

Regional Institution Strategic Enterprise (RISE) Zone
PROGRAM

OFFICE OF FINANCE

ANNUAL STATUS REPORT
Economic Development Article
Section 5-1409

Submitted by:

Maryland Department of Commerce

December 2025

Regional Institution Strategic Enterprise (RISE) Zone Program

OVERVIEW

The Maryland Regional Institution Strategic Enterprise (RISE) Zone program was enacted through CH 530, Acts of 2014. A RISE Zone is a geographic area that has a nexus with a qualified institution and is targeted for increased economic and community development. Qualified institutions include institutions of higher education, regional higher education centers or non-profits affiliated with a federal agency.

The purpose of the RISE Zone program is to access institutional assets that have a strong and demonstrated history of commitment to economic development and revitalization in the communities in which they are located. Qualified institutions and local governments develop a targeted strategy to use the institutional assets and financial incentives to attract businesses and create jobs within the Zone.

The Maryland Department of Commerce (Commerce) administers the RISE Zone program. Institutions of higher education, regional higher education centers or non-profit organizations affiliated with a federal agency apply to Commerce to be designated a Qualified Institution. Qualified Institutions may then apply jointly with the county, municipality or the economic development agency of a county or municipality to designate a RISE Zone.

A RISE Zone designation is effective for 5 years, with a possible additional 5-year renewal. Counties and municipalities are limited to a maximum of three RISE Zones and the size of each Rise Zone is limited to 500 acres.

Businesses locating in a RISE Zone or an existing business doing a significant expansion within the RISE Zone may qualify for real property tax credits, income tax credits and business concierge services. In addition, Chapters 206 and 207 of the Acts of 2021 modified the program to provide added benefits to certain businesses that locate in the RISE Zone and have a nexus to the Qualified Institution, including the rental assistance program and enhanced investor tax credits under the Biotechnology Investment Incentive Tax Credit and the Innovation Investment Tax Credit.

The incentives available under the RISE Zone program are as followed:

- Real Property Tax Credits
 - A business must locate in the RISE Zone before January 1, 2023, to be eligible for the real property tax credit.
 - A five-year real property tax credit on improvements of 50% for the first year and 10% in years 2-5. The county and municipality can choose, by local law, to increase the credit percentage.
 - If the RISE Zone is located in an Enterprise Zone, the credit is 80% per year for years 1-5.
 - If the RISE Zone is located in a Focus Area, the credit is 100% per year for years 1-5.
 - If the Zone is renewed, the credit is 10% in years 6-10, unless increased by the county or municipality.

- Income tax credits are the same as the Enterprise Zone income credits (\$1,000 per new employee and up to \$6,000 over three years for hiring economically disadvantaged employees).
 - A business must locate in the RISE Zone before January 1, 2023, to be eligible for the income tax credit.
- Rental Assistance Program
 - A Qualified Institution, political subdivision, county and/or a municipality may establish a program to provide rental assistance to a business that moves into or locates in a RISE Zone, has a nexus with a Qualified Institution located in the RISE Zone, and has been in active business no longer than 7 years.
 - The business is eligible for rental assistance for up to 3 years.
 - Subject to the availability of funding, Commerce must provide matching funds equal to three times the amount established by the Qualified Institution, political subdivision, county and/or municipality.
- Enhanced Investor Tax Credit
 - A qualified investor may be eligible for an enhanced income tax credit equal to 50% of the investment made to a Qualified Maryland Biotechnology Company (QMBC) under the Biotechnology Investment Incentive Tax Credit or to a Qualified Maryland Technology Company (QMTC) under the Maryland Innovation Investment Tax Credit Program.
 - The QMBC or QMTC must be located in a RISE Zone and be based on technology that was developed at the Qualified Institution within that Zone and must have been an active business not longer than 7 years.

ACTIVITY

The following RISE Zones have been designated by Commerce since the program's inception:

Current RISE Zones:

- University of Maryland's (UMD) Greater College Park RISE Zone was designated December 5, 2016, and redesignated August 27, 2022. It will expire August 27, 2027.
- Montgomery College RISE Zone was designated September 28, 2018, and renewed on September 28, 2023. It will expire on September 27, 2028.
 - The State Department of Assessments and Taxation (SDAT) reported that 19710 Observation Drive LLC located at 19710 Observation Drive, Germantown located at the Montgomery College RISE Zone, Montgomery County is receiving RISE Zone real property credit.
- Towson University's RISE Zone was designated June 13, 2023. It will expire June 12, 2028.

