




THE  
PRESERVATION SOCIETY  
OF NEWPORT COUNTY

MEMORANDUM

To: Signers of "Vanderbilt Family Members" Letter

From: Donald O. Ross, Chairman of the Board  
The Preservation Society of Newport County 

Date: May 9, 2015

RE: Response to "Vanderbilt Family Members" Letter

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Below is the Preservation Society's response to comments made in your letter of May 2, 2015 to Trustees of the Preservation Society.

***We come together now to request that the Preservation Society recognize its responsibility to honor the promises it made to the donor of The Breakers and her family.***

The Breakers was not donated to the Preservation Society.

Gladys Szechenyi died on January 29, 1965. In her will, she left the property to eleven individuals<sup>1</sup>. The will stipulated that these individuals could disclaim their inheritance and have the property pass directly to the Preservation Society. They did not disclaim.

Discussions commenced in October, 1970 on the sale of the property to the Society. According to notes made at the time by the Society's attorneys, the "General feeling of owners is that Society has received through the years much

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<sup>1</sup> The heirs listed in the will are "my daughters Alice Hadik, Gladys Peterson, Sylvia Szapary, Nandine Szechenyi Eltz . . . and to the issue taken collectively of my deceased daughter Cornelia Roberts."

from generosity of Countess Szechenyi and they feel under no further necessity for generosity.” The heirs<sup>2</sup> offered to sell The Breakers for \$600,000, but Arthur D. Little, the Society’s advisors, established a value of \$250,000 using comparable sales. On November 30, 1972, a purchase price of \$400,000 was agreed to, with principal only payments over seven years. For tax reasons, the transaction was restructured at a purchase price of \$366,475 with interest on the outstanding balance at 4% per year.

According to Bill Corcoran, who with his father negotiated the sale for the Preservation Society,

The purchase of The Breakers was an “arms length” transaction. The real estate was purchased at a premium price with the understanding that most of the furniture and furnishings in the exhibition areas would be donated to the Preservation Society. . . . Although it may be hard to believe in this day and age, that \$366,475.00 was a premium price; comparable sales at the time indicate that it was. There was little or no market for the large mansions in the sixties and seventies.

The Vanderbilt Family letter lists certain “promises” which the Society is alleged to have violated:

- in a becoming and proper manner
- not permit picnicking or the eating of lunches by the public either on the grounds of The Breakers nor the Stables nor within the buildings
- not to make any changes in the structure in any of the buildings and not to change the layout of the premises surrounding The Breakers, nor to remove any of the trees and shrubbery
- in a dignified manner which shall be in keeping with the manner in which it was operated . . . during the lifetime of Gladys Szechenyi

These words come from the 1967 lease<sup>3</sup>. The ellipses in the last bullet above were deceptively employed to avoid using the words “by the Lessee,” thereby hiding the fact that these restrictions were temporary. The 1972 Purchase and Sale Agreement is completely devoid of any of these conditions.

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<sup>2</sup> The sellers on the Purchase and Sale Agreement are Alice Hadik, Gladys Talbot Peterson, Sylvia S. Szapary, Anthony Szapary, Nandine Eltz, Alexander E. Eltz, Gladys R. Thomas, Landon Thomas, Jr., Cornelia Coudenhove-Kalergi, Hans Heinrich Coudenhove-Kalergi, and Eugene B. Roberts, Jr.

<sup>3</sup> The Lessors were Alice Hadik, Gladys Talbot Peterson, Sylvia S. Szapary, Nandine Eltz, Gladys R. Thomas, Cornelia Carter Roberts, and Eugene B. Roberts, Jr.

Nor is there anything in the Agreement about the continued occupancy of The Breakers by members of the family. On January 28, 1983, the Board voted to allow Sylvia Szapary to “have the use of rooms on the top floor of The Breakers for living quarters and storage in her lifetime.” Since her death, her children, Paul and Gladys, have continued to occupy free of charge the private living quarters on the third floor with no formal agreement with the Society. The space is about 12,500 square feet, comprising six bedrooms, a kitchen, and common areas. They also have exclusive use of approximately ten former staff bedrooms on the third floor for house guests. All utilities are paid for by the Society. Their occupancy can be ended at any time.

It should also be noted that while leasing The Breakers from 1948 to 1972 was a great benefit to the Society, the Society was required to pay the taxes, insurance, utilities, and upkeep of the grounds and also establish a major repair fund, which significantly diminished the cost to the owners over the years.

*In the summer of 2014, in preparation for planned construction [of the Welcome Center], the Society removed a large section of the original limestone wall and wrought-iron fence, and bulldozed a roadway through historic trees and garden paths.*

During planning for the Welcome Center, Trustee and properties committee chairman Bill Wilson strongly advocated for rehabilitating the boiler room immediately, and funds were budgeted in FY15 for this purpose. We submitted our plans to the Rhode Island Historical Preservation and Heritage Commission for approval, along with plans to rehabilitate the Gatehouse/ Caretakers Cottage. On May 29, 2014, the Commission found that the restoration work, including tree removals necessary to access the boiler room, “fully meets the Secretary of the Interior’s Standards and we have no objection to this work.”

