

OFFICE OF FINANCE

Regional Institution Strategic Enterprise (RISE) Zone
PROGRAM

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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 that 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 three 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:

- UMB RISE Zone in Baltimore City was designated December 8, 2015. That designation expired December 7, 2020. The Zone was redesignated on February 25, 2021 and it will expire February 15, 2025.
- 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 September 29, 2027.
- 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.

State Department of Assessments and Taxation (SDAT)

SDAT previously reported that one property, MCB NORTHWOOD LLC, in the expired Morgan State RISE Zone was currently receiving a RISE Zone Credit. This property is also located in an Enterprise Zone so the property would have received 80% credit for all 5 years of its RISE Zone credit. Tax year 2023 was the first year of credit for this property and the first reimbursement was to be paid after the start of tax year 2024 on July 1. However, when SDAT received the reimbursement requests for credits issued in tax year 2023, MCB NORTHWOOD LLC property was not listed. Therefore, no reimbursement has been paid by the State for this credit at this time.

Per SDAT, it appears that the credit was recently changed from a RISE Zone credit to an Enterprise Zone credit.

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.

Fiscal year 2023 was the first program year in which this program received general funds totaling \$750,000. In the following fiscal years the program had a \$750,000 appropriation, but for FY 2025, the RISE Zone funding was reduced by \$187,500 for a total remaining FY 2025 appropriation of \$562,500.

As of the end of FY 2024, none of the existing RISE Zones had established a rental assistance program or applied for matching funds from Commerce. However, Commerce received an application in July 2025 from the University of Maryland's (UMD) Greater College Park RISE Zone and this application is pending.

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

There have not been any businesses who applied for the RISE Zone Incentive for the fiscal year 2024.

Landmark Properties: According to the Prince George's Newsletter (Volume 37,#18) "According to City of College Park documents, a meeting on September 19 will outline a rezoning application for 4330 Hartwick Road and 4313 Knox Road, home today to the 'College Park Towers,' and just on the south side of the University of Maryland. The address of the applicant matches that of Landmark Properties, based in Athens, Ga. The approximately 35,000 square foot Towers occupies the site today, but the resubmission notice says what's coming is the 'Mark at College Park.' The details of the planned building will be released at the meeting, including Landmark's plan that it will start the process by seeking a zoning change for the 4.6 acre site to a planned development zone.

Landmark already has developed the 'Standard at College Park' student apartments, at 4321 Hartwick. There, it bought a former office building from developer Douglas Jemal for \$30 million, knocked down the building and built 951 beds above 5,500 square feet of retail".

54th Place Pocket Park & Tot Lot (CIP Project #22PW04): This project is part of the Town initiative to make public investments and expand recreational facilities in neighborhoods east of the Anacostia River. The project will be constructed on the linear stretch of Town-owned property known as 54th Place, south of Riverdale Road. A concept plan is attached. The anticipated completion date for the project is June 30, 2024.

Aviation Landing: The Terrapin Development Company (TDC), the university's economic development arm, is working with 4 Castles and Mosaic Development Partners to build the project, Aviation Landing, on a Prince George's County-owned parking lot bordering Campus Drive and next to the Junior Tennis Champions Center. It marks another step in strengthening the university's Discovery District, part of the \$2 billion Greater College Park initiative to turn the city into one of the nation's best college towns.

Construction on the parking lot is the anticipated first phase of a 1.3 million-square-foot project that will ultimately include more than 900 residential units (including some designated as affordable housing), open space, retail and commercial research and innovation space. When completed, the county expects Aviation Landing to create an estimated 2,700 full-time, permanent jobs and generate \$370 million in annual economic output.

Immuta: Unified data platform for the world's most secure organizations. The Immuta platform streamlines data management workflows to solve for the organizational challenges facing modern data science operations. Customers depend on creative secure virtual data collaboration environments on-demand. Immuta was founded in 2014 and is headquartered in College Park, Maryland. Platform customers include global financial institutions, telecommunications

¹ Reports are submitted directly by Zone administrators and have only been edited for formatting, not content.

companies and national security organizations. Series E Funding has commenced within the last fiscal year(s).

Campus Village: LV Collective is redeveloping the former strip mall, building 299 student-oriented multifamily units, 13,000 square feet of retail space and a community center. Preliminary construction work has already begun, and the project is scheduled to be completed in Fall 2027.