Expired Rise Zones:

- UMBC RISE Zone was designated May 18, 2017, and expired May 17, 2022.

- Salisbury University was designated September 28, 2018, and expired September 27, 2023.
- Morgan State University was designated September 28, 2018, and expired September 27, 2023.
- UMB RISE Zone in Baltimore City was designated December 8, 2015, and expired December 7, 2020. The Zone was redesignated February 25, 2021, and expired February 15, 2025.

Rental Assistance Program Activity

Chapters 206 and 207 of the Acts of 2021 required Commerce to report on the rental assistance program established by each RISE Zone. Additionally, the Maryland Department of Commerce and Comptroller of Maryland shall jointly assess each year the effectiveness of the tax incentives provided to businesses in the RISE Zones, including: the number and amounts of tax incentives granted each year and the success of the tax incentives in attracting and retaining business entities in RISE Zones.

As of the end of fiscal year 2025, none of the current RISE Zones have established a rental assistance program or applied for matching funds from Commerce. However, Commerce received an application in July 2024 from the University of Maryland's Greater College Park RISE Zone, which is currently pending. Applications should include a written expression of sentiment of the local elected governing body or bodies regarding the filing of an application for designation, in the form of a letter or resolution at the discretion of the local jurisdiction.

Businesses that are located in RISE Zones have not applied to the local jurisdiction and/or claimed income tax credits on their tax returns.

RISE Zone Applicant Reports¹

University of Maryland's Greater College Park RISE Zone

Businesses approved for a RISE Zone incentive in FY 2025:

- There have not been any businesses who applied for the RISE Zone Incentive for the fiscal year 2025.

Progress of the development projects in the RISE Zone:

- **Landmark Properties:** Landmark Properties announced The Mark College Park in November 2024. Landmark Properties, a fully integrated real estate firm specializing in the development, construction, investment management, and operation of high-quality residential communities, announces plans to develop The Mark College Park, a new, 2,079-bed housing community in College Park, MD, adjacent to the University of Maryland. Landmark Construction, the construction arm of Landmark Properties, is the project's general contractor. Delivery is expected for fall 2029.

The Mark, as planned, will consist of a two-building development, each rising 10 stories and offering a combined 601 units in a mix of studio to five-bedroom apartments. The community, designed by WDG Architecture, would rise on the land occupied by College Park Towers, a 4.53-acre site comprised of two existing condominium buildings. Landmark plans to acquire condo buildings and land for the development in 2026.

Landmark is committed to the College Park market. In August 2023, The Standard at College Park, a 282-unit, 951-bed residential community on Hartwick Road and Route 1, opened to residents. The property has been fully occupied since opening, underscoring the demand for housing close to campus that serves the UMD community.

- **St. John Properties:** The University of Maryland developer has proposed a new research and development space in College Park's Discovery District. St. John Properties Inc. and the University of Maryland are in the early stages of a proposal to develop new research and development space on the Purple Line in College Park, boosting the area's light manufacturing capacity.

The State of Maryland owns a 6.4-acre vacant assemblage along River Road, adjacent to where the Riverdale Park North (alternatively, M Square) light rail station will go, and in what's known as the Discovery District, a research park on the eastern edge of the university's campus. A University of Maryland Board of Regents committee, at its meeting on October 30, formally recommended the university and Baltimore's St. John Properties establish a joint venture to develop the site with 58,000 square feet of R&D space across two buildings.

The new buildings would comprise the second phase of a project negotiated between the same parties in 2016. Just to the west, the first phase resulted in about 111,000 square feet of

¹ These reports were provided directly by the Zone Administrators and have not been edited by the Department of Commerce.

flex R&D space, now 100% occupied, and a 50,000-square-foot building that houses the College Park Academy public charter school.

