

BALTIMORE

CITY HISTORICAL SOCIETY



Volume 6, Number 1

Spring 2007

Ground Rents Reach Back to Squire Carroll, Ann Fell

By Garrett Power

Professor Emeritus, University of Maryland School of Law

In 1729, Squire Charles Carroll, father of Declaration of Independence signer Charles Carroll of Carrollton, subdivided 60 building lots along the shore of a shallow basin of the Patapsco River and established Baltimore Town.

Squire Carroll's one-acre lots were slow to sell. The Maryland colony had wealth aplenty, but little currency. The King's economic policies created a trade deficit whereby all the crowns and shillings flowed back to England. Most transactions were by barter or on credit. But the capital cost of a prime parcel of land was too big to barter, and Carroll was loathe to lend the purchase price without some security.

Thomas Harrison arrived in Baltimore from England in 1742, a shipping merchant with a wealth of pounds sterling. In 1747 he purchased from Carroll for £160 the 28 acres on the west side of the Jones Falls. The land became known as Harrison's Marsh and Harrison set about subdividing it into 54 building lots to sell as the cheapest in town.

In 1750, Harrison sold his newly platted Lot 70 (at the southwest corner of Baltimore and Gay Streets) to Valentine Larsch. The conveyance took a novel form—it was a long-term lease rather than an outright grant. The indenture provided that Larsch and "his Executors administrators and assigns" might enjoy the property for "the full term of ninety-nine years... paying therefore yearly ... (Cont. on Page 3)



Retiring Senator Paul S. Sarbanes received Living History Honor at Mayor's Reception in Marburg House on Oct. 8. At left is BCHS President Robert B. Kershaw and, center, William Pencek, representing then Mayor Martin O'Malley.

Family Shipyards Thrived on Flanks of Federal Hill

By Robert Pratt

President, Baltimore & Chesapeake Steamboat Co.

The middle period of Baltimore's shipbuilding, 1832-1932, was dominated by family yards in Federal Hill. Following the War of 1812, the original deep-water harbor at Fell's Point had developed its own set of issues: immigrant housing, industrial and food-processing plants crowded its waterfront. Ellicott Machine Co. developed a steam mud machine that worked the inner basin in 1832, turning its shallow, marshy shoreline into hard ground and making its waters deep enough to handle vessels with draft. The new waterfront attracted several shipbuilders to Federal Hill.

William and Zachariah Skinner had moved to Fell's Point from Dorchester County in 1821 to become more skilled shipbuilders by working at Thomas Kemp's yard there. They then left to open small yards under Federal Hill in 1826.

William Skinner built the small steamboat *Experiment* at the foot (Cont. on Page 2)

A century ago the Skinners were building and repairing steamships on the east side of Federal Hill. That site today is occupied by Harborview, at right.



Workshop, Cruise, Meeting Sites Liven Members' Programs

By Sally Johnston

BCHS President-Elect

The Baltimore City Historical Society's Program Committee is offering current and prospective members a scholarly workshop next month, a meeting at Mount Clare in June, a cruise around the Patapsco River's storied harbor in September, and a reception in a new museum at old site on that harbor in November.

The Third Annual Workshop for Baltimore Historians is on Friday, May 4, sponsored by BCHS, University of Maryland School of Law and Westminster Preservation Trust. It is from 9AM to 1PM in Westminster Hall, Fayette and Green Streets. The Workshop is titled "Maryland Lynchings: the Illusive Record of Mob Violence and Shameful Denial," organized by Emeritus Professor Garrett Powers, who said it "will ponder the difficulty of the task faced by the historian when reconstructing the truth of racial violence and documenting the vigilante assaults on the rule of law."

Presentations include "How Maryland Newspapers Reported on Lynching," by fellow Law Professor Sherrilyn Ifill and "Courage in the Time of Lynching," by Marion Elizabeth Rodgers, biographer of H.L. Mencken, who covered the crimes. Dr. Edward C. Papenfuse, state archivist, and C. Christopher Brown, another professor emeritus, will be commentators and Christopher E. Haley of the State Archives will moderate.

The 2006 Joseph Arnold Prize for Outstanding Writing on Baltimore History will be announced at the Workshop. Attendees are charged \$10 and students are free. Inquiries should be directed to Marie Schwartz at 410.706.3838 or (Cont. on Page 4)



Marion Rodgers



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Efforts for History Center Brighten Peale's Future

By Romaine Somerville
Past BCHS President

The Baltimore City Historical Society, Baltimore Architecture Foundation and Baltimore Heritage continue to negotiate with the City to assure restoration of the ailing, vacant Peale Museum as the Baltimore History Center.

