



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

April 4, 2013

Conference Room 1.100A, 100 Community Place, Crownsville, MD
Committee Meeting 9:30 a.m.; Board Meeting 10:00 a.m.

REVISED AGENDA

E1 CALL TO ORDER

E2 APPROVAL OF MINUTES

E3 COMMITTEE REPORTS

E100 Capital Programs

E101 MHT Historic Preservation Loan Program - Presentation

E102R Bolton Hill Nursery, Inc., Loan

E103R Oyster Schooner Kathryn M. Lee Loan Amendment

E104R FY2013 Capital Grant Awards

E200 Survey, Registration, Community Education & Museums

E201 2013 Preservation Awards Final Report

E300 Management & Planning

E301R Exempt Procurement Procedures

E302 FY2014 Budget & Legislation - Report

E303 Litigation & Legal Issues - Report



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, April 4, 2013, in the Main Conference Room 1.100A, First Floor, DHCD in Crownsville.

Committee Meetings 9:30 a.m.

Survey, Registration, Community
Education & Museums – OPS Open Area

Management & Planning, Room 3.114

Capital Programs, Room 3.120

Board Meeting 10:30 a.m.

Lunch 1:00 p.m.

This notice given March 8, 2013.

J. Rodney Little
Director

Please respond by e-mail kmonday@mdp.state.md.us or phone (410) 514-7603 by March 28, 2013.

**MARYLAND HISTORICAL TRUST
BOARD OF TRUSTEES' MEETING
April 4, 2013
Lowe House Office Building, Annapolis, MD 21041**

Pursuant to notice, the regular meeting of the Board of Trustees of the Maryland Historical Trust (MHT or Trust) was held in Conference Room A of the Department of Housing and Community Development, 100 Community Place, Crownsville, MD on April 4, 2013.

Trustees present: Ms. Bailey and Messrs. Delgado, Edson, Gibson, Lighthizer, Parker, Poffenberger, and Stek.

Ex Officio: Deputy Secretary of Planning Matthew J. Power.

Area Representatives present: Messrs. Brown, Callan, Camlin, Charlton, Eshelman, Reed, and Spikes.

Assistant Attorney General: Amanda Conn.

Staff: Elizabeth Hughes, Ann Eastman, Suzanne Mbollo, Evelyn Cohen, Anne Raines, Amanda Apple, Shannon Marino, Tim Leahy, Ricyn DeLony, and Kathy Monday.

**Committee Only*

E1 CALL TO ORDER

Mr. Edson, Chair, called the meeting to order at 10:15 a.m. A quorum of Trustees was present.

E2 APPROVAL OF MINUTES

Mr. Camlin made a motion, seconded by Mr. Stek, that the January 31, 2013 minutes be approved as submitted. The motion was approved unanimously.

E3 COMMITTEE REPORTS

E100 Capital Programs

E101 MHT Historic Preservation Loan Program Presentation

Anne Raines presented an overview of the history and performance of the MHT Historic Preservation Loan Program.

E102R Bolton Hill Nursery, Inc.. Loan

Anne Raines reported that MHT holds an exterior easement on this property, recorded in 1986, which resulted from a \$35,000 MHT Capital Grant to Family & Children's Services of Central Maryland (FCS) for exterior rehabilitation of the property.

She noted that the prospective borrower, Bolton Hill Nursery, Inc., purchased the Rolando-Thom House from FCS on February 14, 2013 for \$550,000. The Nursery has been operating for nearly forty years and is currently based in the facilities of a neighborhood church. Demand for nursery school enrollment is high, and the borrower had long been exploring options for expanding their physical space to accommodate more children. Their acquisition and rehabilitation of the property has thus far been accomplished through the Nursery's own funds and a commercial loan from SECU for \$500,000, of which \$385,000 was used for purchase and \$115,000 will be committed to rehabilitation. Based on the sales comparison approach, the property has an appraised after rehabilitation value of \$670,000; subtracting the existing indebtedness of \$500,000, the Nursery is eligible to borrow up to \$170,000 from the MHT Capital Loan fund for rehabilitation. MHT will hold a second mortgage on the property.

