



MEMORANDUM

Willie D. Drabky

TO: Timothy J. Baroody, City Manager
FROM: Bill Freehling, Director of Economic Development and Tourism
SUBJECT: Mary Washington Monument and Lodge Letter of Intent
DATE: July 7, 2022 (for July 12, 2022, Council Meeting)

ISSUE

Shall City Council adopt the attached resolution to refer a Letter of Intent (LOI) regarding the Mary Washington Monument and Caretaker's Lodge to the Memorials Advisory Commission (MAC)?

RECOMMENDATION

Staff recommends that City Council refer the LOI between the City of Fredericksburg and Washington Heritage Museums (WHM) to the MAC.

BACKGROUND

The City of Fredericksburg owns a property at 1500 Washington Avenue that consists of approximately 3.65 acres of land, on which are situated the grave of Mary Washington and the monument to Mary Washington, along with Meditation Rock, the Gordon Family Cemetery, and the Caretaker's Lodge (the Property). The grave of Mary Washington and the monument to Mary Washington, along with Meditation Rock, the Gordon Family Cemetery, and the Caretaker's Lodge are situated on an approximately 0.75-acre portion of the Property (the Monument Property). The remaining property is used as the City's Memorial Park (the Park Property). The City acquired the Property by virtue of a Deed of Gift dated June 25, 1966, from the Mary Washington Monument Association and the National Mary Washington Memorial Association.

For several years, the City has been weighing what to do with this property. It has been sporadically occupied as a residence for recently hired senior City staff as they look for housing, but it has mostly been vacant. The City has maintained the property but has not put the level of investment into it that could help it achieve its full potential as a tourism asset.

Washington Heritage Museums, a 501(c)(3) membership organization that owns and maintains four historic house museums in downtown Fredericksburg, has expressed an interest in taking over ownership and maintenance responsibility for the Monument Property. The mission of WHM is to preserve, promote, and maintain its four 18th -century properties (Mary Washington House, Rising Sun Tavern, Hugh Mercer Apothecary Shop, and St. James' House), and to develop dynamic educational resources and programs to engage and inspire the interest of everyone. Staff believes WHM is well-suited to take over ownership and maintenance responsibility for the Monument Property.

City staff and WHM leadership have worked together to develop a draft LOI outlining the required steps toward WHM taking over and enhancing the Monument Property. The LOI follows this memo and the resolution.

The proposed action before Council on July 12 is to refer the draft LOI to the MAC, which is responsible for advising the City on matters pertaining to the maintenance and preservation of the Monument Property. If Council takes this action, the MAC would meet in the next few weeks. A revised LOI (if necessary) could then be brought back to City Council for consideration. After that, the steps laid out in the non-binding LOI would begin and could culminate in the City conveying the 0.75-acre Monument Property to WHM by deed of gift, subject to a historic preservation easement. This process is likely to last approximately six months.

FISCAL IMPACT

The fiscal impact associated with this transaction would be a net positive, as the City would no longer be required to maintain the property. The improved property also has the potential to attract additional tourists, which would have a net positive fiscal impact on the City in the form of lodging, meals and sales tax revenue.

Attachments: Resolution
Letter of Intent



**July 12, 2022
Regular Meeting
Resolution 22-**

MOTION:

SECOND:

RE: Referring a Proposed Letter of Intent with Washington Heritage Museums, for the Conveyance of the Mary Washington Monument Property, to the Memorials Advisory Commission for Review and Advice

ACTION: APPROVED: Ayes: 0; Nays: 0

For many years, the Mary Washington Monument Caretaker's Lodge has not had a full-time resident. On October 5, 2015, the Memorials Advisory Commission (the City Council's formal advisory body for the Mary Washington Monument property) wrote to then City Manager, Beverly R. Cameron, to express its concerns with the condition of the Caretaker's Lodge, noting that it had been occupied sporadically since 2011. The MAC unanimously recommended that the City consider selling the Caretaker's Lodge with appropriate restrictions to preserve the historic integrity of the building and grounds.

Since that time, City Council has considered several options for the preservation of the Caretaker's Lodge, with the goal of providing a full-time occupant, by private sale or otherwise.