The first-phase R&D space houses a variety of tenants, including Aerothreads Inc., a company that makes insulating material for satellites and other aerospace applications; and Medcura Inc., a firm that develops "hemostasis technology," or ways of controlling bleeding in surgeries, and military and trauma settings.

- **Microsoft Quantum Research Center:** The University of Maryland (UMD) will soon be home to a major new Microsoft quantum research lab, further strengthening the university's position as a global leader in quantum science, innovation and commercialization. The announcement results from a partnership between the State of Maryland, the University of Maryland Enterprise Corporation and Microsoft, one of the world's largest technology firms. It marks a critical milestone in Maryland's momentum to become a global leader for quantum information science and technology innovation.

According to the announcement from the Governor's Office (2025), the center will provide early access to Microsoft's quantum technology to support collaborative hardware and software development between government agencies, academic institutions and quantum companies. It will also attract skilled quantum experts to the state, providing a space for Microsoft engineers to interact with and work with the Maryland quantum ecosystem, including University of Maryland students and researchers.

- **IonQ:** Construction on IonQ's new headquarters in the University of Maryland's Discovery District is planned. The project, which is part of the state's Capital of Quantum Initiative, involves a 100,000- square-foot facility that will include a data center, laboratories, and office space. It is supported by a \$5 million state investment approved by the Board of Public Works in August 2025. The new headquarters is expected to double IonQ's corporate workforce in Maryland to at least 250 employees over the next five years.

In early 2025, Governor Wes Moore, University of Maryland College Park President Darryll J. Pines and IonQ President and Chief Executive Officer Peter Chapman announced the "Capital of Quantum" Initiative - a landmark public-private partnership that will catalyze \$1 billion in investments and cement Maryland as a global leader in quantum information science and technology. The initiative was announced during an event highlighting the governor's economic growth agenda for the 2025 legislative session.

The strategic partnership between the State of Maryland, the University of Maryland, private, and federal partners will drive more than \$1 billion in investments through a combination of state funds, matching federal grants, private sector investments, and philanthropic contributions over the next five years. The effort will firmly establish the State of Maryland, anchored by the University of Maryland, as one of the world's top quantum epicenters.

- **Campus Village:** The new owners of the Campus Village Shoppes center at 8147 Baltimore Ave., which previously housed several eateries, including Taqueria Habanero, recently announced their planned development for the site. LV Collective plans involve the

construction of 299 apartments and 13,000 square feet of retail, with returning tenants such as Taqueria Habanero, Hana mi Sushi, Mr. Fries Man, and the UPS Store. The project is located across the street from Vigilante Coffee and will include a ground-floor coffee shop and a community center that pays homage to the history of Lakeland, a historically Black community in the area. Preliminary construction work has already begun, and the project is scheduled to be completed in fall 2027.

- **Flats at College Park:** District 2 has landed a \$200 million dollar student housing redevelopment for the Campus Village Shopping Center site. This new development will include dedicated space to the Lakeland Community Center. The Flats at College Park is a redevelopment of four hotels into a 315-unit affordable apartment complex financed with tax credits from the State of Maryland DHCD. The Food Service Group - Food4Maryland sponsored by Restaurateur and Philanthropist Phil Sardis, will run its operations at The Flats. Another win for District 2 is the Duvall Field Project which is currently undergoing an \$8 million dollar renovation of the grounds and facilities. On the restaurant front, the new establishment Prime Time Restaurant will soon open at The Cambria Hotel. The nationally recognized George Martin Group owners of Grillfire and Anejo Rose at Arundel Mills, will own and operate PRIMETIME.
- **Cambria Hotel & Suites:** opened in August 2018. No updates available.
- **Alloy by Alta:** No updates available.
- **Aldi Grocery Store:** The new Aldi, at 8904 62nd Avenue just off Greenbelt Road, is about a mile away from rival Discount Grocer Lidl's College Park store on Baltimore Avenue, which opened in 2019. Aldi now has 65 stores in Maryland and 74 stores in Virginia. It's one of the fastest growing retailers in the U.S.
- **The Hotel at UMD:** No updates available.
- **College Park City Hall:** No updates available.
- **Terrapin Row:** New retail establishment acquired. Longtime late-night hangout D.P. Dough returned to College Park, at 4200 Hartwick Rd., on the first floor of the Terrapin Row apartments next to the Amazon hub.
- **Atworth:** No updates available.

