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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

May 13, 2019

Frederick County Chamber of Commerce
118 North Market Street, Suite 200
Frederick, MD 21701

Re: Your “breakfast legislative update” last week and follow-up
On the Downtown Hotel project

Dear members of the Chamber:

As a freshman State Delegate, I have championed small businesses against the anti-business, “democratic socialist” agenda in Annapolis that sought massive spending and regulation this year. It was an honor to do so as a fellow small businessman.

Some of the highlights of my fight on your behalf in Annapolis include:

- Giving my first **Floor speech in defense of Frederick businesses in opposing raising the minimum wage to \$15/hour**. I went against protocol that looks down on freshman giving floor speeches because the issue was so damaging to you, our Frederick business lifeblood. Every Democrat from our Frederick delegation voted for the minimum wage hike and against your ability to make pay raise decisions. Every Republican voted against it, and our efforts resulted in slowing the process to an increase each year for six years, instead of immediate shock. However, the bill still creates a disincentive to raise skilled labor wages, actually incentivizes businesses to cut staff to 14 or below and lower their wages, and will cause a general increase in goods and services making our businesses not as competitive with those in surrounding states.
- Offering several **floor amendments** (rare for a freshman delegate) to fight for our local farm businesses and **against the job and business-killing Green Energy Jobs Act** – which mandates we move to 50% wind and solar energy, causing massive power bill increases in a state that is already non-competitive with surrounding state energy billing.
- **Standing up for small businesses** with my over 97 sponsored and co-sponsored bills including the Governor’s bills for business tax credits, lower taxes and increased opportunity zones; and helping **defeat** massive bail-outs for trial attorneys which would have increased all of our insurance premiums because of the thousands of “fake” asbestos cases pending for judicial review before Nationwide and other insurers. I fought fiercely **against this asbestos bill** in the face of extreme and intense lobbying by powerful firms.

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However, after these and other accomplishments on your behalf this year as a new Delegate, at your recent legislative breakfast these were largely ignored, and instead there was a robust voice by those in attendance that I should be voting in support of urging the Board of Public Works to release \$5 million in public tax funding for a private downtown hotel project.

First, I would request your input on this important matter. Please make all of your voices heard in my state e-mail which is read every day: dan.cox@house.state.md.us .

Second, I support the downtown hotel and am glad to hear from the Woodsboro Bank CEO who spoke at the breakfast that the bank supports it as well. With their strong local integrity and \$260 million in assets, I am hopeful that no matter what the Governor decides, the local banking community that specializes in commercial real estate will find ways forward to capitalize the hotel.

Third, I am not the individual who has any say over the release of the \$5 million by the Board of Public Works (BPW). If you wish to let your voices known on the matter, please contact the Governor, the Comptroller and the State Treasurer – for by law those alone will decide this issue. There is no legal obligation for the BPW to obtain a delegate's support in order to release state tax funds already authorized by the Legislature.

Fourth, I am informed after meeting with the local leaders supporting the project that the building next door (across Carroll Creek) has been approved or is in process of approval for another underground garage which would not be paid for by taxpayers. This may present opportunity for the hotel project to coordinate space rentals for parking without tax money.

I am not opposed to the \$5 million going strictly for a parking garage owned and used by the City of Frederick without taxpayer money going to a private developer as part of a 20+ year business profit plan. But I do have a concern that with the current Memorandum of Understanding and engineering proposals with only 199 hotel rooms and now a smaller conference room, the debt-to-equity imbalance seeks to shift the profit-risk of the hotel to the taxpayers – to you and me. This could easily raise our taxes should the hotel fail. Perhaps if the City-Developer contract is altered to pay a contractor to build the City garage and not continue to receive millions in tax and parking fee revenues for over 20 years the matter could be resolved.

I look forward to the hotel being built with fiscal strength and no taxpayer risk.

Very truly yours,



Dan Cox

Cc: Republican Delegation