



Commissioners of Leonardtown

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DANIEL W. BURRIS
Mayor

LASCHELLE E. MCKAY
Town Administrator

**Special Town Council Meeting Minutes
Friday, July 24, 2020 @ 9:00 a.m.
On-site and Virtual Meeting due to Covid 19
Meeting recorded Live on YouTube – Town of Leonardtown Channel**

Attendees Onsite: Daniel W. Burris, Mayor
J. Maguire Mattingly IV, Vice President
Tyler Alt, Council Member
Nick Colvin, Council Member
Mary Maday Slade, Council Member

Virtual: Christy Hollander, Council Member

Also, in attendance were: Laschelle McKay, Town Administrator; Rebecca Sothoron, Treasurer; Beth Sandberg, Office Manager; Will Moorehead, Just Tech; Teri Dimsey, Executive Secretary; Kenny Scully; Roger Mattingly, Janet Scully, Residents. A complete list of attendees is on file at the Town Hall. Viewers on Town of Leonardtown YouTube Channel.

Councilmember Colvin provided the invocation and Ms. Dimsey led the Pledge of Allegiance.

Discussion and Approval of Contract for Paddlewheel Boat Possible Purchase

Mayor Burris stated that today's special meeting has been called to specifically discuss the authorization to approve the signing of a contract to potentially purchase the Black-Eyed Susan Paddleboat and look to form a committee to do more due diligence and make the final decision in approximately a month.

Ms. McKay reported that the purpose of today's meeting is to review the information that has been gathered to date regarding the possible purchase, by the Town, of a paddlewheel boat named The Black-Eyed Susan. The purchase price is \$322,000 and this agreement would require a security deposit of \$16,000 that has several stipulations in the agreement that have to be met during the investigation process or the deposit would be returned to the Town.

The Town has received a \$100,000 grant from the Maryland Heritage Areas Authority toward the purchase of the boat. There is a \$190,000 assumable loan that would leave a balance of \$32,000 from the Town. The grant will be available by late August or early September so it would meet the timeline. We've already started to review the annual maintenance and operational costs, what the staff requirements would be which would be different if it is just docked at the Wharf or if used for cruises. We would probably just do events on land or just at the dock and then possibly someday add cruises. The Town is not wanting to operate it. We would form some type of an organization that would operate it. It

really requires an organization that would promote and provide public relations to market it which we feel the boat would be huge tourism draw.

Today's recommendation would be to form a committee to help to research and recommend what we would do down the road, once we have researched intensively. We would sign the agreement and put our deposit down. We would then hire a surveyor who would pull the boat out of the water to be looked at in-depth to see what kind of repairs might need to be done. We have a copy of a four-year-old survey of the boat. We know that the surveyor had completed one a year ago but, because it was for someone else, he was unable to provide us with the survey. Mayor Burris and Andrew Ponti, St. Mary's Museum Division, along with Captain Eric Cerjanek looked at the boat and after the survey our thoughts were that we would invite a group to go back to see the paddleboat before making a final decision.

Mr. Andrew Ponti, St. Mary's County Museum Division, is with us today and in his previous life, he actually oversaw an organization that did this type of activity in Pennsylvania. Mr. Ponti is going to talk a bit about that position.

We also have Ms. Karen Stone, St. Mary's County Museum Division here to talk about tourism and Ms. Katherine Stormont, St. Mary's County Economic Development will also address the tourism draw and how it would benefit our businesses, overall economic development, jobs and just the quality of life.

Mr. Ponti remarked that before moving to St. Mary's County in 2014 he worked for an organization that ran an authentic paddleboat like the Black-Eyed Susan in Harrisburg, PA. Ironically, that boat is about the same age as the Black-Eyed Susan. There are only about six paddleboats left in the United States. My non-profit organization ran the paddleboat as a community service and for tourism draw. It had good times and bad times, but it did all depend on how it was operated. Harrisburg is in the middle of Pennsylvania and landlocked with just a river but the paddleboat was a humongous draw. One of the first things I noticed when I came down to St. Mary's County was that there was a lot of water. We have all these private boats, why is there not a boat that passengers can use, especially given the history of riverboats in St. Mary's County and I think this would fundamentally change the tourism aspect, it will become an iconic thing for Leonardtown and will help bring us into the era of what this Town is all about. I ran the riverboat in Pennsylvania in all different types of capacities beginning as a crew member and working up to director. This would need to be promoted but I believe it would be an easy sell but having a separate organization to run it with its own staff and crew will make it really economically viable.

