



Bainbridge Development Corporation Annual Report

December 1

2009

The BDC is required to submit an annual report including its operating and financial statements covering the operations of the Corporation and a summary of the activities of the Corporation to the Governor, Cecil County Commissioners, the Department of Business and Economic Development and the General Assembly.

July 1, 2008
through June 30,
2009

Bainbridge Development Corporation

Development Vision

Create a community comprised of a unified residential, recreational and working environment that is reflective of the highest design and socially interactive, while maintaining the physical environment standards which are consistent with the natural, historical and architectural character of the area.

Vision Goals

- Plan for a mixed-use development that is flexible and adaptable to changing market demands over time;
- Maintain strong compatibility and reconnect the site with the Town of Port Deposit;
- Recognize the importance of preservation criteria, issues and influences on the area;
- Maximize the resources of the Federal, State and Local Governments;
- Remain a good neighbor to the surrounding community;
- Ensure the community is environmentally sound;
- Ensure the community is economically viable and self-sustaining;
- Create a tax base that contributes positively to those public services required by the community; and
- Create meaningful career oriented employment.

Development Guidelines

State of the art employment center comprised of high usage, clean, quiet and light industrial with supporting commercial enterprises.

Diverse housing styles using the highest design and construction standards.

An open space and recreation plan which seeks to preserve and capitalize on the natural terrain and vegetation features of the site, providing both active and passive recreational facilities for residents of the Town of Port Deposit and Cecil County.

Additional development guidelines as outlined in the BDC Master Development Agreement dated January 2004.

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EXECUTIVE SUMMARY

Due to its strategic location, the State and County determined the former Bainbridge Naval Training Center **KEY** *in managing growth without negatively affecting the rural character of the County*. As a result, in 1999 the Bainbridge Development Corporation (BDC) was created as a public instrumentality of the State to assume ownership of the Naval Training Center and to govern the redevelopment process.

The Cecil County Commissioners, the Town of Port Deposit and the State of Maryland through the efforts of Maryland Economic Development Corporation (MEDCO), determined that the most economically viable use was a mixed-use village concept. This concept provides the least impact on surrounding homes and properties. It is a balanced and rational method of accommodating growth, and providing housing, schools, and shops close to new jobs. The redevelopment estimates 5,500 jobs created, 2.5M square feet of business space, 1,250 residential units, and a number of recreational amenities, a public school and a higher education institution.

The BDC took the approach of private investment with an equity partner interest. In 2004, the BDC entered into a development agreement with MTPM, LLC (MTPM). To date, MTPM has completed the design phase of the project, obtained approval of the general development plan, and completed the planning and permitting process for the first phase of residential development.

MTPM in agreement with the Town of Port Deposit (Town) created a Water and Sewer Authority to build a new Waste Water Treatment Plant (WWTP) and expand the Town's water treatment plant. The intent was to correct the failing public services in Port Deposit and provide water and sewer capacity to Bainbridge. After considerable expense MTPM determined that building the new WWTP was not economically feasible and therefore halted its efforts.

During MTPM's initial environmental assessment under the State's Voluntary Cleanup Program (VCP), contaminants were identified in the first phase of development which may require remediation. The level and extent of any contamination is unknown, therefore, requiring a site-wide environmental assessment. At the request of the Maryland Department of the Environment (MDE) and the BDC, the U.S. Environmental Protection Agency (EPA) will conduct a \$700,000 stimulus funded Targeted Brownfields Assessment (TBA) of the entire site which will characterize the nature and extent of contamination at the site. Upon completion of the assessment, a response action plan must be developed and implemented in order to commence construction.

Continued significant activity on the project is awaiting resolution of the open infrastructure and environmental issues. MTPM has stated that it is ready to start construction on the first phase once these hurdles are removed.

Because of the extraordinary costs and complexities of the site, the BDC has determined that a purely private investment approach is inadequate. Therefore, the BDC believes that a public/private partnership is necessary to make the redevelopment of this former naval base successful.

Path forward: *build initial improvements with State and/or federal assistance, complete a site-wide environmental assessment and implement an agreed upon remedial action plan with State and federal resources.*

BAINBRIDGE DEVELOPMENT CORPORATION

2009 Annual Report

INTRODUCTION

The Bainbridge Development Corporation (BDC) was created by the Maryland General Assembly in 1999 to plan, initiate and oversee the activities necessary to convert the approximately 1,200 acre site (formerly the U.S. Bainbridge Naval Training Center) into re-use opportunities which would maximize the economic contribution from re-development.

