

Prince George's County Council Agenda Item Summary

Meeting Date: 5/6/2014
Reference No.: CB-007-2014
Draft No.: 4
Proposer(s): Franklin, Campos, Davis, Toles
Sponsor(s): Franklin, Campos, Davis, Toles
Item Title: An Act concerning Video Lottery Facility Economic Opportunities for the purpose of requiring compliance with local business, local minority business, and local hiring requirements in a development agreement negotiated by the County Executive and a video lottery operator, subject to the approval of the same by County Council resolution, as a condition of the use of a video lottery facility.

Drafter: Legislative Officers
Resource Personnel:

LEGISLATIVE HISTORY:

Date Presented:	3/11/2014	Executive Action:	5/28/2014 S
Committee Referral:	3/11/2014 - PSFM	Effective Date:	7/14/2014

Committee Action: 4/3/2014 - FAV(A)

Date Introduced: 4/8/2014

Public Hearing:

Council Action (1) 5/6/2014 - ENACTED

Council Votes: WC:A, DLD:A, MRF:A, AH:N, ML:N, EO:N, OP:N, IT:A, KT:A

Pass/Fail: P

Remarks:

AFFECTED CODE SECTIONS:

10-308, 10-309

COMMITTEE REPORTS:

Public Safety and Fiscal Management

Date 4/3/2014

REPORT Committee Vote: Favorable as Amended 3-1 (In Favor: Council Members Toles, Davis, and Turner; Opposed: Council Member Lehman)

This bill will require compliance with local business, local minority business, and local hiring requirements in a development agreement negotiated between the video lottery facility licensee and the County Executive, subject to approval by the County Council. The development agreement shall include a Video Lottery Facility Compliance and Reporting Plan. Staff gave an overview of the legislation which requires the approval of a development agreement by resolution of the Council prior to the issuance of any building permits for the video lottery facility and compliance with the development agreement shall be a stated condition of approval for any building or use and occupancy permits for the video lottery facility. The Committee discussed the proposed Draft 2 which clarified definitions. There was discussion on proposed language to include a local minority business or individual equity ownership opportunity clause in the bill. Arthur Horne, MGM representative, stated that he supports the concept of the bill but has concerns about building permits not being issued if there is noncompliance with the development

agreement. Mr. Horne stated that this could be problematic as to the timing of the casino opening. The bill was held on March 20, 2014 for further discussion and to work on additional amendments.

The Committee convened on March 27, 2014 to discuss proposed Draft 2B of CB-7-2014. The draft made additional revisions to clarify definitions and added language to require the development agreement to include a statement detailing any equity investment opportunities. MGM representatives Arthur Horne and Lorenzo Creighton stated their concerns with timing and possible delay on the project and the equity participation language. Other speakers were James R. Estep, Board Member, Greater Prince George's Business Roundtable; Mike Little; Mark Coles, representative of the Washington DC Building and Trades Council; and Mayor Jacqueline Goodall, Town of Forest Heights. A letter was submitted from Philip M. Andrews, Esq., counsel for MGM, stating his concerns with the bill and requesting the bill be withdrawn or, in the event withdrawal does not occur, revisions to the bill. The bill was held for further discussion on proposed amendments.

The Committee met on April 3, 2014, to discuss further amendments to the proposed Draft 2. The amendments incorporated best efforts requirements as it applies to county-based business participation and the employment of County residents. In addition, approval of a development agreement shall occur prior to issuance of any use and occupancy permits and removes building permits as a condition.