In regards to the profitability, we had a pretty large profit as we improved the operations. There were times, depending on the operator, where it did not do as well and then did really well. It is all about partnering with other organizations and doing different types of thing. The biggest draws were weddings and corporate charters that brought in a huge amount of money but there are endless supplies of different types of cruises that can be done, such as educational school and environmental tours. Bringing down travel writers would be a great opportunity to promote the paddleboat.

Ms. Katherine Stormont, St. Mary's Economic Development, remarked that the County has been in support of this initiative and Mr. Chris Kaselemis, Director of Economic Development, provided a letter of endorsement spelling out various reasons for support. One is that Leonardtown is at the center of the County's strategic plan for the development of St. Mary's County. The thinking behind adding this type of vessel is a jobs component and tourism aspect. Folks struggle to find special places for occasions and this would bring those sorts of events into Leonardtown. We need this as a catalyst to drive the correct development on the waterfront.

Ms. Karen Stone, Director, St. Mary's County Museums, remarked that she too comes from Harrisburg, PA but her path did not cross with Mr. Ponti but her path did cross the path of the riverboat and the riverboat was a huge draw to the area and the people would then come into Town to explore the area and what else it had to offer which they may not have considered. Having a paddleboat here opens up a huge connection with our own past. Steamboats began running in Leonardtown and on the Chesapeake Bay in 1813 and ran until the 1960s with the big heyday ending in the 1920s. As a static venue it would be a good start but ultimately having a boat that runs to the different ports in the area as day excursions would be a fantastic draw. The day we opened our water taxi to St. Clements Island we filled up the boat to the allowed (50% or 9 people) riders which ran all day long back and forth. I agree with Ms. Stormont that it is hard to find venues that can seat that many people so this would be a wonderful addition to event space available in Leonardtown. We hope to partner with you on a variety of events this paddleboat can accommodate and you have the complete support of the St. Mary's Museum division.

Mayor Burris asked Mr. Ponti to address how he worked with the school systems on riverboat programs.

Mr. Ponti remarked that the school systems worked with them to offer programs to teach kids from the local inner-city schools, using grant money, to bring them to the boat. Many of the kids actually had never seen a lake before. They learned about the environmental and historical aspects and how the Susquehanna impacts the Chesapeake Bay, which happens to be very relevant to us too. We were able to support our local school districts with these types of programs. This could be done during the day so as not to impact any evening events. The libraries may also be a good source to offer educational programs on the paddleboat. We were able to provide these programs at a minimum cost and having another organization handle the operations they will be able to go after all sorts of community-oriented grants. Other community sources such as American Legion, Moose Lodges, Lions, etc. may be good sources too for our Veterans and their families.

Ms. McKay noted that the Wharf already has children's environmental programs walking around the Wharf and the community works with the Wounded Warriors too. Another thought is that our local restaurants can offer catering and dinner cruises which would help our local businesses economically.

Ms. Stormont added that Economic Development has done a lot of survey work to understand what it is that brings people here and visitors are looking for and every time, top of the list, is water access. It is a big draw for this region and we have limited access points for water access.

Ms. Stone also stated that there are so many groups that offer summer camps in the County and this would be another place for them to have camps.

Ms. McKay reported that she has received numerous emails, texts and calls exclaiming how excited they were to hear about the boat. There was one phone call, concerned about the cost, and once we explained the process, they were in agreement to move forward. There was also a similar FB comment. This is just the next step in doing our homework and finding out more information before any purchase is made.

Mayor Burris asked the Council Members if they had any questions.

Councilmember Slade stated that she agreed, hearing all the cool programs that could be done on the boat is quite interesting. What will be the cost of the inspection? If we agree to this today can we still get out of the agreement? What does the insurance cost?

Ms. McKay responded that it will be \$750.00 a day and will take two or three days. There is a cost to pull the boat but do not yet have the cost estimate for that but speaking with other estimators they approximate it to be \$3,000 to \$4,000 for the entire inspection. Part of that inspection is an ultrasound on the hull to ensure it is sound and does not need a lot of work. Our attorney has looked at the purchase agreement and the financing to make sure we can assume the loan and receive the grant money and we can get our deposit back if any of that falls through.

