

BOARD OF GARRETT COUNTY COMMISSIONERS
PUBLIC MEETING
March 27, 2012

IN ATTENDANCE

Chairman James M. Raley
Commissioner Gregan T. Crawford
Commissioner Robert G. Gatto

County Administrator R. Lamont Pagenhardt

ADMINISTRATIVE SESSION

The Board of County Commissioners received a Proclamation from the Governor of the State of Maryland proclaiming April 4, 2012 as "Arbor Day in Maryland". Members of the Garrett County Forestry Board were in attendance.

PUBLIC SESSION

Chairman Raley announced forthcoming administrative session and public session meetings.

The Board of County Commissioners conducted a press conference to announce the following:

1. GCC Technologies, LLC

The Board of County Commissioners announced today the sale of a County-owned 30,000 square foot building at the Southern Garrett Business & Technology Park to a local business. GCC Technologies, LLC (GCC) has purchased the 30,000-square foot building originally constructed by the Maryland Economic Development Corporation (MEDCO) with funding provided by the Maryland Department of Business & Economic Development (DBED). The County purchased the building from MEDCO in December 2011 for \$1,150,000 and sold the building to GCC for this amount.

James Bailey, President and Principal Owner of GCC spoke to the Board and those in attendance.

GCC is a premier provider of a wide range of technical and support services, including information technology, acquisition management, contracts management, program management, training, studies and analysis, and administrative support. The company's clients include the Department of Veterans Affairs, US Small Business Administration, Department of the Navy, Department of the Army, Federal Trade Commission, Transportation Security Administration and Department of Education. GCC has its headquarters at McHenry, Maryland with operating locations in Arlington, VA, Washington, DC, and San Diego, CA.

2. Adventure Sports Center International

The Board of County Commissioners, on a motion by Commissioner Crawford, which was seconded by Commissioner Gatto, and made unanimous by Chairman Raley, authorized the expenditure of \$600,000 to secure the assignment of Adventure Sports Center International (ASCI) debt owed to

Susquehanna Bank and agreement to proceed with a transitional plan for the County to assume operational management of ASCI. The motion was prefaced by the following prepared statement by Commissioner Gregan Crawford. "Based on a Resolution executed by the Board of Directors of the Adventure Sports Center International, Inc. ("ASCI") that offered full title to the assets, facilities, and operations to the Board of County Commissioners, the Board has deliberated for the past two months. Since that date the County has considered the ASCI offer, reviewed all information available to the County concerning ASCI's facilities, assets, liabilities, current and long-term value to the County and the community, and has consulted with ASCI's financial partners. As a part of that process, ASCI's principal financial partners, First United Bank & Trust and Susquehanna Bank, proposed and offered significant debt reduction opportunities to the County in the event that the County accepted the ASCI offer. The financial partners, who have contributed significantly to the process and the County's consideration of this matter, have agreed to accept the assignment of debt in the sum of \$600,000 in full satisfaction of ASCI's debt obligations to those financial institutions." Commissioner Gatto and Chairman Raley also provided commentary.

On January 5, 2012, the Board of Directors of the Adventure Sports Center International, Inc. ("ASCI"), a Maryland not-for-profit corporation organized and operating as a tax exempt 501(c)(3) corporation, offered full title to the facilities to the Board of County Commissioners of Garrett County, Maryland (the "County"). Since that date the County has considered the ASCI offer, reviewed all information available to the County concerning ASCI's facilities, assets, liabilities, current and long-term value to the County and the community, and consulted with ASCI's financial partners. As a part of that process, ASCI's principal financial partners, First United Bank & Trust and Susquehanna Bank, proposed and offered significant debt reduction opportunities to the County in the event that the County accepted the ASCI offer. The financial partners, who have contributed significantly to the process and the County's consideration of this matter, have agreed to accept the assignment of debt in the sum of \$600,000 in full satisfaction of ASCI's debt obligations to those financial institutions. Based upon the ASCI offer and with the assistance of the financial institutions, the County has agreed to terms with the ASCI Board of Directors which will permit the County to operate ASCI.

The financial obligations of ASCI to the County will be satisfied from hotel/motel accommodations tax revenue which is restricted and designated by State statute for economic development and the promotion of tourism. No County real property tax revenue will be directed to satisfy this obligation. There have been questions by the Board appropriating additional funds to the Garrett County Public School System relative to the 5-Year Plan proposed by the Board of Education. Hotel/motel accommodations tax revenue cannot be directed to the Garrett County Public School System; therefore, a funding comparison between education and economic development/tourism is not relative to this discussion.

The County believes that, based upon available information, the revenues generated by the operation of ASCI, after satisfaction of the debt obligations to the ASCI financial partners, will allow ASCI to continue to be a substantial contributor to the maintenance and development of the Garrett County economy. The revenues generated by the ASCI activities, rafting, hiking, and other outdoor activities, are sufficient to maintain and sustain its operations without the use of County funds. The value of the ASCI facilities and assets is estimated to be approximately \$24 million.

Public commentary was received and considered. Official press releases/statements were distributed and the Board of County Commissioners addressed questions and commentary from persons and media in attendance for this session.

Attest:

By Order of the Board,

R. Lamont Pagenhardt
County Administrator

James M. Raley, Chairman
Board of County Commissioners

Date