

BAINBRIDGE DEVELOPMENT CORPORATION
BOARD MEETING – PUBLIC SESSION
MAY 19, 2025 3:30PM

MINUTES

TEAMS MEETING ID: 213 495 855 930 9 Password: 73kF9eB2

Attendance: Dave Rudolph, Bob Ashby, Carl Roberts, Sandra Edwards, Mario Gangemi, Toni Sprenkle, Vicky Rinkerman, Jen Peterson. Virtual: Chick Hamm, Cat Mateer, Joe Brant, Bridgette Peters, Martha Barchowsky, Dan Schneckenburger, Roop Vijayan, Steve Cassard Absent: Jim Reynolds

CALL TO ORDER & WELCOME: start 3:30

AGENDA APPROVAL: Motion to approve agenda made by D. Edwards, seconded by D. Gangemi

ANNOUNCEMENTS:

Chamber Gala, Celebrating 350 years of Cecil Businesses – June 6th sponsorship of \$5000 Past and Present Sponsor- \$1500 MTPM, \$2000 MRP, \$1500 BDC. Motion to approve sponsorship made by D. Brant, seconded by T. Hamm. All in favor.

APPROVAL OF MINUTES:

April 2025 motion to approve minutes made by D. Gangemi, seconded by, D. Ashby. All in favor.

FINANCIAL: Raymond Hamm, Treasurer

April 2025- BDC's financial health remains good. At the end of April, BDC had unrestricted liquidity of over \$1.2 million and no material changes to any other aspects of the balance sheet. For the month of April, revenue of slightly over \$4,000 was recorded. All of that was earnings that came in through the funds that we hold in the MLGIP. Expenses for the month were almost \$21,000 in line with the typical run rate for the month and below the budgeted forecasted amount of \$28,000, creating a \$7,000 favorable variance to budget for the month of April. On a year-to-date basis at 10 months, BDC has revenues of \$350,000. Most of that being the support payment contractually from MTPM, and BDC has slightly over \$50,000 in revenues that have been picked up through the MLGIP. Against that, BDC has expenses that total \$245,000. Looking through those categories and comparing them to budget, BDC is favoring across the board in every respect and \$56,000 ahead of plan or favorable to budget from an expense standpoint.

IF BDC were closing the books today through 10 months we would have a surplus of \$105,000. There is no expectation of huge amounts of revenue between now and year-end on June 30th so that will eat into that a little bit over our last 60 days and I'm thinking we'll have another year where we have a surplus of \$60,000 or so that kind of will ultimately add to our fund balance. Treasurer Hamm reports that, "I think our health there is good. If you look at the ESCA activity in the far right-hand category, you see \$258,000 coming in on the top of the sheet and you see \$258,000 going out for reimbursement to ourselves for the time that our staff have put in and work that is done in the field". Chairman Roberts accepts the Treasurer's report as a motion to accept April's report, director Gangemi seconded. All in favor.

FY26 Budget (*submission for review – voting in June*)

Treasurer Hamm is presenting the budget at this meeting, giving everyone an opportunity to think about it, cogitate, and then we propose to take action on it at our June meeting. Treasurer Hamm would like to remind everyone that this budget is very much in line with what we've done in years past. BDC's practice to pass an operating budget, so this takes into account our revenues that support our core operations, but we don't attempt

to forecast what we're going to have flowing through here with things like ESCA payments or contract administration.

Because BDC's practice is to only pay bills or incur liabilities as we have money to do it. This budget really pertains to our core operations. We expect to finish the year with our cash position as \$1,184,000, resulting from operations through what we have forecasted for 2025. As we think about next year, our revenue sources are expected to be a \$300,000 payment from MTPM. We're forecasting about \$3,000 a month in continued earnings from the MLGIP. We have an arrangement with MRP where they reimburse us for certain utility and internet services we think that'll be about \$5,000. We receive revenue for time that Jen and Toni spend in administration of the ESCA arrangement.

There is a lot of talk about a prospect on lot A that may result in us needing to think about office space at some point. We want a place to hold some money in case it's needed for moving or related projects. Property maintenance is up \$4,000, I think there's a good chance we'll actually see these numbers come down. Our strategy here is to have money in the budget should we continue to need to do the kinds of things BDC has traditionally done to maintain the grounds at Tome. But if we transfer that property, we may wind up in some kind of arrangement to maybe do something in partnership or through an agreement with the DNR. But our expectation there is that we would be reimbursed from that immediately or administering someone else's money to pay for those costs. We have upped travel expenses just a little bit in support of Toni and Jen who continue learn and do other things on our behalf. We want to make sure we have that covered. Our sponsorship number is up \$4,000 as we continue to do the kind of things that Toni just walked us through, both in support of Port Deposit and to some extent organizations further afield. BDC also placed money in staff development for training as well.

