

**MARYLAND HISTORICAL TRUST
BOARD OF TRUSTEES' MEETING**

**Allegany Museum
3 Pershing Street
Cumberland, MD**

May 17, 2018

Pursuant to notice, the regular meeting of the Board of Trustees of the Maryland Historical Trust (MHT) was held at 3 Pershing Street in Cumberland, Maryland, on May 17, 2018.

Trustees present: Mmes. Ernstein, Filkins, and Linder; Messrs. Edson, Feldstein, Parker, and Poffenberger.

Area Representatives present: Messrs. Callan, Camlin, Reed, Spikes, Stek, Uunila.

Maryland Department of Planning: Robert McCord, Secretary.

Office of the Attorney General: Rieyn DeLony.

MHT Staff: Elizabeth Hughes, Kathy Monday, Anne Raines, Rachele Green, Michael Day, Kate Bolasky, Allison Luthern, Charlotte Lake, Courtney Hotchkiss.

Guests: Michael Allen Mudge, Carl Berenholtz, Terry Klima, John Zebelean, III, Kathy McKenney, Kathleen Breighner, Eric Holcomb, Gary Bartik.

G1 CALL TO ORDER

Mr. Edson, Chair, called the meeting to order at 10:17 a.m. A quorum of Trustees was not present so action was taken by the MHT Board Executive Committee.

The Board was welcomed by Gary Bartik of the Allegany Museum.

Mr. Edson welcomed new Board member Dr. Julie Ernstein and new Area Representative Kirsti Uunila.

G2 APPROVAL OF MINUTES

Mr. Callan made a motion, seconded by Mr. Reed that the February 1, 2018 minutes be approved as submitted. The MHT Board Executive Committee voted unanimously to approve the minutes.

G3 COMMITTEE REPORTS

G100 Capital Programs

G101R Capital Historic Preservation Grant Awards

The objective of the Historic Preservation Grant Program for capital projects (the “**Program**”) is to provide funding to assist and encourage efforts to acquire and preserve historic properties. The MHT Capital Grant program was last fully funded in FY2009; in FY2013, a competitive grant round was held to re-assign funds returned from cancelled projects. The Maryland General Assembly has appropriated FY2018 funds for the Program in the total amount of \$600,000. For this funding round, individual grant requests were capped at \$100,000. Projects currently proposed to receive grants appear on the Chart with the designation “A”. If other funding should become available (potentially through cancellation of other MHT Capital Grants), projects on the “A-Reserve” list would be funded in the order in which they appear on the Chart.

To be eligible for Program assistance, an applicant must be a non-profit organization, local jurisdiction, private individual, or a business entity. Eligible property (including both real property and tangible personal property exclusive of land and buildings) must be (i) listed in or eligible for the Maryland Register, either individually or as a contributing structure within a district; and (ii) protected by a perpetual easement or a preservation agreement conveyed by the grantee and satisfactory to MHT. Eligible grant-funded activities include: acquisition, restoration, rehabilitation, and (for nonprofit and local government applicants only) pre-development costs directly associated with the historic preservation nature of the capital project, including historic structure reports and studies, tests, the preparation of plans and specifications, archeological investigations, and reasonable fees for architectural, design, engineering and other special services which are directly related to restoration or rehabilitation of the property. Additionally, grantees that are local jurisdictions, private entities or individuals are required to provide a 1:1 match for a grant.

Sixty-nine eligible and five ineligible grant applications were received by the March 15, 2018 deadline. The total funding request was \$5,419,650. The majority of the funding requested was for rehabilitation, with the remainder for predevelopment costs and acquisition. Applications received represented 18 counties and Baltimore City.

A committee of MHT staff has evaluated, ranked, and recommended funding levels for eligible applicants in accordance with the Program’s project selection criteria.

Board members asked questions about the chart and requested that the FY2019 chart reflect the total project budget and additional sources of funding that are being used to support the project.

Mr. Parker made the following motion, which was seconded by Mr. Stek. The motion was approved unanimously by the MHT Board Executive Committee, with Dr. Ernstein abstaining.

RESOLVED, that the Maryland Historical Trust Board of Trustees recommends to the Secretary of Planning the award of MHT Capital Historic Preservation Grants to those projects described in **Exhibit A** (MHT Capital Program Approved Grant Chart for Fiscal Year 2018 and the “**Chart**”).