Effectiveness in attracting and retaining businesses in the RISE Zone:

No recent businesses have taken advantage of the RISE Zone designation to date. Although businesses have moved within their geographical location, the real property and income tax credits have not been effective in attracting and retaining businesses for the Zone. A comprehensive and collaborative strategy is needed to achieve the goal of leveraging the College Park RISE Zone for economic growth.

For context, many of the businesses that would be attracted to the tax incentive provided are typically early stage or incubator businesses. In most cases, these businesses do not have the necessary capital to make an investment in real property or hire significant number of full-time employees. In an effort to address these issues, the RISE Zone Rental Assistance Fund is currently being revised to include businesses with rental assistance needs.

Number of New Businesses: N/A

Number of New Jobs: N/A

Amount of Private Investment (\$): N/A

Investment made by Qualified Institution (\$): N/A

Number of Businesses Eligible for Property Tax Credit: N/A

Number of Businesses Eligible for Income Tax Credits: N/A

Number of Businesses Interested in the rental assistance program: 1-2

Montgomery College RISE Zone

Businesses approved for a RISE Zone incentive in FY 2025:

- There were no businesses approved for a RISE Zone incentive in FY25.

Progress of the development projects in the RISE Zone:

- To date, the Hughes Network Systems Advanced Manufacturing Facility remains the only project at Montgomery College to have successfully utilized this incentive. The facility is operational, and the corporation announced major growth through the acquisition of Anderson Connectivity earlier this month.

<https://wtop.com/business-finance/2024/04/hughes-network-opens-maryland-manufacturing-facility-at-montgomery-college/>

<https://www.prnewswire.com/news-releases/hughes-expands-aviation-space-and-defense-expertise-with-strategic-acquisition-of-anderson-connectivity-302591056.html>

No additional development projects have claimed the credit at this time.

Effectiveness in attracting and retaining businesses in the RISE Zone:

- Prior to the amendment limiting property and income tax credits to businesses locating in the Zone before 2023, the county was able to attract one business, Hughes Network Systems, LLC, to invest in a cutting-edge satellite technology manufacturing and R&D facility in the Enterprise Zone. The entity that was certified for the Montgomery College Germantown Campus RISE Zone real property tax credits was 19710 Observation Drive, LLC.

Number of New Businesses: N/A

Number of New Jobs: N/A

Amount of Private Investment (\$): N/A

Investment made by Qualified Institution (\$): N/A

Number of Businesses Eligible for Property Tax Credit: N/A

Number of Businesses Eligible for Income Tax Credits: N/A

Number of Businesses Interested in the rental assistance program: N/A

As mentioned above, no additional businesses were approved for Rise Zone benefits in FY25. The county does not currently have a rental assistance program.

Towson University RISE Zone

Businesses approved for a RISE Zone incentive in FY 2025:

- No businesses were approved for RISE Zone incentives in FY 2025, as the Towson University Zone was designated on June 13, 2023.

Progress of the development projects in the RISE Zone:

- In March 2023, Towson University (TU) purchased the Armory building, and TU now owns both 401 and 307 Washington Avenue properties. TU continues its substantial capital improvement to the buildings' interiors: The two-story, 26,000-square-foot StarTUp building now offers three distinct sections: a business resource center, along with co-working space and meeting rooms where Greater Baltimore's entrepreneurs and executives can connect with each other and to TU's programs and people.

Co-Working: Upon entrance of the front door of the StarTUp is a massive 6,000 square feet open space that serves as free co-working space where entrepreneurs and their ventures are fostered and encouraged to build a collaborative community. This co-working space, adjoined by a coffee retailer, is accessible for free to members of the public, businesses, and government, and offers a place to develop a network of relationships and a culture of innovative creators.

Business Engagement: The second half of the first floor contains 10,000 square feet of business engagement space. This includes six state-of-the-art conference rooms that can accommodate 25 to 100 participants with a simple reservation. Over the past year, the Business Engagement Center has been used by large corporations (e.g., Starbucks, Capital One, Merrill Lynch, Nike,), non-profits (Y of Central Maryland, Eastern Shore Land Conservancy, The Nature Conservancy) and small businesses.