Past History

The former Naval Training Center Bainbridge, comprising roughly 1,200 acres, is located to the east of historic Port Deposit and is elevated on a bluff approximately 200 feet above the Town, overlooking the Susquehanna River. The site includes the former Tome School, a private preparatory boarding academy for boys during the early 1900s. The monumental scale of the granite structures, symmetrical facades and elaborate ornamentation make these historic structures architecturally significant. All of the buildings were named after American Presidents except for Memorial Hall which was named after the founder Jacob Tome. During the years that the school was open, 1901-1942, over 3,000 boys were educated including a number of famous Americans. The Navy subsequently purchased the property, opening the Bainbridge Naval Training Center in 1942. It was used extensively during World War II as an East Coast training center for U.S. Navy recruits. At its peak, more than 50,000 Navy and civilian personnel were based at Bainbridge. The center was de-commissioned in 1947 but served as the Naval Academy Preparatory School (NAPS) (utilizing the Historic Tome School Campus) until 1949. Bainbridge was reactivated in 1951 because of the Korean War and the preparatory school returned to Maryland. After 1957, use of the site by the Navy gradually decreased. In August 1974, NAPS returned to its permanent home in Newport, RI. By 1973-1975, much of the site was declared as surplus property and by 1976 the entire center had been vacated by the Navy. After that time and until 1992, two Job Corps Training Centers occupied the property under contract to the U.S. Department of Labor, operating primarily out of the Tome School buildings. Over the years, numerous studies of the Bainbridge properties have been completed as part of the U.S. Government's disposition process. Those studies (including major efforts in 1975, 1982, 1991 and 2000) have considered many reuse options in keeping with the then current competitive standing of the County and the site in the marketplace. These studies concluded that the most-economically viable end-use of Bainbridge was redevelopment into mixed-use community.

BDC's Early Years

In FY2000, the Board of Directors (Board) was appointed, and financial and in-kind support was provided by the Department of Business and Economic Development (DBED), the County and the Town. Initially the Board focused on acquiring the property from the U.S. Department of the Navy (following extensive cleanup of the property) and finding an equity partner.

In July 2000, the Board executed a Memorandum of Agreement with Lowe Enterprises Community Development. The purpose of this agreement was to prepare a re-development plan for the Bainbridge site, with an eye towards creating a full development contract. A market feasibility analysis completed November 2000 by Lipman Frizzell & Mitchell determined a solid market for a mixed use Planned Unit Development with supporting amenities. The **'attraction of first class development partners and timely delivery of infrastructure'** were identified as being critical to the success of the redevelopment. After two years of effort, Lowe Enterprises withdrew from the project due to lack of a viable water/waste water treatment plan.

DBED's Governor's Office of Business Advocacy and Small Business Assistance joined the effort to develop an infrastructure plan for water/waste water treatment acceptable to all parties. Simultaneously the Board entered into an exclusivity agreement with a partnership formed between Manekin, Clark Turner Companies, H&S Properties and NAI Michael Companies (MTPM, LLC) which consummated a development agreement in January 2004. Prior to the execution of the development agreement with MTPM, the recommended approach for the infrastructure was to repair/rebuild the Town's existing systems which, once completed, would service the Bainbridge site – costs were estimated at \$22million. Based on the estimated cost for the Water/Waste Water (W/WW) infrastructure, an initial Concept Plan for redevelopment indicated the residential component would require at least 2,000 units to support the infrastructure required. The notion of 2,000 residential dwellings on Bainbridge engaged the public interest with demands on the BDC to seek a plan that would include a larger commitment to open space and the employment center component.

The Concept Plan proposed by MTPM (July 2004) included an employment center of approximately 4.5 million square feet on 370 acres, open space for community use of approximately 405 acres, 1,250 residential units on 310 acres, 65 acres of flex space and an adaptive re-use element for the Historic Tome School.

Meanwhile, discussions, planning and negotiating continued from 2002 to 2005 on developing a feasible solution to improve the W/WW infrastructure in the Town and providing W/WW infrastructure for the redevelopment of Bainbridge. In 2005, the Town and MTPM formed the Port Deposit Water and Sewer Authority which took over operations of the Town's existing water and sewer systems, identified areas for

improvement to expand capacities and control costs, and completed more than 50% of the design elements of the new waste water treatment plant.

More Recent Years

Between 2005 and 2007, efforts were focused on:

- making improvements to the existing water and waste water treatments plants in the Town to increase capacity sufficient for initial redevelopment at Bainbridge;
- obtaining approval on the general development plan;
- designing the first residential and commercial phases and navigating the permitting processes;
- designing a new 1 Million Gallon Per Day Waste Water Treatment Plant (WWTP) in the Town;
- designing a pedestrian trail system throughout the site with connection to the Town;
- assisting the Town with improvements to the existing water and waste water treatment facilities;
- initiating environmental studies and applying to Maryland's Voluntary Clean Up Program;
- preparing for turnover of the sanitary landfill from the Department of the Navy including an investigation of slope stability; replacement of all gas vents on the landfill and installation of new monitoring wells around the landfill's perimeter;
- executing an agreement for the stabilization of the Historic Tome School campus; stabilization services commenced;
- adopting a formal budget process;
- creating a partnership with Cecil College and the University of Maryland to provide four year degree programs in math, science and engineering at the Bainbridge Campus; the concept plan for the Cecil College Bainbridge Campus was approved;
- developing homeowner's association corporate documents in expectation of construction of the first residential phase and commercial phase;
- community outreach which provided financial assistance; (1) for Water Witch Fire Company to purchase a ladder truck, and (2) to the Town's Police Department to augment their policing capabilities;
- securing an initial commercial tenant, which proved unfruitful;
- marketing the Bainbridge project at the Relocation Fair in Ft. Monmouth New Jersey to support the relocation of jobs to APG and the surrounding areas;
- initiating discussions with YMCA to develop a community recreational facility at Bainbridge; and
- formation of standing committees to support the operations of the BDC including Nominating, Finance, Executive and Phase Development Committees.