Flats at College Park: An affordable apartment community of 317 units at 9113 Baltimore Ave. will replace three demolished hotels when it opens in 2027. Danny Copeland, vice president with developer RST Development, said, “Given the shortage of affordable housing options in the market—and a large supply of student housing—the Flats at College Park will help to fill a void in the marketplace by providing affordability and community to the broader population at an exceptional standard of living.”

Union on Knox: Complementing all these local flavors, several prominent national chains are bringing their wares to College Park this fall. Shake Shack and Chop’t are both building out spaces in Union on Knox, which just opened to student residents. The property offers a range of one- to four-bedroom apartments and will also be the new home of Insomnia Cookies, which will relocate from its existing location in winter 2024.

Raising Cane’s: In addition to the national retailers coming to Union on Knox, this chicken finger emporium will be taking over the space recently vacated by Nando’s Peri-Peri at 7400 Baltimore Ave.

Ice Cream Jubilee: With five locations in the DMV and two more on the way, Ice Cream Jubilee is rapidly becoming a local success story. It has been named best ice cream for the past nine years by Washingtonian magazine and Washington City Paper, and its location in the Aster development on Baltimore Avenue, which opened in August 2024, represents the brand’s initial foray into Maryland. “For years our customers have been asking us to consider College Park for a new location,” Chief Marketing Officer Laura O’Shaughnessy said. “It’s a dream come true to be part of the local scene, and we can’t wait to celebrate the joy of ice cream with all our new neighbors!”

Li Chun Café: From the team behind another local and highly lauded institution (It’s locked a spot on Washingtonian’s annual “Very Best Restaurants” list) comes a new concept to College Park’s City Hall property. Northwest Chinese owner Hua Wang plans to introduce the traditional flavors of her hometown, Shenyang City in Northeast China, to College Park. The restaurant will focus on rice and handmade bing (Chinese flatbread wraps) as well as traditional tea and tea snacks. The restaurant is slated to open in February 2025. It will occupy the former Taïm Mediterranean Kitchen space in the College Park City Hall property.

Honey Pig Korean BBQ: With seven locations across Maryland and Virginia, as well as three in Texas, Honey Pig is bringing its smoky and slightly sweet delicacies grilled right at the table to Prince George’s County this fall as another addition to the College Park Shopping Center, backfilling a portion of the former Rugged Warehouse space.

The Greene Turtle: This sports bar and grill boasts 33 locations, the vast majority of which are in Maryland. It is set to open in the fall in the College Park Shopping Center, in the site previously occupied by Jason's Deli.

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 is one of the fastest growing retailers in the U.S.

Vigilante Coffee: No updates available

The Hotel at UMD: As of November 2023, Iron Rooster restaurant opened a location inside The Hotel at University of Maryland, across the street from UMD-College Park's main entrance.

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.

5801 University Research Court: The Discovery District is still up-and-coming, as COPT has another 1.2 million square feet of potential build-out to go along with the 400,000 square feet it currently has built. With the district, the university wants to cluster academic, startup and commercial companies to create tech-driven economic growth. The experiences of the COPT companies putting down roots there so far offers a reminder that building that environment requires setting aside room for companies to grow, and building partnerships as well as buildings.

Atworth: Gilbane Development Company, Amazon, Metro, City and County officials, partners, residents, and members of the community gathered to celebrate the Grand Opening of Atworth, a transit-oriented, mixed-use affordable apartment community in College Park, MD. The project is reserved for tenants with incomes at or below 80 percent of area median income ("AMI"), and the units will maintain affordability for the duration of the 98-year ground lease.

This 451-unit community offers a 324-space structured parking garage, 5,000 SF of ground floor retail space, a collection of affordable Studio, 1, 2, and 3-Bedroom apartments designed with artistic elements and modern flair to meet the needs of all Prince George's County residents. Each apartment features high-end finishes, state-of-the-art appliances, and expansive windows that offer breathtaking views of the surrounding landscape.

As reported new businesses and projects have been started and near completion and will have significant economic impact to the RISE Zone and Greater College Park area. Although we can't yet say that the RISE Zone's incentives have attracted businesses and construction of new projects, we can confidently say that the incentives and recently added Rental Assistance funds will create more options for businesses.

UMBC RISE Zone

We are delighted that 4 MLK will open in November 2024. Here is drone footage of the building: <https://youtu.be/L6jFM0w9GK0>. The building has eight stories, 250,000 square feet, and is a \$180 million capital investment in West Baltimore. Over 1,000 construction workers have been involved in building 4 MLK.