Mayor Burris stated that if the survey is done and there are major concerns, we can get our deposit back. The current cost of insurance is approximately \$6,000 per year.

Ms. McKay stated that we have received a list of costs for annual maintenance. The plan is to form a committee that will do the due diligence and look at the overall budget and what kind of income we would need to support the expenses that we know we will incur.

Council Member Mattingly thanked everyone for their input. He sees the point of tourism. However, he has received a lot of comments from folks in Town who have concerns about this and he wants to make it clear that we are not purchasing at this time but are just forming a committee to explore the possibility of purchase. Some concerns I have should be addressed once the committee has been formed. What are the thoughts on where this will be docked?

Ms. McKay stated that it will all depend on the depth of the water on which side it can be docked and that is to be determined.

Council Member Colvin remarked that this would be a great addition and a tremendous asset, I am questioning with the pandemic going on and we do not know where we will be at six months or a year from now, is this really a good idea and maybe not be at the top list of our priorities right now. If the pandemic lessens and maybe we can then take a second look or look at another boat and wait and hold off for now.

Council Member Slade asked how long the grant money was available?

Ms. McKay stated that it would be available in early September and we would be required to sign an agreement that we would accept the grant within the next month or so which means the \$100,000 would not be available down the road unless we reapply.

Mr. Ponti noted that they rarely fund the full \$100,000 for projects, if ever, and is a huge nod towards this project.

Council Member Alt inquired of Mr. Ponti how big was the non-profit he worked at for this similar boat. I have other questions that will need to be addressed once the committee is set up.

Mr. Ponti responded their boat the staff consisted of: A Captain, a bartender and support crew. This boat only needs one Captain and two support crew to run but it would depend on the type of cruises or events if you need to add additional support. We operated on a six to seven month run due to the colder weather. But down here the boat should be able to operate at least 10 months. We learned to be creative to work twelve months of expenses from six months of income which we did easily every year. Weddings were particularly popular and we would need to hire crews depending on the size of the reception attendees.

Mayor Burris remarked that we do have a non-profit that was set up 20 years ago called Leonardtown Recreation Inc. (LRI) which was set up to operate the public portion of Tudor Hall and we kept it active just in case.

Ms. McKay noted that we have a lot of waterfront that we will be working on in the future and how that ties in to Tudor Hall so this organization which ties back to LRI could help us work through these issues as we work with Mr. Pleasants to develop Tudor Hall and what the public waterfront will look like.

In response to the pandemic, people are looking for things to do outdoors and we have many different types of outdoor classes happening down at the Wharf and this could be tied in to offering something different and it would all need to be done safely. It very well may not be the best time but we do have the grant money and it is a very minimum risk to the Town investment wise so we feel it is worth looking into and really doing our homework to find out does it make sense or not.

Mr. Ponti stressed that this a good time to be bold as once things do recover things will move fast and the Town having something that sets us apart will position the Town in an enviable position. As mentioned previously, water access is the main requests from tourists.

Ms. Stormont wanted to express thoughts from an LBA and Economic Development stance who are working on a campaign to "Welcome Back" Leonardtown in support of the existing businesses to help them open back up safely. We hear their struggles and this paddleboat is very much a catalyst for an economic driver that the waterfront has been in search of. An RFP for a restaurant has been out for ten years and we have been looking for ways to draw down to the waterfront and now with all the new development such as the piers and slips, this is a compliment and the timing is very good to drive traffic back to Leonardtown which the existing small businesses desperately need.

Council Member Slade remarked that the small businesses have been suffering through this pandemic and even though many have stayed open, on the professional side, I see the books of these businesses and they would not be here if we had not had the PPP, which is ending in August. I am not sure how these businesses will make it over the next twelve months unless we have another stimulus package. I feel it is the obligation of the Town to do what we can to help drive people into Leonardtown to help these businesses. So, having this paddleboat might help our businesses survive.

Ms. McKay stated that we had a phone conference with many of the businesses last week and on the call was Mr. Steve Wall, Economic Development for the State of Maryland and he made a statement that he has been hearing about Leonardtown everywhere he goes all over the State.

Ms. Stone mentioned that the purchase of this boat is a game changer as it shows Leonardtown is forward thinking and cares about its future and is doing things actively to carve out its own destiny. I also think this is not a bad time but a good time to jump in and take advantage of opportunities especially as this \$100,000 grant may not be available again as they are hard to come by.

Council Member Colvin inquired if we were to not accept the grant could we apply and get it again or is this a one-time deal?

Ms. McKay responded that we would have to re-apply and see what funds are available and what other projects you would be competing against. We have been through this once before with a significant grant and gave the money back. We have learned that if you do not have a really good reason to not use the funds, you risk being by-passed for future funds. If we were to do our due diligence and indicate the strong reasons why we cannot accept the funds then they are understanding.

Mayor Burris asked if anyone in the audience had any comments or questions.

Mr. Kenny Scully, 41535 Trace Court. He feels there needs to be considerable due diligence before the Town votes to purchase this paddleboat. What are the various costs, such as license requirements, hiring an engineer/ several deck hands and the overall operating costs of this vessel? How often will the boat need to be pulled to have the hull checked and the maintenance costs and the Coast Guard requirements. There is a limited amount of parking at the Wharf how will we accommodate people coming in by bus. Why don't we look at having a private enterprise operate the paddleboat? We want to make sure the Town makes the best decision using tax payers money. This may or may not be a great decision.

Council Member Mattingly confirmed that the Town attorney has reviewed all the paperwork.

Ms. McKay stated yes.

Council Member Mattingly remarked that the committee would need to form immediately.

Mr. Frederick Calvert inquired about ADA accessibility and will this vessel require a dedicated pier.

Ms. McKay responded that it would not require a dedicated pier and certainly our slips and pier are ADA accessible so we would want to make sure the vessel is also ADA accessible.

Mr. Moorehead, JustTech, operating the live stream, read questions received on-line:

Christina Jerome: Does the feasibility study pin down a decision to purchase, what are the escape clauses?

Ms. McKay: It is subject to the buyer's ability to obtain financing for the remainder of the purchase price and conduct and have conducted a marine inspection and sea trial with results satisfactory to the buyer.

Christina Jerome: What additional costs would be associated with relocated the vessel and getting it to the pier through the Breton Bay channel?

Mayor Burris: That is all part of the due diligence process.

Christina Jerome: Have any environmental impact studies been completed?

Ms. McKay: We have done a significant number of environmental studies at the Wharf for any activity and part of that was when the slips went in as well, so yes, we have done that.

Council Member Colvin inquired about the timeline if we voted on this today? Are we looking at next months meeting to look a making a final vote?

Ms. McKay stated that we have asked in the contract for a month to do our due diligence and then bring back to Council with as many answers as we possibly can and if we need to ask for an extension and then the closing would be October 1st. August 24th would be our deadline to get all of our questions answered and we may then hold another special meeting for the final vote. So, the committee needs to be formed right away. We have done a lot of the groundwork to pull together the numbers but there is more information we need to gather to look at the whole picture.

Mr. Roger Mattingly inquired about why the company is getting rid of this boat?

Mayor Burris responded that the owner has some physical issues that he is unable to operate the boat as usual along with a personal family tragedy.

Council Member Mattingly noted that he is in agreement to move forward with obtaining more information and to get answers to all the questions he and others may have.

Council Member Hollander joined in on-line by Zoom. She has heard much of the discussion and is in agreement with forming a committee right away.

Council Member Colvin stated that they still have some reservations but it does sound like a lot of our questions will be answered before we give a final vote.

Ms. McKay remarked that we could possibility have two meetings, one where we bring back information and get all the questions answered prior to the deadline and another meeting for the vote.

Council Member Mattingly agreed with Council Member Colvin on the reservations but will be open-minded until the due diligence is completed.

Mayor Burris entertained a motion on the paddleboat.

Councilmember Alt moved to approve Mayor Burris to sign the purchase and sale agreement for the Black-Eyed Susan paddlewheel boat to allow for the Town to do its due diligence in preparation of making a decision to purchase; seconded by Councilmember Slade, no further discussion, motion passed unanimously.

Mayor Burris entertained a motion to adjourn.

Councilmember Slade moved to close the regular meeting at 10:05 a.m.; seconded by Councilmember Alt, motion passed.

Respectfully Submitted:

Teri P. Dimsey

Approved:

Daniel W. Burris, Mayor

Tyler Alt, Councilmember

Nick Colvin, Councilmember

Christy Hollander, Councilmember

J. Maguire Mattingly IV, Councilmember

Mary Maday Slade, Councilmember