G102

Easement Breach

Ms. Hughes reported that Eric Holcomb, Executive Director of the Baltimore Commission for Historical and Architectural Preservation, was present to report to the Board on the future dispositions of the three Baltimore City owned bronze monuments depicting Confederate subject matter, on which MHT holds an historic preservation easement. Mr. Holcomb reported on the current status of negotiations with interested purchasers of the monuments, and that a Baltimore City committee will be formed to plan future installations on the former monument sites.

Mr. Edson asked members of the public to provide public comment on this matter prior to the Board going into closed session.

Terry Klima, Commander of the Maryland Division of the Sons of Confederate Veterans, Mike Latham and Mike Latham expressed their concerns regarding the future of Baltimore City's Confederate monuments and the Trust's responsibility to enforce the terms of the deed of easement on these monuments. Mr. Klima also described ongoing damage to the monument bases which remain in situ.

Mr. Edson thanked the gentlemen for attending the Board meeting and sharing their views.

Mr. Edson noted that it would be necessary to consider this agenda item in closed session pursuant to General Provisions Article § 3-305(b)(3) and (7), to consider the acquisition of real property for a public purpose and matters directly related thereto, and to consult with counsel to obtain legal advice on a legal matter.

As permitted by the Open Meetings Act, Annotated Code of Maryland, General Provisions Article §3-305(b)(3) and (7), Ms. Uunila made a motion, seconded by Mr. Poffenberger, that the Board adjourn to closed session to discuss enforcement of the deed of easement held by the Maryland Historical Trust regarding the removal of three bronze statues located within the City of Baltimore and discussion of the terms of a long-term lease agreement that is under consideration by the City of Baltimore. The motion was approved unanimously by the MHT Board Executive Committee.

The Board returned to open session. Ms. Hughes reported that no action on this matter was taken during the closed session.

G200

Survey, Registration, Community Education & Museums

G201R

Heritage Preservation Fund Project Selection for FY19

Ms. Raines reminded the Board that at its December 7, 2006 meeting, the Board approved the Maryland Heritage Preservation Fund Disposition Policy and directed MHT staff to prepare specific project proposals, in accordance with that Policy, for funding from the Fund. Under the Policy, eligible projects include those representing significant "targets of opportunity" or high priority projects or programs to be initiated and conducted by the Trust which are not funded by the Trust's appropriated state budget.

Based on the Maryland Heritage Preservation Fund Disposition Policy, total approvals for expenditures from the Fund for FY2019 shall not exceed six percent of the value of the Fund (contributions to the Fund, income, and appreciation) based on a four-year rolling average of the Fund's market value minus any prior commitments not yet expended and by any restricted funds and interest earned on these funds that are included in the Fund. Since the funding recommendations are being moved forward from the July meeting to the May meeting starting this year, the March 31, 2018 valuation will be used to estimate available funds.

On February 9, 2018, the Executive Committee met by teleconference and approved forward-funding the Maryland Dairy Industry Survey and Context at \$30,000, bringing the total available for expenditure to \$150,788.97.

Mr. Callan made the following motion, which was seconded by Mr. Spikes. The motion was approved unanimously by the MHT Board Executive Committee with Dr. Ernstein abstaining.

RESOLVED, by the Board of Trustees of the Maryland Historical Trust, that an expenditure of up to \$150,500 from the MHT Heritage Preservation Fund in fiscal year 2019 to support the following projects is approved.

- Up to \$3,000 for MHT Staff Recognition Awards;
- Up to \$6,000 for the MHT Preservation Awards Ceremony;
- Up to \$20,000 for MHT Staff Training;
- Up to \$500 for the MHT Maryland History Day Prize;
- Up to \$13,000 for the Easement Processor Position;
- Up to \$33,000 for the Easement Inspector Position;
- Up to \$6,000 for the 2019 Summer Internship in Archeology;
- Up to \$5,000 for the Dendrochronology Project;
- Up to \$6,000 for a Communications Intern;
- Up to \$10,000 for the *H20 Today* Exhibit at JPPM;
- Up to \$40,000 for JPPM Personnel Retention;
- Up to \$2,000 for Outreach and Communications Expenses;
- Up to \$6,000 for a Public Archeology Intern at JPPM.

