



Maryland Department of Planning
MARYLAND HISTORICAL TRUST
BOARD OF TRUSTEES' MEETING

May 24, 2012

Historic London Town & Gardens

839 Londontown Road, the Pavilion, Edgewater, MD 21037

Board Meeting 10:30 a.m.

AGENDA

**Committee Only*

- Z1 CALL TO ORDER
- Z2 APPROVAL OF MINUTES
- Z3 COMMITTEE REPORTS
- Z100 Survey, Registration, Community Education & Museums
- Z101R Amendment to Change the Scope of Work & Grantee Project Contribution for the FY2012 Non-Capital Historic Preservation Grant to the Society for the Preservation of Maryland Antiquities, Inc.
- Z102 Interim Action of the Executive Committee – Approval of the FFY2012 CLG Grants
- Z200 Management & Planning
- Z201 Litigation & Legal Issues
- Z202 FY2012 Budget & Legislation – Report
- Z203 Investment Committee – Report
- Z204 Awards Ceremony - Report
- Z300 Capital Programs
- Z301R MHT Capital Loan to Teackle Mansion, Somerset County
- Z302R MHT Capital Loan to Irish Railroad Workers' Museum, 918-920 Lemmon St., Baltimore City
- Z303R Right of First Refusal on Friendship Hall, Dorchester Co.

**Tour of "Discover London Town" at the Visitors' Center before lunch.*



*Maryland Department of Planning
Maryland Historical Trust*

*Martin O'Malley
Governor*

*Anthony G. Brown
Lt. Governor*

*Richard Eberhart Hall
Secretary*

*Matthew J. Power
Deputy Secretary*

Maryland Historical Trust

NOTICE

The regular meeting of the Maryland Historical Trust Board of Trustees will be held on Thursday, May 24, 2012, at Historic London Town & Gardens, 839 Londontown Road, the Pavilion, Edgewater, MD 21037.

Board Meeting 10:30 a.m.

Lunch 1:00 p.m.

This notice given April 9, 2012.

J. Rodney Little
Director

Please respond by e-mail skeyser@mdp.state.md.us or phone (410) 514-7603 by May 14, 2012.

MARYLAND HISTORICAL TRUST
BOARD OF TRUSTEES' MEETING
May 24, 2012
Historic London Town & Gardens
839 Londontown Road, the Pavilion, Edgewater, MD 21037
Board Meeting 10:30 a.m.

Pursuant to notice, the regular meeting of the Board of Trustees of the Maryland Historical Trust was held at Historic London Town & Gardens, 839 Londontown Road, the Pavilion, Edgewater, MD 21037

Trustees present: Messrs. Edson, Chair, Buchanan, Lighthizer, Luckenbach, Parker, Poffenberger, and Seidel, and Meses. Yerges and Bailey

Ex Officio: Matt Power, Deputy Secretary of Planning
Kristen Harbeson for Del. Maggie McIntosh

Area Representatives present: Messrs. Brown, Callan, Camlin, and Charlton, and Ms. Tilghman

Assistant Attorney General: Philip Deters

Staff: Rodney Little, Michael Day, and Susie Keyser

Visitors: Charles Stek who works with Senator Sarbanes and will become a trustee in July, 2012; Tyler Gearhart, Preservation Maryland; and Ron Kreitner, Westside Renaissance, Inc.

**Committee Only*

Z1 CALL TO ORDER

Mr. Edson, Chair, called the meeting to order at 10:30 a.m. A quorum of Trustees was present.

The Chair requested that all MHT Board Members introduce themselves. Sam Parker, Prince George's County Planning Board Chairman and Margo Bailey, Mayor of Chestertown, are new Board members in attendance today.

Miriam Hensley, chief administrative officer of the Trust for the last 30 years, retired in April. Orlando Ridout, a pillar of the Trust staff, has been diagnosed with cancer.

Z2 APPROVAL OF MINUTES

Mr. Buchanan made a motion, seconded by Dr. Luckenbach, that the January 31, 2012 minutes be approved as submitted. The motion was approved unanimously.

Z3 COMMITTEE REPORTS

Z100 Survey, Registration, Community Education & Museums

Z101R Amendment to Change the Scope of Work & Grantee Project Contribution for the

FY2012 Non-Capital Historic Preservation Grant to the Society for the Preservation of Maryland Antiquities, Inc. (Preservation Maryland)

Mr. Callan made a motion to approve the following resolution, seconded by Ms. Bailey, and the resolution was unanimously approved.

