

Maryland Heritage Areas Program

Desired Future Conditions and Obstacles to Achieving Success

Task 2,
Section 1: Organization and Management

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Task 2. Desired Future Conditions and Identification of Obstacles to Achieving Success

Introduction

Following the September 23, 2008 meeting of SPAT and the consultant teams' presentation of the findings in *Task 1: Evaluation of Past Investments and Existing Conditions*, we proceeded to finalize the report from Task 1 and move to preparing recommendations as outlined in *Task 2: Desired Future Conditions and Identification of Obstacles to Achieving Success*.

This report presents recommendations for Section 1: Organization and Management which encompasses the state program, heritage area management and financial and technical assistance.

The scope of work for this phase is outlined in the following section.

Notes:

- 1) The report addresses all of the topics in the scope of work outline; however it does not follow the specific format outlined in the following section. In developing the report, it became apparent that some topics were intertwined and needed to be addressed within one section.**
- 2) This report addresses Section 1: Organization and Management, parts 1 and 2. Part 3 – Program Activities: Historic Preservation and Tourism – will be addressed in a report to be presented at the January 7, 2009 SPAT meeting.**
- 3) As our team's work continues into interpretation, programming, preservation and marketing, additional findings may necessitate amendments or revisions to this document to ensure that it accurately reflects all intended future activity recommendations.**

SCOPE OF WORK (excerpt from project proposal)

Task 2. Desired Future Conditions and Identification of

Obstacles to Achieving Success

In Task 2, our team will build on research and assessments completed in Task 1 to create a framework for the program's organization and management, financial and technical assistance, and program activities in the next five to 10 years. We will conduct additional research as needed with state stakeholders and individual heritage areas. Our team will prepare a report describing the program's desired future condition and identifying obstacles. We will make recommendations to overcome the obstacles in order to achieve the goals of the program. The report will include the following information:

1. Organization and Management

1.1. State Program

We will outline the ideal organizational structure for the Maryland Heritage Areas Program. The structure will include an organizational chart detailing management entities and the role that each should play. We will also include a recommended communications system to enable all partners to be informed of program activities in the most efficient manner.

In addition, we will describe the relationship that the state management committee should maintain with other Maryland state government agencies and relevant statewide nonprofit organizations to benefit the program.

We will also describe the relationship that the state management committee should maintain with each heritage area in respect to communication, technical assistance and evaluation. Specifically we will address what guidelines are needed to make decisions including:

- when a heritage area may revise its boundaries
- when a heritage area may request (or be requested to) update its management plan
- how a relationship between state and national heritage area designation should be managed
- under what circumstances a Certified Heritage Area should dissolve or be requested to dissolve

1.2 Heritage Areas

In order for the MHAP to achieve its desired condition in the coming years, it is imperative that each heritage area have an effective and sustainable system of operation and management. We will recommend appropriate changes in the organization and management of individual heritage area programs. Recommendations may include:

- number of staff and job responsibilities
- changes in board of directors structure and activities such as number and responsibilities of board members and committee structure

2. Financial and Technical Assistance

Financial and technical assistance provided by the MHAP is designed to stimulate activities that will lead to sustainable local heritage areas. The report will include recommendations to maximize available state resources. The report will address:

2.1 Operating Assistance – Current funding systems will be evaluated and recommendations will be made for adjustments including levels of funding, requirements for receipt of funds, reporting systems and period of support.

2.2. Target Investment Zones – Criteria for establishing Target Investment Zones will be evaluated and recommendations will be made to strengthen results gained through this system. Heritage areas will be asked to provide examples of the use of Target Investment Zones and to describe the success or challenges they found in implementation.

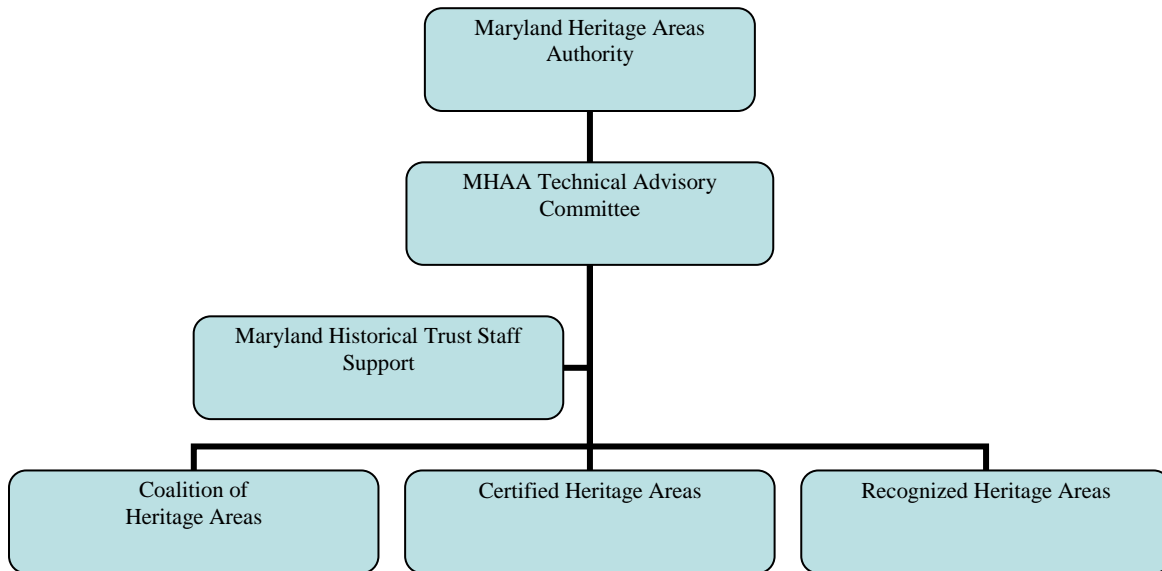
2.3 Technical Assistance – Systems for local heritage area requests for technical assistance will be evaluated. Strategies will be provided to streamline this system and to track results from the technical assistance.

