

**CITY OF BALTIMORE
COUNCIL BILL 18-0104R
(Resolution)**

Introduced by: Councilmembers Clarke, Henry, President Young, Councilmembers Middleton,
Scott, Burnett, Cohen, Bullock, Sneed, Reisinger, Dorsey, Pinkett, Stokes

Introduced and read first time: September 17, 2018

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: Baltimore Development Corporation, Department of
Finance, Mayor's Office of Employment Development, Visit Baltimore

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing – Subsidies to Baltimore City's Hospitality and Tourism Industry,**
3 **Now and in the Future**

4 FOR the purpose of inviting the President and CEO of Visit Baltimore; the President and CEO of
5 the Baltimore Development Corporation; the Director of the Baltimore City Department of
6 Finance; the Director of the Mayor's Office of Employment Development; representatives of
7 the Baltimore tourism industry; and representatives of the Baltimore labor community to
8 appear before the City Council to discuss the subsidies that the City of Baltimore has
9 provided to the hospitality and tourism industry as well as best methods for ensuring that any
10 future subsidies to the hospitality and tourism industry are conditioned upon the recipients
11 commitment to create quality jobs.

12 **WHEREAS**, tourism and hospitality are vital contributors to the Baltimore City economy.

13 **WHEREAS**, total transient occupancy tax paid to the City in 2016 was \$34,147,258.

14 **WHEREAS**, the Baltimore market has 25 hotels with 3,121 rooms in its development pipeline,
15 according to Smith Travel Research.

16 **WHEREAS**, Baltimore City has a financial interest in continued development of hotels and
17 has pursued this interest by subsidizing development, including the use of Payment in Lieu of
18 Taxes (PILOT) and Tax Increment Financing (TIF) agreements.

19 **WHEREAS**, in particular, Baltimore City subsidized the development of the Baltimore
20 Marriott Waterfront by providing a loan of \$5 million at 2 percent simple interest over 25 years;
21 and a \$5 million grant, funded by general obligations bonds.

22 **WHEREAS**, in addition to loans, Baltimore City has subsidized the development of the
23 Baltimore Marriott Waterfront by signing a PILOT Agreement, under which the hotel is exempt
24 from municipal real property taxes and instead pays the City \$1 a year. Under this PILOT
25 particular agreement, Baltimore City has foregone an estimated \$47.6 million in tax revenue.

26 **WHEREAS**, many hotel workers, including employees at the Baltimore Marriott Waterfront
27 hotel, are employed by third party temporary or outsourcing companies. As a result, these

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 workers have faced declining wages and hours and have reported difficulty in accessing
2 affordable healthcare for themselves and their families.

3 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE**, that the
4 Council invites the President and CEO of Visit Baltimore; the President and CEO of the
5 Baltimore Development Corporation; the Director of the Baltimore City Department of Finance;
6 the Director of the Mayor's Office of Employment Development; representatives of the Baltimore
7 tourism industry; and representatives of the Baltimore labor community to appear before the City
8 Council to discuss the subsidies that the City of Baltimore has provided to the hospitality and
9 tourism industry as well as best methods for ensuring that any future subsidies to the hospitality
10 and tourism industry are conditioned upon the recipients commitment to create quality jobs.

11 **AND BE IT FURTHER RESOLVED**, That a copy of this Resolution be sent to the President and
12 CEO of Visit Baltimore; the President and CEO of the Baltimore Development Corporation; the
13 Director of the Baltimore City Department of Finance; the Director of the Mayor's Office of
14 Employment Development, the Mayor, and the Mayor's Legislative Liaison to the Baltimore City
15 Council.