Sam Parker abstained because he serves on the Preservation Maryland Board of Directors.

RESOLVED, that the Maryland Historical Trust Board of Trustees recommends two changes to the previously approved FY 2012 Non-Capital Historic Preservation Grant to The Society for the Preservation of Maryland Antiquities, Inc. The changes are as follows:

1. Change the project description to: "Project work includes planning and implementation of two educational events for preservation professionals, historic property owners and avocational preservationists.
2. Reduce the Grantee contribution to the project to \$11,094.

Background

The original Board approval authorized funding to the Grantee for planning and implementation of Maryland's Annual Preservation and Revitalization Conference, including educational sessions, workshops, tours and affinity events. Upon discussions with MHT, Preservation Maryland and the Annual Conference Steering Committee determined that it would not be advisable to host the Annual Conference in 2012 because of several other conflicting events occurring during the same time period, including the National Main Streets Conference in Baltimore and the national AIA conference in Washington, DC. With the full support of MHT and the Conference Steering Committee, the Grantee now intends to plan and implement two educational events for preservation professionals, historic property owners and avocational preservationists. One event will be a one-day Restoration and Renovation Fair in Baltimore. The other will be mutually agreed upon by Preservation Maryland and the Maryland Historical Trust.

The Approval also authorized Program funding provided that a match (cash and in-kind) of \$37,000 would be furnished, based upon a grant of \$15,000 from MHT rather than the \$11,094 grant actually approved. The match should be reduced to \$11,094 to reflect a dollar-for-dollar cash contribution to the project.

Z102 Interim Action of the Executive Committee – Approval of the FFY2012 CLG Grants

**INTERIM CONFERENCE CALL
April 26, 2012 at 3:30 p.m.**

MHT Executive Committee: Edson, Vice-Chair, Buchanan, Poffenberger & Yerges

MHT Staff: Rodney Little

Ms. Yerges made a motion to approve the following resolution, seconded by Mr. Buchanan, and the resolution was unanimously approved.

FFY 2012 CERTIFIED LOCAL GOVERNMENT GRANTS APPROVAL

RESOLVED, that the Maryland Historical Trust Board of Trustees approves federal FY 2012 Certified Local Government Grants-in-Aid in the amount of up to \$45,678 as set forth below, which have been approved by the State Historic Preservation Officer:

1. **City of Frederick** – Up to \$13,000 for the survey of historic resources within the City of Frederick and preparation of approximately nine MIHP forms.
2. **Maryland Association of Historic District Commissions (on behalf of eligible CLGs)** – Up to \$14,750 to provide educational and training programs for historic preservation commissions.
3. **Maryland Association of Historic District Commissions (on behalf of eligible CLGs)** – Up to \$17,928 to provide scholarships for historic preservation commissioners and staff to attend the National Alliance of Preservation Commissions' biannual Forum in Norfolk, VA. Forum is the only national historic preservation educational event that provides training specifically for historic preservation commissioners and staff.

BACKGROUND

Staff solicited and reviewed applications for FFY2012 subgrants and the projects listed above were ranked highest according to the published criteria (totaling \$45,678). Because the requested and recommended funding amount is less than available funds (\$79,779), staff intends to open a second application round in the near future for the remaining funds (\$34,101). Eligible applications not selected for award in the initial round with the applicant's consent will be reviewed in the second round.

Z200 Management & Planning

Z201 Litigation & Legal Issues

Mr. Deters reported that the Maryland Historical Trust was sued along with the City of Baltimore and the approved developer of the Super Block project in Baltimore for violation of a 2001 Memorandum of Agreement (MOA) between the City and the Maryland Historical Trust (MHT) that lays out procedures and criteria for the preservation of the West Side. The law suit has been pending for some time. MHT and the City won on a motion for dismissal in the circuit court, and the appeal went to the Court of Appeals. The Court of Appeals has recently ruled that the Motion to Dismiss should have been granted. The plaintiff in the case did not have standing to sue as the Memorandum of Agreement was fundamentally a two party agreement between the City and the Maryland Historical Trust and third parties did not have the right to enforce it.