Overview of Redevelopment Plan

Redevelop the 1,185 acre site into a mixed use Leadership in Energy and Environmental Design (LEED) certified community combining residential and commercial uses with recreation, civic and public uses. A master-planned modern village right off I-95 in the heart of the East Coast located between Baltimore and Philadelphia providing a unique variety of residential product for a minimum of 1,250 households, commercial opportunities utilizing a wide array of transportation modes on 300+ acres, a pedestrian friendly environmentally conscious community geared toward families, recreational amenities capitalizing on the 'stone's throw' from the Susquehanna River including hiking and biking trails, ball fields, swimming, a community center for senior and youth programs, a river club, educational facilities consisting of public schools, library and four year academic institution, shopping, retail and to top it off, a continuous care retirement community in the restored Historic Tome School Campus, accommodating multiple styles of 1,000 senior units - A SELF-SUSTAINING COMMUNITY.

Bainbridge is the destination where it all comes together. Location, accessibility, rural characteristic, historic town charm, overlooking the Susquehanna River with convenient access to water sport activities and boating, located on the northern most tip of the Captain John Smith Chesapeake National Historic Water Trail.

Project Advantages (at full build out):

Revitalize the Town of Port Deposit - **Promote Job Growth (estimated 4,950 jobs)** - Provide Higher Quality, Higher Paying Jobs (*estimated \$17M in income tax*) - **Promote Economic Opportunities** (minimum of 2.5 million square feet of commercial space) (*estimated \$36.3M in property and sales tax revenue*) - **Preserve Valuable Open Space and Farmland** in Cecil County - Decommission the existing antiquated waste water treatment plant in Port Deposit - **Improve the Water Quality of the Susquehanna River** - **Improve the Public Health and Welfare of the Town of Port Deposit** - Provide senior and youth programs in an area devoid of such opportunities - Improve the Socio-Economic Climate of Cecil County - **Restoration of Nationally Recognized Historic Structures: The Jacob Tome School for Boys** - - Provides close to 100 acres for Civic Uses (School, College, Library, etc) - **Provides more than 300 Hundred Acres of Open Space for Recreational Uses and Environmental Conservation** - Provides a pedestrian friendly residential community - lessening the transportation burden and thereby improving Air Quality.

ACTIVITIES – Current Reporting Period (July 2008- June 2009)¹

During this reporting period, unprecedented global financial conditions known as the “global financial crisis” had a debilitating impact on the housing market and commercial real estate. This, in turn, has left the BDC development team with its own credit crunch and uncertain about when to move forward with the redevelopment of Bainbridge. In the preceding fiscal year, the Board of Directors (Board) met with the development team partners of MTPM to communicate its concern regarding the lack of progress of development and the impact on other interested parties (Town of Port Deposit, Cecil College, Paul Risk Associates (PRA), YMCA). With an eye towards best positioning Bainbridge, the Board has identified those critical issues which would permit the Bainbridge project to recommence at the earliest possible moment. The Board is discussing with MTPM, as well as the Town, EPA, MDE, the County, PRA and other interested parties to resolve those issues. The Board remains very concerned with the lack of progress on the Bainbridge Redevelopment and is exploring all options which would best make the Board’s vision for Bainbridge a reality.

Unfortunately, during this period, (1) Cecil College withdrew its plans to build its Math and Science Building on the Bainbridge Property as part of the first commercial phase due to timing issues and lack of infrastructure; and (2) PRA notified the BDC of its intent to terminate its agreement and requested repayment of approximately \$1M in stabilization payment due to the lack of progress with infrastructure.

Infrastructure

Under the MDA, MTPM is responsible for the infrastructure necessary to develop Bainbridge, including the delivery of water and waste water treatment facilities to service both the Town and Bainbridge. The Port Deposit Water and Sewer Authority (PDWSA) was created to satisfy the water and waste water obligation. MTPM has withdrawn from the PDWSA, and the Town has been left with no operator for its existing facilities and no clear path as to how water and waste water will be provided to Bainbridge. The Town entered into short-term agreements with Cecil County’s Department of Public Works (DPW) to operate the waste water facility and Artesian for the water treatment facility. The Town has also been working on long term solutions for infrastructure which would benefit not only existing users but also the build-out of Bainbridge. Development of Bainbridge is dependent upon the resolution of the infrastructure issues.

Water Treatment Plant. MTPM through the PDWSA made significant upgrades and improvements to the existing system and obtained the Susquehanna River Basin Commission’s approval of a withdrawal permit of 1.5 Million Gallons Per

¹ This report is made without the benefit of a status report from MTPM for the current reporting period.

Day (MGD) and submitted an application for the water appropriation permit to MDE for 700k Gallons Per Day (GPD).

In an effort to assist the Town and MTPM with providing sufficient capacity for the redevelopment of Bainbridge, the BDC submitted an application to MDE's Water Quality Financing Program to fund a Water Booster Pumping Station and Transmission Main. This project, however, was not funded.