Washington Heritage Museums (WHM) was established in 2012 as a 501(c)(3) membership organization and is currently comprised of several hundred members from Virginia and across the nation. WHM owns, maintains, and staffs four historic house museums in downtown Fredericksburg, which are open to the public on a regular basis: the Mary Washington House, Rising Sun Tavern, Hugh Mercer Apothecary Shop, and St. James' House. The mission of WHM is to preserve, promote, and maintain its four 18th century properties in Fredericksburg and to develop dynamic educational resources and programs to engage and inspire the interest of everyone.

WHM has explored the potential acquisition, use, and preservation of the Monument Property and has concluded that adding it to WHM's collection of historic properties is consistent with WHM's mission. The organization has been integral in preserving Fredericksburg's Revolutionary-era buildings and presenting them to the public for over a decade. Visitors from the local region, across the country, and around the world have toured WHM's properties, whose educational exhibits underscore the significant role that Fredericksburg played in the life of George Washington. WHM honors Washington by honoring his mother Mary, whom he last saw at her Fredericksburg home in 1789.

WHM proposes to fulfill the intent of the 1966 Deed and will publicize the exceptional story of Mary Washington and the monument built in her honor through careful stewardship.

The City Council proposes to review a draft Letter of Intent (LOI) under which the “Monument Property,” as defined in the LOI, would be conveyed to WHM.

Therefore, the City Council hereby resolves that:

- The Council refers the draft Letter of Intent to the Memorials Advisory Commission for its review and advice as to whether the proposal will provide for the care, maintenance and preservation of the Monument Property as a memorial to Mary Washington;
- The Council will consider approval of the draft Letter of Intent at its regular meeting on August 9, 2022.

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

Clerk’s Certificate

I certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution No. 22-__, adopted at a meeting of the City Council held Date, 2022, at which a quorum was present and voted.

***Tonya B. Lacey, MMC
Clerk of Council***

**Letter of Intent
between
the City of Fredericksburg and Washington Heritage Museums
for the future of
the Mary Washington Monument and Caretaker's Lodge**

Recitals

- A. The City of Fredericksburg (the City) is the owner of Lots 25, 26, and 27 of the Kenmore Estate, comprising approximately 3.65 acres of land, on which are situated the grave of Mary Washington and the monument to Mary Washington, along with Meditation Rock, the Gordon Family Cemetery, and the Caretaker's Lodge (the Property). The grave of Mary Washington and the monument to Mary Washington, along with Meditation Rock, the Gordon Family Cemetery, and the Caretaker's Lodge are situated on an approximately .75-acre portion of the Property (the Monument Property). The remaining property is used as the City's Memorial Park (the Park Property).
- B. The City acquired the Property by virtue of a Deed of Gift dated June 25, 1966, from the Mary Washington Monument Association and the National Mary Washington Memorial Association, which is recorded in the Fredericksburg Circuit Court Clerk's Office at Deed Book 131, page 500 (the 1966 Deed).
- C. The 1966 Deed provided for the City to establish an advisory board (also known as the Board of Regents) to advise it on matters pertaining to the maintenance and preservation of the Property and the improvements thereon. City Council voted on November 28, 2000, to confer the responsibilities of this advisory board upon the Memorials Advisory Commission (the MAC). City Council codified this decision by adoption of Ordinance 11-32 on November 22, 2011.
- D. Washington Heritage Museums (WHM) was established in 2012 as a 501(c)(3) membership organization and is currently comprised of several hundred members from Virginia and across the nation. WHM owns, maintains, and staffs four historic house museums in downtown Fredericksburg, which are open to the public on a regular basis: the Mary Washington House, Rising Sun Tavern, Hugh Mercer Apothecary Shop, and St. James' House. The mission of WHM is to preserve, promote, and maintain its four 18th century properties in Fredericksburg and to develop dynamic educational resources and programs to engage and inspire the interest of everyone.
- E. For many years, the Caretaker's Lodge has not had a full-time resident. On October 5, 2015, the MAC wrote to then City Manager, Beverly R. Cameron, to express its concerns with the condition of the Caretaker's Lodge, noting that it had been occupied sporadically since 2011. The MAC unanimously recommended that the City consider selling the Caretaker's Lodge with appropriate restrictions to preserve the historic integrity of the building and grounds.

