

Report to the Governor and the General Assembly

2017 Annual Report

on the

Financial Assistance Programs of the Division of Historical & Cultural Programs

Maryland Historical Trust

Maryland Department of Planning

Includes required annual reports for

Maryland Historical Trust Grant Program

Maryland Historical Trust Museum Assistance Program

Maryland Historical Trust Loan Program

Submitted in accordance with the requirements of
State Finance and Procurement Article §§ 5A-327(m), 5A-328(m), and 5A-353(c)
MSAR #s 2882, 11226, and 2885, respectively

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Division of Historical and Cultural Programs
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Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

I. Introduction

The Maryland Department of Planning (Planning) and the Maryland Historical Trust (Trust) are pleased to transmit the 2017 Annual Report on the Financial Assistance Programs of the Division of Historical and Cultural Programs (DHCP), including the Maryland Historical Trust Grant Program (Historic Preservation Grant Program), the Maryland Historical Trust Museum Assistance Program, and the Maryland Historical Trust Loan Program (Historic Preservation Loan Program). Managed by the Trust, these programs promote the preservation and interpretation of historic resources and cultural traditions throughout the State, in support of the Trust’s mission to “assist the people of Maryland in understanding their historical and cultural heritage.”

II. Historic Preservation Grant Program (State Finance and Procurement Article §5A-328(l))

The Historic Preservation Grant Program is a state-appropriated source of funding to assist and encourage efforts to study, acquire, and preserve historic properties. The program provides grants for many types of preservation activities and is therefore effectively administered as two grant programs for different audiences. In FY2017, the Program received a \$0 appropriation.

Capital Grant Program

The Capital Grant Program provides grants for capital, i.e. bricks-and-mortar, projects including rehabilitation, restoration, and acquisition. Eligible grantees are non-profit organizations; federal, State, and local government entities; business entities; and individuals. This program also provides grants for certain pre-development costs for non-profits and government entities only. Eligible properties are those which are listed in or eligible for the Maryland Register of Historic Properties, either individually or as contributing within a district. A perpetual preservation easement is required for all assisted properties.

Activity of the Capital Grant Program in FY 2017

In anticipation of a FY 2018 appropriation of \$600,000, the Trust initiated recruitment for a Contractual Capital Grants Administrator in June of 2017.

Grant applications will be accepted through the Trust’s online application, powered by MicroEdge’s GIFTS system. The Capital Grant application is a two-step application process, with an Intent to Apply followed by a full application. The proposed schedule for the FY 2018 grant round is:

- November 2017: Issue Intent to Apply form; make guidelines available on Trust’s website. Hold workshops for potential applicants.

- January 2018: Intent to Apply forms due January 11, 2018. Make full application available to applicants submitting eligible Intent to Apply.
- February 15, 2018: Full applications due.
- March 2018: Grant awards are reviewed by the Trust’s Board of Trustees (dependent on date of Board meeting). Grant awards are approved by the Secretary of Planning.
- Late March 2018: Award letters are sent.

Non-Capital Grant Program

The Non-Capital Grant Program provides financial assistance to non-profit organizations and federal, State, and local government entities for preservation activities such as architectural and archeological research, survey, and documentation; public education; and planning projects.

Activity of the Non-Capital Grant Program in FY 2017

In anticipation of a FY 2018 appropriation of \$200,000, the Trust issued an announcement of the availability of funds and of workshops for prospective applicants in May of 2017. Two workshops were held as follows:

Anne Arundel County Monday, May 22, 2017 1:00 PM - 3:00 PM 100 Community Place Crownsville, MD 21032 (50 attendees)	Anne Arundel County Thursday, June 8, 2017 10:00 AM - 12:00 PM 100 Community Place Crownsville, MD 21032 (50 attendees)
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Grant applications are accepted through the Trust’s online application, powered by MicroEdge’s GIFTS system. Like the Capital Grant application, the Non-Capital Grant application is a two-step application process, with an Intent to Apply followed by a full application. The proposed schedule for the FY 2018 grant round is:

- June 19, 2017: Intent to Apply forms due.
- August 14, 2017: Full applications due.
- October 2017: Grant awards are reviewed by the Trust’s Board of Trustees (dependent on date of Board meeting). Grant awards are approved by the Secretary of Planning.
- Late October 2017: Award letters are sent.

As of the Intent to Apply deadline of June 19, 2017, the Trust had received 57 Intents to Apply, totaling approximately \$1.5 million.

III. Historical and Cultural Museum Assistance Program (State Finance and Procurement Article §5A-353(c))

Maryland is home to more than 300 museums and heritage sites which are open to the public. In an effort to encourage continued important contributions to education, research, conservation, and heritage tourism, the Historical and Cultural Museum Assistance Program provides technical assistance, services, and financial aid in the form of grants. Prior to October 1, 1996, this program was funded by an annual appropriation through the General Fund. Since October 1, 1996, the program was funded through the Maryland Historical Trust's Historic Preservation and Historical and Cultural Museum Assistance Grant Fund, which is a combination of General and GO bond funds. In FY 2017, the Historical and Cultural Museum Assistance Program received a \$0 appropriation.