The Accelerator: The second floor of the building provides 10,000 square feet of office space and conference rooms for ventures upon completion of the StarTUp accelerator program.

The Towson StarTUp Accelerator is an eight-week program that targets both TU-affiliated and non-affiliated ventures aiming to grow their businesses. This is a cohort-based fellowship where founders work collaboratively to accelerate ventures. The Accelerator targets entrepreneurs throughout the state who have begun to introduce services or products into the market. Ten to twelve early-stage and high-growth-potential companies are selected to take up residency at the StarTUp. Each Accelerator venture is provided with a \$10,000 equity-free stipend and hands-on, individualized, and responsive mentorship to support their business's growth. The culmination of the entrepreneurship fellowship program is the StarTUp Accelerator Showcase, an event where members of TU's staff, faculty, student body, and community members come to hear a five-minute pitch from each company. The Accelerator is open for both affiliated Towson University ventures as well as non-affiliated ventures.

Fifteen ventures participated in the FY25 Accelerator cohort, divided into community and student cohorts. The student cohort did not receive funding, however, it did benefit from the accelerator programming. Since inception, 61 startups have been supported through the StarTUp Accelerator program. 80% remain in business, outperforming national benchmarks (65-70% survival after 4-5 years per GALI).

Core program elements now include expert-led masterclasses, weekly strategy sessions, investor and corporate partner exposure, founder wellness and resilience training, and ongoing alumni network engagement. This expanded model strengthens the Accelerator's value proposition and helps founders achieve meaningful milestones faster. In 2026, the accelerator program will welcome its eighth cohort and will consist of a total of 11 early-stage high growth potential companies.

The results of the StarTUp's building and programming have had an incredible and effective impact on the Towson community. By making adaptive reuse of a beloved but defunct landmark in the heart of the city, Towson University created a flourishing hub that has now hosted more than 9,000 meetings and events since September of 2021. These opportunities support economic growth, community engagement, entrepreneurship, and leadership programming, while connecting higher education, non-profits, government entities, and all types of businesses.

As an anchor institution for Greater Baltimore and Maryland, TU has a strong commitment to making a difference and transforming lives throughout the region. Fostering leadership and entrepreneurship at TU are key elements in promoting the university's economic engagement and development efforts. The StarTUp plays a central role in the university's relentless commitment to advancing the public good and delivering transformative economic outcomes in Greater Baltimore and Maryland.

Effectiveness in attracting and retaining businesses in the RISE Zone:

- As the property and income tax credits are limited to businesses locating in the Zone before January 1, 2023, this designation's business attraction strategy relied heavily on the associated rental assistance program and investor credits. Many of the accelerator

participants wisely recognize their limited ability to step immediately into a lease, while others have been accommodated in new incubator space, and future space is limited.

Number of new businesses:

- 108 businesses have located within the RISE Zone in the previous fiscal year. 14 companies headquartered at StarTUP, including 12 Accelerator alumni and 2 non-Accelerator companies. One company is departing in October 2025, taking commercial space in Baltimore County. In addition, the Accelerator program hosted 11 additional companies through the cohort in FY25.

Number of new jobs:

- 916 new jobs are connected to the associated business ventures. Over 70% of StarTUP/Accelerator ventures have 10 or fewer employees and over 50% of ventures average 2-5 employees per company and in Maryland.

Amount of private investment (\$):

- In total, Accelerator ventures have raised \$12.5M+ in funding, with 25% non-dilutive. This founder-friendly approach through the StarTUP Accelerator ensures that ventures retain control and are more likely to stay rooted in Baltimore County and in Maryland. Three successful exits have been achieved without dilutive capital, generating \$10M+ combined cash return.

Investment made by Qualified Institution (\$):

- \$303,440 was invested by TU, exclusively on the venture office space.

Number of businesses eligible for property tax credit/income tax credits:

- No businesses were approved for Rise Zone incentives in FY 2025, as the Towson University Zone was designated after the eligibility date of June 13, 2023.

Number of businesses interested in the rental assistance program:

- Feedback regarding a future rental assistance program has remained positive, however, a quantifiable measure of true interest cannot be determined until a fully developed strategy is in place.