

BAINBRIDGE DEVELOPMENT CORPORATION

2017 ANNUAL REPORT



1,185 Acres

Prime location between DC,
Baltimore and Philadelphia

Close proximity to major
International Airports

Fiber capabilities

Multiple points of access
including I-95 interstate,
multiple rail lines and deep
water access to the
Susquehanna River

Fast-Track designation

Enterprise Zone designation

Priority Funding Area

Upcoming sewer
capacity

Overhead transmission lines

8" high pressure gas main

Raw water supply

Operational Overview

The Bainbridge Development Corporation (BDC) was created in 1999 by the Maryland State Delegation, pursuant to HB 1152, to develop and implement a dynamic, sustainable plan for the former Bainbridge Naval Training Center, and which would transfer the site into productive use by the public and/or private sector. In order to accomplish this goal, the BDC is managed by the Executive Director and governed by a 15 member Board of Directors, comprised of 9 residents of Cecil County (volunteers) and complimented by representatives from applicable State agencies.

The BDC utilizes various committees to support the critical elements and activities of the Corporation, including, but not limited to, Communications, Development, Finance and Tome School.

A development agreement has been executed between the BDC and MTPM LLC., which secures yearly funding for the BDC's operational and development activities and provides MTPM with an option on the property.

To address technical activities, the BDC utilizes various contractors, consultants, and subject-matter experts for support ranging from property management and environmental compliance to legal services, engineering and land planning.

This report covers the period of
July 1, 2016 - June 30, 2017.

2017 BDC Board of Directors

Michael Pugh- Chair

Chris Moyer- Vice Chair

Chick Hamm- Treasurer

DIRECTORS

Joseph Brant

Mario Gangemi, P.E.

Carl Roberts, Ed.D

Jim Reynolds

Matt Roath

Martha Barchowsky

EX-OFFICIO

Wayne Tome (Town)

Alan McCarthy (County)

Mike Gill (COMM)

Bob Brennan (MEDCO)

Jane Roger (DGS)

Michael Day (MHT)

ADVISORY BOARD

Delegate Andrew Cassilly

Delegate Jay Jacobs

Delegate Jefferson Ghrist

Delegate Kevin Hornberger

Delegate Steven Arentz

Delegate Teresa Reilly

Delegate Mary Ann Lisanti

Senator Stephen Hershey

Senator Wayne Norman

Dr. D'Ette Devine

Dr. Mary Way Bolt

FY17 Revenues	\$1,147,376
Annual Operating Payment	\$447,782
Interest	\$1,150
Grant Revenue	\$664,213
Other Income	\$34,121
FY17 Expenditures	\$1,073,217
Office Supplies and Equipment	\$4,911
Operating Expenses	\$16,784
Professional Fees	\$934,702
Property Management	\$56,291
Salaries	\$60,529

BDC Year in Review

Infrastructure

The Cecil County Department of Public Works (DPW) led the charge in recommending a path forward to replace the existing Wastewater Treatment Plant (WWTP) in Port Deposit with a new scalable packaged WWTP on-site at Bainbridge. The project proposes a new nutrient enhanced removal system with an initial capacity of 150,000 gallons per day (GPD) and designed with expansion capacity up to 1million GPD; a sewer pumping station and force main to convey sewage from Port Deposit to the WWTP; and the rehabilitation of an old sewer line along Route 222 to serve as the outfall. The overall project is estimated to cost \$12 million.

DPW met with the BDC in late 2016 to discuss parcel locations for the WWTP and by early 2017 a location was agreed upon by all parties. In March, the new County Executive, Dr. Alan McCarthy, included the WWTP project in the County's Capital Improvement Plan (CIP) budget for FY18, highlighting the County's commitment to the project.

In April, the Maryland Department of the Environment ranked the WWTP project as 7th on their list of funding priorities through the Water Quality Financing Administration - a critical step in developing the fund share for the capital cost of the project. In addition to MDE, the BDC and Cecil County worked with various funding sources from the U.S. Department of Agriculture and the Community Development Block Grant to craft a fund share that maximized the use of grant funds and reduced the need for loans or costs imposed on the taxpayers of Cecil County. Pre-construction site work was completed for the WWTP parcel and site plans for the WWTP and pumping station were submitted to the Town for review in May.

Looking ahead, the County expects the project to be out to bid by early 2018 and operational by March 2019.

U.S. Navy and Department of Defense

After sending a Notice of Intent to File Suit against the U.S Navy, discussions re-engaged to determine appropriate next steps to address remaining environmental contamination.

The BDC successfully secured a federal grant for roughly \$1Million by the Department of Defense Office of Economic Adjustment. The grant was awarded in September 2016 for a three stage project consisting of: a data mapping system; soil characterization; and a revised reuse plan for Bainbridge. A supplemental funding request was also submitted in June and approved.