2.4 Sustainability – The dependence of local heritage areas on state funding and technical assistance will be evaluated in regard to the ongoing sustainability if state support were discontinued. Strategies for assisting local heritage areas toward financial independence will be developed.

**Organization and Management
of the
Maryland Heritage Areas Program**

Organization and Management

The organizational structure of the Maryland Heritage Areas Program is:



We believe that this organizational structure, accompanied by the responsibilities outlined in the original legislation, makes clear the roles of the MHAA, Maryland Historical Trust, Certified Heritage Areas and Recognized Heritage Areas. Because the Coalition of Heritage Areas formed at a later date for a specific purpose its role is not as clear.

This report identifies a series of recommendations to strengthen the role of each partner, build capacity, enhance visibility and ensure sustainability of the Maryland Heritage Areas Program. Each section is presented with the following format:

- **Desired Future Condition** – A statement of the ideal situation for specific elements of the MHAP.
- **Obstacles to Achieving Success** – Discussion of difficulties encountered in previous years and reference to discoveries made during the research phase that present challenges in achieving the desired future condition.
- **Recommendations** – Recommendations for specific strategies to be taken by the Maryland Heritage Areas Program and discussion of activities needed to accomplish the strategy.

I. Definition of Maryland Heritage Areas Program

Desired Future Condition

To create a brief, easily communicated statement defining what Maryland Heritage Areas are and why they are important.

Obstacles to Achieving Success

An interesting – and significant – finding during the research phase was the difficulty of stakeholders to provide a brief, clear definition of what a Heritage Area is. Definitions ranged from “An area of sites that are culturally and historically significant,” to “For visitors, we break it down very simply to cultural attractions, heritage preservation and ecology,” to “It is an area but it is also an entity that runs the area and a strategy for economic development.”

The original Heritage Area legislation described creating a “system of heritage areas” that reflects the cultural themes of the state’s development and provides educational, inspirational, economic and recreational benefits for present and future generations.

Additionally, some Heritage Areas have crafted definitions. For example, Four Rivers defines a Heritage Area as:

A heritage area is a geographic region in which residents, businesses, governments, and heritage-related nonprofit organizations join together in broad-based, public-private partnerships to preserve, enhance, promote and celebrate their historic, cultural, and natural resources.

All of these statements are true – as well as others that stakeholders shared – but they all reflect different elements of Heritage Areas.

Recommendation

We recommend that MHAA take the lead in developing a definition of the Maryland Heritage Areas Program that can be easily communicated not only to stakeholders but to those who could become stakeholders. Heritage Areas will benefit from this endeavor by reaching existing supporters and cultivating new supporters including:

- **Elected officials** – State and local elected officials receive many messages from interest groups seeking funding. It is important to be able to communicate clearly what the program is and why it is worthy of financial support.
- **Media** – Local print and broadcast media are a key route to reaching local residents with the message of Heritage Areas. Communicating a unified message across the state will increase the chances of positive coverage and make it clear that the program is unified statewide.
- **Local residents** – Residents are a source of volunteer and financial support. In addition, when it is time to advocate for funding from local officials, residents can raise awareness through their support of the program.

- **Donors** – As with elected officials, foundations and corporations receive numerous request for support for various causes. A clear definition of what a Heritage Area is will strengthen prospects for receiving their support.

Developing a definition for Maryland Heritage Areas involves several steps:

1. Review definitions collected during the research phase of the strategic planning process.
2. Work with Heritage Area boards to gather their thoughts on appropriate terms to include in a definition.
3. Consult with a brand specialist (perhaps at the Maryland Office of Tourism) for assistance in crafting sample definitions.
4. Develop a definition that clearly describes the role and relevancy of Heritage Areas and that inspires action and support.
5. Use the definition as the basis for several communication statements:
 - Basic definition
 - Media pitch
 - Boilerplate for funding proposals
 - “Elevator” pitch

Example

The National Trust for Historic Preservation recently completed research and development of a new communications message. The purpose was to clearly articulate what the National Trust for Historic Preservation is and to engage more people in historic preservation.

The old definition was:

Protecting the Irreplaceable

The new definition of the National Trust is:

The National Trust for Historic Preservation provides leadership, education, advocacy and resources to help people save the places that matter to them.

The boilerplate description of the National Trust is:

The National Trust for Historic Preservation is a non-profit membership organization bringing people together to protect, enhance and enjoy the places that matter to them. By saving the places where great moments from history – and the important moments of everyday life – took place, the National Trust for Historic Preservation helps revitalize neighborhoods and communities, spark economic development and promote environmental sustainability. With headquarters in Washington, DC, 9 regional and field offices, 29 historic sites, and partner organizations in all 50 states, the National Trust for Historic

Preservation provides leadership, education, advocacy and resources to a national network of people, organizations and local communities committed to saving places, connecting us to our history and collectively shaping the future of America's stories. For more information visit www.PreservationNation.org

II. Web-based Communications System

Desired Future Condition

Building on the successes of partnerships and collaboration among MHAA, state agencies and Heritage Areas, the Maryland Heritage Area Program will use a web-based communications system to enable stakeholders to share information, build a network and access resources in an efficient and useful manner.

