

**Open Work Session**  
**Letter of Support for Proposed HORIZON Program**  
**January 5, 2021**

Mr. Dodd said Council should have a copy of the letter on their desks.

Mr. Cannon said he is glad the letter was re-edited. He said it is much more succinct, and he is 100 percent in favor of it, so they should get moving on it.

Mr. McCain said the letter is pretty simple and not committing the County to anything. He said it is just showing Council's support and giving them a tool in their toolbox if they choose to go that route. He said, as Mr. Cannon said, it is pretty succinct.

Mr. Holloway said he would like to see them have a Public Hearing on this. He said they are talking about proposing something that could potentially give pretty large tax incentives to somebody. He said tonight they had a Public Hearing on the phone bills, which is just a few hundred thousand dollar increase, but this is talking about the possibility of giving away millions of dollars in tax abatement. He said he thinks it would be wise if they could schedule a Public Hearing for the next Council meeting.

Mr. McCain said this is just a letter. He said a Public Hearing might be necessary when they get to the Legislative point where they are trying to introduce something, but they are just sending a letter for enabling Legislation. Mr. Holloway said he understands that, but they are sending a letter endorsing a pretty large tax abatement, and he thinks it would be pretty wise to be able to have the public on either side come in and speak on this if they wanted to.

Mrs. Acle said she was very surprised by this document and how this is going to be affecting the downtown. She said they are asking for more affordable housing, and this is not providing that. She said she understands this is what the City has decided on, but they are asking the County to get on board with them, and she is really shocked by this letter. She said she agrees with having a Public Hearing.

Mr. Holloway said he realizes what everybody is saying, that it does not obligate the County, and it does not, but, by endorsing this letter, it gives the seal of approval from this Council. He said it does not obligate them, but it does send a message. He said tonight they did not vote to raise the taxes on the phone, but yet they are going to send a letter of endorsement to give millions of dollars in tax abatements to different corporations that want to build something in the City of Salisbury, and he has problems with that. He said he will not be supporting it anyway, but he thinks it would be a good idea to have a Public Hearing.

Mr. Cannon said he voted against the phone charge because that is a tax on the people, but this is not a tax on anyone. He explained, this is nothing more than an incentive that is being created to encourage development. He said these are not taxes that are out there right now that they are pulling away and giving to someone, as this money has not even come to fruition yet. Mr. Holloway said he realizes that, but they had a Public Hearing on what Council did tonight, and this is really justified for a Public Hearing. Mr. Cannon said he thinks what would be justified for a Public Hearing, if they ever get there, is when

the Council itself might choose what schedule they might want to create and actually create the incentives for the tax breaks. He said he is sure that would require a Public Hearing because they are talking about taxpayer funding, but this is just a letter enabling the County to do this, and the City has already vetted this with the public. Mr. Holloway said, if the County does this, they should do it on their own, not in junction with the City. Mr. Cannon said it allows the County to do it whenever they choose.

Mrs. Acle suggested they wait until they have a plan in place to implement it as she does not think getting enabling Legislation with no plan is really the best use of government. She said they are opening this up and leaving it. Mr. McCain responded, how are they going to do a plan in time to get this in front of the Legislature? Mrs. Acle asked if there is a clock ticking, to which Mr. McCain responded, yes, there is a clock ticking, the Legislature starts Session next week. Mrs. Acle said she does not understand why it needs to be done now. She suggested they take the time to develop a plan for the County, and then move forward with getting Legislation. Mr. McCain said they have to have enabling Legislation to do a plan. Mrs. Acle asked if they cannot develop a plan because they have to first get the Legislation and then come up with the plan, to which Mr. McCain responded, they can, but they do not have a plan. Mrs. Acle suggested they focus on getting a plan, and then get the Legislation, to which Mr. McCain responded, he would love to focus on getting a plan, but they have people sitting here saying they are going to oppose this regardless. Mrs. Acle said, if that is what they choose to do, let them do that, but she just does not understand why they are putting the County on this letter when they do not even have a plan. Mr. McCain clarified, they do not need a plan to get enabling Legislation to give them the opportunity to create a plan. Mrs. Acle asked, why not get the plan, and then get the Legislation, to which Mr. McCain responded, Mrs. Acle is just talking in circles.

Mr. Holloway said he has to agree. He clarified, why would they want to be part of an enabling Legislation? He said the letter says "seeking enabling Legislation so we may consider offering a residential tax credit program." He said, when the Legislators get this, they are going to ask what the County wants to do, to which Mr. McCain responded, what they want to and should be doing is trying to improve their community in Wicomico County. He said they are trying to incentivize and promote development in their downtown Salisbury. Mrs. Acle said she does not disagree with Mr. McCain on that, she would just like to see a plan of what they are going to do before they get enabling Legislation. She said it just seems like they are throwing something out there, and then they are going to have this open Legislation to do whatever. She said they have to have a plan.

Mr. Cannon said the plan would be very similar to what they already have with an Enterprise Zone, which Council approves every day. He said it is the exact same plan, except this is for hotels and residential, but it is the same plan. He said the City of Salisbury has a very detailed plan that Council spent an hour talking to them about, and the County is not going to vary much from what they have already presented, so he thinks it is quite obvious what their intent would be, and what they are trying to accomplish. Mrs. Acle said that gives clarity if that is the plan.

