

1 **MAYOR AND COMMISSIONERS OF THE TOWN OF PERRYVILLE**
2 **Ordinance 2019-04**

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4
5 **Introduced By: Mayor Ashby**

6
7 **Date Introduced: February 19, 2019**

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9 **Amendments Adopted: N/A**

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11 **Date Adopted: February 19, 2019**

12
13 **Date Effective: February 19, 2019**
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16
17 **AN EMERGENCY ORDINANCE concerning**

18
19 **HOTEL ECONOMIC DEVELOPMENT INCENTIVES**

20
21 **FOR** the purpose of repealing Ordinance 2019-02; adopting this replacement Ordinance to
22 correct codification reference errors in Ordinance 2019-02 but making no substantive changes;
23 creating a Hotel Economic Development Incentive Program to stimulate new hotel location and
24 other improvements associated therewith and economic development in the Town of Perryville;
25 establishing the purpose of the program; authorizing certain monetary incentives for eligible
26 participants in the program; establishing criteria for participation in the program and a process
27 for approving eligible participants; providing for approved participants to enter into a certain
28 agreement with the Town; providing for administration of the program; and generally related to a
29 Hotel Economic Development Incentive Program in the Town of Perryville.

30
31 **BY** repealing
32 Ordinance 2019-02 (adopted January 22, 2019)

33
34 **BY** adding
35 Chapter 52 Hotel Economic Development Incentive Program
36 Sections 52-1 through 52-11, inclusive
37 Code of the Town of Perryville
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| <p>EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW ((Double Parenthesis)) indicate matter deleted from existing law. <u>Underlining</u> indicates amendments to bill. Strike-Out indicates matter stricken from bill by amendment or deleted from the law by amendment.</p> |
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41 **SECTION 1. BE IT ENACTED BY THE MAYOR AND COMMISSIONERS OF**
42 **THE TOWN OF PERRYVILLE** that Ordinance 2019-02, adopted by the Mayor and
43 Commissioners on January 22, 2019, is repealed.

44 **SECTION 2. AND BE IT FURTHER ENACTED BY THE MAYOR AND**
45 **COMMISSIONERS OF THE TOWN OF PERRYVILLE** that new Chapter 52, Hotel
46 Economic Development Incentive Program, consisting of Sections 52-1 through 52-11,
47 inclusive, are added to the Code of the Town of Perryville, to follow immediately after Section
48 50-5 of Chapter 50 of the Code, and to read as follows:

49 **§52-1 PURPOSE**

50
51 THE PURPOSE OF THIS CHAPTER IS TO ESTABLISH A HOTEL ECONOMIC
52 DEVELOPMENT INCENTIVE PROGRAM (“PROGRAM”) TO STIMULATE NEW HOTEL
53 LOCATION AND ECONOMIC DEVELOPMENT INCLUDING AMENITIES ALONG WITH
54 A HOTEL IN THE TOWN OF PERRYVILLE. AS AN ECONOMIC DEVELOPMENT TOOL
55 THE PROGRAM IS INTENDED TO PROVIDE ECONOMIC INCENTIVES TO
56 ENCOURAGE QUALITY HOTELS TO LOCATE IN THE TOWN OF PERRYVILLE,
57 INCREASE LOCAL EMPLOYMENT, EXPAND THE TAX TOWN’S BASE, AND CREATE
58 LONG-TERM CAPITAL INVESTMENT AND NEW WEALTH OPPORTUNITIES IN THE
59 TOWN.

60
61 **§52-2 PROGRAM ESTABLISHED**

62
63 A. A HOTEL ECONOMIC DEVELOPMENT INCENTIVE PROGRAM IS
64 ESTABLISHED IN AND FOR THE TOWN OF PERRYVILLE. THE PROGRAM SHALL BE
65 IMPLEMENTED AND ADMINISTERED IN ACCORDANCE WITH THIS CHAPTER.

66
67 B. THE PROGRAM CONSISTS OF SEVERAL PARTS:

- 68 (1) CRITERIA FOR ELIGIBILITY FOR PARTICIPATION;
- 69 (2) AN APPLICATION AND APPROVAL PROCESS;
- 70 (3) AVAILABLE ECONOMIC DEVELOPMENT INCENTIVES; AND
- 71 (4) AN ECONOMIC DEVELOPMENT INCENTIVES AGREEMENT.