IV. Historic Preservation Loan Program (State Finance and Procurement Article §5A-327(m))

The Historic Preservation Loan Program offers low-interest loans to nonprofit organizations, local jurisdictions, businesses, and individuals to acquire, rehabilitate, or restore historic structures listed or eligible for listing in the Maryland Register of Historic Properties. The Program is funded through the Historic Preservation Loan Fund. Loans are made available on a first-come, first-served basis and carry a maximum repayment term of 20 years. The loan fund is replenished by repayments and by appropriations from the Maryland General Assembly.

Activity of the Loan Program in FY 2017

In June of 2017 a loan commitment was extended to Firehouse Rentals LLC for refinancing and partial exterior rehabilitation of the Junior No. 3 Firehouse located at 105-107 N. Potomac Avenue, Hagerstown. As part of the Hagerstown National Register Historic District, Junior No. 3 Firehouse reflects the transformation of Hagerstown from the 1880s through about 1910, when the city's commercial core took on its current urban appearance. Most of the period's various architectural styles are represented in the district. Built in 1892, this firehouse is a three-story brick building with Romanesque and high Victorian Gothic influences. Its main feature is the central tower with its belfry mounted on top of a mansard roof. The tower and main mansard roofs are covered with color banded slate. It is a four-bay structure with stained glass and multiple lights over one-light windows.

The firehouse has two first-floor and one second-floor commercial rental spaces. The husband and wife members of the LLC purchased the property in 2006 and hope to rehabilitate the second level of the firehouse as an event space with in-house catering and a bridal suite. This plan may involve using first-floor "lobby" space for the event space, which would reduce the number of first-floor retail rental spaces.

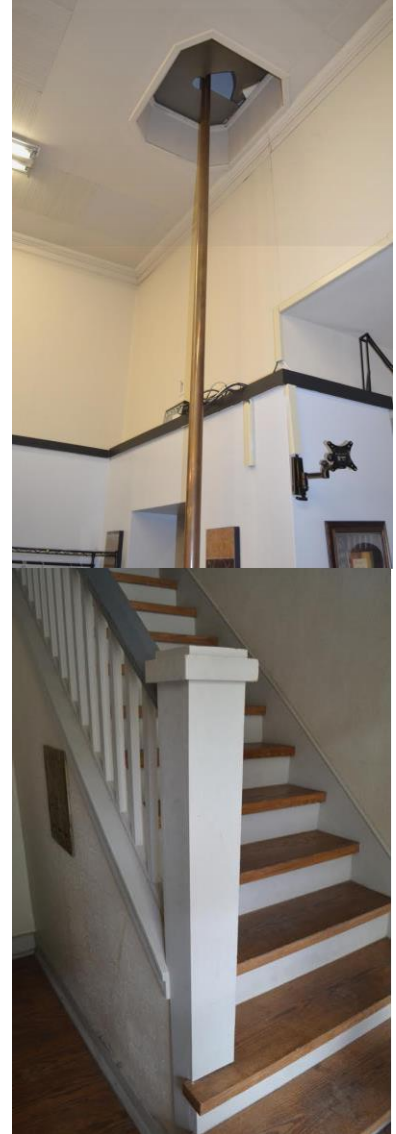
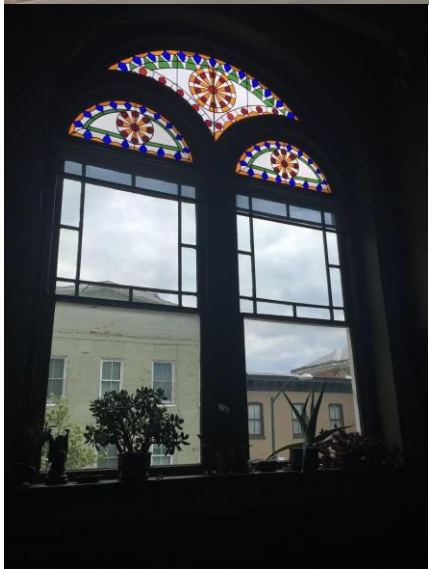
Additional work may include rehabilitation of the interior staircases, installing an elevator, restoring remaining windows, replacing HVAC system, and removing some interior partitions.

The loan will be used to refinance the borrower's existing loan, which has a current principal balance of approximately \$200,000. The balance of the loan proceeds will be used to pay a portion of the costs of rehabilitation of the exterior, including full scaffolding of the front façade to allow repair of stained glass windows, repair or replacement of slate mansard roofs at front elevation and belfry, replacement of four dormers in belfry, replacement of windows in belfry dormers, repair or replacement of built-in gutters, removal of the non-historic marquee, masonry repointing, and repainting. An interest only period is offered during the anticipated two-year period of rehabilitation, during which there is expected to be no rental income from the property. The Trust requires the conveyance of a preservation easement on the property upon loan closing and disbursements of funds, which is expected to happen late in 2017.

Trust staff continues to work with other potential loan applicants and provide technical assistance to potential and ongoing loan projects.



The Junior No. 3 Firehouse retains significant exterior and interior features, including the fire pole, original central staircase, stained glass windows, and the large assembly space on the second floor, which has been used for social events since its days as a firehouse.



MARYLAND DEPARTMENT OF

PLANNING

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