

LAWSUIT FILED AGAINST JOHNS HOPKINS UNIVERSITY FOR BREACH OF DONOR INTENT

University Plans Massive Montgomery County Science Park on Historic Farmland Once Owned by Donor Family

ROCKVILLE, MD, November 10, 2011 – Johns Hopkins University today found itself embroiled in controversy, as the heirs of the Family that owned and operated the 138-acre Belward Farm from 1873 to 1989 filed suit in Montgomery County Circuit Court seeking to enjoin the University from going forward with plans for the dense commercial development of the historic farm.

The complaint alleges that the University’s controversial new development plan, devised without consultation with the Family, violates the use restrictions set forth in the 1989 contract that transferred ownership of the farm from the Banks Family to the University. Under the terms set forth at that time, the University agreed to use the property only for academic purposes, for University research and development, or for University health and medical care purposes.

“Rather than abiding by the agreement the University reached with the Family when it acquired Belward Farm, Johns Hopkins University plans to build a huge, 4.7 million square foot commercial science park on the property,” said the family’s lawyer David Brown of Knopf and Brown in Rockville.

The lawsuit is one in a continuing series of higher-education legal disputes alleging violation of “donor intent” – that is, universities that accept gifts with restrictions, then ignore or thumb their noses at the restrictions.

In the new lawsuit, the plaintiffs maintain that the original development plan, approved by the Montgomery County Planning Board in 1997 with the family’s blessing, was radically transformed by John Hopkins in the last few years.

The original development plan, which complied with the Family-University agreement, called for a modest, low-rise academic campus of no more than 1.4 million square feet of gross floor area. The new development plan calls for the construction of a high-rise commercial R & D office park that eventually will have more 4.7 million square feet.

“Instead of a University-operated campus, Belward Farm would become a University-owned commercial real estate venture whose main goal is not education, university research or medical care, but turning a profit,” said Tim Newell, family spokesman for the plaintiffs.

The complaint details the history of the events leading to the development restrictions the University agreed to when it acquired the historic Civil War-era Farm in 1989.

At that point, the Farm was operated by Elizabeth Beall Banks and her two siblings. Ms. Banks had lived on and operated the Farm for many years, and was adamantly opposed to its commercial development, repeatedly spurning purchase offers from real estate developers. But the family eventually could no longer afford the tax bill and other assessments, as Montgomery County real estate values skyrocketed, so they agreed to sell the farm to Johns Hopkins at a fraction of its commercial value –\$5 million, instead of the estimated \$50 million that it was thought to be worth at the time – to keep it out of the hands of developers. The difference was to become a charitable donation to the University, on the understanding that the University would own and operate the campus as stipulated in the agreement.

For their part, the Family agreed to allow the University to commercially develop 30 wooded acres of the Farm to fund the building of the new campus.

Since 1989, the wooded acreage has been commercially developed, and plans were drawn up and preliminarily approved in 1997 for the development of a college campus on the main Farm property. The family also cooperated in having the property rezoned from residential to the R & D designation, enhancing its value and paving the way for the future campus. But by 2008, the University had taken no steps to implement the 1997 plans. Instead, the University has led efforts to alter the Master Plan to allow the commercial development of the entire property. The County Planning Board and Council approved those changes in 2010.

According to Newell, nephew of Elizabeth Banks, his Mother, Beulah and his Uncle, Roland Banks Jr.(the remaining donors at the time) were extremely upset when they first learned of Johns Hopkins' plans for Belward Farm.

“Early in the process, we made known to the University the Family’s objections to its current plans. Instead of working with us to address these concerns, the University has simply maintained that its new plan is not at odds with what my Aunt Elizabeth had in mind,” Newell said.

“The Family strongly disagrees. It is sad and ironic that John Hopkins, the University my Aunt was so fond of, has become the type of developer that she tried so hard to protect the Farm from. It is unsettling to think that a Family with the best of intentions to support a University and preserve a farm of historic importance have had their legal rights and donative intent ignored by the gift’s recipient, John Hopkins University.”

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