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Fight over River Farm sale provides public look at nonprofit's private workings

The decision by the American Horticulture Society to put the property on the market divided board members, angered residents

By [Fredrick Kunkle](#)

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When Laura Dowling heard fellow board members of the American Horticultural Society (AHS) talk about putting River Farm on the market, she was stunned.

The 27.6-acre property overlooking the Potomac River had once formed part of George Washington's Mount Vernon estate. Its gardens and 18th-century manor also served as the society's home for nearly 50 years thanks to a \$1 million donation from philanthropist Enid Annenberg Haupt, who said her gift was intended to preserve the land's natural beauty for all Americans.

Now, a majority on the board argued that the AHS must sell River Farm to survive. Yet the more Dowling learned about the proposed sale, the more the idea made no sense.

Those in favor of the sale said the pandemic had worsened the AHS's shaky finances. Yet its latest publicly filed tax return showed nearly \$4.5 million in net assets, including more than \$826,000 in cash. The AHS said it hoped to find a new steward for this green space that had long served as a kind of public park in Northern Virginia. Yet the property was marketed as a private dwelling with spectacular views and was listed at \$32.9 million. To Dowling and others, that price seemed out of reach for anyone except a developer.

The fight over the future of River Farm provides a firsthand look at how disagreements over a charity's mission can alienate members and anger the public.

The Baltimore Museum of Art [ran into trouble last year](#) when leadership announced plans to sell several paintings, including Andy Warhol's "Last Supper," to acquire work from a more racially diverse group of artists. But the decision triggered public outrage, internal turmoil and talk of a donor revolt.

In New York City, the American Irish Historical Society angered many when its Fifth Avenue home was put up for sale as part of a plan to move to a cheaper location. The Gilded Age mansion, which had stood for Irish aspiration for more than 60 years, instead became a symbol of infighting.

The proposed sale of River Farm has divided board members and roiled the insular world of horticultural groups.

Internal dissension became public in April, when five board members — Skipp Calvert, Tim Conlon, Holly Shimizu, Marcia Zech and Dowling — issued a statement saying the proposed sale "is not only morally and ethically wrong, but is fraught with serious legal issues."

"I have voted against the sale of River Farm at every opportunity because I believe it is inconsistent with the promises we have made to our donors for the past 50 years," Dowling, an Alexandria resident who served as the White House's chief floral designer under President Barack Obama, said in a separate statement. "The reasons for selling the property ... don't add up and are constantly evolving."

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The AHS will celebrate the centennial of its founding in 2022. The board argued that proceeds from the sale would create an endowment so that the gardening society might broaden and carry on its mission for another hundred years. Yet those in favor of selling River Farm also planned for the AHS to merge with the American Public Gardens Association (APGA), a trade association for professional horticulturalists with about one-quarter the assets and whose 2019 financial statement had been subjected to an [audit](#) that found significant irregularities.

“Go look at their financials,” Cherie Lejeune, former president of the National Capital Area Garden Clubs, said of the APGA. Lejeune, whose organization represents 70 garden clubs, with 2,200 members — some of whom belong to the AHS — also expressed concern about long-standing ties that some AHS officers and board members had with the APGA. She said it created the appearance of a conflict of interest.

AHS Board Chair Terry Hayes and interim executive director J. Robert Brackman, through a spokeswoman, declined requests for an interview to discuss the AHS’s governance.

“The Board has consistently followed its bylaws and internal policies and procedures,” Hayes said in an email.

Casey Sclar, APGA’s executive director, attributed the audit’s findings to minor record-keeping lapses and said in an interview that those misstatements of assets and other problems had been corrected.

But Lejeune said the problems with the AHS go beyond the proposed merger with the APGA. The board failed to consult with its own 18,000 dues-paying members, she said.

“There’s been a pattern where the members and donors lost their voice,” said Lejeune, whose group meets at River Farm. “The National Capital Garden Club is the largest stakeholder in AHS, and lots of the members have no clue of what has gone down.”

The AHS had hoped to conclude a sale by early 2021, despite public outcry, growing internal dissent, legislative efforts by state and Fairfax County officials to protect the property, and an [investigation by attorneys general in Virginia and in the District](#) into whether the AHS’s sale of a charitable asset would be lawful. But whatever happens, the damage has been done.

