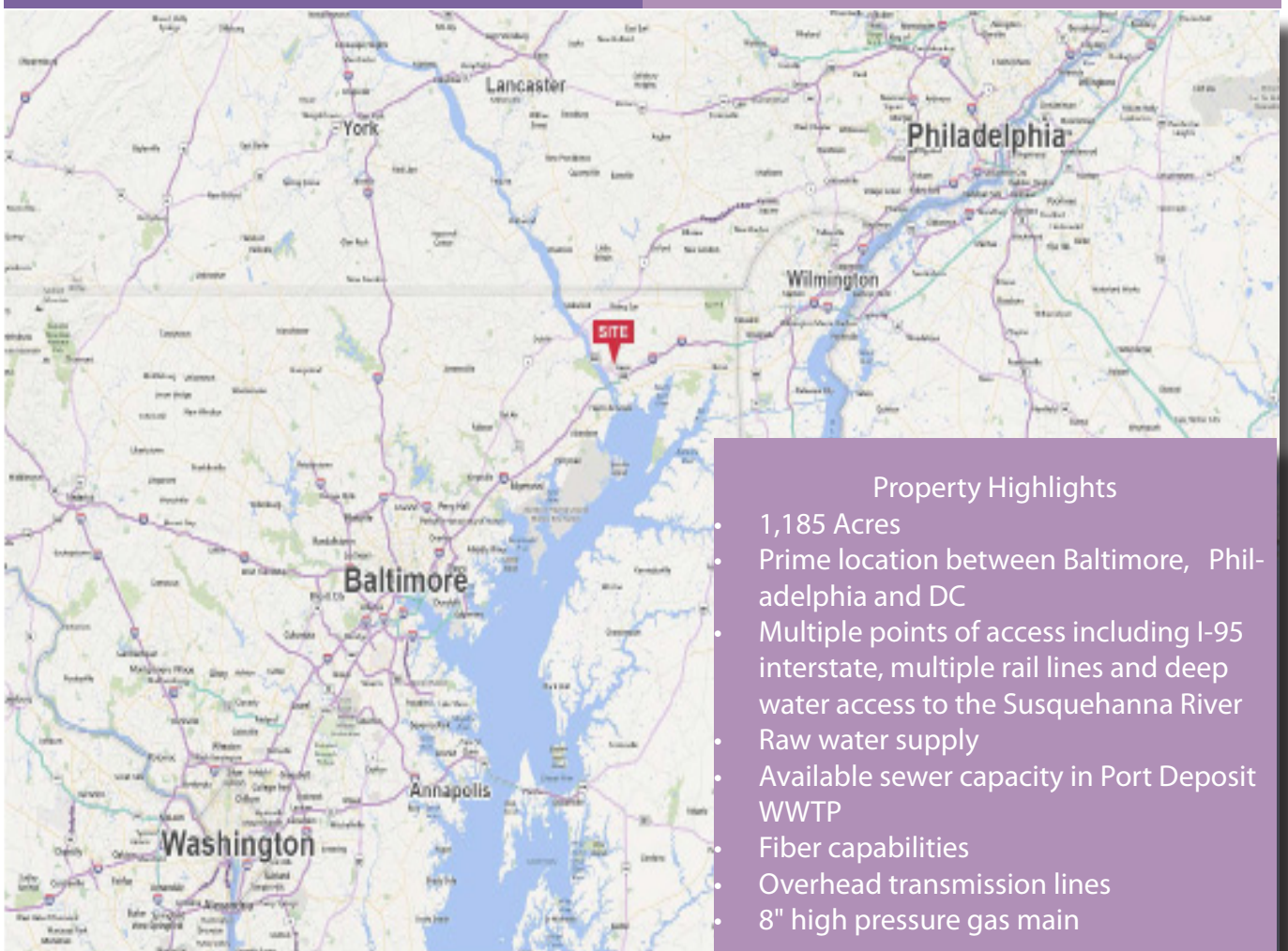


BAINBRIDGE DEVELOPMENT CORPORATION

2015 ANNUAL REPORT





Property Highlights

- 1,185 Acres
- Prime location between Baltimore, Philadelphia and DC
- Multiple points of access including I-95 interstate, multiple rail lines and deep water access to the Susquehanna River
- Raw water supply
- Available sewer capacity in Port Deposit WWTP
- Fiber capabilities
- Overhead transmission lines
- 8" high pressure gas main

Bainbridge Development Corporation

BDC Mission Statement:

"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 in Cecil County in maximizing new economic opportunities for the citizens of Port Deposit, Cecil County and the State of Maryland."