While the property is overall in sound condition, a number of improvements need to be made in order to make it suitable and compliant for nursery school use, including removing non-original partition walls to return the rooms to their original, generous sizes; accessibility improvements, including construction of a new interior stair; and removal of lead paint. The SECU loan funds and the borrower's own funds will be used for interior demolition, interior abatement, systems improvements, and the installation of a code-required second interior stair. The MHT Capital Loan will be used for exterior carpentry and masonry repairs, repainting, accessibility improvements, and building systems repairs and improvements. Those repairs will comprise the first phase of rehabilitation, which will be completed in summer or fall of 2013. A second phase of improvements, which may not be undertaken until the summer of 2014, would include repairs to the porch and the HVAC system.

Mr. Delgado made a motion to approve the following resolution, seconded by Mr. Reed, which 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 one hundred fifty-one thousand dollars (\$151,000) from the MHT Loan Fund to Bolton Hill Nursery, Inc. for the rehabilitation of the Rolando-Thom House, 204 W. Lanvale Street, Baltimore City. The loan will be for a period of twenty (20) years, with no payments until September 1, 2013, followed by monthly payments of principal and interest sufficient to fully amortize the loan over the remaining term, at an interest rate of 2.455%.

E103R Oyster Schooner Kathryn M. Lee Loan Amendment

Anne Raines reported that the Oyster Schooner Kathryn M. Lee was one of four vessels to benefit from loan funds offered under a special set-aside from the MHT Loan Program for

skipjacks and oyster dredging vessels. Since the borrower chose to amortize the loan over twenty years, but the loan term was ten years, the terms of the Mortgage Note required a balloon payment of outstanding principal and interest after ten years. This payment, totaling nearly \$20,000, was due on December 1, 2012. The borrower, who harvests oysters and runs skipjack sailing tours for a living, is unable to make the balloon payment and has requested to extend the term of the loan to twenty years so that he may continue making modest monthly payments of principal and interest until the loan is repaid.

It should also be noted that the repairs to the schooner have not been completed, and the vessel has not been on the water since before 2002, so the owner currently has no income from her. Captain Farley, the majority owner, also owns the Skipjack H.M. Krentze, which is the vessel he uses for oystering and sailing tours. Captain Farley also financed repairs to that skipjack in 2002 through the MHT Loan Program's skipjack set-aside, and in fact repaid that loan earlier than required.

Board members asked questions about the current location of the vessel, its current state of repair, and funds spent on its rehabilitation to date. The Board decided to defer action on this item until the next Board meeting, asking staff to conduct a site visit to examine the vessel in advance of that meeting and to provide the Board with current images of the vessel.

E104R FY2013 Capital Grant Awards

Anne Raines reported that the objective of the Historic Preservation Grant Program for capital projects is to provide funding to assist and encourage efforts to acquire and preserve historic properties. The MHT Capital Grant program was last funded in FY2009. The funds that are currently being awarded are from individual MHT Capital Grants which were awarded in past fiscal years but were cancelled or were successfully completed without using all of the available funds. The total amount currently available for new grants in FY2013 is \$158,154.11. Projects currently proposed to receive grants appear 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 grant chart.

For this funding round, eligible properties included those on which MHT currently holds a preservation easement. Eligible applicants for Program funding include non-profit organizations and local jurisdictions. Business entities and individuals may also apply for Program grants when seeking funds for a project that serves a high public purpose. Eligible activities include acquisition, rehabilitation, or restoration of historic properties as well as pre-development costs directly associated with a capital project. Such pre-development costs may cover historic structure reports and studies, the preparation of plans and specifications, necessary archeological investigations, and reasonable fees for architectural, design, engineering and other special services. For this funding round, individual grant requests were capped at \$25,000, and a special criterion was a project's relationship to the War of 1812 or to Harriet Tubman and the Underground Railroad.

Forty-nine grant applications were received by the February 15, 2013 postmark deadline. The total funding request was \$777,990; the majority of the funding requested was for rehabilitation, with the remainder for predevelopment costs. Applications represented 17 counties and Baltimore City. A committee of MHT staff evaluated, ranked, and recommended funding levels for eligible applicants in accordance with the program project selection criteria. Eight applications are being recommended for funding as per Exhibit A.

Mr. Charlton made a motion to approve the following resolution, seconded by Mr. Parker, which was unanimously approved.

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 Historic Preservation Grant Chart for Fiscal Year 2013).