Longtime AHS members quit paying dues, and former officers, such as President Emeritus Katy Moss Warner, severed ties. She declined to comment. Meanwhile, the AHS’s legal fees have topped \$800,000, according to board members who spoke on the condition of anonymity because they were not authorized to speak publicly.

In a letter dated June 30, the AHS advised John T. Richards Jr., an attorney for the dissenting board members, that it filed an [amended tax return](#) in February noting lapses in the administration of its conflict-of-interest policy.

“Due to a change in management,” the amended return said, disclosures were not obtained from board members, officers and key staff as stated in the original return. The filing also said the information was corrected in September 2020, about the time the vote to sell River Farm was taken.

But Richards said the conflict-of-interest lapses were not corrected until October after the vote, and the amended return still includes errors, including a failure to note changes in the bylaws.

Nonprofit organizations generally have fewer mechanisms for oversight and accountability than for-profit companies. The standard of performance at a for-profit company is often profit. If it is managed in an objectionable fashion, its board can be ousted by its own shareholders or the firm can be bought by another.

Not so for nonprofits. They operate with harder-to-measure goals that complicate their governance, said F. Warren McFarlan, professor emeritus at Harvard Business School, who has written two books on the subject.

“The nonprofit world starts from an absolutely different position, which is mission,” McFarlan said “People think a nonprofit is mission-oriented, [that] people are trying to do good for society and so forth. But inside it, you can have very different ideologies sometimes as to what’s right for society, and that comes right around to the battle for the governance process.”

Nonprofit boards often draw from a pool of wealthy donors whose personal commitment, money and fundraising connections are key to survival, while professionals oversee day-to-day management, McFarlan said. But that narrow focus on mission and fundraising, particularly when bylaws do not allow members to vote on the board’s makeup, can lead to self-perpetuating and even insular governance.

“It was a membership organization, and the membership had a vote,” Evans said. Over the years, he said, the AHS’s bylaws were amended to eliminate members’ vote, and the society’s leadership — often drawn from people outside the area — no longer saw River Farm as bound up with AHS’s mission.

AHS leadership began to view the aging manor and its gardens as a drain on its ability to offer educational programs, including its National Children and Youth Garden Symposium, college internships and other horticultural programs, and considered its sale.

“For the past 50 years we have tried to both be a good steward of River Farm and advance our core mission without a lot of success,” Hayes told members in explaining reasons for the sale. “As expenses to maintain River Farm continued to grow, popular mission-based programs held across the nation have had to be canceled to meet our available revenue streams and even that was not enough.”

The idea to sell the place gathered momentum in 2019 under former AHS board chairs Amy Bolton and Erich Veitenheimer, and Mary Pat Matheson, a former AHS vice chair. But it wasn’t until the pandemic hit that the sale seemed urgent. Those in favor of a sale cited the drop in revenue from special events and an estimated \$3 million in deferred capital maintenance.

When the vote was taken in September, a majority went along with the plan, and set an ambitious deadline to conclude a deal.

Soon after the vote, however, several board members regretted their decision. One board member said that it wasn’t clear that the AHS would be dissolved into the APGA until after the board member inspected the merger’s letter of intent. Another thought his vote authorized exploration of a possible sale, not the sale itself.

“I drank the Kool-Aid,” the second board member said.

Others, combing through public records, wondered whether ties between some AHS board members and officers and the APGA affected their support for selling River Farm and merging with the APGA.

Matheson, for example, had been the APGA’s previous president. Bolton was a program manager at the United States Botanic Garden when the Botanic Garden partnered with the APGA on a \$378,000 cooperative agreement to support urban agricultural programs during the pandemic. A spokesman for the U.S. Botanic Garden said Bolton reported the conflict to her employer “and abstained from all AHS-APGA votes.”

Cindy Tyler, an AHS board member who supported the sale and the merger, is a principal at Terra Design Studios, a Pittsburgh-based landscape design firm whose website acknowledges a long-standing relationship with the APGA. The association lists the firm as one of its preferred providers.

Matheson, who is president and chief executive of the Atlanta Botanical Garden, and Veitenheimer, an attorney with expertise in patenting genetically modified plants, declined to comment. Bolton and Tyler did not respond to emails and phone calls seeking comment.

By October, the AHS announced that the merger with the APGA was out but the sale would go forward.