G202R Julius Rosenwald-Rosenwald Schools National Park Campaign

Ms. Hughes reported that the National Parks Conservation Association, National Trust for Historic Preservation, and a group of committed advocates have launched a nationwide campaign to establish the Julius Rosenwald-Rosenwald Schools National Historical Park as a unit of the U.S. National Park System. The Maryland Historical Trust Board of Trustees has been asked to sign on to a letter requesting Congress' support of this initiative.

Julius Rosenwald (1862-1932), president of Sears, Roebuck and Company from 1908 to 1924, became one of America's great philanthropists, one of his favorite causes being the education of African American children. Encouraged by Booker T. Washington, he established the Julius Rosenwald Fund in 1917, specifically aimed at the visible, physical production of school

buildings. The Rosenwald Fund supported the construction of 156 school buildings in Maryland, 53 of which survive. Throughout their history, these buildings have been a vital source of pride and community identity. Some, such as the schools at Marley Neck in Anne Arundel County, Ridgley in Prince George's County, and Sharpton (San Domingo) in Wicomico County, have been successfully restored and have found new uses which sustain their viability. Many others, however, have suffered from a lack of resources for maintenance, or have been unsympathetically altered. It is hoped that through increasing awareness of the history and significance of Rosenwald schools, more can be preserved and restored to central importance in their communities.

Mr. Stek made the following motion, which was seconded by Mr. Feldstein. The motion was approved unanimously by the MHT Board Executive Committee with Dr. Ernstein abstaining.

RESOLVED, that the Maryland Historical Trust Board of Trustees support the introduction and passage of legislation that would direct the National Park Service to undertake a Special Resource Study of sites associated with the life and legacy of the noted American philanthropist and business executive Julius Rosenwald with special emphasis on the Rosenwald Schools.

G300 Management & Planning

G301 Public Statement on Monuments – Report

Ms. Hughes reminded the Board that during a September 2017 Executive Committee teleconference, Mr. Lighthizer had suggested that the Board issue a public statement on the Board's position regarding the preservation of Confederate monuments. At the October 2017 Board meeting, Chairman Edson requested volunteers to serve on a working group to develop a draft statement for the Board's consideration. Laura Mears, Sakinah Linder, Sarah Filkins, and Sam Parker volunteered to serve on this group. Chairman Edson also stepped forward to serve on this working group and Dick Charlton subsequently joined the group.

Since the fall of 2017, the working group has met by teleconference to craft a public statement on monuments that reflects the values and position of the Board. Consensus on the language of the statement has been difficult to achieve. During the March 15, 2018 conference call, the group decided to put this effort on hold for now.

Mr. Parker noted that the issue of Confederate monuments is receiving comments in the State Historic Preservation Plan update discussions that are currently underway. He suggested that these comments be addressed at a future meeting of the Board, as it is of concern to both the historic preservation and the broader community. Ms. Filkins expressed her agreement with Mr. Parker.

G302 Budget and Legislation - Report

Ms. Hughes reported on the FY2019 budget which includes funding increased for both the Non-Capital Historic Preservation Grant Program and the Maryland Heritage Areas Grant Program as follows:

Program	Program Type	FY17	FY18	FY19
African American Heritage Preservation Grant Program	Grant	\$1M	\$1M	\$1M
Capital Historic Preservation Grant Program	Grant	\$0	\$600,000	\$600,000
Non-Capital Historic Preservation Grant Program	Grant	\$0	\$200,000	\$300,000
Historical and Cultural Museum Advancement Grant Program	Grant	\$0	\$0	\$0
Maryland Heritage Areas Program	Grant	\$3M	\$3M	\$5.7M*
Heritage Structure Rehabilitation Tax Credit Program	Tax Credit	\$9M	\$9M	\$9M
Historic Preservation Loan Program	Loans	\$300,000	\$300,000	\$300,000

*Language in the Budget Reconciliation and Financing Act funded the Maryland Heritage Areas Program at \$6 million but stipulated that the Maryland Historical Trust could use up to \$300,000 from that program to support the Non-Capital Historic Preservation Grant Program.

Ms. Hughes noted that the following bills passed during the 2018 session of the Maryland General Assembly which impact the Maryland Historical Trust. The full text of these bills can be found at the Maryland General Assembly website: <http://mgaleg.maryland.gov/>

HB877 – Burial Sites - Access, Required Consultation, and Tax Credit

Requires burial site owners to provide access in certain circumstances; requires non-binding consultation with the Maryland Historical Trust on treatment of those cemeteries that are more than 50 years old; authorizes local governments to establish a property tax credit against local property tax on an improvement to a burial ground.

