	400 L.F.	\$ 30,000	3,000
Middle Lane	850 L.F.	\$ 88,000	31,000
Jefferson Street	2,400 L.F.	\$200,000	17,300
Van Buren Street	600 L.F.	\$ 56,000	13,000
Falls Road	500 L.F.	\$ 40,000	3,600
Williams Street	400 L.F.	\$ 30,000	2,900
Wall Street	1,300 L.F.	\$100,000	9,400
Thomas Street	1,300 L.F.	\$100,000	9,400
Laird Street	600 L.F.	\$ 50,000	4,300
Anderson Avenue	600 L.F.	\$ 50,000	4,300
Beall Avenue	600 L.F.	\$ 50,000	4,300

*These estimates include removal of existing curbs, gutters, and sidewalks. The total estimate is approximately \$1,738,000, including undergrounding of utility lines. The total cost of new sidewalks is \$424,500.

B&O STATION HISTORIC DISTRICT

ACTION ITEM 3.

The B&O Station historic district is composed of the Wire Hardware Store, the B&O Station and Freight Building, and Old St. Mary's Church and Grave Yard. The entire historic district, as well as the properties of 8, 12, 14, 16, and 18 Baltimore Road and the storage building behind Wire Hardware, is on the National Register of Historic Places. This dynamic area, now commercial in nature, is within 500 feet of the new Rockville METRO Station and will be experiencing considerable growth and change in the near future. Existing structures, as well as several large parcels of vacant land, are certain to be influenced by the proximity of the Rockville Station. If what is left of the turn of the century commercial ambiance is to be preserved, guidelines must be established for growth in this area for private and public ventures.

The Action Program proposes to include the WINX Radio Station building, as well as the storage building behind Wire Hardware Store and the balance of the block into the historic district. This should insure the Historic District Commission involvement in the future growth of the area, especially as it relates to efforts by WMATA to assemble property and market air rights development over and adjacent to the Metro station areas. The problems associated with such development, including traffic, parking, the bulk and scale of buildings, will all have an effect on the continued value of this area as an historic resource.

Perhaps the greatest challenge associated with the district is the building of compatible new structures. The Town Center Urban Design Plan, in discussing this area, states, "New structures should not duplicate the older styles of architecture. Rather they should present an honest expression of contemporary value, while at the same time respecting the basic characteristics of the earlier styles." To attain full advantage of the opportunities of the area, a cooperative effort between the land owners will be required. A plan showing recommended urban design guidelines for the parcels of land between Hungerford Drive and Wire Hardware Store was prepared to assist the Planning Commission and prospective developer in preparing plans for its future development.

The plan respects all existing lot and property lines and maintains the integrity of two half blocks which are divided by a 20-foot wide public alley that runs from Hungerford Drive to Church Street. A natural division of the block in two halves helps to distribute the overall development potential by recommending placing more intensive development in the area facing the Metro, and respectively a lower scale development in the area between Wire Hardware and the WINX radio station. The intensity is measured by building footprints and height; the area facing Metro should have a 45-foot height limitation with possibility to reach 75 feet by bonus only. The other area should have 35 feet height restriction in order to blend into existing environment of the historic structures. Setbacks have been carefully defined based on the following objectives:

1. Create a late 19th and early 20th century themed, mid-size commercial area by requiring adherence to "built-to-line."
2. Establish a new "definable edge" along the urban roads and streets to achieve greater definition to the block.
3. Create internal courts and/or piazzas or pleasant inner space.