Waste Water Treatment Plant. The design of a new 1 MGD plant was completed, a \$12m loan was approved by the Maryland Department of the Environment (MDE) for construction, the land was obtained and surcharge complete. The \$12M was however reallocated within the State of Maryland as the loan transaction was not concluded. The PDWSA received MDE's approval for the construction permit, State Highway Administration (SHA) access approval, National Pollutant Discharge Elimination System (NPDES) discharge permit and approval from the Critical Area Commission.

Also, in an effort to assist the Town and MTPM with providing sufficient capacity for the redevelopment of Bainbridge, the BDC submitted an application to fund a Sewer Interceptor. The project, however, was not selected for funding.

Site Development

The first residential phase of over 200 single family homes was ready for construction - final plans approved by all appropriate regulatory authorities and record plats approved. Significant progress was also made on the first commercial phase of over 100 acres including approval of a preliminary plan, a plan for the construction of Tome Road and grading and storm water management plans. On the overall site, MDE approved the Forest Stand Delineation and Preliminary Forest Conservation Plan and MTPM initiated design of electrical and gas service.

During this reporting period, ***many new opportunities have begun to present themselves*** that could have a tremendous positive influence on Bainbridge:

1. BRAC. The Base Realignment and Closure Act provides for a net transfer of over 8,000 direct jobs to the Aberdeen Proving Ground which is only 16 miles from Bainbridge, and an additional 20,000 jobs expected for the region overall within the next few years. *THE OPPORTUNITY:* Commercial, Office and Retail Space for BRAC Related Companies; Housing Units to a population locating in the BRAC Impacted Area; Capitalize on Infrastructure Improvements to the regional area that would not otherwise have been made without BRAC Growth.
2. Slots. Cecil County has been approved for the Penn National Gaming Facility (video lottery terminal casino) which is scheduled to open in the fall of 2010.

Additionally, the land owner has subsequent phases of land development to include retail, office and hotel space. *THE OPPORTUNITY:* Significant economic activity, hundreds of new jobs, and potential home buyers and commercial tenants to target for Bainbridge. The MTPM Development Team has the opportunity to work with the Town, the County, Penn National, Stewart Properties and the Maryland Department of Transportation to jointly develop infrastructure improvements necessary to accommodate all planned growth.

3. Captain John Smith Chesapeake National Historic Trail. The Country's first water trail has been approved and funded. The most northern point of the trail is Port Deposit. The National Park Service is the federal agency responsible for administering the trail. *THE OPPORTUNITY:* Capitalize on attracting recreational enthusiasts and history buffs to the area. This attraction provides educational, recreational and tourism-related opportunities.
4. Cecil County's Comprehensive Plan. This plan continues to support the development of Bainbridge and minimize commercial and residential development outside of the County's Growth Corridor.

In addition to the infrastructure and environmental issues previously discussed, one other matter may have a negative impact on the redevelopment of Bainbridge. If development does not commence in the short term the Town's Comprehensive Plan may adversely impact the project. The Town relied on the project's anticipated economic benefits to improve the Town's fiscal, social and employment needs. Other properties may be annexed that could develop more quickly reducing Bainbridge's ability to draw the necessary families, jobs and commercial growth.

Environmental

MTPM completed a Phase II Environmental Assessment of the first residential phase (R1) as part of its application into MDE's Voluntary Clean-Up Program (VCP). The BDC was notified that certain contaminants were identified during this assessment. MDE requested that the BDC complete a comprehensive site-wide assessment of the property to ascertain the degree of remediation necessary to achieve the residential and commercial redevelopment objectives. In an effort to complete the site-wide characterization of soils of the property, the BDC submitted a request for financial assistance to EPA's Targeted Brownfield Assessment Program (TBA) for \$750,000 through MDE. EPA selected the Bainbridge project for funding (@ \$700,000) utilizing stimulus funds through the TBA program. EPA anticipates that site assessment work will begin in calendar year 2009 and be completed by mid-2010. Similarly, the BDC submitted a request to Cecil County's Revolving Loan Fund for financial

assistance for the characterization and remediation necessary at Bainbridge. This request has been modified and not yet acted upon.

In order to comply with specific groundwater monitoring requirements of the rubble landfill administered through MDE's Discharge Permit # 2006-DP-2913, the BDC had a groundwater well installed down gradient from the rubble landfill in July 2008. There are now sufficient monitoring wells located around the perimeter of the landfill to determine any trends in the environmental data. On August 28th, the Navy conducted a field inspection of the landfill areas. The Navy was quite satisfied with the maintenance of those areas.

The BDC continued to meet its environmental monitoring requirements under MDE's Discharge Permit #2006-DP-2913 and the Navy's Long Term Monitoring Plan. Quarterly groundwater and methane monitoring was performed and reported upon. In general, metal concentrations, volatile organic compounds and methane are below the reporting limits. However, two metals, magnesium and vanadium, slightly exceed MDE groundwater standards.

It should be noted that MTPM has applied to the MDE VCP for the first residential phase only. It is expected that MTPM will seek 'inculpable party' status on the entire 1200 acre tract.