The section of fence which was removed had been previously damaged and will be repaired before it is replaced. The road will also be removed after construction.

***In recent years, the Society has diminished the role of the Breakers Committee and allowed it to atrophy.***

The Breakers Committee, first established in 1948, was a relic of the days when the Society did not own the Breakers. Here is an excerpt from the minutes of June 22, 1948:

Mrs. Warren reported that under terms of the agreement for the leasing of the "Breakers", it was specified that an over-all policy Committee of five people (two to represent Countess Szechenyi, two the Preservation Society and one the Chamber of Commerce) be appointed to **supervise and control operation of the building.** *emphasis added*

And consider the following language from the 1967 lease:

The Lessee [PSNC] agrees that the Lessors may designate two out of five members of the Committee of the Lessee which manages "The Breakers." It is understood and agreed that **this Committee has the sole management of the premises herein leased.** *emphasis added*

The Breakers Committee was created as a standing committee in the 1948 by-laws, and continued as a standing committee until this year, when as a part of strategic planning the by-laws were revised. The Board determined that while the Chairman can create such other committees as deemed necessary, the only standing committees should be the Executive, Finance and Trustee Development committees.

Although The Breakers Committee is no longer mandated in the by-laws, it still exists as The Breakers house advisory committee, as do similar advisory committees for all other houses.

***Noreen Stonor Drexel, a steadfast friend of Countess Szechenyi's family and longtime member of the [Breakers] Committee, was arbitrarily removed from her post in 2005.***

Mrs. Drexel was not removed from any post, but resigned her committees after Chairman Pierre Irving met with her to discuss possible future committee appointments. Efforts were made to convince her to remain with the Society, but she rebuffed them all.

***The portrait of Gladys Szechenyi by Philip de Laszlo is blatantly exploited for public relations and marketing purposes.***

We are very proud to own this lovely portrait of a lovely woman who did so much for the Preservation Society in its early years, and have used it tastefully in many materials. It is no more being “blatantly exploited” than are the portraits of Elizabeth Drexel Lehr, Katherine Warren, Gertrude Vanderbilt Whitney, Alva Vanderbilt, Commodore Cornelius Vanderbilt, Cornelius Vanderbilt III, Edward J. Berwind, Herminie Berwind, Edith and Maude Wetmore, or Tessie Fair Oelrichs, all of which we also use.

***After being on loan for many years, certain family members made arrangement for the portrait to be transferred to the Preservation Society last year.***

The implication of “transferred” is that the portrait was given to the Society. It was sold to us last year at fair market value by Vanderbilt heirs, using funds donated for that purpose by Gene and Lynn Roberts.

***We and other family members have been long and significant supporters of the Preservation Society, through memberships, donations, gifts of property, and sponsorship of events.***

In the past twenty years, only eight of the 21 signers of the letter have financially supported the Society’s work. Over the past five years, excluding event tickets, the letter signers have contributed only \$4,000 a year combined.

***Many family members had hoped to contribute more . . . family items to the Society’s collection.***

Most of the objects in The Breakers belong to the Preservation Society. There is a small number of objects, estimated at about seven percent of the total, on loan from family members. Many of these objects are not in and of themselves irreplaceable or highly significant – some are as minor as hairbrushes or wastebaskets. They lend personality and authenticity to the spaces, but none are essential to the visitor experience.

The Society owns 115 items which are in use in the space the Szaparys occupy on the third floor.

***[The Visitors Center] will degrade the historic landscape and diminish the integrity of the property.***

The Rhode Island Historical Preservation and Heritage Commission emphatically disagreed. The Commission, which holds an easement on The Breakers, studied the welcome center proposal extensively and made eight findings which address these allegations in detail:

1. The project will not alter the historic character of The Breakers as an extraordinary 1890s mansion surrounded by broad lawns, specimen trees, and great lawn open to the Atlantic Ocean.
2. The project design places the new construction behind a dense screen of historic landscaping and is located a considerable distance away from the mansion. The relationship between the new construction and the historic Gate House/Caretakers Cottage has been protected by a screen of landscape planting and compatible architectural design that differentiates between old and new buildings.
3. The project has gone to great lengths to protect the historic setting and context of The Breakers through landscape design and architectural design.
4. The project does not affect the historic relationship between the Gate House at the edge of the property and the mansion at the center of the property.
5. The architectural design of the Welcome Center is evocative of park pavilions and greenhouses of the late 19<sup>th</sup> century and is compatible with the historical character of The Breakers and its landscape setting without creating a false sense of historic development. The new construction will not be highly visible because it will be screened by existing and new landscape planting.

6. The project is located a significant distance away from the historic mansion, and therefore the issues of size, scale, and design of the new construction are diminished.
7. The project has maximized the advantage of existing site conditions that include extensive landscape screening in order to limit the project's visibility.
8. The Breakers' historic landscape has been extensively documented and evaluated. All reviewers have noted that the project is located in an area where the historic landscape features have poor integrity and that it is an area that historically was screened from view. Significant viewsheds of the property will be unaffected. The project includes measures to respect and rehabilitate the historic landscape character of the Welcome Center site, and in addition, PSNC is engaged in the preparation of a cultural landscape report as a step toward future historic landscape restoration projects.