72
73 C. ECONOMIC INCENTIVES PROVIDED UNDER THE PROGRAM MAY BE
74 USED WITH OTHER INCENTIVES AND ECONOMIC DEVELOPMENT TOOLS
75 AVAILABLE TO ENCOURAGE THE CONSTRUCTION AND OPERATION OF NEW
76 HOTELS IN THE TOWN OF PERRYVILLE.

77
78 **§52-3 IMPLEMENTATION AND ADMINISTRATION OF PROGRAM**

79
80 EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, THE TOWN
81 DIRECTOR OF PLANNING AND ZONING AND THE TOWN FINANCE DIRECTOR

86 SHALL IMPLEMENT AND ADMINISTER THE HOTEL ECONOMIC DEVELOPMENT
87 INCENTIVE PROGRAM. THE MAYOR AND COMMISSIONERS SHALL BE
88 RESPONSIBLE FOR APPROVING PROGRAM PARTICIPANTS AND ECONOMIC
89 DEVELOPMENT INCENTIVES AGREEMENTS.
90

91 **§52-4 ELIGIBILITY FOR PARTICIPATION IN PROGRAM**
92

93 A. ELIGIBILITY TO PARTICIPATE IN THE PROGRAM IS LIMITED TO
94 THOSE APPLICANTS THAT SATISFY THE CRITERIA IN THIS SECTION.
95

96 B. THE APPLICANT IS AUTHORIZED TO ENGAGE IN BUSINESS IN
97 MARYLAND.
98

99 C. THE APPLICANT PROPOSES THE DEVELOPMENT AND
100 CONSTRUCTION OF A HOTEL IN THE TOWN OF PERRYVILLE THAT THE
101 APPLICANT DEMONSTRATES, WHEN COMPLETED, WILL FULFILL THE
102 REQUIREMENTS OF THE PROGRAM. THE PROPOSED HOTEL MUST HAVE:
103

104 (1) A MINIMUM OF 200 ROOMS;
105

106 (2) AN ESTIMATED TOTAL PROJECT COST OF NOT LESS THAN
107 \$30,000,000.00; AND
108

109 (3) AN EMPLOYEE PAYROLL OF NOT LESS THAN 200 JOBS IN ANY
110 COMBINATION OF FULL-TIME JOBS AND PART-TIME JOBS, COMMENCING IN THE
111 FIRST FULL CALENDAR YEAR AFTER THE HOTEL IS OPEN FOR OPERATION.
112

113 D. THE APPLICANT AGREES TO USE GOOD FAITH EFFORTS TO EMPLOY
114 QUALIFIED EMPLOYMENT CANDIDATES FROM PERRYVILLE, TO CONDUCT ONE
115 OR MORE JOB FAIRS IN THE TOWN, AND TO PROVIDE PERIODICALLY LISTINGS OF
116 JOB OPENINGS TO THE TOWN GOVERNMENT FOR DISSEMINATION AS THE TOWN
117 SEES FIT.
118

119 E. THE HOTEL SHOULD BE A "FULL SERVICE HOTEL" AS DEFINED BY
120 THE HOTEL INDUSTRY STANDARDS.
121

122 F. THE APPLICANT OR ITS AFFILIATES MUST DEMONSTRATE
123 EXPERIENCE DEVELOPING OR OPERATING FULL SERVICE HOTELS AND
124 HOSPITALITY VENUES.
125

126 **§52-5 PROGRAM PARTICIPATION APPLICATION PROCESS**
127

128 A. THE DIRECTOR OF PLANNING AND ZONING AND FINANCE
129 DIRECTOR SHALL PRESCRIBE THE FORM OF AN APPLICATION FOR AN ENTITY TO
130 PARTICIPATE IN THE PROGRAM. THE APPLICATION SHALL BE FOR THE PURPOSE
131 OF DETERMINING ELIGIBILITY FOR THE PROGRAM.
132

133 B. AN ENTITY THAT DESIRES TO PARTICIPATE IN THE PROGRAM SHALL
134 FILE AN APPLICATION AS PRESCRIBED BY THE PLANNING AND ZONING
135 DIRECTOR AND FINANCE DIRECTOR. AN ENTITY MAY NOT PARTICIPATE IN THE
136 PROGRAM UNLESS AN APPLICATION IS SUBMITTED BEFORE THE ENTITY APPLIES
137 FOR ANY TOWN APPROVALS FOR THE PROJECT OR OTHERWISE COMMENCES
138 THE PROJECT.

139
140 C. THE DIRECTOR OF PLANNING AND ZONING AND FINANCE DIRECTOR
141 SHALL DETERMINE WHEN AN APPLICATION IS COMPLETE. WHEN THE
142 DIRECTORS DETERMINE THAT THE APPLICATION, INCLUDING ANY REQUIRED
143 SUPPORTING DOCUMENTS, IS COMPLETE, THE DIRECTORS SHALL NOTIFY THE
144 TOWN ADMINISTRATOR AND MAYOR AND COMMISSIONERS THAT THE
145 APPLICATION WAS FILED AND SUBMIT THE APPLICATION FOR EVALUATION IN
146 ACCORDANCE WITH §52-6.

147

148 **§52-6 APPLICANT EVALUATION PROCESS**

149

150 A. THERE IS AN APPLICATION EVALUATION TEAM CONSISTING OF THE
151 DIRECTOR OF PLANNING AND ZONING, THE FINANCE DIRECTOR AND THE TOWN
152 ADMINISTRATOR.

153

154 B. THE EVALUATION TEAM SHALL EVALUATE EACH COMPLETE
155 APPLICATION. THE EVALUATION TEAM SHALL CONSIDER AT LEAST THE
156 FOLLOWING:

157

158 (1) WHETHER THE APPLICANT IS ELIGIBLE FOR PARTICIPATION IN
159 THE PROGRAM;

160

161 (2) WHETHER THE APPLICATION COMPLIES WITH THE
162 REQUIREMENTS OF THIS CHAPTER AND THE PROGRAM;

163

164 (3) WHETHER THE PROPOSED HOTEL WILL FULFILL THE PURPOSE OF
165 THE PROGRAM;

166

167 (4) WHETHER THE PROGRAM INCENTIVES REQUESTED BY THE
168 APPLICANT ARE REASONABLE, PROPORTIONATE TO THE BENEFITS TO BE
169 RECEIVED BY THE TOWN, AND LIKELY TO FULFILL THE PURPOSES OF THE
170 PROGRAM; AND

171

172 (5) WHETHER THE PROGRAM INCENTIVES REQUESTED BY THE
173 APPLICANT ARE FINANCIALLY SUSTAINABLE BY THE TOWN.

174

175 C. THE EVALUATION TEAM MAY REQUEST THE APPLICANT TO
176 FURNISH ADDITIONAL MATERIALS AS THE TEAM NEEDS TO COMPLETE ITS
177 REVIEW.

178

179 D. THE EVALUATION TEAM MAY SEEK COMMENTS FROM OTHERS TO
180 ASSIST THE TEAM WITH ITS EVALUATION.

181
182 E. THE EVALUATION TEAM SHALL COMPLETE ITS EVALUATION AS
183 PROMPTLY AS POSSIBLE.

184
185 F. AFTER THE EVALUATION TEAM COMPLETES ITS REVIEW OF AN
186 APPLICATION, THE EVALUATION TEAM MAY REJECT THE APPLICATION OR
187 NEGOTIATE A PROPOSED INCENTIVES AGREEMENT UNDER § 52-8.

188
189 **§52-7 ECONOMIC DEVELOPMENT INCENTIVES**

190
191 A. THE TOWN MAY PROVIDE THE FOLLOWING PROGRAM INCENTIVES
192 AS PART OF AN INCENTIVES AGREEMENT BETWEEN THE TOWN AND AN
193 APPLICANT:

194
195 (1) A FINANCIAL GRANT OR GRANTS IN THE AMOUNT OR AMOUNTS
196 OF UP TO 100 PERCENT OF HOTEL TAXES PAID FOR A PERIOD OF UP TO 25 YEARS
197 ON ACCOUNT OF THE HOTEL TO BE CONSTRUCTED AND OPERATED;

198
199 (2) A FINANCIAL GRANT OR GRANTS IN THE AMOUNT OR
200 AMOUNTS OF UP TO 50 PERCENT OF PERSONAL PROPERTY TAXES PAID FOR A
201 PERIOD OF UP TO 25 YEARS ON ACCOUNT OF THE HOTEL TO BE CONSTRUCTED
202 AND OPERATED;

203
204 (3) UTILITY AND OTHER PUBLIC INFRASTRUCTURE IMPROVEMENTS
205 TO BE UNDERTAKEN BY THE TOWN;

206
207 (4) ADJUSTMENT OF UTILITY FEES AND CHARGES OTHERWISE
208 CHARGEABLE BY THE TOWN; AND

209
210 (5) OTHER INCENTIVES REASONABLY CALCULATED TO FURTHER
211 AND FULFILL THE PURPOSES OF THE PROGRAM.