Mrs. Hurley then went over some of the dates for the General Assembly. She said they start Session on January 13, and the Senate and House Bill request guarantee date is actually January 19, so that is why it is time sensitive.

Mr. Holloway said Mr. Cannon just said the County's plan is going to be very similar to the City's plan, and that is why he is opposing it. Mr. Cannon responded, that is why he would love to have this in a Work Session. Mr. Holloway said that is a \$2 million-dollar tax break on this one project, to which Mr. Cannon responded, of \$2 million dollars that does not even exist. He said nothing exists right now, to which Mr. Holloway responded, that is right. Mr. Cannon said the County is getting about \$28,000 instead of \$900,000, to which Mr. Holloway responded, that is correct. He then asked if Mr. Cannon is going to give free taxes for five years to all of these people who create this \$75 million dollars in these projects while everybody else in this City and County pays a full load of taxes. Mr. Cannon said he and Mr. Holloway are never going to agree on this, and that is okay, but Mrs. Acle is asking for a plan. He clarified, he did not say they had a final product, he said they have a plan, and obviously Mr. Holloway is not going to be in favor of it no matter how they try to negotiate it. He said there are many ways they can try to work it, but the plan is to try to give graduated tax incentives over a certain period of time, which is what the City is doing, and which is what the Enterprise Zone does.

Mr. Hastings said he thinks there are two things he is hearing. He said first of all he thinks Council is saying they want a separate conversation as to, if the County goes forward, what they will do, and what their plan looks like. He said here before Council is just a letter of support for the City of Salisbury in moving forward, and the deadline is actually ticking. He said the first thing they know about the Legislative Session is that it is going to be a shorter Legislative Session, and the guarantee date only being two weeks from today, which, by the way, would be the next time Council meets on the 19<sup>th</sup>. He said, if they want to support the City of Salisbury and what they are doing now to basically put this before the Legislature, they need to move on it now. He said he would love to see Council actually talk about going forward, and he thinks what would be very helpful and important would be to have a bigger conversation in an Open Work Session with the developers that are mentioned here for the seven projects, and then try to figure out from there what Council wants as a County. He said, for the here and now, for what is before Council, they just need to support the City of Salisbury. He said, if this were any other municipality and they had a request, the Council would listen to them and support them, and this is just going forward with this, and he thinks they should support this.

Mr. Dodd asked Mrs. Hurley if the drop-dead date is the 19<sup>th</sup>, but Council has a meeting that morning, to which Mrs. Hurley responded, that is correct. Mr. Dodd said they would still have time if the Council majority chose to wait until the 19<sup>th</sup>, to which Mr. Hastings responded, given from what he has heard from the Session already, that might be the guarantee date, but this is not going to be a Session like any other. He said Delegate Anderton is in the audience, and he can speak to that. He said this is not one where they are going to be having a lot of long conversations about it, so they need to get something in now. He said this is the most amount of Bills that have been pre-filed in a long time, so, for that specific reason, Council should do something now.

Mr. Holloway asked if this is getting any endorsements from anybody other than the developers and the City? Mr. Hastings asked if Mr. Holloway means SWED or any of the economic development folks, as Council has heard from all of those organizations. Mr. Holloway asked who is behind this or interested in this other than just the developers, to which Mr. Cannon responded, the Chamber. Mr. Holloway said three years ago the Chamber was trying to get rid of the revenue cap so they could raise taxes on homeowners and businesses in Wicomico County, so he does not understand this. He said, if the

Chamber is in favor of it now, why were they trying to get rid of the revenue cap at that time so they could raise property taxes on other people? Mr. Cannon then made a motion to call for the question. Mr. Dodd said they are not going to vote, but they will get a consensus on who wants to send the letter.

Mr. Dodd asked Mr. McCain if he is in favor, to which Mr. McCain responded, he wants to send it.

Mr. Dodd asked Mr. Davis if he is in favor, to which Mr. Davis responded, he will say send the letter, but when the County gets ready to do their Legislation, he would like to see the developers sitting here instead of the City of Salisbury, and Council ask them the questions and then draw up their own plan. Mr. Dodd asked if Mr. Davis wants to send the letter, to which Mr. Davis responded, yes.

Mr. Dodd asked Mr. Holloway if he wants to send the letter, to which Mr. Holloway responded, no.

Mr. Dodd asked Mr. Cannon if he wants to send the letter, to which Mr. Cannon responded, yes.

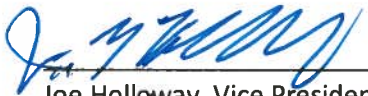
Mr. Dodd asked Mr. Hastings if he wants to send the letter, to which Mr. Hastings responded, yes.

Mr. Dodd asked Mrs. Acle if she wants to send the letter, to which Mrs. Acle responded, no.

Mr. Dodd said the vote is 4 to 3, so they will get the letter prepared. There was no further discussion.



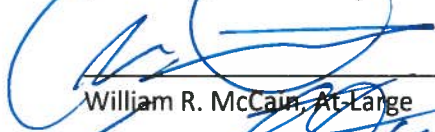
Larry W. Dodd, President, District 3



Joe Holloway, Vice President, District 5




John T. Cannon, At-Large



William R. McCain, At-Large

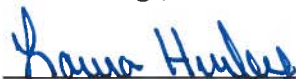


Ernie Davis, District 1



Nicole Acle, District 2

Josh Hastings, District 4



Laura Hurley, Council Administrator