Obstacles to Achieving Success: Program Statements

Stakeholder interviews with representatives from state agencies and other state organizations indicated excellent support for the Maryland Heritage Areas Program. Many agencies and organizations have provided technical assistance or grants to support the goals of Heritage Areas.

However, the issue of Program Statements remains unresolved and can be an obstacle to achieving the recommendation of a web-based communications system. Section 13-1112 of the original statute included specific requirements for preparing state agency program statements:

Preparation – The state officials under items (i) through (vi) of this subsection who have program responsibilities that affect aspects of the interpretation, preservation, development and use of heritage area resources shall prepare a program statement detailing actions in the areas of planning, development, use, assistance and regulation that support and assist the establishment and management of certified heritage areas, as follows:

- (i) Secretary of Planning regarding local government adoption of heritage area management plans and regarding historic preservation and museum programs;**
- (ii) Secretary of Housing and Community Development regarding housing and neighborhood revitalization**
- (iii) Secretary of Business and Economic Development regarding the state tourism program and economic development and job creation activities;**
- (iv) Secretary of Natural Resources regarding outdoor recreation and the management of natural resources, including state greenways;**
- (v) Secretary of Higher Education regarding educational resources and their interpretation;**
- (vi) Secretary of Transportation regarding access to and transportation within certified heritage areas, including the scenic byways program and programs for special signage; and**

(vii) Secretary of General Services regarding the management and disposition of state property

In addition, Part B of section 13-1112 specifies how these state government agencies must involve Heritage Areas in their activities:

- (1) Consult, cooperate and to the maximum extent feasible, coordinate their activities with the unit or entity responsible for the management of each certified heritage area.**
- (2) To the maximum extent practicable, carry out the activities of the unit in a manner that is consistent with the approved management plan for the certified heritage area, and**
- (3) When conducting a review of activities under 5A-325 and 5A-326 of the State Finance and Procurement Article, assure that the activities will not have an adverse effect on the historic and cultural resources of the certified heritage area, unless there is not prudent and feasible alternative.**

Between 1998 and 2005, MHAA made several attempts to achieve compliance with this requirement. In 1998 and 1999, a study group met to create a set of guidelines and a system for state agencies to develop program statements. In 2004, the Coalition of Heritage Areas recommended that MHAA provide guidance to state agencies on how to develop program statements. A MCOHA memorandum also included a “wish list” of ideas for assistance that could be provided by state agencies. A program statement was drafted by the Department of Natural Resources but was not reviewed or approved by MHAA.

In 2005, MHAA and MCOHA formed a working group which met once and developed a series of recommendations focusing on development of a questionnaire and meetings between MHAA staff and state agencies to assist in completion of the program statements. (MHAA minutes, April 20, 2005).

Throughout these efforts, notation was made of the difficulty for state agencies to meet this requirement due to the wide-ranging and complex programs offered by many agencies. At this point in their development, the 11 Heritage Areas also have wide-ranging and complex programs which increases the challenge of crafting program statements that are accurate and useful.

Strategies developed by the study groups are thorough, and we believe they will be effective when implemented. In addition to implementing these strategies, we recommend that MHAA communicate to state agencies that the information they provide will be included on a new Maryland Heritage Areas Program website which is detailed in the following section. It is hoped that this will create a sense of urgency to complete the

program statements so that they can be a part of the new web-based communications system.

In addition to creating program statements for the required state agencies, it would also be useful to document resources and assistance available through other agencies and organizations that can be helpful to Heritage Areas such as those provided by Preservation Maryland.

Recommendation

We recommend a new **web-based communications system** to provide a mechanism for enhanced communication among all partners, to enhance the ability of Heritage Areas to access available resources from MHAA and each other and to create a clearinghouse of information about and for Maryland's Heritage Areas.

This new system will directly address the issue of sustainability for Heritage Areas (Task 2, Section 2.4) by creating a comprehensive resource that enables Heritage Areas to find and utilize resources that build capacity.

Currently, information about the Maryland Heritage Areas Program is found in many places: the Maryland Historical Trust website, files of MHAA meeting minutes, operating, capital, non-capital and marketing grant applications and reports, Heritage Area management plans, websites, newsletters and annual reports. Program staff members are also critical resources because of their extensive institutional memory of how the program began and evolved over the years. Additionally, Heritage Area executive directors each have tremendous knowledge and specific areas of expertise ranging from facilitation of partnerships to event production.

Although all of this knowledge and information exists, it must be searched for by Heritage Area management entities and MHAA each time a question arises, a resource is needed or a new project is begun.

The online survey indicated a desire among stakeholders to have more productive interactions with their peers:

- 73% said they wanted to network among peers within their Heritage Area
- 65% wanted a chance to learn from others involved in heritage tourism about issues and challenges in other Heritage Areas

A Maryland Heritage Areas Program website can centrally locate this information and create new networking opportunities. The website will also allow information to be easily accessible and easily updated.

