

Resolution No.:	<u>18-1207</u>
Introduced:	<u>July 17, 2018</u>
Adopted:	<u>July 24, 2018</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the County Executive

SUBJECT: Maryland Economic Development Assistance Authority and Fund
Loan to assist HMS Host Corporation's retention in Montgomery County
(\$1,200,000)

Background

1. The County Executive endorses a conditional loan of \$1,200,000 to HMSHost Corporation (the "Company") from the State of Maryland under the Maryland Economic Development Assistance Authority and Fund ("MEDAAF"), which is codified under Md. Code Ann., Econ. Dev. §§5-301-5-349.
2. MEDAAF provides conditional grants and loans to businesses engaged in eligible industries locating to, or expanding in, a "priority funding area" in the State of Maryland. Proceeds from the grant or loan may be used by the borrower to reimburse it for the acquisition or construction of buildings or real estate, and acquisition, construction and installation of machinery, equipment, furnishings, fixtures, leasehold improvements, site improvements, or infrastructure improvements.
3. The County has approved a conditional grant of \$500,000 from the County's Economic Development Fund ("EDF") to assist the Company's expansion and job-growth in the County ("grant") on May 10, 2016. This grant will be disbursed incrementally in the appropriate fiscal years, subject to the company meeting all performance requirements stipulated in the EDF Agreement. With the grant, Montgomery County has met the requirement of financing a part of the costs of the Company's relocation and expansion in the County, which is equal to at least 10% of the financial assistance to be provided from MEDAAF, as required by the §5-319(d) of the Economic Development Article.
4. The State will disburse the MEDAAF loan to the Company upon the State entering a MEDAAF Agreement with the Company. The County is not a party to this MEDAAF Agreement with the Company.

5. Spun off from Marriott Corporation in 1995, the Company was acquired by Autogrill S.p.A., a multinational catering company based in Italy, and the world's largest provider of food and beverage services for travelers. As part of Autogrill, the Company employs approximately 33,000 associates worldwide in food and beverage concessions at 108 airports, 12 toll roads in North America as well as select shopping mall food courts.
6. The project consists of retaining the company's headquarters and its 390 employees in Montgomery County. The company will invest \$2.5 – \$3.0 million in upgrades to its headquarters, including the installation of a "Show Kitchen."
7. Section 5-319(d) of the Economic Development Article requires the governing body of the jurisdiction in which the project is located to endorse, by a formal resolution, the State's grant of the MEDAAF loan for the project.
8. The County has determined that granting the MEDAAF loan for the project is in the best interest of the citizens of the County.
9. The County Executive requests that the Council adopt this formal resolution approving the MEDAAF loan to support the Company's expansion in Montgomery County.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The County Council hereby endorses the State's grant of a \$750,000 MEDAAF loan to support HMSHost Corporation's retention in Montgomery County.

This is a correct copy of Council action.


Megan Davey Limarzi, Esq.
Clerk of the Council