212
213 B. FINANCIAL GRANTS MAY BE USED TO FUND ANY ONE OR MORE OF
214 THE FOLLOWING IN CONNECTION WITH A HOTEL PROJECT:

215
216 (1) PUBLIC IMPROVEMENTS ASSOCIATED WITH THE PROJECT;

217
218 (2) REAL AND PERSONAL PROPERTY ACQUISITION AND SITE
219 DEVELOPMENT;

220
221 (3) FACILITY CONSTRUCTION;

222
223 (4) REAL PROPERTY IMPROVEMENTS;

224

225 (5) RESTORATION OR ADAPTIVE REUSE OF EXISTING STRUCTURES
226 ASSOCIATED WITH THE PROJECT; AND

227
228 (6) OPERATING EXPENSES.
229

230 C. THE INCENTIVES AGREEMENT SHALL PROVIDE THAT IF THE
231 OPERATOR OF THE HOTEL CHANGES DURING THE TERM OF THE INCENTIVES
232 AGREEMENT, IN ORDER TO CONTINUE RECEIVING INCENTIVES EACH
233 SUBSEQUENT OPERATOR MUST DEMONSTRATE IT HAS EXPERIENCE
234 DEVELOPING OR SUCCESSFULLY OPERATING FULL SERVICE HOTELS PURSUANT
235 TO "INDUSTRY STANDARDS" AND HOSPITALITY VENUES.
236

237 **§52-8 NEGOTIATION OF INCENTIVES AND AGREEMENT**
238

239 THE EVALUATION TEAM MAY NEGOTIATE A PROPOSED INCENTIVES
240 AGREEMENT WITH THE APPLICANT IF THE TEAM DETERMINES THAT THE
241 PROPOSED HOTEL PROJECT IS IN THE INTERESTS OF THE TOWN AND THAT
242 INCENTIVES ARE REASONABLY NECESSARY FOR THE APPLICANT TO PROCEED
243 WITH THE HOTEL PROJECT.
244

245 **§52-9 APPROVAL OF INCENTIVES AND AGREEMENT**
246

247 IF THE EVALUATION TEAM AND THE APPLICANT NEGOTIATE AN
248 INCENTIVES AGREEMENT, THE EVALUATION TEAM SHALL PRESENT THE
249 EVALUATION TEAM'S RECOMMENDATION AND THE PROPOSED INCENTIVES
250 AGREEMENT TO THE MAYOR AND COMMISSIONERS. THE MAYOR AND
251 COMMISSIONERS MAY APPROVE OR REJECT AN INCENTIVE AGREEMENT. THE
252 MAYOR AND COMMISSIONERS MUST APPROVE AN INCENTIVE AGREEMENT AT A
253 MEETING OPEN TO THE PUBLIC IN THE FORM OF AN ORDINANCE.
254

255 **§52-10 DEFAULT AND TERMINATION OF AGREEMENT**
256

257 AN INCENTIVES AGREEMENT SHALL REQUIRE THAT IF AN APPLICANT
258 COMMITS A MATERIAL BREACH OF THE AGREEMENT FUTURE INCENTIVES NOT
259 YET PROVIDED MAY TERMINATE.
260

261 **§52-11 GRANTS SUBJECT TO APPROPRIATION**
262

263 THE MAYOR AND COMMISSIONERS SHALL PROVIDE APPROPRIATIONS IN
264 THE TOWN'S ANNUAL BUDGET EACH FISCAL YEAR TO FUND THE TOWN'S
265 FISCAL OBLIGATIONS UNDER AN INCENTIVES AGREEMENT FOR THAT FISCAL
266 YEAR.
267

268 **SECTION 3. AND BE IT FURTHER ENACTED BY THE MAYOR AND**
269 **COMMISSIONERS OF THE TOWN OF PERRYVILLE** that, having been approved by at
270 least three members of the Mayor and Commissioners, this Emergency Ordinance shall become

271 effective immediately approval by the Mayor and Commissioners.

272
273 **ADOPTED** this 19th day of February, 2019, by a vote of 5 yeas, 0 nays, and 0
274 abstentions.

275
276 **SEAL:**

**MAYOR AND COMMISSIONERS OF
THE TOWN OF PERRYVILLE**

277
278
279
280 By: Robert R. Ashby, Jr.
281 Robert R. Ashby, Jr., Mayor
282

283 **ATTEST:**

284 Jackie Sample
285 Jackie Sample, Town Clerk
286

287 Date: 2/2/19
288