Marriott International Headquarters and Hotel Project

(P361703)

Category	General Government	Date Last Modified	01/29/18
SubCategory	Economic Development	Administering Agency	County Executive
Planning Area	Bethesda-Chevy Chase and Vicinity	Status	Planning Stage

EXPENDITURE SCHEDULE ($000s)

Cost Elements	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Other	22,000	-	-	22,000	5,500	5,500	5,500	5,500	-	-	-
TOTAL EXPENDITURES	22,000	-	-	22,000	5,500	5,500	5,500	5,500	-	-	-

FUNDING SCHEDULE ($000s)

Funding Source	Total	Thru FY17	Est FY18	Total 6 Years	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Beyond 6 Years
Current Revenue: Economic Development Fund	11,000	-	-	11,000	-	-	5,500	5,500	-	-	-
Recordation Tax Premium (MCG)	11,000	-	-	11,000	5,500	5,500	-	-	-	-	-
TOTAL FUNDING SOURCES	22,000	-	-	22,000	5,500	5,500	5,500	5,500	-	-	-

APPROPRIATION AND EXPENDITURE DATA ($000s)

Appropriation FY 19 Request	-	Year First Appropriation	
Appropriation FY 20 Request	-	Last FY's Cost Estimate	22,000
Cumulative Appropriation	11,000		
Expenditure / Encumbrances	-		
Unencumbered Balance	11,000		

PROJECT DESCRIPTION

This grant provides for the retention of Marriott International Inc.'s new $500 million headquarters facility in Montgomery County. The facility will be approximately 700,000 square feet in size and include an adjacent Marriott brand hotel. The headquarters building will house upwards of 3,250 permanent full-time employees and equivalent contract workers, as well as 250 part-time workers and equivalent contract workers.

LOCATION

7730 Wisconsin Avenue, Bethesda.

ESTIMATED SCHEDULE

Facility to be delivered in late 2022.

PROJECT JUSTIFICATION

The County and the State have a unique economic development opportunity to retain the global headquarters of Marriott International Inc. (currently ranked 221 on the Fortune 500 Company list) and its 3,500 employees in the County, and to also induce approximately $500 million in capital investment from the project to construct a new 700,000 square feet Class A office building and a new hotel in the downtown Bethesda area. The grant made to Marriott International Inc., will be recouped directly from the incremental real and personal property tax generated from the project in less than seven years, above and beyond the $1.2 billion in direct and indirect economic impacts that Marriott International Inc. creates in the State of Maryland.

FISCAL NOTE

The State of Maryland will contribute $22 million towards this project. The State's contribution will be made directly to Marriott International Inc. The terms of the Marriott agreement require appropriation of $11 million in FY17 but annual payments will not begin until FY19. The source of funds may be revised in the future. Currently, the funding sources are assumed to be Recordation Tax Premium and the Economic Development Fund.

COORDINATION

Department of Transportation, Department of Permitting Services, Department of Finance, Maryland Department of Commerce, and Maryland State Highway Administration.