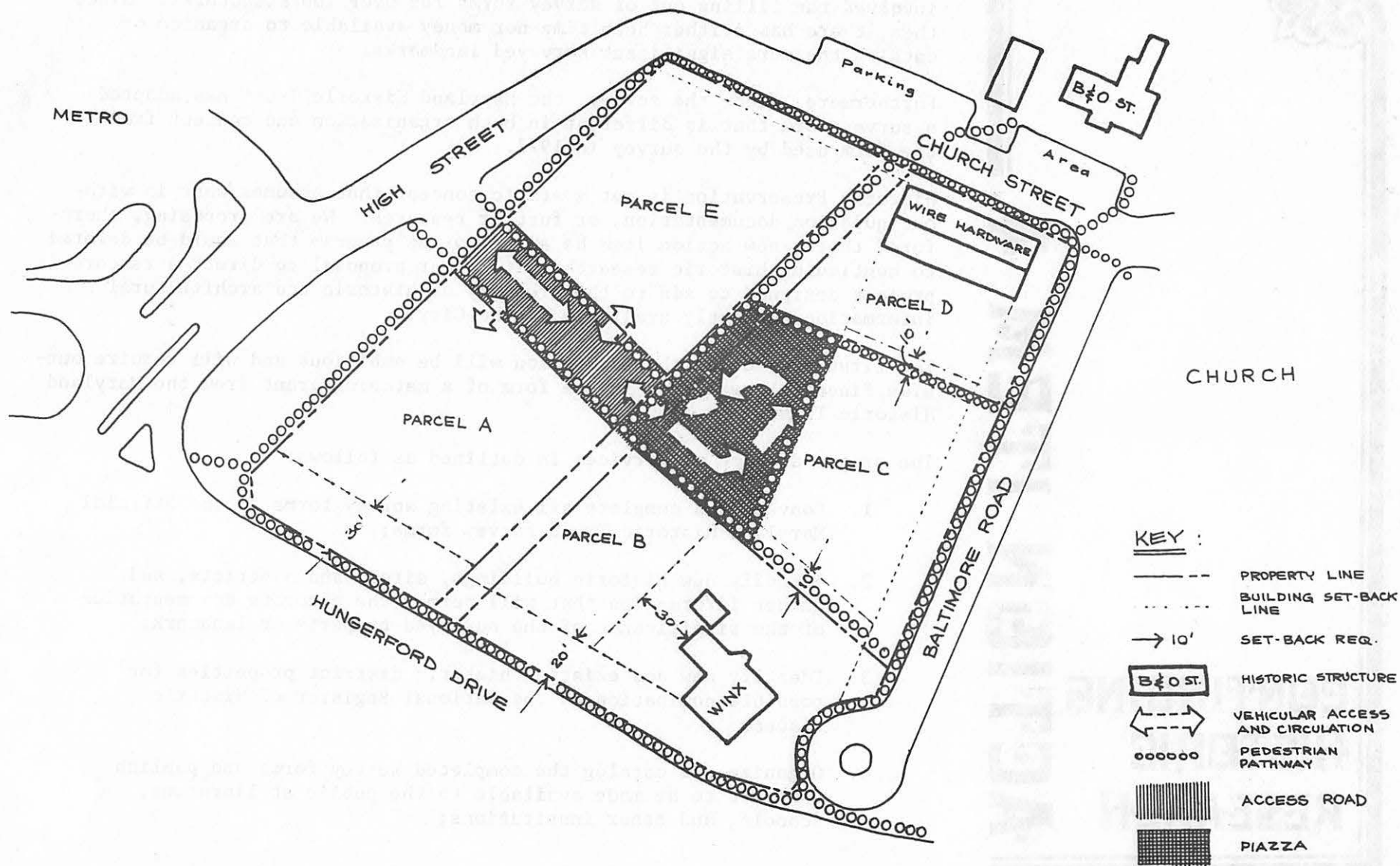
The Wire Hardware building, to a significant extent, determines the design for building that face Church Street and Baltimore Road.

Buildings immediately adjacent to Wire Hardware should be of brick to match the existing historic structure. In the area of the WINX building, the building materials may be a combination of brick, wood and concrete.

Three main objectives in orientation should be achieved:

1. Orient the High Street building toward the Metro.
2. Orient the Baltimore Road buildings toward the street.
3. Orient all rear sides of the buildings toward the piazza.

SCHEMATIC DEVELOPMENT PLAN MAP 4



**CONTINUING
HISTORIC
RESEARCH**

ACTION ITEM 4.