The proposed website will be a Web 2.0. Web 2.0 is defined as the use of Internet technology and web design that enhances creativity, information sharing and

collaboration among users. A Maryland Heritage Areas Program website will accomplish many goals including:

- Providing timely information on program activities
- Including resource information to build capacity among Heritage Areas
- Serving as a clearinghouse and archive on all aspects of the program
- Creating a community among all program stakeholders
- Building support for the Heritage Areas Program

The Maryland Heritage Areas Program website can serve many audiences:

| Site User | Benefit |
|--------------------------------------|--|
| MHAA/TAC | - Access updates on Heritage Area activities - Access information on previous and upcoming meetings |
| MHAP executive directors | - Resources to build capacity and expertise - Ease of filing reports - Ease of tracking project status for capital and noncapital grants - Networking with other Heritage Areas |
| MHA board members | - Resources to build capacity and expertise |
| State Legislators | - Access to information on Heritage Area Program statewide |
| Local elected officials | - Ability to compare local Heritage Area activities with others |
| Heritage Area members and volunteers | - Resources to build capacity and expertise |
| Statewide nonprofits | - Location to post information on technical assistance, grants, conferences, etc. |
| Donors | - Clearinghouse for program information to inform donation decisions |
| Media | - Clearinghouse for Heritage Area information |

The Maryland Heritage Areas Program website would include numerous areas for information and resources such as:

| Website Area | Information |
|---|---|
| About the Maryland Heritage Areas Program | <ul style="list-style-type: none"> - Definition - Goals - Core Components - Enabling legislation - MHAA members - MHAA staff - MHAP Strategic Plan - MHAA meeting schedule/minutes - TAC meeting schedule/minutes |
| Heritage Areas | For each Heritage Area: <ul style="list-style-type: none"> - Director profile - Board members - General description - Management plan - 5-year action plan - Annual plan - Upcoming activities - Press releases |
| Issues | <ul style="list-style-type: none"> - State legislation affecting heritage areas - Federal legislation affecting heritage areas |
| Resources | <ul style="list-style-type: none"> - State Agency Program Statements (links and contacts) - Other agency/organization information - Newspaper and magazine articles - Upcoming conferences - Case studies - Heritage Area contacts/recommendations (i.e. grant writers, accountants) - How-to information shared by Heritage Areas (i.e. interpreter training, event planning, brochure development) |
| Training | <ul style="list-style-type: none"> - Online workshops - Webinars - Online check-in with experts |
| Media | <ul style="list-style-type: none"> - Clips from media coverage in Heritage Areas |
| Blogs | <ul style="list-style-type: none"> - Heritage Area updates, inquiries, etc. - State agency posting about new resources or programs - Other partners postings about current activities or resources |
| Reports | <ul style="list-style-type: none"> - File Heritage Area operating grant reports - File Capital and Non-capital grant reports - Templates for Performance Measures |

III. Operating Assistance and Management Entities Administration

As noted in the report ‘Evaluation of Past Investments and Existing Conditions,’ after seven years of awarding annual operating grants of up to \$100,000, Heritage Areas are dependent on these funds to continue administering their local programs. The original intent of these grants was to assist in establishing the local management entity with the agreement that funding from MHAA would decrease and eventually be discontinued and that local private funding would increase.

The awarding of operating grants has been a point of discussion throughout these years. For example, the April 2005 minutes reflect staff notification that upon award of operating grants, only \$230,000 remained for project and marketing grants. Discussion ensued about whether to decrease the operating grants to provide more funds from projects and marketing. Heritage Area representatives objected to this approach, and TAC’s recommendation to continue offering operating grants at the agreed-upon levels was accepted by MHAA.

As several Heritage Areas reached the year in which they were faced with decreased funding, the Maryland Coalition of Heritage Areas requested revisions to the grant policy on an interim basis of two years, which would encompass time period of the strategic planning process. (Fiscal years 2008 and 2009 – through July 2010.)

At the February 15, 2007 MHAA meeting, members unanimously approved a resolution which currently guides operating grant policy:

RESOLVED, that the Authority approves on a two-year interim basis for Fiscal Year 2008 and Fiscal Year 2009 the following:

- **Any Certified Heritage Area may receive up to \$100,000 in annual operating assistance funding;**
- **During the interim period the requirement for a certain percentage of operating assistance grant matching funds to be provided by private sector sources to be waived; and**
- **Approval of these changes is contingent on sufficient funds being available in the Maryland Heritage Areas Authority Financing Fund.**

During the research phase of the strategic planning process, stakeholders expressed widely varying opinions on the future of operating grants. Not surprisingly, Heritage Area directors, boards and other local stakeholders were adamant that the operating grants were essential. MHAA members conveyed an understanding that operating dollars are difficult to raise; however, concerns were focused on being convinced that there is a good return on the investment of these dollars in furthering the objectives of the Heritage Area Program both locally and from a statewide perspective.

Desired Future Condition

The desired future condition is a sustainable system of Heritage Areas that is fiscally sound in its administrative operations in order to carry out the goals of program.

Obstacles to Achieving Success

The need to resolve the question of operating grants is critical to the future of the Heritage Areas Program. The uncertainty of their continuation and the unease in continuing the present system of operating grant awards is eclipsing the ability of stakeholders to envision the future of the program. A clear obstacle is the view of Heritage Area directors and boards that they cannot fundraise locally to support the Heritage Area for many reasons including lack of time, creating a competitive atmosphere with other local nonprofits, and lack of knowledge of how to fundraise. In some cases, board members are involved with the Heritage Area because it is a source of grant funding for their organizations (through capital and non-capital grants), therefore they see their role as *receiving* money not *raising* funds to support the Heritage Area.