- F. Since that time, City Council has considered several options for the preservation of the Caretaker's Lodge, with the goal of providing a full-time occupant, by private sale or otherwise.
- G. WHM has explored the potential acquisition, use, and preservation of the Monument Property and has concluded that adding it to WHM's collection of historic properties is consistent with WHM's mission. The organization has been integral in preserving Fredericksburg's Revolutionary-era buildings and presenting them to the public for over a decade. Visitors from the local region, across the country, and around the world have toured WHM's properties, whose educational exhibits underscore the significant role that Fredericksburg played in the life of George Washington. WHM honors Washington by honoring his mother Mary, whom he last saw at her Fredericksburg home in 1789.
- H. WHM proposes to fulfill the intent of the 1966 Deed and will publicize the exceptional story of Mary Washington and the monument built in her honor through careful stewardship.
- I. The City and WHM now propose to prepare, negotiate, and enter into one or more definitive agreements under which the City would convey the Monument Property to WHM by deed of gift, subject to an historic preservation easement, and conditioned upon WHM's plan for the use and development of the Monument Property, including the demonstrated financial capability to carry out the plan.

Agreement

1. **Shared Vision.** The City and WHM share a vision for the future of the Monument Property, and view a partnership between them as a desirable opportunity to achieve the following (the Proposed Outcome): place a full-time occupant in the Caretaker's Lodge, attract private capital to provide for the preservation of the Monument Property, develop the Monument Property as a tourism asset, advance the community's goal to tell a more complete story of the history of Fredericksburg, and fulfill the City's duty to preserve the Property under the 1966 Deed. The achievement of this shared vision is the Proposed Outcome of this Letter of Intent (this LOI).
2. **Definitive Agreements.** Upon execution of this LOI, the parties will enter into good faith and diligent negotiations to attempt to produce one or more mutually acceptable, binding agreements to effectuate the Proposed Outcome, as follows:
 - 2.1 Historic Preservation Easement to be held by the City: to provide for the maintenance and preservation of the Monument Property in perpetuity as a memorial to Mary Washington. The historic preservation easement will include appropriate restrictions to preserve the Monument Property's historic integrity, including the architectural integrity of the buildings and grounds.

2.2 Development Plan: to provide for the care and use of the Monument Property, including the occupation of the Caretaker's Lodge. The Development Plan is envisioned to showcase WHM's demonstrated ability to exhibit and promote historic properties associated with the Washington family, and to integrate the Monument Property into WHM's existing portfolio of architectural and cultural treasures. The Development Plan is intended to be an iterative process, which may be organized around WHM's short, medium, and long-term vision, goals, and plans for the Monument Property. The parties anticipate that WHM's short-term vision, goals, and plans for the Monument Property may be more detailed and actionable, and that its medium and long-term vision, goals, and plans may be more conceptual in nature. The Development Plan will provide for continued public access to the outdoor areas of the Monument Property, under such suitable safeguards as may be mutually agreeable and consistent with the vision for the Monument Property.

2.3 Deed of Gift: to convey fee simple interest in the Monument Property from the City to WHM. The Deed of Gift may include a condition requiring WHM to perform all responsibilities and obligations with respect to the short-term vision, goals, and plans for the Monument Property, as expressed in the Development Plan. The City will reserve a contingent reversionary interest in the Deed of Gift.

3. **Term of the LOI; Exclusivity.** If the Definitive Agreements are not entered into by the parties on or before March 1, 2023, then this LOI shall automatically expire, unless the term is extended by mutual written agreement of the parties. The City shall negotiate exclusively with WHM for the duration of the term of this LOI, with respect to the use, development, and conveyance of the Monument Property.

4. **WHM Responsibilities.** WHM shall proceed to undertake the following tasks:

4.1 Conduct studies and investigations of the Monument Property and its improvements, under a right of entry from the City, to determine whether the Monument Property is suitable for WHM's intended uses.