In 1977, Dr. Anatole Senkevitch, formerly of the University of Maryland, School of Architecture, under contract to the City, surveyed all existing historic structures in the City's historic districts. The survey involved the filling out of survey forms for over 100 structures. Since then, there has neither been time nor money available to organize or catalog the more significant surveyed landmarks.

Furthermore, since the survey, the Maryland Historic Trust has adopted a survey form that is different in both organization and content from the form used by the survey in 1977.

Historic Preservation is not a static concept that assumes what is without question, documentation, or further research. We are proposing, therefore, that a new action item be added to the program that would be devoted to continuing historic research. It is our proposal to direct a research project designed to add to the treasury of historic and architectural information currently available to the City.

The first project of the Commission will be ambitious and will require outside financial resources in the form of a matching grant from the Maryland Historic Trust.

The proposed scope of services is outlined as follows:

1. Convert and complete all existing survey forms to the official Maryland Historic Trust survey forms;
2. Identify new historic buildings, sites, and districts, and gather information that will permit the accurate documentation of the significance of the surveyed property or landmark;
3. Identify new and existing historic district properties for possible nomination to the National Register of Historic Places;
4. Organize and catalog the completed survey forms and publish a report to be made available to the public at libraries, schools, and other institutions;

5. Develop an audio-visual slide (or video tape) show on historic preservation in Rockville as an educational program for use in local schools and cable television.

To accomplish this task a team of specially trained historical and architectural research fellows should be assembled under the leadership and guidance of the Commission. The City Planning Department should provide the logistical support and aid the team in its work.

We believe the project will take a minimum of 12 months to complete. The first six months would be devoted exclusively to field surveys and research and documentation. The second six months to the preparation of the catalog, the audio-visual program, and nominations to the National Register.

Funding Mechanism

There are several alternatives to be considered in funding this action item as discussed below:

1. The City fully fund the program through general revenues. The program as outlined is estimated to cost \$20,000. The Commission does not recommend this alternative because of the current fiscal situation and the potential availability of alternative funding;
2. Seek a matching grant from the Maryland Historical Trust. The City would provide \$10,000 and the Trust a matching amount. The grant assumes Federal funding could be made available to the City after October 1, 1983.
3. Seek a matching grant from the Maryland Historical Trust. The City would seek volunteers to provide the in-kind "sweat equity" for a matching \$10,000 grant. The volunteers would be employed by the City. Their in-time service would be credited against the City's match. The State's grant would be used to hire a program administrator, trained in historical and architectural research to oversee the program as outlined and deliver the product as defined.

The Commission recommends alternative "3" on the previous page. Through the good proffer of Peerless Rockville and possibly the Montgomery County Historical Society, a sufficient number of qualified and dedicated volunteers could be recruited to provide the City's in-kind, match required to satisfy the requirements of a State grant.

**RECOMMENDED
TAX CREDITS
FOR
IMPROVEMENTS**

ACTION ITEM 5.

Property Tax Credit

Article 81, Section 9(c) of the Annotated Code of Maryland allows property tax credits to be extended to organizations and homeowners. Frederick County, Maryland has availed itself of the program and permits tax credits for improvements and additions to properties of certified historic value.

This action item recommends that the Mayor and Council exempt historic district and National Register properties from real estate taxation to the extent of 100 percent of the increase in assessed valuation of the property attributable to the reconstruction and improvement. The City could follow Frederick County's program by allowing 100 percent exemption for the first two (2) years in which the structure is subject to taxation. Succeeding year exemption would be as follows:

- Year 3 - 80 percent
- Year 4 - 60 percent
- Year 5 - 40 percent

No further exemption would be allowed after the fifth year. This approach is an acceptable standard to the Commission.

