

**Chapter 52**

**HOTEL ECONOMIC DEVELOPMENT INCENTIVES**

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**[HISTORY: Adopted by the Town Commissioners of the Town of Perryville 1-22-2019 as Ord. No. 2019-02. Sections 53-1 through 53-11. Ord. No. 2019-02 repealed February 19, 2019 to correct codification reference errors and replaced with Emergency Ord. No. 2019-04 adding Chapter 52-1 through 52-11, adopted February 19, 2019.]**

**§ 52-1. Purpose.**

The purpose of this Chapter is to establish a Hotel Economic Development Incentive Program ("Program") to stimulate new hotel location and economic development including amenities along with a hotel in the Town of Perryville. As an economic development tool the program is intended to provide economic incentives to encourage quality hotels to locate in the Town of Perryville, increase local employment, expand the tax town's base, and create long-term capital investment and new wealth opportunities in the town.

**§ 52-2. Program Established.**

A. A Hotel Economic Development Incentive Program is established in and for the Town of Perryville. The Program shall be implemented and administered in accordance with this Chapter.

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B. The Program consists of several parts:

- (1) Criteria for eligibility for participation;
- (2) An application and approval process;
- (3) Available economic development incentives; and
- (4) An Economic Development Incentives Agreement.

C. Economic incentives provided under the Program may be used with other incentives and economic development tools available to encourage the construction and operation of new hotels in the Town of Perryville.

### **§ 52-3. Implementation and Administration of Program.**

Except as otherwise provided in this Chapter, the Town Director of Planning and Zoning and the Town Finance Director shall implement and administer the Hotel Economic Development Incentive Program. The Mayor and Commissioners shall be responsible for approving program participants and Economic Development Incentive Agreements.

### **§ 52-4. Eligibility for Participation in Program.**

- A. Eligibility to participate in the program is limited to those applicants that satisfy the criteria in this section.
- B. The applicant is authorized to engage in business in Maryland.
- C. The applicant proposes the development and construction of a hotel in the Town of Perryville that the applicant demonstrates, when completed, will fulfill the requirements of the program. The proposed hotel must have:
  - (1) A minimum of 200 rooms;
  - (2) An estimated total project cost of not less than \$30,000,000.00; and
  - (3) An employee payroll of not less than 200 jobs in any combination of full-time jobs and part-time jobs, commencing in the first full calendar year after the hotel is open for operation.
- D. The applicant agrees to use good faith efforts to employ qualified employment candidates from Perryville, to conduct one or more job fairs in the town, and to provide periodically listings of job openings to the Town Government for dissemination as the town sees fit.
- E. The hotel should be a “full service hotel” as defined by the hotel industry standards.

- F. The applicant or its affiliates must demonstrate experience developing or operating full service hotels and hospitality venues.

**§ 52-5. Program Participation Application Process.**

- A. The Director of Planning and Zoning and Finance Director shall prescribe the form of an application for an entity to participate in the Program. The application shall be for the purpose of determining eligibility for the Program.
- B. An entity that desires to participate in the Program shall file an application as prescribed by the Planning and Zoning Director and Finance Director. An entity may not participate in the Program unless an application is submitted before the entity applies for any town approvals for the project or otherwise commences the project.
- C. The Director of Planning and Zoning and Finance Director shall determine when an application is complete. When the directors that the application, including any required supporting documents, is complete, the directors shall notify the Town Administrator and Mayor and Commissioners that the application was filed and submit the application for evaluation in accordance with § 52-6.

**§ 52-6. Applicant Evaluation Process.**

- A. There is an application evaluation team consisting of the Director of Planning and Zoning, the Finance Director and the Town Administrator.
- B. The evaluation team shall evaluate each complete application. The evaluation team shall consider at least the following:
  - (1) Whether the applicant is eligible for participation in the program;
  - (2) Whether the application complies with the requirements of this Chapter and the Program;
  - (3) Whether the proposed hotel will fulfill the purpose of this Program;
  - (4) Whether the Program incentives requested by the applicant are reasonable, proportionate to the benefits to be received by the town, and likely to fulfill the purposes of the Program; and
  - (5) Whether the Program incentives requested by the applicant are financially sustainable by the town.
- C. The evaluation team may request the applicant to furnish additional materials as the team needs to complete its review.

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- D. The evaluation team may seek comments from others to assist the team with its evaluation.
- E. The evaluation team shall complete its evaluation as promptly as possible.
- F. After the evaluation team completes its review of an application, the evaluation team may reject the application or negotiate a proposed incentives agreement under § 52-8.

### **§ 52-7. Economic Development Incentives**

- A. The town may provide the following Program incentives as part of an incentives agreement between the town and an applicant:
  - (1) A financial grant or grants in the amount or amounts of up to 100 percent of hotel taxes paid for a period of up to 25 years on account of the hotel to be constructed and operated;
  - (2) A financial grant or grants in the amount or amounts of up to 50 percent of personal property taxes paid for a period of up to 25 years on account of the hotel to be constructed and operated;
  - (3) Utility and other public infrastructure improvements to be undertaken by the town;
  - (4) Adjustment of utility fees and charges otherwise chargeable by the town; and
  - (5) Other incentives reasonably calculated to further and fulfill the purposes of the Program.
- B. Financial grants may be used to fund any one or more of the following in connection with a hotel project :
  - (1) Public improvements associated with the project;
  - (2) Real and personal property acquisition and site development;
  - (3) Facility construction;
  - (4) Real property improvements;
  - (5) Restoration or adaptive reuse of existing structures associated with the project; and
  - (6) Operating expenses.
- C. The incentives agreement shall provide that if the operator of the hotel changes during the term of the incentives agreement, in order to continue receiving incentives each

subsequent operator must demonstrate it has experience developing or successfully operating full service hotels pursuant to “industry standards” and hospitality venues.

**§ 52-8. Negotiations of Incentives and Agreement.**

The evaluation team may negotiate a proposed incentives agreement with the applicant if the team determines that the proposed hotel project is in the interests of the town and that incentives are reasonably necessary for the applicant to proceed with the hotel project.

**§ 52-9. Approval of Incentives and Agreement.**

If the evaluation team and the applicant negotiate an incentives agreement, the evaluation team shall present the evaluation team’s recommendation and the proposed incentives agreement to the Mayor and Commissioners. The Mayor and Commissioners may approve or reject an incentive agreement. The Mayor and Commissioners must approve an incentive agreement at a meeting open to the public in the form of an Ordinance.

**§ 52-10. Default and Termination of Agreement.**

An incentives agreement shall require that if an applicant commits a material breach of the agreement future incentives not yet provided may terminate.

**§ 52-11. Grants Subject to Appropriation.**

The Mayor and Commissioners shall provide appropriation in the town’s annual budget each fiscal year to fund the town’s fiscal obligations under an incentive agreement for that fiscal year.