

**Old School Cape Charles, LLC
548 Monroe Avenue
Cape Charles, VA 23310**

November 8, 2012

Mr. Michael Phillips
Public Policy Manager, Historic Tax Credit Campaign
National Trust Community Investment Corporation
1785 Massachusetts Avenue NW
Washington, DC 20036

Dear Mr. Phillips:

We read with interest your request that our town support the Creating American Prosperity Through Preservation Act. We would like to support the Act, but we must tell you about the unfortunate events that have transpired in our town to make it less attractive to us.

Just a little over a year ago a two-person company from Richmond called Echelon Resources contacted our town staff to find out what we were doing with our old school in the park. We don't know just when it happened since we were never told about the contact. Echelon sent a confidential unsolicited proposal to our town council in August 2011 offering to rehabilitate the school to make it into an apartment building using tax credits.

The town council and staff negotiated with Echelon Resource in secret for about six months before the dealings became public. It became known when an advertisement was put in the local paper for a public hearing about the sale of the school. The public hearing was scheduled for February 9, 2012 with a regular meeting immediately following at which the authorization was passed by town council to sell the school.

Everything was transpiring as planned by the town council and staff until two citizens of Cape Charles who had attended the school set up an alarm and let the rest of the town know what was happening. It became evident that the ordinance to sell the school was not legal because a Planning Commission public hearing had not been held or a decision made by it about the change of use. Town Council had to walk it back and remake some of their decisions.

A citizens group was formed called Old School Cape Charles which presented three different proposals to town council to make the school into a community center. But the town council, for reasons known only to them, refused to entertain the proposals. All three proposals were rejected without a public vote by town council, which is illegal.

Our town manager and assistant town manager communicated over the phone and via e-mail with Echelon Resources trying to figure out ways to make the project work for the developer. They made no effort whatsoever to make the proposals that Old School presented work.

The school, which was zoned Open Space until this August 23, 2012, is in our town park. The town website even says so. The town's only basketball courts and the parking for the children's playground are on/in the property that is to be sold to the developer. We use the word "sold" loosely because the price is only \$10. And the town has to give the developer \$41,000 in

insurance proceeds for earthquake damage under the contract signed by the town. The tax value of the property is \$921,000.

Of course, this all seems very fishy, but the claim was that the town could not afford to rehabilitate the building or make it into something with a community use. Therefore, we were pretty surprised that the same town manager who could not find any way to fund the rehabilitation of the school was able to sign part 1 and part 2 of a rehabilitation tax credit application for Echelon Resources.

There are two lawsuits outstanding about the school – one about the impending sale and the other an appeal of the rezoning. We have contacted the Department of Historic Resources in Richmond. We have not found them to be either understanding or helpful.

Kathleen Kilpatrick told us that the evidence that we had provided to her was “third hand.” This is in the face of the fact that we live in Cape Charles and some of us have lived here our whole lives. Some of us went to that school. Yet she is telling us that she will take the word of a Richmond developer over us.

We are very distressed to think that the National Park Service (NPS) would aid this developer in taking our town’s only basketball courts and the parking for the children’s playground.

Despite all this we are not opposed to the idea of tax credits for rehabilitation of historic buildings and we would love to take the Department of Historic Resources (DHR) up on these opportunities. Our old school is in the Historic District of a Certified Local Government. We think we should be a prime candidate for tax credits and grants to restore our old building for a community use. If our town will not take it on, we are willing to take the property and restore it.

We want to thank you for your efforts to make rehabilitation of historic property affordable. We would like to enlist your support for our effort to retain our old school and rehabilitate it.

We will be contacting our representatives in Congress asking them to intervene and stop the inappropriate use of tax credits for this project. We have already contacted our state representatives as well as the DHR as mentioned previously. I am copying this letter to the DHR, the NPS and our mayor. We will also provide it to local media outlets on the Eastern Shore. I can be reached via e-mail at: oldschoolcapecharles@gmail.com

Sincerely,



Deborah Bender
Community Relations Spokesperson
Old School Cape Charles, LLC

cc:

Mayor Dora Sullivan
Kathleen Kilpatrick DHR
Audrey Tepper NPS