Mr. Little added that, regarding the current status of the West Side, the Trust has not received any new proposals from the City. A committee of the Board has been appointed, chaired by Larry Gibson, which reviews all individual projects that are submitted by the Baltimore Development Corporation within the West Side Planning area. The Trust did receive notice from the Mayor's Office in which the City was proposing to paint murals on some of the buildings on Howard Street. The proposal was to provide an inexpensive way to eliminate graffiti from some of the buildings. More information is to follow. Two weeks ago, the Trust had a meeting with the Dawson Company from Atlanta, representatives of the developers of the Superblock. They were developing details to treat some of the historic buildings. The developer

of the Superblock, Lexington Square Partners, has been granted another extension by the City of their option to enter into the land disposition agreement for the Superblock. Discussion ensued.

The Developer has not spent any significant money on assessment of existing site conditions. The City of Baltimore has proposed giving Lexington Square Partners a real property tax rebate for the next 20 years. It would be a crime to see the buildings demolished and then have Lexington Square Partners walk away from the project. If they did walk from the deal, everything would be back to zero in terms of planning. Under the MOA, demolitions of historic buildings cannot occur until all permits and financing are in place. Subsequent plans for the Superblock will be coming to the Maryland Historical Trust and the MHT Board for approval, and the West Side MOA covers all 24 blocks of the Superblock. It was explained that the West Side committee was formed to do detailed review of any projects that are subject to MHT approval that occur on the West Side, and the Board will deliberate on those actions. Any capital projects on the West Side that are under the authority of the City of Baltimore or owned or controlled by Baltimore will come to the Trust for review. If a project is being done with private funds, and is not receiving financial assistance from the City of Baltimore, the project will not come to the Trust. Prior to the Superblock, the Hippodrome, Center Point, Stewarts, and the Atrium were successful West Side projects. The Superblock was the first West Side project that was problematic. The City has acquired a great deal of property in the 24-block area, in which there is very little economic activity.

Tyler Gearhart commented that Preservation Maryland has been very involved with this issue over the past 12 years since they advocated for the National Trust to list the West Side as one of the most endangered sites in the country. The Superblock is in the National Register district. Preservation Maryland brought an appeal to the MHT Board in February, 2011 of the approval that Mr. Little gave to the Superblock project. There are 17 contributing structures. The approval called for demolition in whole or in part of 14 of those 17 buildings. The MHT Board agreed with Preservation Maryland that the project did not conform with the MOA and took action to rescind the approval of the project. Subsequently the Board sent a letter to the Mayor of Baltimore to ask her to stabilize the buildings and rethink this project. Both of these actions were ignored; and subsequently, the Attorney General's Office told the Board that they did not have the authority to overrule the Director's approval. MHT won the Court of Appeals decision. This Board's position and preservation interests were lost because the approval for a project that does not conform to the MOA now stands. Since the MOA was viewed by the Court of Appeals as a private contract, no one has standing on that issue and cannot challenge the faulty approval. These buildings continue to sit vacant and need stabilization. If the City had not condemned and acquired these properties, they probably would have been redeveloped on their own; and the existing businesses would have remained. It is hoped that the MHT Board will play an active role in trying to save this preservation redevelopment project. A project has been approved that calls for a number of façade preservation treatments for buildings that do not conform with the Secretary of the Interiors' Standards which is a requirement of the MOA. Discussion ensued.

There is a provision in the Memorandum of Agreement (MOA) regarding the maintenance and what the Cities' responsibility is regarding the properties they acquire. The MOA called for them to come up with a plan for the maintenance of the properties. The MOA calls for a plan but does not set up any enforcement mechanism. The City's response has been that the City is covered by an urban renewal plan that has maintenance standards. The MOA has a dispute resolution provision in the contract.

There is a process for suing the City of Baltimore regarding housing, rehabilitations, and properties with easements. The Governor has to approve any law suit by a State Agency suing Baltimore City. These issues are frustrating for staff as the rules are met by everyone, but Baltimore City seems to be the exception.

Z202 FY2012 Budget & Legislation – Report

Mr. Little reported that, in the budget the Governor submitted, there were significant issues for the Trust. For the third year, there was no request for capital grants which the Trust has had in place since 1976. The Trust did not request funding for the capital grant program because the Trust does not have the staff to administer the program. The non-capital grants for surveys and the Museum Assistance Program were zeroed out in the Governor's submission. For the Heritage Areas Program, the level that the Governor recommended was actually increased. The original budget request was a little over \$2 million for the program. The Heritage Areas Program funding was raised to \$3 million. The Governor's budget had also requested \$7 million for the Commercial Tax Credit Program. This was proposed to be zeroed out under the doomsday budget. In the final action of the General Assembly, they put \$7 million back in for the Commercial Tax Credit Program. The General Assembly proposed an 8% reduction in state operations and a reduction in permanent staff which were overturned.

