

# **The Mayor and Commissioners of the Town of Elkton**

## **MINUTES**

July 26, 2023

The Mayor and Commissioners of the Town of Elkton (the "Board") conducted a workshop meeting on this date at 12:00 p.m. The following persons participated in person or via computer: Mayor Robert J. Alt; Commissioners Jean A. Broomell, Charles H. Givens, Sr., Robert M. Massimiano and Earl M. Piner, Sr.; Town Administrator Lewis H. George, Jr.; Finance Director Steven H. Repole; Director of Planning Jeanne D. Minner; Director of Building & Zoning Chip Bromwell; Director of Human Resources Andy Rodriguez; Director of Public Works J. Daniel Handley, PE; Chief of Police Carolyn Rogers; Assistant Town Administrator L. Michelle Henson; and Town Attorney John P. Downs, Esquire.

Mayor Alt called the meeting to order at 12:00 p.m.

Mayor Alt stated the Board will convene a Closed Meeting in order to consult with counsel to obtain legal advice on a legal matter.

### **Motion for Closed Meeting**

**ACTION:** Pursuant to State Government Statutory Authority to Close Session, General Provisions Article, §3-305(b) (7) To consult with counsel to obtain legal advice on a legal matter; Commissioner Piner made a motion for a Closed Meeting. The motion was seconded by Commissioner Massimiano and approved by all present.

Mayor Alt announced that the Public Meeting would reconvene in approximately 45 minutes. He noted that the printed agenda contained login information for those who wish to attend the reconvened meeting virtually.

Mayor Alt temporarily adjourned the meeting at 12:01 p.m.

### **Meeting Reconvened**

Mayor Alt reconvened the meeting at 12:55 p.m.

The following persons participated in person or via computer: On behalf of the Town of Elkton: Mayor Robert J. Alt; Commissioners Jean A. Broomell, Charles H. Givens, Sr., Robert M. Massimiano and Earl M. Piner, Sr.; Town Administrator Lewis H. George, Jr.; Director of Finance Steven H. Repole; Chief of Police Carolyn Rogers; Director of Human Resources Andy Rodriguez; Director of Building & Zoning Charles Bromwell; Director of Planning Jeanne D. Minner; Assistant Town Administrator L. Michelle Henson; and Town Attorney John P. Downs, Esquire.

On behalf of Whiteford Law: Kimberly Min, Esquire.

On behalf of Davenport Financial: Jennifer Dierkson and Joe Mason.

On behalf of Sideline Properties, LLC: Michael Browne; Brad Carrillo; Ray Jackson; and Chris Sheehan, representing Mesirow, and Steve Park, representing Ballard Spahr.

Mr. Steve Park provided a presentation from Ballard Spahr, representing Sideline Properties, LLC (Sideline). He stated the purpose of the presentation was to provide an overview of the financing structure of the project. A copy of the presentation was placed in the record of the minutes.

Mr. Park advised the Board that the Maryland Economic Development Corporation (MEDCO) will serve as the conduit for issuance of the bonds associated with development of the Sports Park, adding that the bonds will be financed from the Special Tax District (the District) which was created to fund placement of required infrastructure associated with the planned Southfields neighborhood.

Mr. Sheehan advised the Board that there are (2) types of bonds associated with Southfields and the Sports Park. He stated the first bonds are funded from the District, a dedicated revenue source. He stated the second bonds will be funded by revenue generated by the Sports Park.

Discussion ensued regarding the parameters of Management and Development Agreements that would involve Sideline, the Town and MEDCO.

Discussion continued regarding the Town's obligation to fund debt service and taxes associated with the District resulting from any revenue shortfalls.

Mayor Alt queried the amount the Town is required to hold in reserve to address any revenue shortfalls. Mr. Sheehan stated IRS regulations required 125% of maximum annual debt service to be held in reserve, which in this case, is \$4 million.

Mr. Browne stated he discussed a potential partnership with representatives of Cecil County Government, adding that he hoped to have an answer in the near future.

Mayor Alt requested a pro forma from Sideline to obtain operating projections for the Sports Park.

Discussion ensued regarding development plans for the indoor facility on the Sports Park property.

Discussion continued regarding projections to repay the bonds early.

Commissioner Piner requested re-evaluation of the bonds at 10 years in order to recalculate repayment.

Mr. Browne stated the property is currently owned by Sideline, and stated his request to have the property purchased for the same amount Sideline paid.

Mayor Alt queried the timeframe for repayment of the debt service. Mr. Sheehan stated debt service on the project should be satisfied in 5 years.

Mr. Browne stated that revenue projections for the first year of operation indicate approximately \$1.5 million net, adding that the revenue will be used to pay debt service.

Mayor Alt questioned how subsequent profit will be utilized. Mr. Browne stated all profits will be used to repay the bonds.

Messrs. Brown and Carrillo expressed their support for the Town, providing overviews of the local businesses in which they are invested.

Hearing no additional comments or questions, Mayor Alt adjourned the special workshop meeting at 1:49 p.m.

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L. Michelle Henson  
Assistant Town Administrator

A VIDEO RECORDING OF THIS MEETING RETAINED AT THE ADMINISTRATION  
OFFICE