Given the current system of operating grants and the dependence that Heritage Areas have on this funding, to discontinue these grants – or to reinstitute the decreasing funding system and requirement of private sector support – would undoubtedly create an obstacle to success that Heritage Areas may not be able to overcome. The current economic climate makes such a transition impractical within the next few years.

Recommendations

After evaluating legislative intent and stakeholder opinions, studying operating grant applications and year-end reports as well as Heritage Area budgets, and assessing the accountability created by the reporting system, we offer a three-part recommendation:

- 1) Operating grants of up to \$100,000 should continue to be made available to all Certified Heritage Areas for the **next five years**, contingent upon implementation of the following additional recommendations;
- 2) Changes are made in Heritage Area **planning, application and reporting** processes to create accountability and reporting that clearly documents accomplishments; and
- 3) Heritage Areas are required to **establish fundraising committees** and **attend fundraising and grant writing workshops** offered through the MHAP and to demonstrate a concerted effort to raise funds to support the organization.

Planning: Management Plans, Action Plans and Annual Work Plans

1) Management Plans

Although development of a management plan is a requirement of certification, the utility of the plans as guiding documents was assessed as nominal. Reasons for this vary but most often point to changes in leadership since the plans were developed and the lack of agreed-upon prioritization of strategies. Additionally, management plans are usually several hundred pages in length, making them difficult to reference on an ongoing basis. Another likely reason for the plan's limited use is the question of whether or not Heritage Area board members receive appropriate orientation for their board service, including a review of the management plan. Two Heritage Areas – Baltimore and Four Rivers – have undertaken updates of their management plans recently. Others are waiting until the statewide strategic plan is completed to begin their updates.

The process of updating a management plan can be daunting as most originally took one to two years to develop. Two issues also complicate the prospect of updates:

- 1) Recognized Heritage Areas received grants to develop management plans in pursuit of certification. This funding allowed the hiring of consultants to guide process and to write the plan. If plans are to be updated, funding becomes a question. Are funds to be taken from operating dollars? Other grant sources? Will the use of MHAA funds for updates take away funds that might be used for capital or non-capital projects?
- 2) The original enabling legislation states
 - (Section 13-1111 – m): The Authority shall approve or disapprove any revisions to an existing management plan in the same manner as specified in subsections (j) through (l) of this section.
 - (Section 13-1111 - j) – The Authority shall approve or disapprove the management plan within 90 days after the Authority receives a management plan from the **local jurisdictions**.
 - (Section 13-1111 – k)- The Authority may not approve a management plan unless the Authority determines that a management plan would adequately carry out the purposes of this subtitle.
 - (Section 13-1111 – l) – If the Authority disapproves a management plan the Authority shall **advise the local jurisdictions** in writing the reason for the disapproval and provide recommendations for a revision of the plan.

The legislation is interpreted to mean the local jurisdictions that first submitted the management plan must submit any revised management plan. This would require the same procedure originally required:

- (Section 13-111 – e) – The management plan must be submitted for approval to the local governing body of each jurisdiction within the recognized heritage area in the form of an amendment to the local plan.

We believe that management plans are designed to be the foundation for Heritage Areas rather than the document that guides the daily or yearly activities of the management entities. In reviewing Heritage Area management plans, they clearly communicate a vision for the Heritage Area, a reason for designation, an inventory of assets, an accounting of current tourism and preservation programs and descriptions of desired outcomes in tourism, preservation, conservation and interpretation. Some plans also include implementation timelines, although these are generally categorized as “short-term: 1-2 years,” “mid-term: 2-4 years,” and “long-term: 5 or more years.” Plans most often do not include specifics: detailed action steps, assignment of responsibility or a budget.

When should management plans be updated?

Recognizing the extensive time, work and expense that were devoted to developing each Heritage Area management plan, we believe that the plans should have a shelf-life of 10-20 years. However, Heritage Areas should update their management plans if any of the following changes take place:

- Management is transferred to a new entity or the structure of the board changes significantly.
- The Heritage Area moves to adopt a new mission or a set of goals that is substantially different from the original.
- The Heritage Area redraws its boundaries resulting in a change in the cultural character originally identified or a change in management.
- The Heritage Area changes its interpretive themes with the intent to redirect funding for capital and non-capital grants.

Management plans were required by statute to include:

- ⊙ Identify boundaries, land use recommendations and zones
- ⊙ Inventory and evaluation of natural, cultural resources
- ⊙ Public, private uses to be encouraged
- ⊙ Acquisition of property
- ⊙ Education, interpretive, recreational programs
- ⊙ Plans to encourage, accommodate visitation and economic development
- ⊙ Costs, benefits and sources of funding
- ⊙ Preservation, protection of natural and cultural resources
- ⊙ Organizational structure
- ⊙ Schedule for development and management

National Heritage Area Management Plans

The National Park Services describes National Heritage Area Management Plans in this way:

The Management Plan – What is it?

The management plan describes comprehensive policies, strategies, and recommendations for telling the story of the region’s heritage and encouraging long term resource protection, enhancement, interpretation, funding, management and development of the National Heritage Area. The plan specifies actions, policies, strategies, performance goals, and recommendations taken to meet the goals of the heritage area. The plan identifies what the local coordinating entity and partners want to achieve over the initial period of the project (about 10-15 years) – it is an agreement between the parties – including the National Park Service, the public, elected officials, donors and other agencies – on what is going to be achieved over the life of the plan.

- **It is a guide for decision making** – both for the local coordinating entity and partners. It is a useful tool to explain the heritage area’s goals and projects to potential partners, supporters, and the public. It conveys what the heritage area is all about and what the larger heritage area community intends to accomplish.

2) Action Plans

We are in agreement with the recommendation of SPAT members who participated in the “Administration” breakout group at the September 23, 2008 meeting:

Rather than require a complete rewrite/update of the management plan, we recommend requiring Heritage Areas to develop a 5-year action plan using the management plan as the foundation.

This approach will accomplish several goals:

- 1) It will require Heritage Areas to complete a thorough review of what is in their management plan.
- 2) It will ensure that activities are oriented toward the goals set forth in the management plan and more clearly connect daily activities as well as grants to the management plan.
- 3) It will avoid the lengthy and costly process of updating the management plan.

Action plans should include:

- Action steps – A detailed description of each action step and connection to the management plan’s goals. Describe which of the 7 Goals of the Maryland Heritage Area Program connect to this action step.
- Details – Description of what will be involved in implementation.
- Heritage Area Management Entity Role – The action plan will clearly identify the role of the local management entity. Will the management entity be a coordinator of the activity, assist in obtaining grants, project developer or promoter?
- Partners – Description of all partners including identification of project lead and identification of the role of each partner.
- Budget – Estimated activity budget and identification of sources of funding.
- Timeline – Prioritize activities for a five-year period.

3) Annual Work Plan

The development of a five-year action plan will enable Heritage Area management entities to then develop an annual plan of work. The annual plan should follow the same outline as the five-year action plan with the addition of interim points included in checklists to ensure that progress is being made on each action step.

4) Operating Assistance Grant Applications

Recommended changes to Operating Assistance Grant Applications are:

- 1) Name Change -The name of the grants should be changed to “Management Grants.” The connotation of “operating” assistance does not encompass the programmatic responsibilities of Heritage Area management entities.
- 2) Include Annual Work Plan – The Heritage Area’s annual work plan should be submitted with the grant application. A cover memo should be included stating that the work plan was developed and approved by the Heritage Area Board of Directors. The memo should be signed and dated by the Heritage Area Board Chairman.
- 3) Revise Appendix II: Operating Assistance Narrative – To more clearly reflect the intended activities of the Heritage Area, the narrative section should be revised to become a summary of the annual work plan:
 - Administrative – Describe ongoing responsibilities such as producing a newsletter, maintaining a website, promoting the grant program, cultivating membership and attending professional development training.
 - Programs – Description of activities related to major Maryland Heritage Area Program Goals – preservation, conservation, tourism and interpretation. How do the activities address the goals of the management plan?
 - Funding – Description of funding that is committed for grant match; outline of fundraising plans to support project development.

5) Heritage Area Reporting

Currently, Heritage Area year-end Operating Grant reports take many forms. Some reports are brief and focus on reporting financial expenditures. Others are more extensive, providing a narrative of activities related to the Operating Grant application. Some reports also include the Heritage Area’s Annual Report.

To enable MHAA to more clearly understand what has been accomplished, we recommend that a standardized reporting process be developed. Reports should be completed on a template provided by MHAA which follows the outline of the annual work plan.

In addition to information in the work plan, the reports will include information on accomplishments in each area and an explanation of ongoing work in uncompleted projects. This will reduce the emphasis on ongoing administrative activities (such as newsletter production) and instead shift the focus to program and project accomplishments.

6) Heritage Area Development (Section 2.4 – Sustainability)

It must be acknowledged that although the recommendation is to continue providing operating funds to Heritage Area management entities, the realities of difficult economic times makes it possible that the Maryland General Assembly could decrease or discontinue funding if forced to make cuts to the state's budget. Therefore it is essential the Heritage Area management entities begin to actively cultivate sources of funding with assistance from MHAA. Strategies include:

- 1) Board Development Training – Strong and active boards are the foundation of sustainable Heritage Areas. MHAA should facilitate their development by requiring that all Certified Heritage Area boards participate in board training at a minimum of every three years. The training can be offered either through online board development courses or on site. Training should be conducted by a facilitator who is well versed in nonprofit boards and who can clearly explain the management and fiduciary responsibilities of board members.
- 2) Development Committee – Each Heritage Area management entity should be required to establish a development committee. This can encompass membership, sponsorships and grant writing.
- 3) Grant Writing and Development Workshops – MHAA should offer annual workshops on how to find grant sources and write effective grants as well as how to prepare and present solicitations for sponsorships from corporations and donors.
- 4) Annual Development Reports – Heritage Area management entities should be required to prepare annual reports detailing their development efforts and successes and describing needed training and technical assistance from MHAA in the coming year. (Note: Most Heritage Areas currently produce annual reports of activities. This report would focus specifically on development efforts.)

IV. Increase Visibility for Sustainable Heritage Areas

Desired Future Condition

To elevate the visibility of Maryland Heritage Area management entities and to build board capacity for fundraising in order to ensure sustainability through an increase in funding sources for administration and programs.