Tome School

Final approvals were obtained for grant funding from the Maryland Historical Trust (MHT) and the Comptroller's Office totaling \$150,000 for stabilization of the Headmasters House, Monroe and Harrison. Final disbursement requests were submitted for payment by Paul Risk Associates (PRA) for performing the stabilization services. The payment of \$100,000 from the Comptroller's Office for the 2004 Tome School Bond Bill funding was not received during this reporting period, but has since been paid.

This year proved to be challenging for the Tome School Campus. Security and vandalism issues increased resulting in deterioration of the structures. Trespassers have stolen metal to salvage, broken into several of the granite structures, broken into PRA's construction storage trailer and stolen tools, dumped trash, turned port-a-potties upside down, and taken hinges off the gate entrances. The BDC enlisted the assistance of a Town resident to reinstall and reinforce the gate systems, post additional no trespassing signs, haul away debris and reinforce other fence breaches.

In Spring of 2009, MHT conducted a periodic inspection of the Snow Hill archaeological site and Tome School historic site. This inspection reported further deterioration at both sites and finding the terms of the Archaeological

and Historic Preservation Easement agreement not being met. The BDC and PRA are working with MHT to remedy these issues.

Most importantly, the Tome School Stabilization and Option Agreement (TSSA) executed by the BDC, MTPM, and PRA required MTPM to provide water and sewer infrastructure to the boundary of the Tome School. If the infrastructure were not provided to the boundary by October 31, 2008, PRA had the right to terminate the TSSA and request payment of its stabilization payments made to date. As the infrastructure requirement was not met, PRA has elected to terminate the TSSA and request reimbursement for stabilization payments in the amount of approximately \$1,036,000. The BDC and PRA are currently negotiating an alternative resolution which, if completed, would lead to PRA's development of a portion of the Bainbridge site.

Community Outreach

As part of its mission, the BDC and its development partners strive to support the local community through a variety of approaches. A few of the memorable contributions include;

- A virtual tour of the former U.S. Naval Training Center Bainbridge was created through the collaboration of MTPM, PRA, Cecil College and the BDC. This virtual tour serves as a documentary of the history of Tome School and the former Naval Training Center. The virtual tour was donated to the United States Bainbridge Naval Training Historical Association;
- Members of the BDC participated in the Relocation Fair in Ft. Monmouth, New Jersey to reach out to individuals and companies interested in relocating to the Aberdeen Proving Ground (APG) Region as part of the BRAC initiative. There were various opportunities throughout the year for both the BDC and its partners to participate and communicate about commercial, real estate and residential development at Bainbridge;
- The BDC and MTPM advertised the Bainbridge Community in the BRAC Relocation Guide;
- Clark Turner Companies (a development team partner) received Builder Member of the Year award from the Home Builders Association of Maryland;
- Clark Turner Companies and Paul Risk Associates participated in the Extreme Makeover of a local family operation, Freedom Hills Riding Program (a non- profit riding facility dedicated to providing therapeutic riding lessons to people with disabilities). The team constructed a new house, barn and riding arena;
- BDC executed a Cooperative Wildlife Management Agreement with the Department of Natural Resources (DNR) to manage the deer population

on the property thus putting approximately 1,000 acres available for recreational sporting to the region. The hunting allowed on the property is restricted to bow and arrow;

- The BDC was touted in the August issue of the Mid-Atlantic Game & Fish Magazine on the Bainbridge Bow Deer Hunt;
- Members of the BDC and PRA participated in the 50th Reunion of the 1958 Graduating Class of the Naval Academy Preparatory School (NAPS) and the Naval Academy Class of 1962 held at the Tome School Campus;
- Members of the BDC served on the Town of Port Deposit's Park Plan Committee to develop a Parks and Recreation Plan for the citizens of Port Deposit and the surrounding areas. The draft plan was submitted in the Spring of 2009;
- The Annual Bainbridge Sunday was held October 5th with hundreds participating;
- A new signpost for the Bainbridge Development was installed in August 2008 at the Rt. 222 Entrance; and
- 27 tours and presentations were provided to various organizations during the fiscal year, to name a few - Cecil County Public Works, Public Library, and Cecil College; Port Deposit representatives; Bainbridge Sunday; Tome Alumni, NAPS Reunion; Ft. Monmouth personnel; Maryland Department's of the Environment and Planning; the Navy; Bainbridge veterans and their families.

MANAGEMENT AND ADMINISTRATION

Mission

To develop and implement a dynamic sustainable plan for the former Bainbridge Naval Training Center which accelerates the transfer of facilities and sites into productive use in the public and/or private sector and to cooperate with the governing bodies of Cecil County in maximizing new economic opportunities for the citizens of Port Deposit, Cecil County and the State of Maryland.

Board of Directors

The BDC, a “body politic and corporate and an instrumentality of the State [of Maryland]” is governed by a 15 member Board. The Board of Directors consists of 9 voting and 6 non-voting members. The nine members appointed by the Cecil County Commissioners consist of two members recommended by the Mayor and Town Council of Port Deposit; two members recommended by the State Legislative Delegation of Cecil County; the Director of the Cecil County Department of Economic Development and four at-large members. The six non-voting (ex-officio) members consist of the Secretary or the Secretary’s designee of the Departments of Business and Economic Development and General Services, the Executive Director of the Maryland Economic Development Corporation, the Director of the Maryland Historical Trust, the President of the Board of Cecil County Commissioners and the Mayor of the Town of Port Deposit.