The Trust also received \$1 million in Capital Budget funding for the African American Heritage Preservation Grant Program which was not in danger of being cut.

There were some potentially negative pieces of legislation that were proposed, and most of this legislation was defeated.

Mr. Gearhart added that it is difficult to lobby for seven different programs for the Trust and various funding sources. He said the MHT Board should be empowered to be more involved in this advocacy. The Preserve Maryland Program expired in 2010, and part of that process was to look at the grant funding administered through the Trust. It is important to demonstrate what the Trust and these various programs do for historic preservation and community development around the state. The Trust needs to do a better job to demonstrate and arm these advocates and constituents to lobby support for these programs. The Maryland Municipal League is a partner in the lobby effort. Mr. Gearhart said he hopes that the Trust's annual reports will contain the facts and figures to be an effective advocate and that the Preserve Maryland Program can be restarted.

Mr. Little commented that the Trust received \$250,000 for the Woman's Heritage Museum, and the Trust is required to report on ways to find a sustainable revenue source for that Museum.

Mr. Edson commended Preservation Maryland's leadership, and said he believes that the Board should review what the Board can do at its next executive committee meeting and formulate suggestions to bring to the next MHT Board Meeting. Discussion ensued.

Michael Day added that twenty years ago the Maryland Heritage Alliance, a lobbying group, was formed because there was a void in communication with the General Assembly.

Mr. Power added that there is a provision now included in the tax credit bill that would allow the allocation of the tax credit within the development partnership in any way the partnership determines. The Manekins, the developers of Union Mill, worked closely with local delegates and senators to see that this change was enacted. They dedicated their tax credit project on June 7th with Ways and Means Committee Chair, Shelia Hixon, in attendance.

Z203 Investment Committee – Report

Mr. Azola, the Chair, is not present at the meeting today. Mr. Poffenberger, a member of the Investment Committee, said he was not prepared to present a report. The Investment Committee met by conference call on March 21, 2012. The fund is doing well.

Z204 Awards Ceremony – Report

The MHT Board Awards Ceremony was held on Tuesday, January 31, 2012, at the Governor Calvert House in Annapolis from 4:30 p.m. – 6:00 p.m. This is the first time in many years that the awards event has taken place separate from the annual May Maryland Preservation and Revitalization Conference. The purpose was to improve legislator attendance at the event and to use the awards as an opportunity to raise the public's awareness of preservation issues and programs at the start of the legislative session. Two-hundred fifty people registered and 204 people attended the event. The Awards Ceremony proved to be a great success.

Z300 Capital Programs

Z301R FY 2012 MHT Capital Loan to Teackle Mansion, Princess Anne, Somerset County

The Teackle Mansion was previously appraised at \$900,000, and a \$500,000 geothermal system was just added. The underwriters indicated that this should be a very sound investment. The Trust has the authority to offer a slightly reduced interest rate to non-profit borrowers. The work includes exterior masonry work, hardware restoration, painting of the interior, shutter restoration, consultation costs, and exterior maintenance painting.

Mr. Callan made a motion to approve the following resolution, seconded by Dr. Luckenbach, and the resolution was unanimously approved.

Ms. Gale Yerges abstained.

RESOLVED, that the Maryland Historical Trust Board of Trustees recommends to the Secretary of Planning a loan under the Maryland Historical Trust Loan Program of up to two hundred thousand dollars (\$200,000) from the MHT Loan Fund to Friends of Teackle Mansion, Inc. for the rehabilitation of Teackle Mansion, 11736 Mansion Street, Princess Anne, Somerset County. The loan will be for a period of twenty (20) years, with interest-only payments for the first 24 months, followed by 18 years amortizing, at an interest rate of 2.25%.