Obstacles to Achieving Success

The online survey conducted in September 2008 showed that stakeholders have positive views of Heritage Area management entities:

- 70% feel the management entity facilitates networking
- 65% believe they have the support of local government
- 63% believe they use the management plan to guide development

The survey further showed that stakeholders value community visibility for their Heritage Area Program:

- 82% sited the importance of a good working relationship with local media to assure that information about the heritage area is available to residents
- 78% identified a strong local public outreach program that cultivates community involvement as important

Community visibility and support are key factors in the sustainability of Heritage Areas. As Heritage Areas work to raise their profiles and to attract new sources of funding, it will be essential that management entities present a transparent operation in keeping with standard nonprofit procedures. With the difficult economic climate and the increased competition for funding from governments, foundations and corporations, only the most visible, efficient and effective organizations are likely to be successful in continued, sustainable funding.

The obstacle that will need to be overcome is the perception of some Heritage Area board members that fundraising is not something they can do or are interested in doing. It will need to become clear to all Heritage Area board members that part of their responsibility is to assure the financial health of the organization. Even those Heritage Areas that are part of local or state government have these responsibilities as these organizations are able to apply for and receive grant funds.

Recommendation

There are many resources for learning about appropriate board operations. We recommend that a committee of the Maryland Coalition of Heritage Areas be formed to research specific topics such as conflict of interest statements, ethics policies and board member responsibilities and to develop guidelines for all Heritage Area management entities.

The Maryland Association of Nonprofit Organizations (www.marylandnonprofits.org) is the ideal place to begin this process. In addition, MANO offers certification for nonprofits that meet appropriate nonprofit management standards. All nonprofit Heritage Areas should seek this designation. MHAA should approve the guidelines and monitor a timeline for implementation. (Note: The Strategic Plan will include specific steps in this process and a timeline for completion.)

V. Target Investment Zones, Boundary Revision, Dissolution of CHAs

Desired Future Condition

To create systems of program administration that will clarify operations in three areas: Target Investment Zones, revision of boundaries and dissolution of Certified Heritage Areas.

Obstacles to Achieving Success

These three programmatic questions were originally presented in the Strategic Plan RFP and were explored by the consultant team through the research phase of the project. Of the three, Target Investment Zones yielded the majority of comments and questions. There is a great deal of confusion about how TIZ's operate resulting in their not being fully utilized. Each of these administrative questions will be addressed individually in the following section.

I. Target Investment Zones

Target Investment Zones are addressed in the enabling legislation:

- **Section 13-1111 g(1)(iii) – (Identification of) the zones within the recognized heritage area for particular nature and intensity of use, including zones most appropriately devoted to public use and development by the state or local government and for private use**
- **Section 13-1113 – Grants – (c) (1) – Except as provided in paragraph (2) of this subsection, the Authority may make acquisition and development grants only for projects in a target investment zone within a certified heritage area for a period of up to 10 years after the day on which the Authority first approves funding for acquisition or development grants in:
(i) the target investment zone, or
(ii) that portion of the target investment zone added through a boundary amendment approval by the Authority**
- (2) The Authority may make acquisition or development grants for a project in a target investment zone after the 10-year period...or outside the target investment zone, if the Authority determines that the project is essential for the success of the management plan...**

(Note: Legislation originally stated that grants would be available for five years after certification. This was extended to 10 years through an act of the General Assembly in 2007. Additionally, regulations were amended to allow grants to be awarded outside the Target Investment Zone if they meet specific criteria.)

The intent of Target Investment Zones was to identify areas within the Certified Heritage Area boundary where the community wanted to target capital investment for quick results. Grant application guidelines require that all activity affecting historic structures conform to the Secretary of Interior's *Standards for the Treatment of Historic Properties*. The

Maryland Historical Trust also reserves the right to require a perpetual historic preservation easement to the MHT on properties that receive MHAA funds. Matching grants of up to 50% are available to local jurisdictions and nonprofit organizations. Loans are available to corporations and private individuals. The maximum grant award is \$100,000. Funds may be used for:

- **Acquisition**
- **Development**
- **Rehabilitation**
- **Restoration**
- **Pre-development**

MHAA must determine that capital projects outside the Target Investment Zone are essential to the success of the CHA management plan in order to award a capital grant. Projects must:

- Be identified as a priority activity in the management plan and consistent with the goals, objectives, strategies, standards and actions outlined in the management plan OR
- Have an exceptionally significant heritage tourism development impact on the CHA and meet standards for heritage tourism-related uses, physical improvements and economic benefits.

Recommendations

MHAA has attempted to address concerns about Target Investment Zones by amending the legislation allowing capital grant awards outside of the zones and to extend the timeline for grant applications to 10 years. Heritage Area management entities have made efforts to publicize the grants and to obtain TIZ boundary amendments from MHAA as requests arise within their areas.

This has resulted in a “band-aid” approach to respond to Heritage Area needs, but has not addressed the overarching difficulties of TIZs – the uncertainty of current Heritage Area managers about how the zones were selected during the management planning process and the challenge of publicizing the capital grant program to potential grant recipients as part of an overall preservation strategy which meets management plan goals.

The online stakeholders’ survey reflected some of this ambivalence about the TIZ program:

- Stakeholders are divided on whether “the Target Investment Zones have succeeded in focusing investment in specific areas to achieve results in less time.”

32% - Agreed that they had accomplished this goal

27% - Disagreed

- 40% - Agreed that “the Target Investment Zones need to be revised in our area.”