COMMITTEE REPORTS:

Tome School – Joe Brant

BDC has been working with various different divisions and offices at DNR. BDC is working with the Secretary's Office from a legislative perspective, the Maryland Park Service department in terms of getting out on site within the evaluation of the park land, and then most heavily over the last six months or so are the land acquisition department. Once we knew that the legislation was going to stand and the park was going to be created we started going through the process with land acquisition. It is understood that or accepted that we can't meet the June 1st deadline in terms of all the processes that that need to occur. DNR wasn't sure what happens when you have this legislative mandate that you can't necessarily complete. BDC and DNR have collectively decided to create an outline of all the steps that need to occur, the timeline, any information we need to provide to the General Assembly ahead of that June 1st deadline so that we're being proactive. Toni has worked with the land acquisition department, and it's been run through the Secretary's office additionally. BDC and DNR created that draft outline. It looks almost like an executive summary report of what we've been working on, the steps that need to occur. On a basic level it is going to show all the steps that we need to go through, make them aware that it's likely not going to be by June 1st, but we're all working diligently and as efficiently as possible. The other request that they're making is a slight reduction in the acreage per the request of DNR. Director Rudolph presented the question about Ken Michaels losing forest conservation credits. ED Sprenkle advised that BDC has discussed that extensively with DNR and advocating on behalf of the development team for receiving those conservation credits. At first, there was discussion that DNR typically will honor that. If they acquire property that has conservation credits or is conservation, they'll honor that if it sticks within what their original intent was. DNR holds that restrictive easement, and if they decide to honor it, but once we started going through the development agreement, and they realized that it does not create a conflict for us from a contractual standpoint, because that was our concern. That is something that BDC had voiced. We have these existing relationships and contractual agreements, and we can't do things that are going to violate them. So how are we supposed to go through this process? We started walking through the development agreement with the AG's office, and DNR AG said, well, there's no conflict. Because it very clearly says that he only gets credit if the land stays with you. Ken Michaels must account for forest conservation, and if the developable area changes and they

run out of forest conservation credits, Ken will likely have to purchase them elsewhere. Ken has been cooperative in the process and appreciates that BDC was thorough in questioning the forest conservation credits. Ken also agreed to the boundary line.

Environmental – Mario Gangemi

Landfill Monitoring: No change from April meeting

Alternative Energy Opportunities: Minor tweaks of NexAmp lease related to buffer, references to adjacent lots and refinement of lease area almost complete (and possibly could be agreed to by time of meeting).

ACTION ITEMS: Possible ratification of the NexAmp lease

Veterans Memorial – Jim Reynolds

Jen reports that Jim would still like to wait and see how things go with the DNR Park. Jim has been polling interested parties. He's reached out to multiple VFWs and other veterans' organizations.

EXECUTIVE DIRECTOR REPORT: There is no update for the Phase 1 tenant MRP is deep into negotiations, and we're just all crossing our fingers that there will be some news hopefully in the summer. Looking at phase 1A, the infrastructure work, the road work, we are hoping that the reports will be finalized, however, there were some revisions that were needed to some of the appraisal reports. The county will take the lead on the acquisitions process, given that it'll be a public road. We've been working closely with DPW on that

Phase 2: Aquacon's kind of the big news. They had approved their disposal area. BDC started reengaging all of our contractors to get the E&S, the sediment and erosion control plans updated to account for a disposal area on their site. Those plans should be submitted by the end of the week. And then we're hoping, going through a general schedule that we could be out in the field. Hopefully, we should be out in the field by August to start the work on lot 2D, which is the Aquacon lot. Then moving on to the remainder of phase 2. BDC received some comments back from MDE, revised those and finalized that work plan. The environmental work plan for the remainder of Phase 2 follows the excavation and delineation that was completed. It identifies any of the areas of concern, talks through the process, how everything's handled, make sure that there's worker safety, environment safety, all of those things. That work plan has been approved by MDE. Now Bohler is taking on a lot of work for this property, they're pretty much doing all the engineering for all the land planning. Bohler was retained by NEXAMP to do the landfills and the solar work. They're doing all the infrastructure work and they're also doing the survey for DNR. Once we get through everything and we're done on lot 2D, then we'll move forward, and we'll start the plans process for the rest of phase 2. There aren't any details from MDE on the discharge permit, but after a little research we got some answers on just the general overall status. The Chesapeake Bay Foundation filed a petition for judicial review, which basically that requires the courts to go back, review the permit, and the terms and decide if it will stand or if MDE will have to reevaluate or make changes. The two major things that they had listed and brought up were the, you must have net zero for nutrients per the permit, but just like forest conservation, you could purchase those credits elsewhere. That was a minor concern. The other concern that they had is part of your final discharge permit there is supposed to be a plan for catastrophic failure. And there was no plan on file. If something would go wrong and there would be a massive failure of the facility, what is the plan for handling that? And those plans are pretty common in most permits that MDE require. We are unsure of the timeline on how long that will take, but Aquacon has spoken out about it. They feel very confident in their technology, and they feel confident in the work that they've done with MDE, but it could be 30 days, 90 days, or we'll just continue to follow the court file.

