

Testimony before the House Corrections and Institutions Committee
Vermont Historical Society
January 29, 2015

Project Background

Good morning. I am Mark Hudson, Executive Director of the Vermont Historical Society. I am joined today by Naomi Andrus-Lamas, our director of finance and operations. We are here today to speak in favor of the grant of \$75,000 to the VHS that is presented in the Governor's Capital Budget proposal. This grant, when combined with the matching funds to be raised by the VHS, will reduce the capital debt remaining from the initial development of the Vermont History Center by \$150,000.

Before discussing the proposed grant specifically, I believe it would be important to provide some contextual details. In the late 1990s the Vermont Historical Society launched a bold initiative to move its base of operations from the Pavilion building in Montpelier to the vacant Spaulding Graded School in Barre. By renovating the splendid Richardsonian Romanesque Spaulding complex as the new Vermont History Center, VHS saved an important Barre landmark and provided appropriate space to house the Society's library/archives and museum collections that had languished under cramped quarters, the threat of flooding, and potentially harmful conditions in the Pavilion basement. The development of the Vermont History Center served as a key event that has led to over a decade of investment and rejuvenation for downtown Barre, and initiated the remarkable renaissance of the Vermont Historical Society. .

To accomplish the \$10.5 million first phase of the Vermont History Center project in a timely manner, the Society raised more than \$7 million and borrowed \$3.5 million from a consortium of central Vermont banks. Through vigorous development work that debt was cut to \$1.3 million by 2010.

The FY2011 State of Vermont Capital Bill included an appropriation to the Vermont Historical Society of \$150,000 to support further reduction of this debt. Receipt of this appropriation was conditional upon the VHS raising an equal amount to also be applied toward the reduction of this debt, which was accomplished through the generous support of 20 members and friends of our organization.

Receipt of state funds and these individual contributions reduced the debt to \$1,000,000. As a result the VHS refinanced the loan with an annual interest rate of 1.89%. The reduction in principal and the more favorable interest rate has saved VHS over \$35,000 per year. Since that time VHS has continued to pay down the loan. The balance as of September 30, 2014 is \$873,036.

Mutual Benefit

In addition to serving the needs of the Vermont Historical Society for collections storage, the library and research center, exhibitions, public programming and administrative offices, the Vermont History Center is employed for tremendous benefit to the State of Vermont:

- Through an innovative partnership between the State of Vermont and the Vermont Historical Society, the Vermont Archaeology Heritage Center—a program of the Division for Historic Preservation—was relocated to the History Center in 2012. This was accomplished with a \$400,000 capital appropriation and a lease agreement that recognizes the investment of the state in assessing the rent for the space. This partnership improves the care of these resources and enhances public access to them, with considerable annual savings to the state.
- Agencies of state government use the Community Room at the History Center for meetings, retreats, training programs and public forums without charge. In recent years use by state agencies has increased considerably. During the last fiscal year, state agencies used the room 63 times for a total of 378 hours.
- The Vermont History Center has been identified as the alternate work site for the Department of Health and the Division for Historic Preservation—allowing these entities to maintain the continuity of these operations in the event of a natural disaster or other event that would render their existing works space unusable.
- The state's collection of Civil War regimental flags is given the finest care possible in one of the storage vaults of the History Center. Through this partnership with the Office of the State Curator, VHS and the State jointly manage this irreplaceable part of our state's heritage.

FY2016/17 Capital Bill Request

For the upcoming biennial Capital Bill, the Vermont Historical Society is requesting an appropriation of \$75,000 to be applied toward the remaining capital debt for the Vermont History Center. The timing of this appropriation and its opportunities for additional fundraising are ideal, as our current loan will terminate on September 1, 2016. These funds when applied toward this debt will allow us to refinance the loan with a significantly reduced principal amount.

Reduction of this debt will not only provide much needed budgetary relief for the Vermont Historical Society, but will also help to ensure that the Vermont History Center will continue to serve as Barre's cultural anchor, as the repository for state's archaeological resources and as an important resource for the preservation and interpretation of our state's rich heritage. We are deeply appreciative for the State of Vermont's past support and for the thoughtful consideration of this request.