Tome School

As owners of the Bainbridge property, the BDC holds the responsibility to maintain and preserve the National Historic Tome School for Boys. Tragedy struck the BDC when Memorial Hall, the center piece of the Tome Campus, was set on fire on September 21, 2014. This halted all projects at Tome School as the State Fire Marshall's Office took control of the campus to conduct a full investigation; the investigation is still ongoing. Although faced with difficulties, the BDC remained dedicated to moving forward with projects at Tome School. Through grant funding from the USDA RBEG program and a State Bond Bill, BDC has initiated planning projects that will develop a viable strategic path forward. In addition to planning projects, we have continued to strengthen our community outreach efforts. In May and June, 82 people participated in our newly developed monthly tours held throughout the spring and summer. These tours are free of charge and open to everyone. Community projects approved for next year include a Tome Alumni lunch, WAVES tour and Bainbridge Sunday. The BDC has also continued their efforts to maintain the grounds and make necessary improvements to the structures on campus. No projects were approved for funding during this fiscal year.

Environmental Relations

BDC has continued to uphold its environmental responsibilities. Methane and Groundwater monitoring continued for the year, and areas of concern are being addressed. The Naval Facilities Engineering Command conducted their 5 year review to evaluate current remedies on site and determine whether the remedies remain protective of human health and the environment. The final review will be completed during the next fiscal year.

Communications

Keeping all stakeholders informed on the activities at Bainbridge is an essential part of our operations. The BDC has made sure to provide ample amounts of updates to the involved state agencies and our advisory board. We also release frequent public updates and hold public meetings. In addition to those activities, we regularly update our website, facebook page and twitter account with the latest news at Bainbridge. In addition to public updates and meetings, the BDC has provided briefings to the organizations listed below:

- Port Deposit Town Council
- Cecil County Council
- Economic Development Commission
- Sustainable Growth Commission
- Cecil County Delegation
- Port Deposit Chamber of Commerce
- Maryland Congressional Representatives

Committees

The BDC Committee structure is listed below

- Executive Committee: responds to significant operational issues as advised in between board meetings.
- Tome School and Property Maintenance: advises the board on property maintenance and security issues and resolutions and develops and implements goals and projects in relation to Tome School.
- Finance Committee: evaluates and provides recommendations on the corporate budget, fiscal policies, internal controls and funding opportunities.

Navy Negotiations

The BDC, alongside with MTPM, continue to try and work with the Navy to reach a resolution of the environmental issues facing the Bainbridge property so that development may proceed.

The Benefits of Bainbridge

What Makes Bainbridge so Valuable?

Smart Growth

Bainbridge is the posterchild for Smart Growth in Maryland. By reinvesting in this monumental piece of land, we preserve our surrounding rural areas and effectively reuse local property. The Bainbridge property is located within a Priority funding area and is located proximate to major public facilities and investments.

Enterprise Zone

In FY2015, Cecil County was able to redesignate their Enterprise Zone to include the Bainbridge Property and Town of Port Deposit. This enables interested prospects to take advantage of various incentives in developing at Bainbridge; these include income tax credits, real property tax credits and personal property tax credits.

Location and Size

The Bainbridge property is one of the largest pieces of undeveloped property along the Route 40 corridor. The property boasts 1,185 acres of open property that is waiting to be developed. As you can see in the aerial photo below, Bainbridge is roughly 2.5 miles from Interstate 95, it sits directly overlooking the Susquehanna River and is in close distance to nearby rail lines. Bainbridge also rests in a prime location within traveling distance to major metropolitan cities. Distances are provided below:

- Wilmington, DE- 35 miles
- Baltimore - 42 miles
- Washington, DC- 79 miles
- Philadelphia- 63 miles
- New York City- 152 miles



Executive Summary

Looking back, FY15 was a monumental year for the BDC, the Tome School and the Bainbridge project. Great strides were made between the BDC, MTPM, the Town and the County to ensure that Bainbridge is ready for it's first tenant; activities included tving water and sewer lines on site, conducting analyses on the 222 line needed to connect Bainbridge to the Port WWTP, analyzing different property uses, checking fiber capabilities on-site, updating our market value for the property, and chipping away at a Tome School planning project.

Not all activites were positive, this year we suffered a great loss from the fire at Memorial Hall. In a time where the BDC was increasing momentum in Tome School projects, the fire caused all activites to cease while the investigation could be handled appropriately. The fire also caused the BDC to reevlaute how to move forward with Tome School and proved that a planning project was necessary now more than ever. BDC continued to open it's doors for community events and tours, and also strengthened ties to the Town by having the BDC Project Coordinator work closely with the Town and Chamber on community events.

