

Marriott International Headquarters and Hotel Project (P361703)

Category General Government
 Sub Category Economic Development
 Administering Agency County Executive (AAGE03)
 Planning Area Bethesda-Chevy Chase

Date Last Modified 1/11/17
 Required Adequate Public Facility No
 Relocation Impact None
 Status Planning Stage

Total	Thru FY16	Rem FY16	Total 6 Years	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	Beyond 6 Yrs
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EXPENDITURE SCHEDULE (\$000s)

Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0
Other	22,000	0	0	22,000	0	0	5,500	5,500	5,500	5,500
Total	22,000	0	0	22,000	0	0	5,500	5,500	5,500	5,500

FUNDING SCHEDULE (\$000s)

Recordation Tax Premium	11,000	0	0	11,000	0	0	5,500	5,500	0	0
Economic Development Fund	11,000	0	0	11,000	0	0	0	0	5,500	5,500
Total	22,000	0	0	22,000	0	0	5,500	5,500	5,500	5,500

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 18	0
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		11,000
Expenditure / Encumbrances		0
Unencumbered Balance		11,000

Date First Appropriation	
First Cost Estimate	
Current Scope	FY 17 22,000
Last FY's Cost Estimate	0

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

Downtown Bethesda. The final location of Marriott's new headquarters location will be determined in 2017.

Estimated Schedule

Facility to be delivered in late 2022.

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 also induce approximately \$500 million in capital investment from the project to construct a new 700,000 square foot 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 7 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.