The Board met on the following dates, generally for three hours, including both Executive Sessions and Open Meetings.

July 21, 2008	January 26, 2009
September 18, 2008	April 21, 2009
October 20, 2008	May 18, 2009
November 17, 2008	June 15, 2009
December 1, 2008	

The Board also held its March 2009 Executive Session on the 2nd and the Open Meeting on the 16th.

At the October 20, 2008 Annual Meeting of the Board of Directors, the Nominating Committee recommended and the Directors elected Robert Gell, PhD as Chair, James Reynolds as Vice Chair, William Harrington as Treasurer and Donna Tapley as Secretary. Following is a list of the Directors of the Corporation:

BDC Chair <i>Robert Gell, PhD</i>	BDC Vice Chair <i>James Reynolds</i>	BDC Treasurer <i>William Harrington</i>
<i>Jack Scarbath*</i>	<i>Cynthia Rossetti</i>	<i>Vernon Thompson</i>
<i>Joseph Brant</i>	<i>Norman Gaither</i>	<i>Nelson Bolender</i>
<i>Robert Brennan</i> <i>MEDCO</i>	<i>Jerry Grebs</i> <i>DGS</i>	<i>Kerry Abrams</i> <i>Mayor, Port Deposit</i>
<i>Rodney Little</i> <i>MHT</i>	<i>Dominick Murray</i> <i>Deputy Secretary, DBED</i>	<i>Brian Lockhart</i> <i>County Commissioner</i>

*Director Carl Roberts, Ed.D replaced Director Scarbath September 15, 2008.

Advisory Board

The Bainbridge Development Advisory Board gives advice and counsel to the Board of Directors as requested from time to time. The Advisory Board consists of a representative of the Cecil County Commissioners, the State Legislative Delegation of Cecil County, a representative of the Mayor of Port Deposit, a representative of the Town Council of Port Deposit, the President of Cecil College, the Superintendent of Cecil County Public Schools, and the Coordinator of the Lower Susquehanna Heritage Greenway (LSHG).

For FY2009, the members of the Advisory Board were: Delegate Michael D. Smigiel Sr., Delegate Mary Roe Walkup, Delegate Richard Sossi, Senator E.J. Pipkin, Delegate Mary-Dulany James, Delegate David Rudolph, Delegate Daniel Riley, Senator Nancy Jacobs, John Leeds, Representative from Port Town Council, Dr. Stephen Pannill, President of Cecil College, Henry Shaffer, Superintendent of Cecil County Public Schools and Mary Ann Lisanti, Executive Director of the LSHG.

Standing Committees

- i. *Executive Committee.* Consists of the Chair, Vice Chair, Treasurer and Secretary. The Executive Committee supervises and directs the activities of the Executive Director, implements investment options approved by the Board, and responds to significant operational issues communicated by the Executive Director between Board meetings. For FY2009, the members were Dr. Robert Gell, Directors Reynolds and Harrington and Executive Director Donna Tapley.

- ii. *Nominating Committee.* Consists of two members chosen from the Board to advise the Board on matters related to election of officers and committee membership. For FY2009, the members were Directors Bolender and Thompson.
- iii. *Finance Committee.* Consists of four members – two chosen from the members of the Board, one of whom is the Treasurer. Two additional members chosen from among the members, ex-officio or advisory board. The Finance Committee reviews and makes recommendations on the annual budget and audit of the BDC; investigates, develops and recommends short and long term financial strategies, and reviews and makes recommendations on the BDC's internal controls. For FY2009, the members were Directors Gaither, Harrington, Thompson and Greg Cole. Other members have participated at various times including Directors Thompson, Bolender, Roberts and Reynolds.
- iv. *Phase Development Committee.* Consists of four members, two chosen by the Board, one of whom is the Economic Development Director of Cecil County, and two additional members. This Committee advises the Board on matters relating to Phase Proposals arising pursuant to the Master Development Agreement between the BDC and MTPM as well as the Tome School Stabilization and Option Agreement. This Committee has not met.

Personnel and Operations

The BDC has one full-time and one part-time position. The administrative position performs all administrative matters directed by the Executive Director. The Executive Director is responsible for the day to day operations of the BDC and is the BDC's Corporate Secretary. The BDC changed its legal counsel during this reporting period. The BDC's legal counsel is provided through an inter-agency agreement with the DBED utilizing Assistant Attorney General David Rawle as general counsel and Colleen Lamont on environmental related matters. The BDC uses the professional services of an environmental consultant, accounting firm and property maintenance firm to perform necessary requirements and functions.

Financial Report

The BDC's beginning fund balance totaled \$281,163 with revenues of \$135,685. The expenditures for the year were \$324,158 leaving an ending balance of \$93,690.

A copy of the Audited Financial Statements have been included as an attachment to this report. These statements reflect the detailed financial activities of the BDC and its Management Discussion and Analysis. The financial statements received an unqualified "clean" opinion from T. Jess Crouch & Associates who performed the audit.