-16% - Disagreed with this statement

To strengthen the results gained through the Target Investment Zone program, we offer recommendations that will require a collaborative effort from MHAA staff and Heritage Area management entities:

- 1) At a MCOHA meeting, MHAA staff should review the origins and intent of the Target Investment Zone sections of the statute. How was the concept for TIZs developed? Why was it considered important to identify specific areas for capital investment? What capital funds have been awarded?
- 2) Executive directors should compile documentation of the history of TIZs including areas designated as TIZs, boundary amendments since the development of the management plan, capital grant awards and grant applications that did not receive funding. Wherever possible, directors should contact stakeholders who were involved in developing the management plan to learn how the TIZ in their areas were selected.
- 3) MHAA should require each Heritage Area to review its current list of TIZs. The review should:
 - Assess the results of capital investment in each TIZ compared to the criteria for grant awards and the intent of heritage-tourism related development.
 - Determine if any of the TIZs have not achieved results and should be removed from TIZ status.
 - Identify any additional areas with the Heritage Area boundaries that could potentially be added as a TIZ.
 - Prioritize TIZs for receipt of capital grant funds.
- 4) With the completion of the assessment, Heritage Area management entities should present their findings to MHAA. This report should:
 - Inform MHAA of how the Heritage Area intends to prioritize future capital grant applications and how this determination was made.
 - Request that non-performing TIZs be removed from TIZ status.
 - Request boundary amendments as needed to recognize new TIZs.
- 5) MHAA should prepare promotional materials available for download from the website for use by Heritage Areas:
 - A user-friendly brochure explaining the TIZ program and providing examples of successful projects.
 - A shell press release announcing upcoming capital grant rounds for distribution to local media by Heritage Area directors
 - A powerpoint presentation outlining the TIZ program and including examples of projects across the state for use by Heritage Area directors.
- 6) As part of the operating grant annual reports, MHAA should require an accounting of how Heritage Area directors publicized the TIZ and cultivated grant applications through presentations, media announcements and personal contacts.

II. Revision of Boundaries

Management plans are required to define the boundaries of the Heritage Area. With an amendment to the original procedure passed by the State Legislature in 2004, MHAA may approve revisions to boundaries upon confirmation that local jurisdictions affected by the boundary change have approved the revision.

Several Heritage Areas have amended their boundaries including Canal Place (1999), Stories of the Chesapeake (2005), Baltimore (2007) and Heart of Chesapeake (2007) as noted in MHAA minutes.

Recommendation

A review of statute requirements, requests from Heritage Areas for boundary amendments and discussion in stakeholder interviews indicates that the process for boundary revision is appropriate and effective. At the present time, we do not recommend any changes to this process.

III. Dissolution of Certified Heritage Area Status

Enabling legislation, Section 13-1111 (p) provides for the dissolution of Certified Heritage Areas in the following manner:

After holding a public hearing in the certified heritage area that is the subject of the Authority's review, the Authority may withdraw its approval of a management plan if the Authority finds that a local jurisdiction responsible for the certified heritage area:

- (1) Has taken actions which have had a significant adverse impact upon significant certified heritage area resources or**
- (2) Has failed to implement its role under the management plan**

Before reaching the point of holding a public hearing on the possible dissolution of a Certified Heritage Area, MHAA should take measures to alert the Heritage Area of concerns about its actions or failure to achieve its role as outlined in the management plan.

Desired Future Condition

To develop a clear system of measurement, notification and review of Heritage Areas' administrative and programmatic accomplishments which will create a fair and unchallengeable process for dissolving a Certified Heritage Area should it become necessary.

Obstacles to Achieving Success

Clearly, dissolution of a Certified Heritage Area is an action of last resort, and it is hoped that it will never become necessary. We also recognize the political ramifications of dissolving a Certified Heritage Area; therefore, it is essential that a defensible process be created to minimize the repercussions of this action.

Recommendations

We recommend a systematic approach for MHAA that includes performance measures review, administrative assessment, a regular schedule of written notification of performance issues and expectations, a regular schedule of meetings and a timeline for making the required changes before notice of intended dissolution of the Certified Heritage Area is given.

- **Performance measures review** – Part of the strategic planning process is to develop performance measures that will allow Heritage Areas to track their accomplishments in program development, economic impact and other indicators. Reports from performance measures will be a valuable tool in assessing Heritage Area activity.
- **Administrative assessment** – The administration of a Heritage Area is appropriate for measurement as MHAA funds provide the majority of staff salaries. This can include responsiveness to MHAA requests for assistance (such as hosting meetings), actively cultivating grants for capital and non-capital projects, participating in MHAA and MOCHA meetings as well as other measures that are important, particularly to MHAA staff, in conducting the business of the Heritage Areas Program.
- **Written notification** – If MHAA agrees there are concerns about a particular Heritage Area, written notification should be provided to the Heritage Area executive director and board chairman. Concerns should be specified and a list of expectations included. The letter should include MHAA’s requirement for a written response and a timeline for additional correspondence.
- **Meetings** – MHAA staff should schedule regular meetings with the Heritage Area to receive updates on actions to address MHAA’s concerns. The results of the meetings should be reported to MHAA.
- **Timeline** – After the first meeting between MHAA staff and the Heritage Area executive director and board of directors, MHAA staff should prepare a timeline reflecting expected action steps by the Heritage Area. MHAA should approve the timeline and the action steps. Following this approval, the timeline will be given to the Heritage Area to implement.
- **Dissolution** – All documentation should be retained including letters, meeting notes, reports, etc. If it becomes necessary to move forward with dissolution, MHAA should first notify the Heritage Area director and board of directors. Letters should be sent to local and state elected officials to explain MHAA’s decision to seek dissolution before proceeding with the required public hearing.