The following policies and procedures are suggested by the Commission:

1. The Director of Planning will determine whether location of property on which improvements are to be made is within a legally designated historic district pursuant to the requirements of Article 66-B of the Annotated Code of Maryland;
2. The Supervisor of Assessments shall certify the amount of improvement(s) subject to a tax credit;
3. The Director of Finance in consultation with the Superintendent of Assessment shall compute the amount of City tax credit and shall maintain a file for each property;
4. A tax payer must apply for a credit each of the five years credit is allowable by October 1, of each year;

5. If a property eligible for a tax credit changes ownership, the subsequent owner(s) are eligible to receive the unused tax credit at the time they are due;
6. Each year's tax credit shall be based on current assessed value of the improvements only;
7. If the subject improvement is demolished, the tax credited shall cease. Any prorated refund of taxes will be subject to a reduction, as a result of prorating the tax credit allowed;
8. Appropriate notice of availability of the historic tax credit shall be enclosed with the tax bill by the treasurer;
9. The initial year of the tax credit will be allowed starting with the first complete fiscal year that the assessment is billed.

The following ordinance outline is modeled on the proposal recently submitted to the Montgomery County Executive in December 1982.

DESCRIPTION: This legislation would allow a tax credit against the City real property taxes for restoration work performed on a structure that is designated as an historic site or as being within an historic district on the City's Master Plan for historic preservation. The credit offered is in the amount of 100 percent of the increase in assessed valuation attributed to reconstruction and improvement for a structure located within an historic district on the National Register of Historic Places. In order to be eligible for the tax credit, the property owner must first apply for and be granted an historic "Certificate of Approval" as set forth in the Zoning and Planning Ordinance. The credit is permitted for the cost of materials and for the value of labor performed, but the latter is permitted only if it is undertaken by a contractor licensed in the City and that contractor has actually done the labor.

The Historic District Commission will initially process all applications and forward them on the Director of Finance for verification. An appeal process from denial of credit is contemplated, assuming the State Department of Assessments and Taxation will permit the Property Tax Assessment Appeal Board for the County to enlarge its jurisdiction to hear these cases.

- OBJECTIVE:** This credit is intended as an inducement to owners of historic properties to undertake necessary repairs and restoration. The credit is authorized under Article 81, Section 12(G) of the Annotated Code of Maryland.
- GOALS:** To encourage restoration and preservation of structures in the City having historic and architectural value.
- COORDINATION:** The proposed legislation does require coordination between the Historic District Commission and the City's Department of Finance and the Department of Assessment and Taxation.
- EVALUATION:** The dual review by the Historic District Commission and the Department of Finance should provide an acceptable system of checks and balances on eligibility for the credit, as well as verification of the amounts.
- EXPERIENCE ELSEWHERE:** As indicated earlier, this credit is authorized by Article 81, Section 12(G) of the State Code. It is known that Frederick County and Prince George's County have enacted similar legislation.

Closer Coordination With State Tax Assessor Required

It has come to the attention of the Historic District Commission that the tax assessor is taking into consideration the existence of historic districts in levying his assessments.

As to residential historic properties, it appears that the assessor is adding value for inclusion in a historic district. Moreover, the assessor is apparently applying his own criteria as to the value of certain architectural features on historic properties. While the Historic District Commission is aware that the existence of a residential structure in a historic district may indeed enhance the fair market value thereof, the Commission feels that the method of assessment currently being used, wholly independent of consideration of the Historic District Commission, may be inappropriate. In this regard, the Historic District Commission will endeavor through formal and informal procedures to cause just assessments to be rendered with regard to residential properties.

With regard to commercial properties located in historic districts, our Historic District Commission is apprised that the assessor is assuming that a historic building is developable at full density regardless of the fact that such development may not be undertaken without the permission of the Historic District Commission. As a general rule, all historic commission properties will be confined to the existing structure on the historic site, and expansion of the existing density will probably not be allowed to occur. As a result of this, owners of commercial properties located in historic districts are being taxed for density which they have no legal right to realize at the time that the assessment is made. In essence, this constitutes a severe financial penalty for an owner being located in a commercial historic district and correction of this matter should be undertaken. In this regard, the Historic District Commission will undertake formal and informal procedures to cause rectification of the foregoing.