4.2 Draft a proposed Development Plan, using such experts, consultants, and advisors as WHM deems advisable.

4.3 Create a fundraising strategy and develop records to demonstrate the financial feasibility of the Development Plan. WHM may review its financial feasibility records with the Director of Economic Development in an iterative feedback process.

4.4 Identify a proposed use of the Caretaker's Lodge and any zoning approvals needed for the intended use.

4.5 Present its proposed Development Plan and proposed use of the Caretaker's Lodge to the MAC for its review, feedback, and recommendations. This presentation may take place at one or more MAC meetings, and this review may be an iterative process.

4.6 Apply for any zoning and other legislative approvals required for WHM's proposed use of the Monument Property.

4.7 Obtain and deliver to the City a satisfactory title insurance commitment. WHM will work with the City to have all unacceptable title exceptions, encumbrances, and/or conditions removed or cured by the City to WHM's reasonable satisfaction.

4.8 Review and comment on the Baseline Report (defined below).

5. **City Responsibilities.** The City shall proceed to undertake the following tasks:

5.1 Cooperate with WHM as it undertakes its tasks, including without limitation, making City staff available to consult with WHM and promptly reviewing and commenting on the documents produced by WHM.

5.2 Provide WHM a right of entry for the Monument Property and its improvements, with reasonable terms and conditions that are mutually agreeable to the City and WHM.

5.3 Prepare a boundary line adjustment plat suitable for creating the Monument Property as will be needed for the Deed of Gift.

5.4 Identify and initiate any Comprehensive Plan amendment that may be required for the Deed of Gift.

5.5 Identify and review any required zoning approvals through the appropriate statutory procedure. These may be reviewed through a process that runs concurrently with any necessary Comprehensive Plan amendment process.

5.6 Generate a baseline documentation report (the Baseline Report) describing the characteristics and conditions of the Monument Property at the time of easement recordation as well as the features and conservation values that are the subject of the easement. Documentation will incorporate comprehensive photographic coverage of the Monument Property, including the building and grounds.

5.7 Draft the Historic Preservation Easement for review by WHM and the MAC. Seek and obtain the MAC's advice on the proposed conveyance of the Monument Property to WHM.

5.8 Promptly respond to questions and requests related to the existence and removal of title exceptions, encumbrances, and conditions, and take reasonable steps to remove or cure same as reasonably requested by WHM.

5.9 Draft the Deed of Gift for review by WHM.

5.10 Engage the public and solicit public comment through such meetings, hearings, presentations, surveys, and comment forums as may be reasonable and necessary (in the City's reasonable discretion) to determine the level of public support for the Proposed Outcome.

5.11 Upon satisfactory completion of, or concurrently with the completion of the WHM and City tasks, conduct a public hearing on the proposed conveyance of the Monument Property to WHM and, if deemed to be in the public interest, adopt an ordinance authorizing the conveyance. The final decision of the City Council is legislative in nature and is not final until public comment is heard and considered through the public hearing and ordinance adoption process. Virginia Constitution Article VII, Section 9 will apply to this decision.

6. Mutual Responsibilities and Representations.

6.1 The parties will cooperate and negotiate in good faith with each other to develop the Definitive Agreements and achieve the Proposed Outcome on terms acceptable to both parties. This LOI does not bind the parties to signing the Definitive Agreements unless all factors, including public support, are satisfactory to each party.

6.2 Each party shall bear and pay all costs and expenses incurred by it in connection with this LOI, regardless of whether the Definitive Agreements are executed. Each party proceeds at its own risk.

6.3 No party shall directly or indirectly assign all or any part of this LOI, or any of its rights, interests, or obligations without first obtaining the prior written consent of the other party.

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SIGNATURES APPEAR ON THE FOLLOWING PAGE.}***

Each party is signing this LOI on the date stated opposite that party's signature.

CITY OF FREDERICKSBURG

By: _____, 2022
Timothy J. Baroody, City Manager date
As authorized by City Council Resolution 22-__

WASHINGTON HERITAGE MUSEUMS

By: _____ date
Michael G. Spencer, Chairman

By: _____ date
Charles S. Fennell, Chairman-Elect

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