Background: Teackle Mansion is a magnificent five-part Federal style brick mansion, built between 1802 and 1819 by Littleton Dennis Teackle, a merchant and member of the Maryland House of Delegates, and his wife Elizabeth Upshur Teackle. The property was subdivided into

lots after the Teackles' death, and the property passed through several owners and was occupied as a number of apartments before the property passed into the ownership of nonprofits in the 1960s. Since then both the Somerset County Historical Society, as the owner, and the Friends of Teackle Mansion, as a key partner in the fundraising and restoration efforts, have undertaken extensive research and restoration work both in the 1960s and in a more recent phase beginning in 1998. Recently a geothermal heating and cooling system was installed, and the final phase, the restoration of the interior, is currently underway. Once complete, Teackle Mansion will again be open as a museum house. The grantee successfully completed past MHT Capital Grants and MHAA (Maryland Heritage Areas Authority) Grants for repairs to the building. Rehabilitation work is ongoing, using a team of specialty contractors and consultants who have been involved with this phase of rehabilitation since its commencement in 1998.

The borrower, Friends of Teackle Mansion, Inc., is not the property owner, but the property owner, Somerset County Historical Society, Inc., has agreed to convey a first deed of trust on Teackle Mansion as security for the loan. Based on the sales comparison approach, the property has an appraised "as-is" value of \$900,000 which indicates that the value of the property is more than adequate to secure the proposed MHT loan. The Maryland Historical Trust currently holds a perpetual preservation easement on the exterior of the building and on the property. As a condition of this loan, the easement will be modified to include the interior.

Z302R FY2012 MHT Capital Loan to Irish Railroad Workers' Museum, 918-920
Lemmon Street, Baltimore City

Ms. Tilghman made a motion to approve the following resolution, seconded by Mr. Brown, and the resolution was unanimously approved.

RESOLVED, that the Maryland Historical Trust Board of Trustees recommends to the Secretary of Planning a loan under the Maryland Historical Trust Loan Program of up to Thirty thousand dollars (\$30,000) from the MHT Loan Fund to Railroad Historical District Corporation for the rehabilitation of 918-920 Lemmon Street, Baltimore City. The loan will be for a period of twenty (20) years and have an interest rate of 2.525%.

Background:

These two addresses are part of a group of five small workers' row houses (912-920 Lemmon Street) near the B&O Museum in southeast Baltimore that were saved in the 1990s by the Railroad Historical District Corporation. MHT already holds an easement on 918 and 920, which currently serve as a museum, and has assisted these two structures with capital grants in FY1999, 2000, 2001, and 2002. (The remaining three properties in the group passed into private ownership and were assisted with MHT capital loans.) 918 is restored to reflect the period when workingmen and their families occupied the house, while 920 is more or less a brick shell into which modern floors and stairs have been introduced to accommodate additional exhibits. This loan application seeks funds for making exterior repairs, including roof replacement, and installing an upgraded and expanded HVAC system which will serve both buildings. MHT will require a first mortgage on the property as security for the loan, and will require the borrower to maintain 33% of the outstanding principal in their bank account as additional security until 50% of the principal is repaid.

Z303R Right of First Refusal on Friendship Hall, Dorchester Co.

This is the easement property that had its roof replaced with architectural shingles without permission from the Trust. The Trust denied that alteration. The owner appealed, and the Board agreed to let him keep that roof until such time as it was beyond its useful life and then at that point he had to replace it with appropriate materials approved by the Trust. The Board also required a modification to the easement that would include land adjacent to the driveway and up to the house, which improves the view shed. This is a beautiful 18th century property in East New Market and is in incredible condition. The property is under contract for \$350,000, but the owner has not recorded the modification to the easement. Approval of this waiver of right of first refusal would be contingent upon the modification being recorded before the sale of the property.

Dr. Seidel made a motion to approve the following resolution, seconded by Mr. Lighthizer, and the resolution was unanimously approved.

RESOLVED, by the Board of Trustees of the Maryland Historical Trust that the Maryland Historical Trust waives its right of first refusal, under the Deed of Easement recorded March 19, 1975, to purchase the property known as Friendship Hall, Dorchester County, Maryland, on the terms offered to MHT by letter dated May 10, 2012 for the purchase price of \$350,000 conditioned upon a Modification to the Deed of Easement being recorded, as required by the MHT Board resolution dated February 28, 2008, prior to settlement.

Nominating Committee

Jim Lighthizer has agreed to serve as Chair of the Nominating Committee. Matt Power, Larry Gibson, and Gale Yerges are on the Nominating Committee. Recent amendments to the Bylaws provide that elections for officers, previously scheduled for June, will now take place at the first Board meeting after July 1. The nominating committee will bring nominations to the August Board meeting.

The Board toured the new exhibit "Discover London Town" at the Visitors' Center before lunch.

The meeting adjourned at 12 noon.

Charles Edson, Chairman

J. Rodney Little, Director