HB1245 - Task Force on the Canal Place Preservation and Development Authority

Establishes a Task Force to determine how to alter the powers of the Canal Place Preservation and Development Authority (CPPDA) as a State agency in order to align the mission and purpose of the Canal Place Heritage Area with that of the other certified heritage areas which are non-profit organizations or local government entities.

HB1454 – Heritage Structure Rehabilitation Tax Credit - Commercial Rehabilitations - Affordable Housing

Creates 5% additional credit for large commercial tax credit projects that also receive a Low Income Housing Tax Credit; allows for the use of the Historic Tax Credit on multiple structures that are functionally related; requires that any unclaimed credits in the Competitive Commercial program remain in the program, increasing the amount that the Maryland Historical Trust may award in the following year.

SB960 - Maryland Historical Trust - Property Subject to Historic Preservation Easement - Application for Change or Alteration

Requires MHT to respond to easement property owner requests for approval of changes or alterations that qualify as “general repair and maintenance” (defined in the bill) within 90 days or by the notice of determination period specified in the deed of easement – whichever is earlier.

SB983 – Maryland Historical Society - Funding

Provides the Maryland Historical Society with \$250,000 annually from funds distributed to the Maryland State Arts Council beginning in FY2020. The Maryland Historical Society intends to use these funds to establish a grant program designed to assist small museums across Maryland.

Ms. Linder asked whether data tracking which projects use both low-income housing tax credits and historic tax credits is maintained by MHT. Ms. Hughes responded that such data is not currently maintained. Going forward, tracking of projects that receive a 5% increase in the state historic tax credit due to their use of low income housing tax credits (as a result of HB1454) will be taking place.

Mr. Feldstein expressed concern about SB983 and indicated his desire to see guidelines developed for the museum grant program to be administered by the Maryland Historical Society that will result in an effective program.

G303 Administration of State Historic Preservation Easement Program Report

Ms. Hughes reported that the following language was included on pages 25-26 of the *Report of the House Appropriations Committee to the Maryland House of Delegates - 2018 Session; Recommendations, Reductions and Summary of Action Pertaining to SB 185*.

Administration of State Historic Easement Program: *The committees are concerned that the Maryland Department of Planning’s (MDP) Maryland Historical Trust (MHT)’s historic preservation easement program may have the unintended consequence of hindering the viable reuse of historic structures. Additionally, the committees are concerned that the program is chronically understaffed and, therefore, unable to administer and review easement projects in a timely manner, make annual site visits to all properties under easement, and provide for the professional execution of core functions of the program. Furthermore, the committees are concerned that current policy requiring permanent easements on historic properties affected by the issuance of State funding may no longer be in the best interest of the State or historic preservation.*

Therefore, the committees request that MDP work with the Department of Budget and Management (DBM) and preservation advocates to identify a sustainable strategy for the long-term administration of this program, including suggestions for the following: (1) new policies on when to accept easements and for what period of time; (2) recommendations for staffing of the program and or administration of the program in partnership with nonprofit partners or easement holding sister agencies (e.g., Maryland Environmental Trust, Maryland Agricultural Land Preservation Foundation, and others) in order to reduce State expense; and (3) recommendations for the potential dissolution or modification of easements that no longer are in the best interest of the state or historic preservation.

This information shall be included in a report to be submitted by September 1, 2018. For the

report, MDP should also comment on the history of the program and provide detailed data on the number of properties protected under MHT easement (including the vacancy rates of properties under easement), funding history, staffing history, and the experience of neighboring states in administering similar programs.

Authors: MDP and DBM

Due Date: September 1, 2018

Ms. Hughes indicated that Board members will be needed to assist with the report.

G304 Interim Actions of the Executive Committee

Interim Actions of the Executive Committee

MHT Board Executive Committee Teleconference

Tuesday, February 20th at 3:00 PM

MHT Board Executive Committee: Margo Bailey, Charles Edson, Laura Mears, Brien Poffenberger

MHT Staff: Elizabeth Hughes, Anne Raines, Marcia Miller

Mr. Edson, Chair, called the meeting to order at 3:02 p.m. A quorum of the Executive Committee was present.