The BDC anticipated revenues from MTPM through the MDA from land transfers. The MDA contemplated this revenue to begin as early as calendar year 2007 as this is when MTPM communicated it would take down the first parcel (87 acres) for residential development. The first payment was expected to be approximately \$1,030,000. Thereafter, additional land transfers were anticipated every three to five years as commercial and residential phases were developed. MTPM, however, has not yet taken down any land and is not clear when the first parcel will be taken down. As a result, the BDC has reviewed its operating practices in an effort to reduce costs and is working on alternative revenue sources as well as modifying the MDA to include supplemental funding until the construction phase of the project commences.

BAINBRIDGE DEVELOPMENT CORPORATION Historical Financial Comparison

	Actual 2005-06	Actual 2006-07	Actual 2007-08	Actual 2008-09
Beginning Balance	556,180	797,158	322,682	281,163
Revenue	411,928	324,306	179,287	136,685
Expenses	170,950	798,782	220,806	324,158
Ads/Marketing	250	200	2,502	50
Dues/Subscriptions	300	347	694	632
Grants		22,500	18,803	9,614
Insurance Totals	7,677	8,002	7,892	7,480
Licenses/Permits Total	1,000	1,868	1,000	1,000
Meetings	545	947	2,258	4,332
Miscellaneous	1,397	319	851	909
Office	3,962	11,829	4,651	5,062
Postage/Delivery	1,839	1,873	1,680	251
Printing/Reproduction		538	213	-
Professional Services	103,780	122,702	106,640	178,950
Property Maintenance	8,787	33,361	24,785	66,185
Salaries (incl taxes)	39,530	42,266	46,338	47,069
Tome School		550,000		
Utilities Total	1,883	2,030	2,499	2,624
Ending Balance	797,158	322,682	281,163	93,690

GOALS AND CHALLENGES FOR UPCOMING YEAR

a. Goals

- i. Modify the Master Development Agreement and Commence Construction
- ii. Complete Phase II Environmental Assessment
- iii. Develop Environmental Action Plan
- iv. Become a Smart Site
- v. Improve Security of Tome School
- vi. Implement maintenance plan for Tome School
- vii. Identify and secure alternative funding sources

b. Challenges

- viii. Infrastructure
- ix. Market Conditions
- x. Environmental Conditions
- xi. Financial Stability

ACKNOWLEDGEMENTS

- ❖ The Board expresses its **appreciation to Cecil College** for providing in-kind support to the operations of the BDC.
- ❖ The insight and assistance provided by the Cecil County Commissioners, Office of Economic Development and the County's Delegation have benefited this project over time and continue to help push through many challenges.
- ❖ We are especially appreciative of the contributions and assistance of the elected officials of Port Deposit and the support of Maryland's Department's of Environment, and Business and Economic Development.
- ❖ We appreciate the use of the Port Deposit V.F.W. Post 8185 for meeting facilities.

ATTACHMENTS

List of Acronyms

General Development Plan

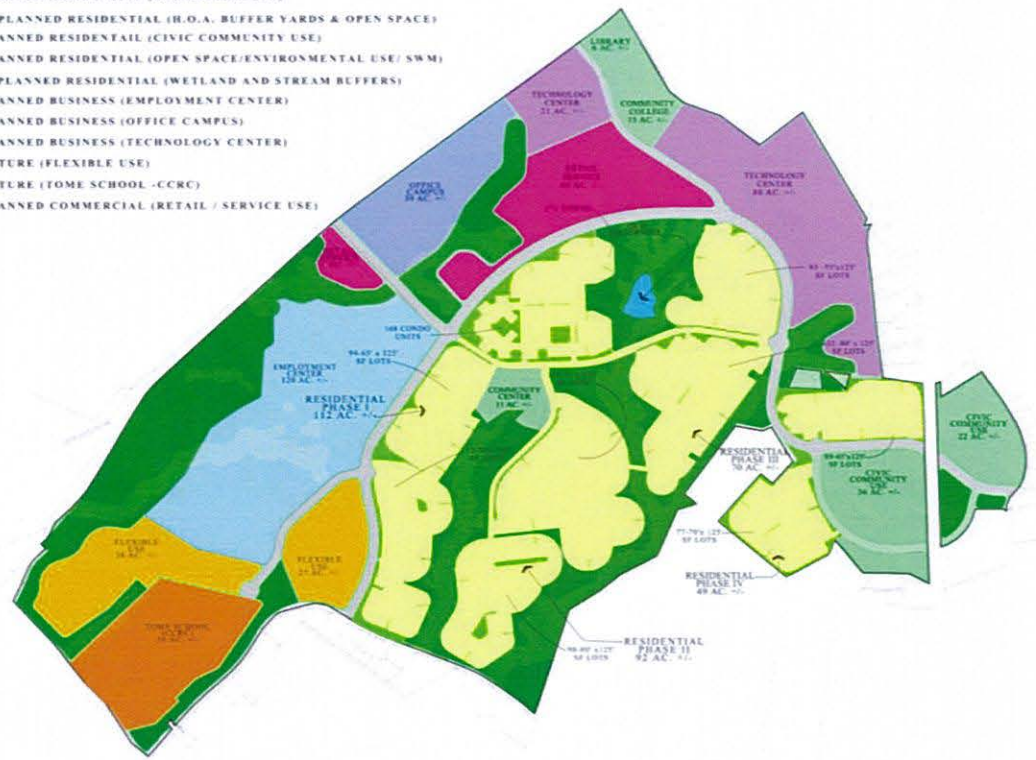
Elements of the Bainbridge Planned Mixed-Use Community