Designed in 1813 by Robert Cary Long Jr., the Peale is the first structure in America built as a public museum. Artist Rembrandt Peale commissioned it as a "Cabinet of Curiosities having a variety of scientific, archaeological, natural and performance based attractions" in addition to fine art and portraits of the heroes of the Revolutionary War and the War of 1812. Gas light experiments at the Peale led to the founding of the Gas Light Co. of Baltimore, America's first gas light company and predecessor of Constellation Energy.

Peale's museum closed in 1829 and the building was purchased by the City. It served as City Hall until the current one opened in 1878. After housing Colored School #1 and later a high school, it was proposed for demolition 1931. Public outcry saved the Peale, which was restored by John Henry Scarff and opened as the Municipal Museum. It eventually became part of the short-lived City Life Museums that closed in 1997.

Lacking American Disabilities Act access, the Peale cannot legally be opened for public use and has been deteriorating for almost a decade. The window sashes and frames are rotting and the brick needs pointing. Serious roof leaks are destroying interior plaster and flooring.

Fundraising has produced \$441,300 toward emergency repairs and planning for future capital improvements. The donors: State of Maryland Bond Bill, \$250,000; City of Baltimore Planning Department, 150,000; Baltimore City Heritage Area Grant, 20,000; Constellation Energy, 10,000; France Merrick Foundation, 5,000; Wm. Donald Schaefer Civic Fund,

From the President To Members of Society

Despite global warming, spring still puts a bounce in our step, lacrosse on the green, blooms to the vine—and it brings up membership renewal for the Baltimore City Historical Society. Volunteers have stuffed, labeled and stamped 1,000 letters to the membership base.

When you receive your membership notice, please respond promptly by mailing in at least the \$15 membership check. In return you will receive the BCHS Newsletter, invitations to BCHS programs and the opportunity to be part of an organization that is dedicated to preserving Baltimore's history and learning from it. [Editor's note: you also can renew—and take part in naming the Newsletter—by using the form on page 4.]

A strong membership is essential. Granting organizations are more likely to fund requests from groups with a large membership base. Membership funds help pay for the costs of running this all-volunteer organization, such as producing and mailing the Newsletter. And membership can serve as a source of future members of the BCHS Board.

Enjoy spring. Birds are singing, daffodils are blooming, the days are longer, and BCHS is asking you to renew your support for our important mission.

Thank you. —Robert B. Kershaw

2,500; Sponsoring Organizations, 4,300.

The Peale Committee, made up of representatives of the three partner organizations, is negotiating with city officials on a 50-year lease. The committee is working with pro-bono lawyer, Kimberly Min, of Abramoff, Neuberger and Linder.

The goal is that the City will provide the physical operating expenses (maintenance, heat and light) and the organizations spearheading the restoration will be responsible for raising needed funds, estimated between \$1.5 and \$2.5 million. This money will be used to replace the roof, repair windows and doors, construct an exterior elevator to provide disabled access, remodel bathrooms to make them ADA compliant and construct an exterior secondary egress.

Once restoration is finished, estimated by March 2010, the Peale will be open to the public at regular hours as the Baltimore History Center. It will offer meeting space for community organizations and educational programs.

To Era of Steam, Steel

(Continued from Page 1)

of Henry Street in 1828 and four years later William Skinner & Sons built the steamboat *Patrick Henry* at its new yard on the east side (Key Highway) of Federal Hill. Those early Hill yards mostly built bay craft such as pungy boats (everyman's transportation), oyster schooners and coastal schooners. After a few years the yards below Federal Hill rivaled production across the Patapsco.

North Atlantic packet companies, such as Alex. Brown & Co., and operators on new South American trade routes demanded fast sailing vessels designed for long hauls. Baltimore's builders, including the Skinners, responded with fast brigs, barks and new and bigger cargo ships. Near the Skinner yards, Charles Reeder and associates were answering the call for the new technology—steam engines.

Ships of iron and steel did not seriously endanger the wooden ship industry until the late 19th century, but the Skinners felt progress at their backs. The Civil War, with Baltimore in the middle, affected the port's shipping business. But after the war, Skinner and other Federal Hill yards with steam marine railways gained sources of revenue as they filled the repair needs of calling ships.

By 1900, the Skinners needed to start building metal ships or go out of business. Harry G. Skinner took the reins in 1894 and added a new dry dock system, second largest on the East Coast, in 1901. Harry Skinner sold the Skinner & Sons Dry-dock & Shipyard in 1915. It changed hands several times until being acquired by Bethlehem Corp. in 1921. Shipbuilding and repair thrived there in World War II on until the late 1970s.