During this FY the County approved funding to for an updated Waste Water Treatment Plant in Port Deposit, as well as a pipeline to connect Bainbridge to that WWTP. They estimate the WWTP to be completed in Spring 2016 and the pipeline in Fall 2016. The County has communicated to the State that the Route 222/I-95 interchange improvements are the number one transportation priority. In regards to Navy discussions, the BDC, MTPM and the Navy are continuing to work together on a best-solution for the site-wide contamination that ensures Bainbridge can be effectively redeveloped and provide an economic driver for the surrounding area.

FY2015 Revenues and Expenditures

Revenues **\$368,748.47**

Annual Operating Payment	\$327,818.10
Interest	\$2,160.62
Lease Fees	\$15,488.70

Expenditures **\$310,871.18**

Office Supplies and Equipment	\$5,434.09
Salaries and Related Expense	\$61,431.87
Professional Fees	\$130,951.70
Property Management	\$80,147.40
Utilities	\$5,601.10
Travel	\$1,323.41
Tome School	\$9,363.97
Operating Expenses	\$16,709.63

2015 BDC Board of Directors

Michael Pugh- Chair

Lisa Webb- Vice Chair

Chick Hamm- Treasurer

Cynthia Rossetti- Asst. Secretary

DIRECTORS

Joseph Brant

Mario Gangemi

Barry Gray

Harry Lenderman

Bill Harrington (retired)

Martha Barchowsky (replacement)

EX-OFFICIO

Bob Brennan - MEDCO

Jane Roger- DGS designee

Michael Day- MHT

Mike Gill- DBED

Tari Moore- Cecil County

Wayne Tome- Port Deposit

Bainbridge Is...

Open for Business!

Prospect Activity

The BDC, alongside of MTPM, have been working with a variety of development prospects over the past year. Some of these prospects include solar projects, renewable energy, food distribution, manufacturing, warehousing and data centers. All parties involved, including the County Economic Development Office and DBED, have committed to making Bainbridge a development priority for the area and for the state as a whole. Our developers are currently conducting a feasibility study on the outlook for Data Centers at Bainbridge.

Infrastructure

The standing hurdle keeping prospects from landing at Bainbridge, has been the lack of utilities on-site. This is something made very clear to the BDC over the past year and we have worked diligently with the Cecil County DPW and MTPM to resolve the issue. Site specific projects include checking the water and sewer lines for their condition and assessing the fiber optic capabilities. Over the next year, Port Deposit will have their new Waste Water Treatment Plant (WWTP) operating, which will service the Bainbridge site for the interim. The County has committed to replacing the existing Port Deposit WWTP with a new package WWTP, with an expected completion date of Spring 2016. The County has also committed to move forward with the design of the repairs to the existing sewer line.

Marketing

MTPM has proven to be an instrumental force in keeping the Bainbridge project alive. Despite the various developmental and environmental stumbling blocks, our development team continues to make Bainbridge a priority. This year, a new marketing packet was developed and provided to the County, the State and a plethora of commercial and industrial private developers; and our development team continues to strategically market the site to the strongest prospects in the market.

On the Horizon...

BDC Goals and Projects for the Upcoming year



Resolve any infrastructure issues on site

Continue community outreach and events

Secure funding for Tome School projects

Come to a resolution for environmental issues

The National Historic Tome School for Boys is an architectural masterpiece tucked away on the Bainbridge property. When the BDC came into existence in 1999/2000, one of our founding missions was to ensure that the Tome School would be preserved, restored and reused; forever marking its place in history.

In 2014, the BDC updated its overall project plan for the Tome School consisting of multiple phases.

Phase 1 would primarily be securing the granite struc-

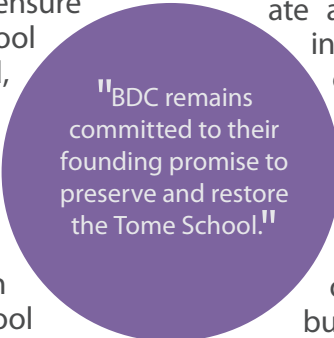
tures through roof repairs and blocking openings on the ground floor. This ensures the protection of the buildings, but also the protection of visitors to the property.

Phase 2 would be to create a master plan including a feasibility study, conditions assessment and overall strategic plan to include short, mid and long term goals. This effort will complete an inventory and analysis of the buildings, punch list per building, analysis of reuse opportunities, determine economic feasibility, accessibility, and infrastructure and the cost and impact

of the environmental conditions. This would also create volunteer programs, community outreach, educational programs and recreational programs to increase the heritage tourism attractions.

Phase 3 would consist of initial rehab to the buildings, preserving architectural artifacts and elements and re-establishing the trail from the Town to the Tome School.

These projects carry a high cost to execute, and in order to fund these efforts, the BDC has been working to secure grant dollars from various County, State and Federal sources.



"BDC remains committed to their founding promise to preserve and restore the Tome School."

BAINBRIDGE DEVELOPMENT CORPORATION STAFF

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