E200 Survey, Registration, Community Education & Museums

E201 2013 Preservation Awards Final Report

Elizabeth Hughes provided a written report summarizing the January 31, 2013 MHT Board Preservation Awards event. She noted that over 180 people registered for the event and approximately 130 were recorded as having attended. Among those attendees were 17 State Delegates and Senators.

E300 Management & Planning

E301R Exempt Procurement Procedures

Elizabeth Hughes reported that this agenda item will be deferred to a future meeting.

E302 FY2014 Budget & Legislation – Report

Elizabeth Hughes reported that the FY2014 state budget anticipates level funding for operations. While there is no appropriation for the Non Capital, Capital or Museum Advancement Grant Programs, the budget does include \$3 million for the Maryland Heritage Areas Program, \$10 million for the Sustainable Communities Tax Credit Program, \$1 million for the African American Heritage Preservation Grant Program, and \$250,000 for the Historic Preservation Loan Program.

In terms of bills of interest during this legislative session, Senator Kasemeyer introduced SB144 (crossfiled with HB263) which amends the state enabling legislation that allows local governments to increase the rehabilitation tax credit from 10% to 25% for locally designated historic properties. Coupled with state and, in some cases, federal rehabilitation tax credits, this local tax credit increase could be a great incentive for historic property rehabilitation and designation.

HB1337 (crossfiled with SB702) makes a series of revisions to the Maryland Public Art Initiative. Among those revisions is a change that makes that Maryland Commission on Public Art the owner of all new artworks created under this program. Previously, MHT had been named as the future owner of the artwork. MHT is pleased with this change.

Elizabeth Hughes also reported on the status of federal appropriations which are of interest to MHT in so far as the agency receives an annual apportionment of Historic Preservation Fund (HPF) monies to support operations. On March 21 Congress approved a continuing resolution funding the government until September 30, 2013. With sequestration, the total FY13 State Historic Preservation Offices (SHPO) share of HPF funding will be around \$44.578 million, a \$2.34 million reduction over FY12 funding levels. In Maryland, our FY13 appropriation before sequestration totaled \$761,554. Our sequestration reduction for FY13 totals \$35,876.

Advocacy for the FY14 HPF appropriation is now underway. House Historic Preservation Caucus co-chairs, Mike Turner (R-OH) and Rush Holt (D-NJ) began circulating an FY14 HPF Dear Colleague Appropriations letter which requests level funding for SHPO's prior to sequestration which totals \$46.925 for SHPOs. The deadline for signatories is April 9th.

There are two federal tax credit bills that are expected to be introduced this Congress. One of these - Creating American Prosperity Through Preservation (CAPP) Act - would make a series of practical changes to the existing federal rehabilitation tax credit. Among those changes are an increase in the amount of the credit from 20% to 30% for "small deals" (less than \$5M), elimination of federal taxation on state historic tax credit proceeds, and an increase in the historic credit by 2 percentage points for projects that achieve 30% or greater savings in energy consumption.

The second bill is the Historic Homeownership Revitalization Act of 2013 which will be introduced by the Preservation Caucus co-chairs, Mike Turner of Ohio and Rush Holt of New Jersey. This bill would create a non refundable tax credit of up to \$60,000 for owners of historic homes that make qualified rehabilitations. The amount of the proposed credit is 20% of qualified rehabilitation expenditures.

E303 Litigation & Legal Issues – Report

Amanda Conn reported that there are currently no litigation or legal issues to report. She introduced Rieyn DeLony who has been hired to fill the Assistant Attorney General vacancy created by Philip Deters' retirement.

Announcements

Mr. Edson indicated his desire to identify other SHPOs that have Boards or Commissions that oversee their operations in an effort to build relationships with them. He directed Elizabeth Hughes to inquire about which states have such Boards.

Dick Charlton asked that one of the upcoming Board meetings include a review of the Board's joint Heritage Preservation Grant Fund with Preservation Maryland. Amanda Conn suggested

that a review of the Sustainable Communities Tax Credit Program might also be desirable since reauthorization of that program will be an issue during the 2013 session of the General Assembly.

Mr. Spikes announced that Congressman Cummings would be hosting a housing foreclosure workshop at Woodlawn Senior High School on June 14, 2013.

Meeting adjourned at 12:15 PM.

Mr. Charles L. Edson, Chair

Elizabeth Hughes, Deputy Director