List of Acronyms

APG	Aberdeen Proving Ground
BDC	Bainbridge Development Corporation
BRAC	Base Realignment and Closure Act
DBED	Department of Business and Economic Development
DGS	Department of General Services
DNR	Department of Natural Resources
DPW	Department of Public Works
EPA	Environmental Protection Agency
GPD	Gallons Per Day
LSHG	Lower Susquehanna Heritage Greenway
MDA	Master Development Agreement
MDE	Maryland Department of the Environment
MDOT	Maryland Department of Transportation
MEDCO	Maryland Economic Development Corporation
MGD	Million Gallons Per Day
MHT	Maryland Historic Trust
MTPM	MTPM, LLC
NAPS	Naval Academy Preparatory School
PRA	Paul Risk Associates
PDWSA	Port Deposit Water and Sewer Authority
TBA	Targeted Brownfields Assessment
TSSA	Tome School Stabilization and Option Agreement
VCP	Voluntary Clean-Up Program
WWTP	Waste Water Treatment Plant
W/WW	Water/Waste Water

General Development Plan

- 323 AC. +/- BX PLANNED RESIDENTIAL (RESIDENTIAL USE)
- 98 AC. +/- BX PLANNED RESIDENTIAL (H.O.A. BUFFER YARDS & OPEN SPACE)
- 98 AC. +/- BX PLANNED RESIDENTIAL (CIVIC COMMUNITY USE)
- 342 AC. +/- BX PLANNED RESIDENTIAL (OPEN SPACE/ENVIRONMENTAL USE/ SWM)
- 120 AC. +/- BX PLANNED RESIDENTIAL (WETLAND AND STREAM BUFFERS)
- 120 AC. +/- BX PLANNED BUSINESS (EMPLOYMENT CENTER)
- 39 AC. +/- BX PLANNED BUSINESS (OFFICE CAMPUS)
- 181 AC. +/- BX PLANNED BUSINESS (TECHNOLOGY CENTER)
- 65 AC. +/- BX FUTURE (FLEXIBLE USE)
- 58 AC. +/- BX FUTURE (TOME SCHOOL -CCRC)
- 55 AC. +/- BX PLANNED COMMERCIAL (RETAIL / SERVICE USE)
- 1,185 AC. +/-



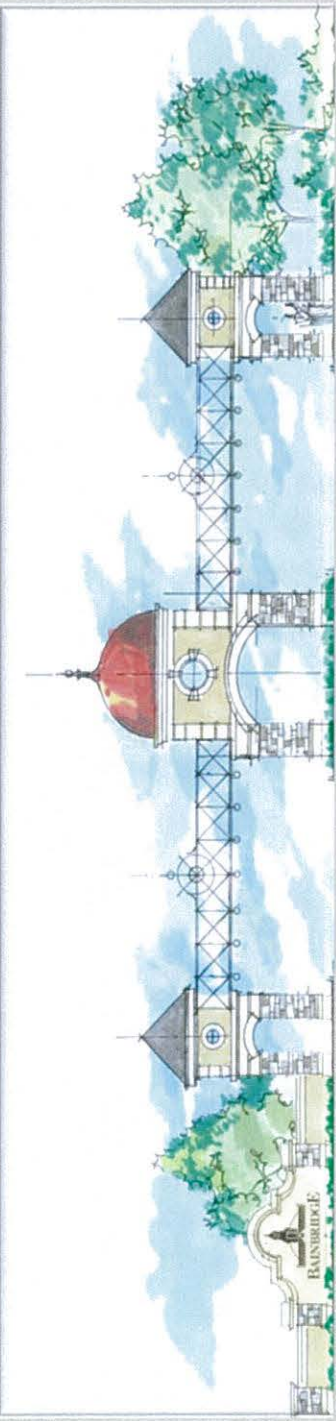
SCALE: 1"=400'

PHASE	ACRES	RESIDENTIAL UNITS	OFFICE UNITS	TECHNOLOGY UNITS	COMMUNITY COLLEGE	LIBRARY	TOTAL UNITS	APPROX. POPULATION
PHASE I	112	112	0	0	0	0	112	2,240
PHASE II	82	82	0	0	0	0	82	1,640
PHASE III	70	70	0	0	0	0	70	1,400
PHASE IV	49	49	0	0	0	0	49	980
TOTAL	313	313	0	0	0	0	313	6,260

BAINBRIDGE GENERAL DEVELOPMENT PLAN

APRIL 24, 2008

Elements of the Bainbridge Mixed-Use Community



Residential Landscape



Architectural Design



Commercial Landscape



Yacht Club on the Susquehanna River



BAINBRIDGE YACHT CLUB