OLD BUSINESS:

Solar Lease (*information*) We've had very good conversations with NEXAMP. They were very receptive to the changes that we wanted to make within the easement of the term. The next item on the agenda is date reference, there will be a summary on the lease that we recorded with the easement and one of the issues that can have within the easement was that it referred to the development lots to all the different lots on the property. Those are not set in stone, there's been a site plan approved so we really wanted to make sure that those easements will be recorded specifically for this easement buffer. The two changes are still the lease area, but the two changes that have been proposed, one of them, came willingly from Nexamp. Where the old H building was located is the closest developable area. On one of the development plans, there's a building very close here, and the biggest concern with Ken is that it was encroaching. The easement ring buffer will be completely removed. Nexamp went back to their engineers and in a good faith effort to try and get us to the finish line knowing that that was the biggest concern is they're going to be removing that easement buffer. Ken was very happy to hear that. The next question was from Ken and it asked if can we remove this jutted out area? This basically just follows the meets and bounds of the recorded definition for the landfills. They're not subdivided, and they're not recorded in the landfills. This is just the meets and bounds that was agreed to with the Navy. We can certainly remove that and Nexamp. There were no issues with taking that out. That would just be something that they would have to account for out in the survey field. Ken has approved the revisions, and we are just waiting on the revised language to accompany with the lease and the easement. Roop added that Nexamp still needs to revise a small section of the options lease to reflect the easement terminating when the lease terminates

Toni also wanted to report that she spoke with Greg and Ben about the concerns that Dr. Rudolph had brought up within the Better Business Bureau reviews. They feel very confident about their structure. He referred to this is obviously a partnership, so they don't set all of the rules and the terms. There were a few folks that were unhappy about the termination policy. He informed Toni that the Public Service Commission is actually who sets the termination policy for utilities. They require six months, but Nexamp only requires three months, so he felt happy that they're typically faster. Toni thinks it is often that folks don't necessarily always read the fine print when they sign something and then you find out you have to go through a cancellation process, it can cause dissatisfaction. Our utilities are critical for everyday life, for residential, commercial, industrial, no matter what it is. Toni noticed that reading the customer reviews of the utility companies, it doesn't matter which company it is, they're very bad. Toni stated that, "People like to complain about their utility companies when things don't work. I appreciate that he was willing to have that conversation and understood where the concern was coming from, and now we just want to make sure that we're not making a bad decision for the community."

There were discussions on financing- Chick feels confident that a bank may require Nexamp to put this arrangement into a single use corporation or LLC. Chick does not object to any of that with the lease language that is in place, Nexamp cannot do anything outside of terms and conditions/ restraints that are in the lease we have agreed to. The lease is 25 years with three 5 year renewables, the lease is assignable and transferable.

NEW BUSINESS:

Transfer of Sewer Outfall (*action*)

The BDC owns the outfall, it was transferred by the Navy. It's a very similar situation to the raw water easement that we had had. It was a part of the infrastructure that was transferred from the Navy, but we have no use for it in ourselves. It will be serviced by the utility company. So rather than go, it's a very challenging process to try and work with the county on doing the work on an easement or on a piece of infrastructure that they do not own, given that this would ultimately be a part of the county's wastewater and then it just releases the BDC from the process. It was reviewed by the description of that easement, which would be confirmed via survey, but this is the legal reference within the land records.

Motion to approve the assignment of the outfall easement made by D. Gangemi, seconded by D. Edwards. All in favor.

Port Deposit Chamber Partnership Request (*action*) *motion to approve a corporate sponsorship with the Port Deposit Chamber of Commerce at the Susquehanna Partner level of \$2000 approved by T Hamm, seconded by D. Gangemi.*

Revisit Policy for Financial Contributions (*review – potential action*)

The policy for financial contributions heads on their potential action, there will be no action on that today because Toni and Carl are going to revisit this and draft a proposal for the board to look at during the June meeting. We want to make sure that the draft provides some parameter but also gives the board flexibility to support the community.

Rockfish Tournament Chairman Roberts stated that, “the Rockfish Tournament is historic in Port Deposit. It is viewed as a very positive community event. And anybody who has met Community Connecting Us in Port Deposit, they inhabit the previous Tone Methodist Church and Nesbitt Hall. For many of us, we're very familiar with those buildings. There is no question about the integrity of Community Connecting Us and their priorities to help the community. This and the general discussion was, the executive committee agreed that Toni and I would look at the policy and we'd go back and bring something for the board, okay, to look at to make sure that we were we needed to update our policy to make sure it fit what we were trying to accomplish and use the assets that we have. Do I have a motion on this matter?”

motion to approve sponsoring the Rockfish Tournament at \$2000 level made by T. Hamm, seconded by D. Gangemi. All in favor.

PUBLIC COMMENTS:

*Motion to adjourn the meeting made by D. Gangemi, seconded by D. Brant. All in favor
Meeting adjourned at 4:43PM*

NEXT MEETING

June 23rd

BDC Office – Teams Access