The 1906 steam tug *Baltimore* is one of many iron tugs that the yard built and she remains as a floating monument to an era. Her owners, the City of Baltimore, used her in many capacities until 1956, when the Maryland Port Authority assumed most of the waterborne obligations of the city. The tug continued to operate, principally to transport dignitaries around the harbor.

After 1963 the *Baltimore* had a number of owners, endeavoring to keep steam up on the last of the type in service. Today, she is maintained as a rare example of early steam vessel technology, moored at the dock of the Baltimore Industrial Museum on Key Highway—in sight of the Skinner site where she was built. Her crew of volunteers forms the Baltimore & Chesapeake Steamboat Co. that raised her from the depths in 1982.

For more information, visit www.steamtug.org.

Ground Rent Was Tool To Develop Fell's Point

(Continued from Page 1)

the sum of three pounds sterling money." The lease further provided that "Thomas Harrison his heirs or assigns ... shall ... at the reasonable request ... of Valentine Larsch his Executors administrators or assigns ... make a new lease ... for the full term of ninety-nine years then next to come ... under the same rent ..." Harrison, the seller of the leasehold, held Baltimore's first ground rent.

In 1754 Harrison acquired Lot 49 (in the original Baltimore Town) from Squire Carroll. This acquisition took the same form as the previous, only this time Harrison was the purchaser. The lease indenture provided that Harrison and "his heirs and assigns" might enjoy the property for 99 years with an option to renew. Carroll held the ground rent of £5, s 5 per year.

What attracted Harrison, Larsch and Carroll to this distinctive form of tenure? Economic history suggests some answers. The "ninety-nine years, renewable forever" lease format satisfied a demand in two colonial markets. In real estate, it served as a substitute for a purchase-money mortgage, and in the investment market it substituted for a well-secured bond.

In the Lot 70 transaction, Larsch in effect borrowed the £50 purchase price from Harrison by agreeing to pay 6% interest or £ 3 per year. This amount (arrived at by capitalizing the interest payments at the then customary 6%) was implicit but never expressed. This "pay as you go" financing made Harrison's lot more marketable by permitting Larsch to take possession for no money down.

But in the other transaction Harrison had arrived with cash in hand. In addition to his Baltimore acquisitions he had purchased over 13,000 acres in Baltimore, Anne Arundel and Harford counties. He appears unlikely to have wanted to borrow the purchase price for a single lot. But the ground rent may have had special appeal to Charles Carroll.

Squire Carroll was perhaps the richest man in Maryland, in land and slaves, but by 1754 he had virtually stopped investing—troubled by the discrimination and hostility that he and other Catholics faced. His greatest fear was that the Protestant Assembly might confiscate Catholic estates and deny the right of inheritance. He even made plans to move to the

Catholic colony of Louisiana. If he was to do so he needed to take the family wealth along. Lands perforce must be left behind.

Carroll was diversifying his holdings by becoming Maryland's primary lender. The ground rent for Lot 49 was portable property guaranteeing an annual return of £5, s 5, wherever he might be. Moreover the ground rent should have a market value of over £86 (at 6% interest rate), and Carroll might sell it to another investor before leaving.

If the 99-year leases were to serve the real estate market as mortgage substitutes, and the investment market as substitutes for investment-worthy bonds, it was imperative that the rent payment obligations be well secured. When a mortgage debtor failed to make interest payments the mortgage creditor might bring a foreclosure action, have property sold, and use the proceeds to pay off the debt, returning any overage to the mortgage debtor. What assurance did the ground rent holder have if the leaseholder failed to pay ground rent?

Harrison recognized that Parliament recently had provided even better security under the 99-year lease—where interest

BRICK BANTER



The Fell's Pointer, February 2007

Still on the Square in Fell's Point.

payments were disguised as rent. In 1731 it had adopted a summary ejectment procedure where, if the rent went unpaid for six months, the landlord (i.e. ground rent holder) could evict the tenant (i.e. leaseholder) and retake the land. This quick eviction was a better security than a mortgage foreclosure action because there was no obligation to compensate the leaseholder for his equity.

Subsequent developments improved upon the guarantee. In the late 1760s Ann Fell, the widow and executrix of Edward Fell, was marketing lots suitable for wharves, warehouses, and shipyards as well as houses on Fell's Point. This subdivision laid out by her husband a mile to the east of the old town had deep-water access that gave it an advantage as a port.



Preservation Society Photo

Ann Fell upped the ante.