The BDC's intent is, to the best of its ability given the time-frame and funding available, to reduce gaps in data and determine the most appropriate location for a residential component. The deliverables produced from this project will provide a coordinated, cost effective remediation program and implementable reuse plan that will create economic activity, infrastructure improvements and jobs.

The primary focus of these studies was on conducting multiple environmental investigations across the site. The data obtained from these investigations will be used to conduct a risk assessment and develop a remedial strategy that will allow development to move forward.

While the environmental investigations were being completed, a market analysis was conducted to support a revised reuse plan along with supplemental infrastructure and utility plans. These land plans were crafted using new and existing site data (topography, infrastructure, environmental, etc.) along with current and future market demands and growth trends in the surrounding region. The BDC has not yet finalized the deliverables from this grant project but expects to have all tasks completed by December 31, 2017.

On behalf of the BDC, a funding request was submitted to the State of Maryland for legal services related to discussions with USN; the funding request was not fulfilled.

Economic Development

The BDC continued its participation in the Cecil County Annual Broker Event and was a sponsored location stop on the tour of available properties in the County. The BDC and its Developer continue to market the site for commercial and residential development. Both parties worked closely with a commercial prospect during 2017 that would have required a 100-acre parcel and brought roughly 100 new jobs to the area.

FY2017 Board Meetings

July 18, 2017 (closed)
August 15, 2017 (closed)
September 19, 2017 (open and closed)
November 1, 2017 (open and closed)
January 23, 2017 (open and closed)
March 20, 2017 (closed)
May 15, 2017 (closed)

Moving Forward

OEA Grant Project

Completion of the initial OEA project will come in late 2017 as the BDC - MTPM, and Counsel review the environmental findings and prepare revisions for the land plans at Bainbridge. These deliverables play a significant role in the discussions with the Navy since the environmental data, land plans and cost estimates for remediation will be the primary drivers for settlement discussions.

Findings from the environmental investigations conducted pursuant to the OEA Grant in FY17 raised the issue of potential contamination at Tome School and in various low-lying areas. These areas, if contaminated, could have significant impacts on development. Because of that concern, these issues require further evaluation to understand the presence and potential impact on development and remediation costs.

The BDC worked with OEA and DOD to execute a supplemental grant agreement that will allow the BDC to: investigate low-lying areas and Tome School; determine the usability of the existing sewer system; and expand the current GIS portal previously developed to better serve the negotiations with USN and the development of Bainbridge. These tasks are scheduled to be completed by December 31, 2017.

Navy Negotiations

Discussions with the Navy were placed on hold for the majority of FY2017 while BDC completed the necessary environmental testing and land planning to better understand the cost of remediation to implement development.

Once the environmental reports are finalized and discussions between BDC and MDE are initiated, counsel will then re-engage with the Navy to provide a full update on the findings of the environmental investigation. This will enable the Navy a window of time to review the data and discuss [internally] potential approaches for remediation.

BDC and counsel are optimistic that an agreeable solution can be reached between the BDC and USN in the year 2018, pending cooperation and compromise by all necessary individuals.

If an amicable solution cannot be reached, BDC retains its right to initiate litigation with the Navy for failure to perform its statutory and contractual obligations.

"I'm more optimistic now than I've ever been that we're going to see development at Bainbridge." - George Patchell, Cecil County Councilmen

Wastewater Treatment Plant

With the inclusion of the WWTP project in the FY18 County CIP, a place-holder for funding on behalf of the County, was established. Execution is contingent upon securing necessary grant funds from State and Federal sources.

The initial critical steps in FY2018 are to: (1) finalize a fund share plan that details the cost for construction of the multiple components of the WWTP project; (2) obtain letters of commitment from the grant funders with a specific dollar amount that they will obligate for the project; (3) meet the funders requirements; and (4) finalize the project plan. Once the funding is in place, the County has projected that the Request for Proposal for construction will be released in early 2018 with an expected construction completion in March 2019.

While it was originally believed that if a prospect were to come to Bainbridge, temporary capacity could be granted to the existing treatment plant in Port Deposit, that belief has proven to be incorrect due to the poor condition of the plant. However, the County has communicated that a temporary solution could be implemented to accommodate a user while the new plant is being constructed. In regards to water services, Artesian Water has committed their ability to provide (at a minimum) a portable water system (via storage tanks) within 6 months of notice to proceed for a potential user. The details of a long-term solution will need to be re-evaluated within the next year.

Like and Follow Us!

TWITTER
[@BainbridgeDevCo](#)

FACEBOOK
[Bainbridge Development Corporation](#)

WEBSITE
www.Bainbridgedev.com