I. Action Items from the MHT Board Meeting of February 1, 2018

The MHT Board met on February 1, 2018 but a quorum of Trustees was not present and therefore no action could be taken. Resolutions considered at that meeting were referred by the full Board to the MHT Board Executive Committee for action in advance of the May 17th Board meeting.

The following motion was made by Mr. Poffenberger, seconded by Ms. Bailey and approved unanimously.

RESOLVED, that all those resolutions presented at the February 1, 2018 Board meeting for action are hereby approved.

II. FY18 Non-Capital Historic Preservation Grant Approval

Marcia Miller reported that on October 5, 2017, the Board of Trustees approved the non-capital grants recommended for funding as shown in **Exhibit B** (MHT Non-Capital Program Approved Grant Chart – Fiscal Year 2018). Since that date grant funds have been awarded to the Maryland Historical Trust from the National Park Service for the survey portion of the “Documenting Maryland’s Women’s Suffrage History” project, shown on **Exhibit B**, for which project \$20,000 was awarded by MHT to The Society for the Preservation of Maryland Antiquities, Inc. t/a

Preservation Maryland, Inc. (the “**Society**”). The Society will use \$10,000 of the MHT funds for the outreach portion of the project, which includes a lecture series and traveling exhibit, and has returned \$10,000 to MHT. The Society’s grant agreement will be amended accordingly.

MHT staff recommends the next ranked Non-Capital grant project – Historic Sotterley, Inc. for a \$10,000 grant to partially fund the cost of a Historic Sotterley Historic Structures Report. The full cost of the report exceeds the funds available; therefore the report will be partial analysis of the property focusing on the small parlor (aka the “Red Room”).

The following motion was made by Ms. Bailey, seconded by Ms. Mears and approved unanimously.

RESOLVED, that the Maryland Historical Trust Board of Trustees recommends to the Acting Secretary of Planning the award of \$10,000 of recaptured MHT Non-Capital Historic Preservation Grant funds to Historic Sotterley, Inc. for the project described in **Exhibit A** (MHT Non-Capital Program Additional Recommended Funding – Fiscal Year 2018).

III. Maryland Heritage Preservation Fund Disposition Policy Amendment

Currently, the MHT Board approves expenditures from the Heritage Preservation Fund at its July meeting. This has become a problem because the awards occur after the state fiscal year has already begun on July 1. MHT staff recommend that the Board make awards at their spring (typically May) meeting, so that staff will know whether funds are available for various projects in advance of the start of the fiscal year.

This change in schedule will require a change in the language of the Heritage Preservation Fund Disposition Policy. The Policy states that the amount of funding available for expenditure in a given year should be based on “...a four-year rolling average of the General Fund’s market value and will be calculated using the valuations on June 30 of each of the four years preceding the first day of the new fiscal year.” With a change in award date to the Board’s May meeting, the General Fund’s market value should be based on the March 31 valuation, rather than the June 30 valuation.

The following motion was made by Ms. Bailey, seconded by Ms. Mears and approved unanimously.

RESOLVED, that the Heritage Preservation Fund Disposition Policy shall be amended to reflect a market value calculation based on the valuation of the fund on March 31 of each of the four years preceding the first day of the new fiscal year.

Meeting adjourned at 3:20 pm.

G305 Investment Committee Report

Mr. Parker, Treasurer of the MHT Board, reported that the Investment Committee met with Brown Advisory investment advisor Hunter Purcell on May 10th. Mr. Parker noted good

performance of our portfolio in the previous 12 months. Since its inception, the fund has made \$1.8 million and spent \$1.2 million, fulfilling the mandate that growth exceed depletion.

G306 Litigation & Legal Issues

Ms. DeLony reported that MHT has been dismissed from the Maryland Transit Administration v. Middle River Station Development, LLC et al Case No. 03-C-17-011080 CD. The MHT easement will be modified to remove the portion of the easement property that is being condemned by MTA at the time the condemnation proceeding is complete, in approximately 12-18 months.

Public Comment

Mr. Berenholtz, Judge Advocate of the Maryland Division of the Sons of Confederate Veterans, expressed his concerns about the condition of Baltimore City's Confederate monuments and urged the Trust to enforce the terms of the deed of easement on these monuments

Announcements

Ms. Hughes reminded the Board of the tour of the Footer Dye Works building led by Michael Joy which is scheduled immediately after lunch.

The meeting adjourned at 12:45 p.m.

Mr. Charles L. Edson, Chair

Elizabeth Hughes, Director