



# Marriott International Headquarters and Hotel Project

(P361703)

|               |                                   |                      |                  |
|---------------|-----------------------------------|----------------------|------------------|
| Category      | General Government                | Date Last Modified   | 06/15/20         |
| SubCategory   | Economic Development              | Administering Agency | County Executive |
| Planning Area | Bethesda-Chevy Chase and Vicinity | Status               | Planning Stage   |

## EXPENDITURE SCHEDULE (\$000s)

| Cost Elements      | Total  | Thru FY20 | Rem FY20 | Total 6 Years | FY 21 | FY 22 | FY 23 | FY 24 | FY 25 | FY 26 | Beyond 6 Years |
|--------------------|--------|-----------|----------|---------------|-------|-------|-------|-------|-------|-------|----------------|
| Other              | 22,000 | 11,000    | -        | 11,000        | 5,500 | 5,500 | -     | -     | -     | -     | -              |
| TOTAL EXPENDITURES | 22,000 | 11,000    | -        | 11,000        | 5,500 | 5,500 | -     | -     | -     | -     | -              |

## FUNDING SCHEDULE (\$000s)

| Funding Source                             | Total  | Thru FY20 | Rem FY20 | Total 6 Years | FY 21 | FY 22 | FY 23 | FY 24 | FY 25 | FY 26 | Beyond 6 Years |
|--|--------|-----------|----------|---------------|-------|-------|-------|-------|-------|-------|----------------|
| Current Revenue: Economic Development Fund | 11,000 | -         | -        | 11,000        | 5,500 | 5,500 | -     | -     | -     | -     | -              |
| Recordation Tax Premium (MCG)              | 11,000 | 11,000    | -        | -             | -     | -     | -     | -     | -     | -     | -              |
| TOTAL FUNDING SOURCES                      | 22,000 | 11,000    | -        | 11,000        | 5,500 | 5,500 | -     | -     | -     | -     | -              |

## APPROPRIATION AND EXPENDITURE DATA (\$000s)

|                             |        |                          |        |
|-----------------------------|--------|--------------------------|--------|
| Appropriation FY 22 Request | 5,500  | Year First Appropriation | FY21   |
| Cumulative Appropriation    | 16,500 | Last FY's Cost Estimate  | 22,000 |
| Expenditure / Encumbrances  | 11,000 |                          |        |
| Unencumbered Balance        | 5,500  |                          |        |

## 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, Maryland

## ESTIMATED SCHEDULE

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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 required appropriation of \$11 million in FY17. Annual payments began in FY19. Currently, the funding sources are assumed to be Recordation Tax Premium and the Economic Development Fund. The source of funds may be revised in the future.

## COORDINATION

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