UMB's primary investment in 4 MLK is serving as an anchor tenant. We signed a ten-year lease for 60,000 square feet. We are investing over \$25 million in tenant improvements and equipment in the 60,000 square feet. During the next ten years, we expect to provide over \$3 million in grants and investments to companies located in the building. Commerce and BDC are providing tremendous support to Connect Labs through a \$2.2 million MEDAAF conditional loan.

The first commercial tenants will begin moving into the building in the last quarter of 2024 and the first quarter of 2025.

Montgomery College RISE Zone

The Germantown Campus is home to the Pinkney Innovation Complex for Science and Technology at Montgomery College (PIC MC), a hub for education, business, and innovation. Hughes Network Systems remains the primary business utilizing the RISE Zone tax credit, having fully occupied its newly built 140,000-square-foot high-tech manufacturing facility at 19710 Observation Drive. This building was completed in December 2023, and we held the ribbon-cutting ceremony on April 16, 2024.

Additionally, we are in serious discussions with three large companies, who are considering relocating their operations to PIC MC. The RISE Zone tax credit has been instrumental in attracting these potential tenants, demonstrating the program's value as a business attraction tool.

The development of the 5.67-acre parcel, led by Minkoff Development and South Duvall, has culminated in the completion of the 140,000-square-foot manufacturing facility for Hughes Network Systems. Construction was completed in December 2023, and the facility has been fully operational since January 2024.

The building supports Hughes' production of satellite broadband and networking equipment and has received two prestigious awards in 2024: one for its innovative architectural design and another for its contributions to the local community, particularly through workforce retention and development. This facility also serves as a key partnership between Hughes and Montgomery College, offering students opportunities for internships, hands-on learning, and future career development in the tech industry.

The RISE Zone designation has been a key factor in attracting and retaining businesses at PIC MC. The Hughes facility is a prime example of how the RISE Zone incentive can create meaningful collaborations between industry and education. The project retained 300 Hughes employees within Montgomery County and strengthened Hughes' ongoing partnership with Montgomery College through educational and workforce development initiatives. Furthermore, the RISE Zone incentive has attracted serious interest from three major companies currently in discussions to relocate to PIC MC. This incentive has proven crucial in positioning the Germantown Campus as a preferred site for tech companies.

- Number of New Businesses: 1 (Hughes Network Systems' new manufacturing facility)
- Number of New Jobs: Retention of 300 existing Hughes employees
- Amount of Private Investment (\$): \$40 million (approximate value for Hughes building construction, as provided by the developer)
- Investment made by Qualified Institution (\$): Not applicable for this specific development project
- Number of Businesses Eligible for Property Tax Credit: 1 (Hughes Network Systems)
- Number of Businesses Eligible for Income Tax Credits: 1 (Hughes Network Systems)
- Number of Businesses Interested in the Rental Assistance Program: 0 (none at this time)

The Hughes building, along with the RISE Zone incentive, has set the stage for continued success at PIC MC, attracting additional interest from major companies and providing a unique model of collaboration between business and education.

Towson University RISE Zone

No businesses were approved for RISE Zone incentives in FY 2024, as the Towson University Zone was designated on June 13, 2023.

In March 2023, Towson University 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 of 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 Accelerator 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.

The Accelerator at the Startup has also created profound economic impact in just a short time. 53 active startup ventures have been supported through the accelerator program and space. The ventures have an average annual revenue of more than \$765,780. Since the program's inception, Accelerator ventures have contributed a combined 307 new employees in the state of Maryland. They have received over \$11 million in funding and in fall 2022, one of the ventures sold to a Fortune 500 company in an all-cash deal for \$9.3 million.

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 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. The program's ultimate objective is to spark innovation and entrepreneurial connections, while establishing the Startup at the Armory as a regionally recognized economic driver that serves business leaders, entrepreneurs, and workforce development needs.

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.

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.

- 87 businesses have located within the RISE zone in the previous fiscal year. 72 located in spaces outside of TU, and 15 companies are currently headquartered at Startup. In addition, the Accelerator program hosted 13 additional companies through the cohort in FY24.
- 553 (521 independent of Startup/Accelerator companies, 32 new jobs connected to the associated business ventures.
- Approximately \$2.3 million has been invested in non-residential construction during the fiscal year. In addition, Startup ventures secured an additional \$582,500 in funding during the same period. In total, 45% of their funding has been non-dilutive, providing founders with greater freedom and control. 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.
- \$303,440 was invested by TU, exclusively on the venture office space.
- No businesses were approved for RISE Zone incentives in FY 2024, as the Towson University zone was designated after the eligibility date of June 13, 2023.
- 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.