

## **BRIEFING MEMORANDUM**

**MAY 2, 2017**

**FROM:** Clayworks Community Campaign

Contact: Pat Halle, [pthalle808@gmail.com](mailto:pthalle808@gmail.com)

Susan Patz, [susanpatz@gmail.com](mailto:susanpatz@gmail.com)

**SUBJECT: Sale of Baltimore Clayworks (BC) Studio and Gallery Buildings**

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### **PURPOSE:**

The briefing is the opportunity for the community to find out the truth of the financial situation that we are told is causing the sale of both 5706 and 5707 Smith Avenue 21209, buildings in the Mt. Washington neighborhood of Baltimore City that have belonged to Baltimore Clayworks for almost four decades. We want to know whether the proposed sale of the buildings is consistent with the mission and if the sale includes a sustainable business plan for the mission in the future. The briefing is our opportunity to understand and overcome the refusal of the Board to engage, as a body, in transparent, open and honest communication with the immediate and broad community of Clayworks supporters who stand ready to help. We hope to have these questions answered.

- Examine reason(s) for current fiscal insolvency of Baltimore Clayworks, a 37-year old Ceramics Arts Center, a treasured Baltimore, State of Maryland and National Arts Institution.
- Examine rationale of Board to sell both Clayworks Buildings and learn of other options they explored
- Examine Board assurances that future sustainability of BC is achievable, and that relocation is financially feasible. What is Board's business plan for the future?
- As a 5013c non-profit, why hasn't the Board been transparent with their plans to its stakeholders: The Clayworks Community, State of MD, City, County, Foundations, and its Donors?

### **GOALS:**

- The Clayworks Community Campaign seeks to pause any contracts and/or sale of the properties until the issues above are addressed and all options to save Clayworks' Studio building (at a minimum) in Mt Washington has been explored and exhausted.
- The Community would like evidence that the Board is conducting business consistent with the mission and its by-laws.

## **RECENT HISTORY:**

**The CLAYWORKS COMMUNITY CAMPAIGN** formed in February 2017 in response to the announcement by the Clayworks Board on February 3, 2017 that its two buildings would be listed for sale to eliminate the debt crisis. The Campaign organized students, members, donors and supporters to work with the Board of Trustees, to consider all potential options and move forward as a unified community for a stable future.

The Community Campaign has:

- gathered more than 800 signatures of support
- raised over \$150,000 held in an escrow account for BC operations
- presented advice and assistance from a current student who is formerly an international banking expert who agreed to help BC work with the lender and cost out various scenarios
- repeatedly asked for honest conversation and dialogue to achieve unity

Unfortunately, the Board of Trustees has not been willing to work with the Clayworks Community. The Board has not been willing to share financial information, information on the potential contract for sale of the buildings, or plans for the future.

## **BACKGROUND:**

Baltimore Clayworks offers quality ceramics arts education, exhibitions showcasing juried international and national artists, supports outreach to underserved Baltimore communities and supports student internships attending local universities and colleges. Visitors and students come from the Mid-Atlantic region and beyond. Competitive studio artist residencies offer young artists a career-catapulting opportunity to develop their work and work with some of the best ceramicists in Baltimore. Resident artists also may choose to immerse themselves in teaching, curating exhibitions and learning the business of a ceramics arts center. Casual and serious students, children and adults, have filled the clay classrooms. Membership is over 1000.

Baltimore Clayworks is unique. Over the past 37 years, its rare and specialized physical facility in Mt. Washington has been custom designed with the help of public dollars to support the wide array offerings. The ceramic arts equipment (including wood-fired, electric, natural gas and propane kilns), classrooms, studio artist spaces, galleries, retail shop, and administrative offices have been designed to offer a comprehensive ceramics experience that is one of five such ceramics arts centers in this country. Over \$800,000 of MD State Bond Bill funds have been committed to Clayworks over the years. City and County monies support operations as well. MD State Arts Council has regularly granted funds ranging from \$60-86,000 yearly. This all will be abruptly halted by a sale of Clayworks' buildings.

The Board of Trustees now numbers 12 members, having lost 20 members over the past few years. The current Board does not have the skills and business acumen to understand the economics that brought the organization to insolvency, nor have they done due diligence to realize that their vision to move Clayworks to another location in Baltimore City is financial suicide. They have rebuffed the professional and strong support their own constituency would lend to solve the issues that threaten the survival of Baltimore Clayworks.

The fact is: a sale of Clayworks buildings -- assets that are listed at \$4.5 million -- is unnecessary and financially unsound. The Board clings to this as the only option for the future. We don't know why this is so or why the veil of secrecy as to what's next. The Board bases their motive to sell Clayworks' assets behind a false demand that the bank is forcing them to do so.

Unfortunately the present financial crisis developed during the past 3 years when both the Board and the inexperienced Executive Director (who resigned 3 months ago) failed to generate typical revenue amounts. The Board's glaring lack of oversight of the Executive Director and her general mismanagement of Clayworks artists, staff and students could be considered negligence. **The Board has failed to steward this organization and honor the mission and core values that are key to its life.**

More information about Clayworks is available at:

[http://www.baltimoreclayworks.org/about\\_us/history.html](http://www.baltimoreclayworks.org/about_us/history.html)

More information about the Clayworks Community Campaign is available at:

<http://clayworkscommunity.com>

#### **CURRENT NEWS:**

We learned that as of April 30, 2017, Mr. Sid Emmer (a resident of Mount Washington and a prominent real estate development professional) presented an offer to purchase the Baltimore Clayworks Gallery Building for a sum of \$800,000. Mr. Emmer would then lease the building to Baltimore Clayworks for \$1.00 per year for two years. This structure could enable Clayworks to address debt, preserve and protect the Studio Building asset, re-enliven programming and, with new leadership and an experienced and qualified ED, reinvent itself and regain stability. This offer has the greatest likelihood to ensure that State funds contributed to BC over many years are well used and will continue to serve their intended purpose, meanwhile unifying and reinvigorating the entire Clayworks Community.