Ann Fell improved upon the security provided by Harrison's ground rent system by requiring leaseholders to promise to "erect, or make such houses, buildings, wharves, or improvements ... as shall be sufficient to secure payment of the said yearly rent..." within a specified period. If the leaseholder did not build, the ground rent holder could recover the land for breach of covenant. These improvements became fixtures.

Once the house was built, the ground rent provided better security than mortgage financing. If a mortgage installment went unpaid, the holder could foreclose, but was required to reimburse the householder if the house was worth more than the unpaid debt. If rent payment went unpaid, a ground rent holder could eject the leaseholder and keep both the ground and the improvement. The ground rent became more than a ground rent.

Baltimore ground rents by their own terms may last "forever." Tens of thousands were created over 250 years, and thousands continue to exist. But the rents, forever fixed in an amount measured in out-of-date dollars, have been ravaged into insignificance by inflation. A \$50 or \$100 annual rent obligation owed on a \$250,000 house seems no more than a benign reminder of the city's housing past. But beware! The leaseholder who fails to pay the rent, and is too slow to respond to subsequent court actions, may lose both the ground and the \$250,000 house that sits upon it. Such is the lurking legacy of Baltimore's ground rents that legislators now seek to redress.

Missing: THE Name

Our faith is at last restored. Five years ago we asked readers to name the Newsletter. Pleas in several issues drew no response, so far as we could tell—despite the prize of a crab feast with the chairman, Judge John C. Byrnes. But suddenly we discover that submittals were stacking up in an obscure niche of the BCHS office! Hence, here's a belated thank you to the seven thoughtful authors of these suggestions:

Baltimore Album, Monumental Views, Baltimore Gaslight, The Banner, News-A-Peale, Mob Town Crier, The Monument, Charm City News, The Recoverer, Crab & Hominy, Beguiling Baltimore, Baltimore City Focus.

And the winner is . . . as yet unknown, because a panel of board members can reach no consensus. This could be partly because two board members have their own submittals, only an e apart—The Peal and The Peale. All betray deep Baltimore roots.

As for how the entries were mislaid, the matter is under scrutiny. No charges have been filed, but the two in-house submitters face questioning. In the meantime, the contest continues. Please mail entries - or vote for one already in play - with your membership renewal below, or email to bchs@mdhs.org. We promise not to misplace the responses.

Wedgwood at Mt. Clare, and Aboard Clipper City

(Continued from Page 1)
www.acteva.com/booking.cfm?bevalD=131072.

On Saturday, June 9, BCHS will hold its Annual Meeting in the Stable at Mount Clare, 10AM to noon. Originally designed for Police Department horses, the stable is a charming example of adaptive reuse of abandoned buildings. The only indications of former equine use are the empty hay bins in the courtyard. Attendees will be encouraged to climb the hill and tour Mount Clare Museum House, Maryland's first and a National Historic Landmark.

The house has a stunning collection of late 18th to early 19th century furnishings. Many belonged to the builder, Charles Carroll the Barrister, and his wife Margaret Tilghman Carroll. Mount Clare will be hosting an exhibit on Wedgwood curated by the Wedgwood International Seminar. Mount Clare is at 1500 Washington Boulevard, with free parking.

The cruise for historians and their families on the Clipper City, Baltimore's tall ship, is on Sunday, Sept. 23, 2-4PM, to celebrate the tercentenary of the port. Its route is from the Inner Harbor to the Francis Scott Key Memorial Bridge and back to its berth by the Maryland Science

Center.

Member Buzz Cusack of the Charles Theater, organizing the event, said "there is no better way to see the amazing development along Baltimore's waterfront than from the vantage point of a sailing vessel." Robert C. Keith, author of *Baltimore Harbor*, will point up the history in the passing. Tickets are \$40 for adults. Cash bar. Children 12 and under free. Advance tickets are required and will be handled through the Theater.

On Sunday, Nov. 11, from noon to 2PM, is the Seventh Annual Mayor's Reception and History Honors presentation, at Living Classrooms' Frederick Douglass-Isaac Myers Maritime Park and museum, 1417 Thames Street in Fell's Point. The wonderfully restored building is the oldest on the waterfront and the museum in a new wing offers interactive exhibits on the maritime lives that then-slave Douglass and caulking company owner Myers spent nearby.

Honors will be given in three categories: historians, living history and in memorial. Authors of Baltimore history will sign and sell books. Light refreshments will be served.

To Join or Renew as BCHS Member

Please complete this form and mail with payment to the address at the right.

Name (Please print) _____

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Email Address _____

My suggestion for naming the Newsletter is _____
 (see story above).

BCHS Membership Dues

- \$100 Charter Member
- \$50 Sustaining
- \$20 Family
- \$15 Individual
- \$10 Student/Senior

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