During the work session the bill was amended as follows:

- 1) Delete all references to "video lottery facility licensee" and insert "video lottery operator"
- 2) On page 2, delete lines 1-22 and insert new and revised definitions for the following: Best efforts, Compliance with the development agreement, County based business, County based business participation, County based minority business, County based minority business participation, County resident, Development agreement, Procure, Table games, Video lottery facility, Video lottery operation license, Video lottery operator, and Video lottery terminal
- 3) On page 2, line 23 delete "Business and Hiring Requirements" and insert "Economic Opportunities"; on line 28 after "shall" insert "use best efforts to", delete "percentage(s)" and insert "percentages", delete "certified", on line 30 after "Executive" insert "or the County Executive's designee"
- 4) On page 3, line 3 delete "certified", on line 4 after "Executive" insert "or the County Executive's designee", on line 5 after "the" insert "development", on line 7 after "shall" insert "use best efforts to", on line 9 after "Executive" insert "or the County Executive's designee" and after " the" insert "development".
- 5) On page 3, line 17 delete "penalty and"; on line 20 after ("c") insert "Any development agreement authorized by this Division shall include a statement detailing any opportunities in relation to the video lottery facility to be made available to Prince George's County residents or businesses via direct monetary or other equity investment, ownership of independent in-line businesses, ownership of retail pad sites, ownership of business franchises, ownership of service businesses, and/or ownership of any other for-profit businesses." and insert new subsection "(d)"
- 6) On page 3, line 21 after "any" delete "building" and insert "use and occupancy"; on line 23 delete "building or"; on line 25 after "Executive" insert "or County Executive's designee"

The enactment of CB-7-2014 should not have a negative fiscal impact on the County.

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

The proposed legislation requires compliance with local business, local minority business, and local hiring requirements in a development agreement negotiated between the video lottery facility licensee and the County Executive, subject to approval by the County Council. The development agreement shall include a Video Lottery Facility Compliance and Reporting Plan.

4/8/2014: Prior to introduction, CB-7-2014 (DR-2) was amended as follows:

1. On page 5, line 7, after “SECTION 2” insert “BE IT FURTHER ENACTED that within six (6) months after the first building permit is issued to the video lottery operator and semi-annually thereafter, the video lottery operator shall prepare and submit a report to the County Council and Compliance Manager detailing the video lottery operator’s performance in fulfilling the requirements of the Video Lottery Facility Compliance and Reporting Plan, specifically the utilization of county based business participation, county based minority business participation, and the employment of County residents as it relates to the construction phase of any video lottery facility located in the County until the construction is completed. Beginning on July 1, 2017 and annually thereafter, the video lottery operator shall be responsible for providing an annual briefing to the County Council and Compliance Manager detailing the video lottery operator’s performance in fulfilling the requirements of the Video Lottery Facility Compliance and Reporting Plan, specifically the utilization of county based business participation, county based minority business participation, and the employment of County residents as it relates to the operation phase of any video lottery facility located in the County.” CR-7-2014 (DR-3) was introduced.

5/6/2014: CB-7-2014 (DR-3) was amended on the floor as follows:

1. On page 5, line 6 insert “(e) Regardless of the timing of approval of the development agreement, the requirements of subsections (a)(1)-(a)(3) of this Section shall apply to the entire construction and operation phases of the video lottery facility, from commencement to completion.”

2. On page 5, line 28 after “effect” delete “on the date” and insert “forty-five (45) calendar days after”.

3. On page 2, lines 30 and 31 delete “as set forth in Sections 9-1A-01(aa), 9-1A-01(w-2), and 9-1A-04(a)(11), State Government Article, Annotated Code of Maryland,”;

4. On page 3, line 3 insert “Video lottery facility shall also mean a facility as set forth in Sections 9-1A-01(aa), 9-1A-01(w-2), and 9-1A-04(a)(11), State Government Article, Annotated Code of Maryland.”; on lines 9 and 10 delete “as set forth in Section 9-1A-01(cc), State Government Article, Annotated Code of Maryland,”; on line 12 insert “Video lottery operator shall also mean an operator as set forth in Section 9-1A-01(cc), State Government Article, Annotated Code of Maryland.”

CB-7-2014 (DR-4) was enacted.

5/6/2014: A motion was made by Council Member Patterson; seconded by Council Member Harrison to TABLE CB-7-2014 (DR-4). The motion failed 4-5. (In favor: Council Members Harrison, Lehman, Olson and Patterson. Opposed: Council Members Franklin, Campos, Davis, Toles and Turner). Subsequent motion to enact carried as shown above.

CODE INDEX TOPICS:

INCLUSION FILES:
