

OFFICE OF FINANCE PROGRAMS
ENTERPRISE ZONES

ANNUAL STATUS REPORT
CALENDAR YEAR 2024
Economic Development Article

SECTION 5-709

Submitted by:

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MARYLAND ENTERPRISE ZONE PROGRAM

The Maryland Enterprise Zone tax credit program has been one of the most widely used economic development tax credit programs in the State. The program was created in 1982 with two enterprise zones (EZ) in two jurisdictions and has grown to include 36 EZs listed in Table 1. The purpose of the program is to encourage revitalization through commercial development in economically distressed areas of the State, in partnership with political subdivisions, by incentivizing capital investment and job creation through real property and income tax credits. Legislation passed in 2022 made several changes to the EZ program which are detailed in the Metrics and Evaluation section on page 11.

The EZ tax credit program is unique as it requires not only coordination between businesses and a local jurisdiction Administrator, but also coordination between the local Administrators and multiple State agencies. Each agency plays a defined role in the program pursuant to its various rules and requirements. The Maryland Department of Commerce (Commerce) approves the State's EZs, while local governments are responsible for their administration.

The primary benefits to businesses that are located within a Maryland EZ are eligibility for local property tax credits and State income tax credits. Businesses are eligible for these credits based on capital improvements and job creation, respectively. The property tax credit is a ten-year credit against local real property taxes on the portion of real property improvements. By statute, the State reimburses one-half of the foregone local property tax revenue to the local jurisdictions. The income tax credit is a nonrefundable credit against State income tax for each new job created within the EZ, and the amount of the credit increases if an economically disadvantaged individual fills the position. The income tax credit represents foregone State income tax revenue. To obtain the property tax credit and or the income tax credit, a business located within a designated EZ must contact the local EZ administrator to determine whether a particular property meets specific requirements within a given EZ. While State law indicates that businesses may qualify for the credit by making capital improvements or hiring new employees, local jurisdictions may establish additional requirements (e.g., qualifying businesses must hire a certain number of new employees or that the jobs created must be in certain industries).

Commerce wishes to acknowledge the efforts of the Comptroller of Maryland, the State Department of Assessments and Taxation (SDAT), the Maryland Department of Labor (DOL) and county and municipal EZ administrators for providing valuable information for this report.

Table 1: Enterprise Zones			
County	Enterprise Zone	Acres	Expires
Allegany	Rt. 220 South	380	06/14/2029
	Frostburg	346	12/14/2024
Anne Arundel	Brooklyn Park	472	6/14/2032
Baltimore City	Baltimore City	16,674	6/14/2032
Baltimore County	Chesapeake (former North Point)	6,988	6/14/2025
	Southwest	1,720	6/14/2033
	Woodlawn	756	6/14/2033
Caroline	Federalsburg	534	6/14/2025
	North County	710	12/14/2028
Cecil	Cecil County	8,126	6/14/2033
Dorchester	Cambridge	1,810	6/14/2033
Frederick	City of Brunswick	1,371	6/14/2026
	City of Frederick	525	6/14/2028
Garrett	Southern Garrett Industrial Park	247	6/14/2027
	Northern Garret Industrial Park	109	12/14/2028
	Keyser's Ridge	262	6/14/2028
Harford	Aberdeen/Havre de Grace	9,797	6/14/2026
	Edgewood-Joppa	4,297	6/14/2024
Montgomery	Olde Towne-Gaithersburg	350	6/14/2028
	Long Branch –Takoma Park	125	6/14/2023
	Burtonsville/Briggs Chaney	231	6/14/2027
Queen Anne's	Queen Anne's County	1,349	12/14/2026
Prince George's	Prince George's County	9,385	1/3/2030
Kent	Town of Chesterfield	1,089	6/14/2026
	Rock Hall	1,532	12/14/2031
	Town of Betterton/Worton Industrial	2,047	12/14/2033
Somerset	Crisfield	776	6/14/2026
	Princess Anne	1,500	6/14/2033
Talbot	Easton Talbot	316	6/14/2027
	Tilghman	85	12/14/2027
Washington	Hancock	1,871	12/14/2025
	Hagerstown	4,410	12/14/2022
Wicomico	Salisbury	5,196	12/14/2032
	Fruitland	129	6/14/2025
Worcester	Berlin	1,195	12/14/2026
	City of Pocomoke	926	12/14/2032
	Town of Snow Hill	230	6/14/2033
Baltimore City	Jones Falls Area		6/14/2032
	Oldtown		6/14/2032
	Carrol Camden Industrial		6/14/2032
	Central West		6/14/2032
	Holabird-Orangeville		6/14/2032
	South Industrial		6/14/2032
Prince George's County	Four Locations		1/31/2030

Source: Maryland Department of Commerce

2024 Enterprise Zone Designations

During Spring 2024, Commerce received zero EZ applications. Since Fall 2024, Commerce has been reviewing two new designation applications. Commerce may only designate six (6) EZs in a calendar year. However, an area that is designated an EZ, empowerment zone, or enterprise community under federal law shall automatically be designated as an EZ notwithstanding the limit on the number of EZs that Commerce may designate.

Real Property and Income Tax Credit Usage

The primary benefits to businesses that are located within a Maryland EZ are eligibility for local property tax credits and State income tax credits. The Maryland General Assembly requires Commerce, the Comptroller of Maryland and the State Department of Assessments and Taxation to assess the effectiveness of tax credits provided to businesses in EZs, including the number and amount of credits granted annually and the success of the tax credits in attracting and retaining businesses within EZs.

The following sections address the number and amount of credits granted annually for each program credit followed by a discussion of the information provided by the county and/or municipal administrators on how the credits are used to attract and retain businesses.

Real Property Tax Credits – Enterprise Zone

Real Property Tax Credit – A ten-year tax credit against local real property taxes on a portion of real property expansion, renovation, or capital improvement. The amount of credit is 80% of the "eligible assessment" in each of the first 5 taxable years, and the credit decreases by 10% annually (70%, 60%, 50%, 40%, 30%) for the subsequent 5 years.

For newly constructed qualified property that provides both office and retail space and became eligible for the real property tax credit on or after January 1, 2019, but before January 1, 2022, the benefit is a 13-year tax credit. The amount of the credit is 80% of the eligible assessment in each of the first 8 taxable years, and the credit decreases by 10% annually for the subsequent 5 taxable years.

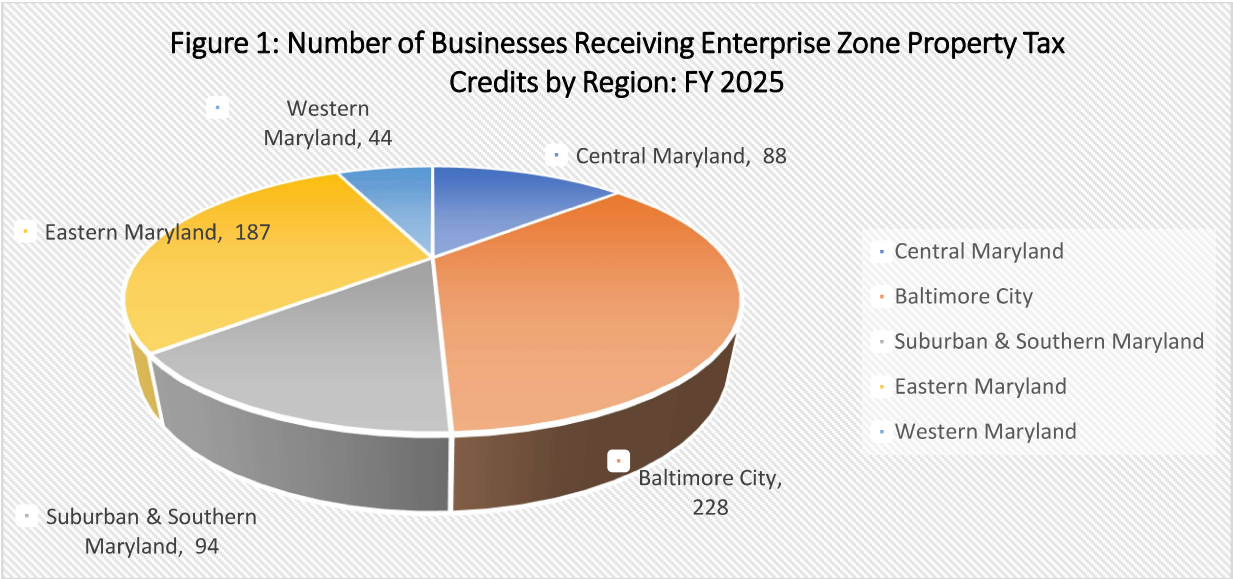
SDAT reports on the real property investment made in the EZ, the number of businesses receiving property tax credits and the State's one-half reimbursement back to the local jurisdictions for the property taxes abated as a result of the credits. Businesses will receive property tax credits totaling \$55.1 million in FY 2025, based on real property investments made by those businesses in FY 2025 totaling \$5.0 billion. This translates to an average capital investment of \$7.8 million. Reimbursement to the participating local jurisdictions will cost the State \$27.5M.

Table 2 shows the overall amount of capital investment from FY 2021 to FY 2025. The top five largest amounts of capital investments in a jurisdiction were made in Baltimore City, Baltimore, Cecil, Harford, and Prince George's Counties.

Table 2: Capital Investment Made in Enterprise Zone					
County	FY2021	FY2022	FY2023	FY2024	FY2025*
Allegany	18,328,567	10,349,162	9,242,001	14,642,295	14,642,295
Baltimore City	1,879,860,016	1,758,113,350	1,742,903,570	1,807,827,735	1,848,638,274
Baltimore County	599,876,034	629,878,667	699,937,110	904,152,500	904,152,500
Caroline			92,000		302,000
Calvert					
Cecil	390 391,166	464,843,298	561,730,068	879,434,098	879,588,932
Dorchester	259,834		4,333,200	4,486,300	4,486,300
Frederick			3,875,634	4,119,333	4,119,333
Garrett	10,993,832	10,141,767	10,295,634	9,504,266	9,504,266
Harford	350,423,732	487,151,536	479,032,170	456,614,708	449,671,708
Kent	17,285,200	25,033,600	24,846,067	26,872,194	26,872,194
Montgomery	208,132,600	187,949,899	134,498,833	116,842,266	116,842,266
Prince George's	321,267,324	454,839,977	469,950,138	510,853,339	502,019,139
Queen Anne's	13,900,500	15,533,077	17,826,717	18,338,784	18,338,784
St. Mary's	10,900,500	4,185,133	4,242,867		
Somerset	822,766	1,070,000	1,263,000	3,392,200	3,392,200
Talbot	580,600	727,300	874,000	1,349,040	1,349,040
Washington	98,312,267	176,293,766	214,384,032	212,197,299	253,480,664
Wicomico	27,742,452	32,254,111	36,009,955	35,566,489	35,566,489
Worcester	1,583,333	1,608,767	1,744,000	1,873,433	1,873,433
Maryland	\$3,9,50,878,823	\$4,264,726,710	\$4,417,077,996	\$5,008,066,279	\$5,074,839,817

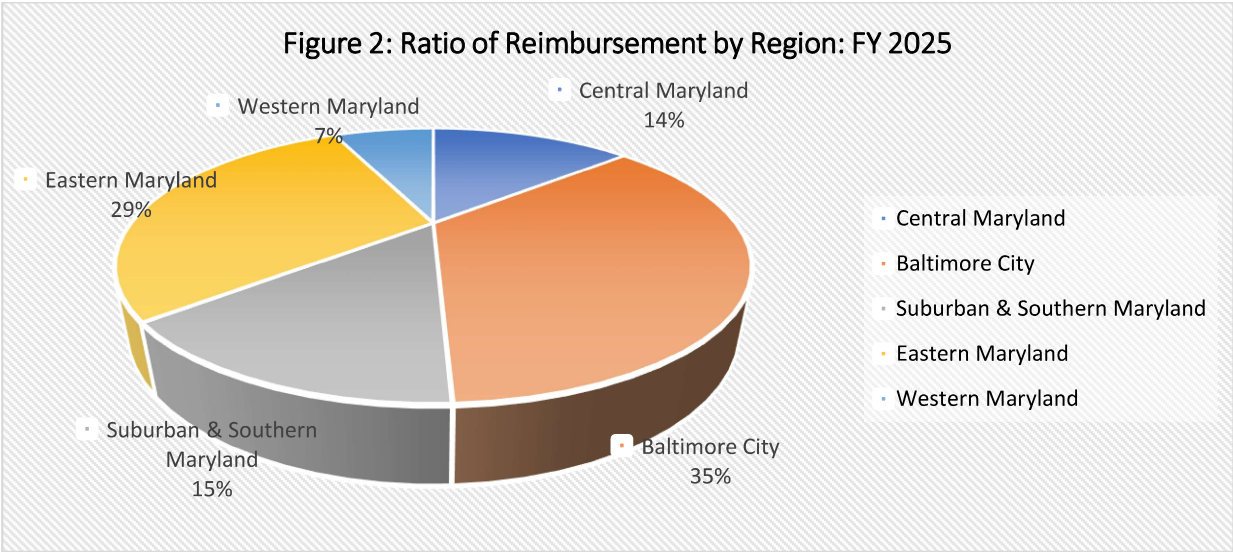
Sources: SDAT * FY 2026 are estimated capital investments based on FY 2024 to FY 2025.

There is considerable variation by region in the usage of the program. This variance is attributable to three factors: 1) eligibility for the program—poorer areas can more readily meet the eligibility criteria for participation; 2) political choice to participate in the program—the governing bodies of counties and their municipalities have sole authority to request creation of an EZ, and sole discretion to establish local standards that govern access by businesses to the program's credits; and 3) private sector business expansion—the EZ has no costs unless businesses make new investments in real property. In FY 2025, businesses across the State will receive property tax credits for investments in EZs. Figure 1 shows the location of these businesses by region.



Source: SDAT

Figure 2 presents the projected distribution of property tax credit reimbursements by region for the upcoming fiscal year (FY 2025). The total reimbursement for FY 2025 is \$55.17 million; 35% of the reimbursement will go to Baltimore City, or \$28.51 million. This is followed by Central Maryland (\$11.09 million), Suburban and Southern Maryland (\$3.72 million), Eastern Maryland (\$9.40 million) and Western Maryland (\$2.44 million).



Source: SDAT

Personal Property Tax Credits – Enterprise Zone Focus Area

Eligible businesses in an EZ Focus Area (Baltimore City and Prince George’s County) may claim a ten-year credit against local personal property taxes on new investment in personal property within a focus area. The amount is 80% of the “eligible assessment” in each year of the entire ten-year period.

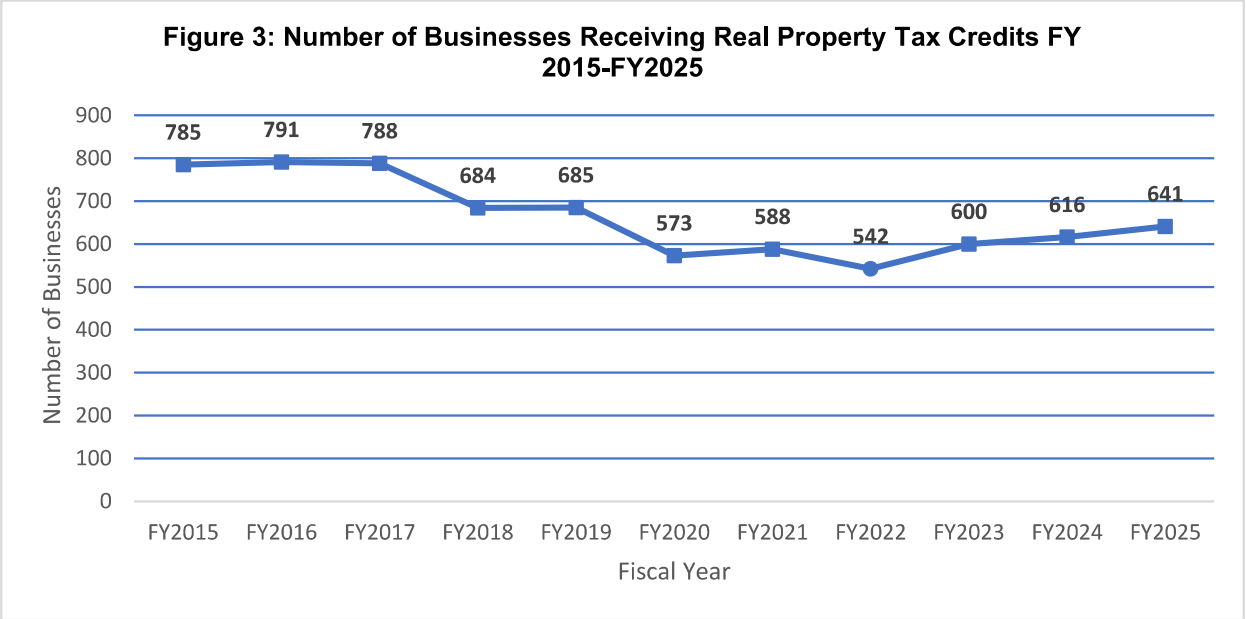
SDAT reports on the personal property investment made in the EZ Focus Area, the number of businesses receiving personal property tax credits and the State’s one-half reimbursement back to local jurisdictions for the property taxes abated as a result of the credits. In FY 2024, 16 businesses located in an EZ Focus Area will receive personal property tax credits totaling \$2.6 million.

Business Activity in the Enterprise Zones

Growth in Enterprise Zone Activity

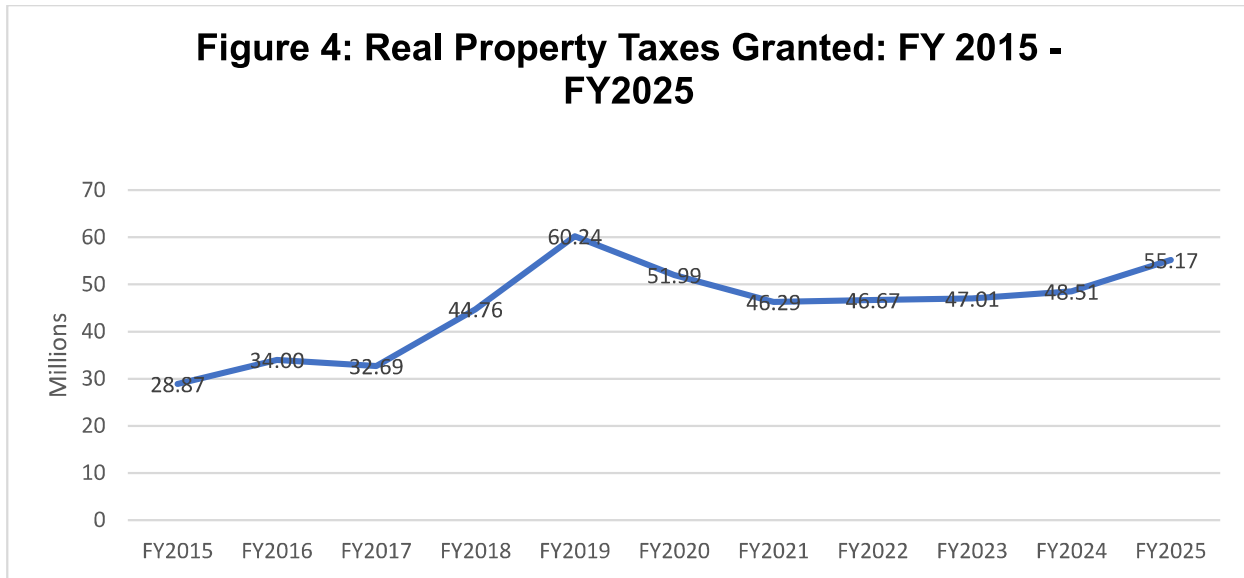
The program has existed for over thirty years. Since FY 1985 it has grown from two businesses in two zones to 641 businesses statewide. Qualified businesses in an EZ receive property tax credits for a 10-year period. In recent years, the trend has been for jurisdictions to apply to expand their existing zones rather than to establish new ones.

Figure 3 illustrates the number of businesses receiving real property credits on an annual basis over the last ten years.



Source: SDAT

As investment has grown, so has the amount of property tax credits granted to businesses in the zones. Real property taxes abated have grown from approximately \$58,000 in the first year to over \$55 million. Over the last ten years, the amount of property tax credits granted increased from almost \$28 million to \$55 million (Figure 4). The drop in FY 2020 in the amount of property tax credits is due to both the decrease in businesses receiving the credit and the reassessment downward of some properties. Property tax credits peaked in FY 2019 but have remained constant during the period FY 2021 to FY 2025.

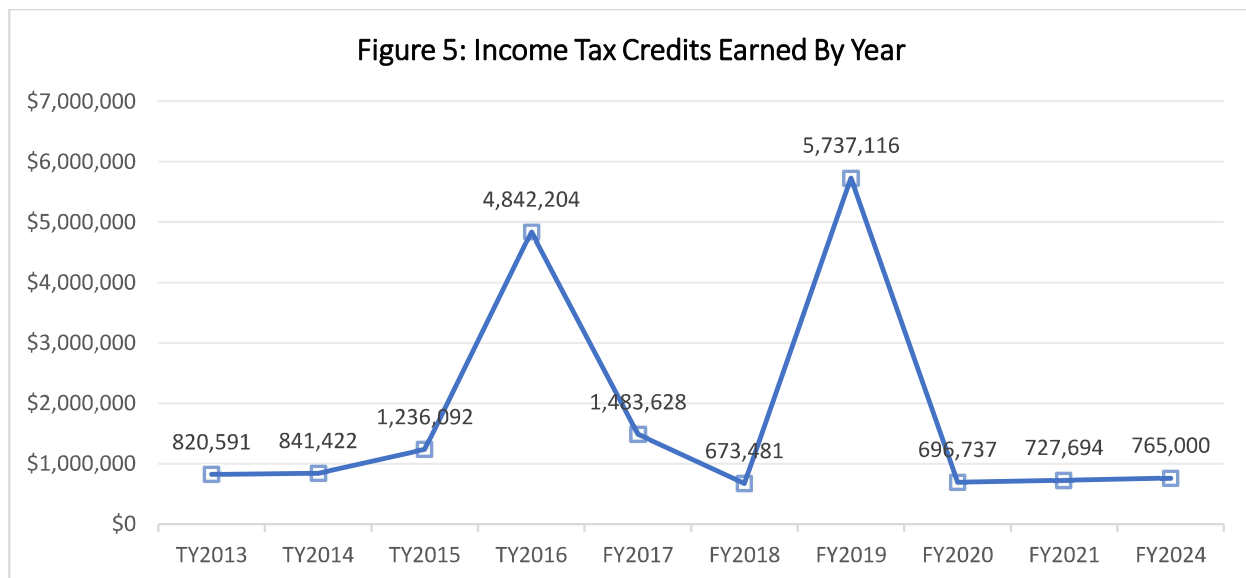


Source: SDAT

Income Tax Credits

Eligible businesses in an EZ may claim one-year or three-year income tax credits for wages paid to new employees in new positions. The general credit is a one-time \$1,000 credit for each new qualified employee filling a newly created position in an EZ, or \$1,500 for each new qualified employee in a focus area. For economically disadvantaged employees, the credit increases to a total of \$6,000 per worker in an EZ or a total of \$9,000 per worker in a focus area distributed over three years. Businesses claim the EZ income tax credits on the Maryland Form 500CR when they submit their business or individual income tax returns to the Comptroller. If the credit allowed in any tax year exceeds the State income tax liability for that tax year, a business entity may apply the excess as a credit against the State income tax for succeeding tax years until the earlier of the full amount of the excess is used or the expiration or the 5th tax year from the date on which the business entity hired the qualified employee to whom the credit first applies. The Comptroller collects and compiles this tax return data.

The Comptroller has provided consistent tax return data on the EZ income tax credits from calendar tax years 1995 to 2016. The Comptroller changed their reporting system and has provided data on a fiscal year basis beginning with fiscal year 2017 through 2021. As shown in Figure 5, the usage of the credits varies from year-to-year and hit the highest in FY 2019. Businesses in EZs have earned a total of over \$29 million in income tax credits from 1995 to FY 2024.



Source: Comptroller of Maryland

*The Comptroller updated their reporting system and provided income tax credit data on FY basis from FY 2017 through FY 2021.

** FY 2022 and FY 2023 Unavailable

General Comments from Program Administrators

EZ administrators generally agree that the EZ real property tax credit is the most useful and effective EZ credit available to businesses that locate or expand in an EZ. Counties that have few other incentives to offer find that the property tax credits are very important. Several counties also noted that the credits are useful in retaining companies in the zone. Companies considering expansion often decide to expand within the zone rather than move to another location outside of the zone.

The income tax credits are perceived as secondary in importance in attracting businesses. Most of the businesses are small employers who do not always take advantage of the incentive due to wages paid and the application process involved with obtaining the credits. Administrators report a large degree of interest in the credits and find them useful in marketing their areas to prospective businesses.

In summary, the program continues to favorably impact the EZ community and both real property and income tax credits give businesses an incentive to select and stay in the EZ. The program has multiple components and credits within it designed to assist in the attraction, retention, and expansion of commercial enterprise. The program also provides for individual zones to be established allowing for multiple zones to be created across the State. The purpose of the EZs is to attract, retain, and encourage commercial development in economically distressed areas of the State, in partnership with political subdivisions, by incentivizing capital investment and job creation through real property and income tax credits.

Metrics and Evaluation

Since its creation in the early 1980s, the Maryland Enterprise Zone tax credit program has been one of the most widely used and recognized economic development tax credit programs in the

State. 19 of the 24 jurisdictions in Maryland currently have at least one EZ in operation. Additionally, two jurisdictions, Baltimore City and Prince George’s County operate Focus Areas (FA). In 2023, there were nearly 600 businesses certified for the program in 20 counties. The program has multiple components and credits within it designed to assist in the attraction, retention, and expansion of commercial enterprise. The program also provides for individual zones to be established allowing for multiple zones to be created across the State.

The Enterprise Zone tax credit program is unique. The program requires not only coordination between businesses and a local Administrator, but also between the local Administrators and multiple State agencies. Each agency plays a separate role in the program and is impacted by various rules and requirements. While Commerce has significant responsibility for the program, the State Department of Assessments and Taxation (SDAT), the Department of Labor (DOL), and the Comptroller of Maryland (Comptroller) each play a key role.

The EZ program has seen many changes throughout its history. The most recent changes occurred in 2022. These changes to the program were made to better understand the businesses claiming the credits and the effectiveness of these credits to meet the program’s purpose. By understanding the businesses that participate in the program, which credits they utilize, and more about the program overall, it is possible to ensure that the program is meeting its purpose.

This report seeks to accomplish the following goals:

1. Comply with the statutory requirement to evaluate the EZ program.
2. Examine the certifications of the EZ program over the past several years.
3. Provide an evaluation of the EZ program.
4. Identify ways to improve evaluating the EZ program in subsequent years.

STATUTE CHANGES

Over the course of the Enterprise Zone program, there have been multiple changes with the most recent changes occurring in 2022. In 2022, House Bill 478 made several alterations to the existing Enterprise Zone tax credit program. These changes took effect in June 2022 and included (1) altering the authority of the Secretary of Commerce to designate areas as enterprise zones; (2) altering the definitions of “focus area employee” and “qualified employee” for the income tax credit; (3) establishing the purpose of the program; and (4) altering certain eligibility and reporting requirements. Additionally, this bill required new reporting requirements. These requirements included:

1. Removing the Comptroller from evaluating the effectiveness of tax credits in the annual mandated report of the enterprise zone.
2. Requiring SDAT to submit a report to Commerce by September 15th of each year on the number of properties claiming a property tax credit, number of newly certified qualified properties for the property tax credit, and the name, location and amount of tax savings received by each taxpayer receiving a property tax credit.
3. Requiring the Comptroller to report to Commerce by September 15th of each year on the name and address of each business entity that claimed an income tax credit, the business activity of the business entity, the number of qualified employees by the business entity,

the number of economically disadvantaged individuals employed by the business entity, and the total amount of income tax credit claimed by the business entity.

4. Requiring “the County” to report notable examples of redevelopment or new businesses in the EZ due to tax credits, and a description of future economic development projects that might claim the tax credits including whether the project may qualify for tax credits and the anticipated capital or personal property expenditures for the project. Requiring the Secretary of Commerce to withhold designation if the EZ fails to submit the report.
5. Requiring Commerce to develop “formal metrics and a framework for analyzing the cost effectiveness of each enterprise zone; and the effectiveness of each enterprise zone in attracting businesses and increasing employment.”

DATA LIMITATIONS

This report marks the third evaluation of the EZ program and not only adds an additional year of data to include in the report, but it builds upon the State tax revenue generated which was included in the 2023 report. Despite this, data limitations persist. The ability to evaluate the program depends on the data and information from the program. This section of the report describes these limitations and issues.

The statutory requirement to evaluate the program was established before it was even known if the data needed for the evaluation was available. Because the program requires multiple agencies at both the State and local level to participate, each of these agencies continue to collect only the data they feel is needed. There is no requirement for each of these agencies to change how they collect or share the data and information. This creates gaps in both what data is collected, how it is collected, and if it can be shared. Additionally, there is often little to no formal training provided to local Administrators by their own agencies. Each jurisdiction is responsible for having a local Zone Administrator and this person often not familiar with the details of the program, processes, data tracking, or reporting. Commerce and SDAT have provided training and provide support to local Administrators. Finally, many of the jurisdictions face issues with staff turnover or simply a lower number of properties that participate in the program, making their ability to understand the program and to implement it difficult.

Due to timing issues, not every agency looks at the same timeframe. For instance, the Comptroller uses tax years while SDAT uses fiscal years. There is no requirement for a specific time period to be used when collecting or providing EZ data. This can create issues when trying to examine the data and provide a consistent picture for a particular time period. Additionally, businesses can amend tax returns, meaning they could claim a credit for a prior year, or they can dispute a property assessment, affecting the timing of a possible real property credit.

Another issue is data quality. Due to multiple reasons including using various data systems, data entry, and data validation methods, there can be issues surrounding the quality and accuracy of the data. Potential examples of data issues could be the address of a company that is claiming the credit, the location of the EZ where they are claiming the credit, the completeness of the certification applications, whether the data submitted was accurate, and the year in which the credit is applied and ends.

Another complicated factor is that the EZ program has multiple time periods and levels of tax credits. The real property tax credit is for 10 years with the amount of the credit decreasing in the later years of the program. For an FA, the real property tax credit is also 10 years, but the amount of credit remains constant. The amount of the credit is also complicated through taxes not only issued by the State, but also through possible municipal or city taxes. Additionally, the corporate income tax credit (jobs credit) is for a single year, but this becomes three years when the employee is certified as being economically disadvantaged and the credit per year changes for both employer and employee within an EZ or FA.

All this contributes to an additional complication in evaluating the EZ program. The impacts of the program vary based on the tax credit. For the real property tax credit, it is necessary to examine the program over a much longer period to understand the impact of the program on the real property taxes paid by the business and collected by the State and County.

As previously mentioned, it remains important to not only ensure that the data and information needed to track and evaluate this program is collected and shared, but to provide local Administrators with the understanding of and training in the program and to continue to build relationships between all state and local partners to improve the effectiveness of the EZ program.

PROGRAM STATISTICS

The EZ program is one of the most widely used tax credit programs in Maryland. In 2024, 614 companies were certified by the EZ program. It is among only a handful of economic development tax credit programs that have multiple goals and impacts multiple state and local government agencies. This examination and evaluation of the EZ program focuses on providing data on each of the tax credits available through the program from FY20 to FY24.

Real Property Tax Credits

A total of 20 jurisdictions in Maryland have an EZ with 19 jurisdictions having active property certifications. Only two jurisdictions, Baltimore City and Prince George's County, currently have Focus Areas (FA). In FY24, there were a total of 614 active certifications for the real property tax credit. Of these, 93% were in an EZ and 7% were within an FA. Of the total real property certifications in FY24, 32% were in Baltimore City, 13% were in Prince George's County, 7% were in Harford County, 7% were in Queen Anne's County, and 7% were in Wicomico County.

From FY20 to FY24, the total number of real property certifications increased by 9%. EZ certifications increased by 5% but certifications within FA doubled from 23 to 46. There has been no increase in the total number of certifications within FAs from FY22 to FY24. Total certifications decreased in eight jurisdictions with Baltimore City experiencing the greatest decrease in real property certifications from FY20 to FY24. The jurisdictions with the greatest increase in the number of certifications from FY22 to FY24 included Queen Anne's County, Prince George's County and Talbot County.

Total Number of Enterprise Zone Certifications by County

County	FY20	FY21	FY22	FY23	FY24	Change	% Change
Total	562	504	538	596	614	52	9%
Enterprise Zone Only	539	464	492	550	568	29	5%
Focus Area Only	23	40	46	46	46	23	100%
Allegany County	16	15	11	10	9	(7)	-44%
Baltimore City	251	189	172	193	195	(56)	-22%
Baltimore City (Focus Area)	20	22	28	28	29	9	45%
Baltimore County	29	19	23	24	29	-	0%
Calvert County	1	-	-	-	-	(1)	-100%
Caroline County	-	12	1	2	4	4	
Cecil County	9	-	14	15	18	9	100%
Dorchester County	9	4	3	1	4	(5)	-56%
Frederick County	1	1	3	4	4	3	300%
Garrett County	7	6	6	5	5	(2)	-29%
Harford County	59	52	49	49	46	(13)	-22%
Kent County	-	2	5	7	12	12	
Montgomery County	16	12	11	11	4	(12)	-75%
Prince George's County	51	57	77	76	73	22	43%
Prince George's County (Focus Area)	3	18	18	18	17	14	467%
Queen Anne's County	13	26	31	44	44	31	238%
St. Mary's County	6	4	3	1	1	(5)	-83%
Somerset County	4	5	8	9	13	9	225%
Talbot County	1	1	1	21	21	20	2000%
Washington County	28	25	29	29	35	7	25%
Wicomico County	34	30	39	43	44	10	29%
Worcester County	4	4	6	6	7	3	75%

It is also important to examine the number of new real property tax credit certifications. These new certifications are an indicator of both economic activity and real estate investment. Since the EZ program has a 10-year real property tax credit, these new certifications also provide insight into future impacts of the program. In FY24, there were 59 new real property tax credit certifications. This was 10% of the total real property certifications. From FY20 to FY24, the total number of certifications decreased by 13%. The greatest number of new certifications in FY24 was in Baltimore City followed by Washington County and Baltimore County. From FY20 to FY24, nine jurisdictions have experienced a decrease in the number of new property certifications. The jurisdictions with the greatest decreases included Baltimore City, Prince George's County, and Queen Anne's County.

Total Number of New Enterprise Zone Certifications by County							
County	FY20	FY21	FY22	FY23	FY24	Change	% Change
Total	68	70	85	75	59	(9)	-13%
Enterprise Zone Only	66	53	80	75	57	(9)	-14%
Focus Area Only	2	17	5	-	2	-	0%
Allegany County	1	2	1	1	-	(1)	-100%
Baltimore City	33	12	14	21	17	(16)	-48%
Baltimore City (Focus Area)	1	1	5	-	2	1	100%
Baltimore County	6	2	6	1	8	2	33%
Calvert County	-	-	-	-	-	-	
Caroline County	-	4	1	1	2	2	
Cecil County	1	-	2	2	3	2	200%
Dorchester County	-	-	-	-	3	3	
Frederick County	1	-	2	1	-	(1)	-100%
Garrett County	-	-	-	-	-	-	
Harford County	1	8	9	4	2	1	100%
Kent County	-	2	3	2	4	4	
Montgomery County	1	-	-	-	-	(1)	-100%
Prince George's County	9	6	22	-	-	(9)	-100%
Prince George's County (Focus Area)	1	16	-	-	-	(1)	-100%
Queen Anne's County	6	13	5	11	1	(5)	-83%
St. Mary's County	-	-	-	-	-	-	
Somerset County	2	1	-	1	4	2	100%
Talbot County	1	-	-	20	-	(1)	-100%
Washington County	-	2	2	4	10	10	
Wicomico County	-	1	11	6	2	2	
Worcester County	4	-	2	-	1	(3)	-75%

The EZ real property tax credit is based off the increase in assessed value to a property resulting from property improvements. Property improvements can be made when a company is either locating, expanding, or enhancing its functionality and are typically done as part of a firm's plan to reinvest within its location instead of seeking to locate elsewhere.

In FY24, there were nearly \$4.6 billion in property improvements made by EZ certified companies. From FY20 to FY24, the amount of property improvements increased by over \$911 million (25%). Over the same time period, both the amount of investment in properties located within the EZ and FAs increased. The jurisdictions with the greatest value of property improvements in FY23 include Baltimore City (\$1.8 billion), Baltimore County (\$808 million), Cecil County (\$562 million), Prince George's County (\$492 million), and Harford County (\$473 million). For purposes of this analysis, jurisdictions with both an EZ and FA were combined.

Total Value of Enterprise Zone Investment by County							
County	FY20	FY21	FY22	FY23	FY24	Change	% Change
Total	\$3,646,775,205	\$3,541,175,864	\$4,155,075,702	\$4,280,695,720	\$4,558,538,391	\$ 911,763,186	25%
Enterprise Zone Only	\$3,018,450,697	\$3,307,963,995	\$3,556,103,901	\$3,720,587,240	\$3,928,986,957	\$ 910,536,260	30%
Focus Area Only	\$ 628,324,508	\$ 233,211,869	\$ 598,971,801	\$ 560,108,480	\$ 629,551,434	\$ 1,226,926	0%
Allegany County	\$ 29,824,429	\$ 36,128,496	\$ 18,328,567	\$ 10,349,162	\$ 9,242,001	\$ (20,582,428)	-69%
Baltimore City	\$1,457,020,885	\$1,512,253,387	\$1,302,475,003	\$1,289,988,363	\$1,171,991,871	\$ (285,029,014)	-20%
Baltimore City (Focus Area)	\$ 608,879,465	\$ 214,788,783	\$ 564,280,205	\$ 520,646,516	\$ 602,667,568	\$ (6,211,897)	-1%
Baltimore County	\$ 329,649,579	\$ 356,445,500	\$ 593,163,867	\$ 628,606,767	\$ 808,269,818	\$ 478,620,239	145%
Calvert County	\$ 141,800	\$ -	\$ -	\$ -	\$ -	\$ (141,800)	-100%
Caroline County	\$ -	\$ 375,913,089	\$ -	\$ -	\$ 92,000	\$ 92,000	
Cecil County	\$ 209,779,333	\$ -	\$ 390,391,166	\$ 484,390,648	\$ 562,289,035	\$ 352,509,702	168%
Dorchester County	\$ 4,319,068	\$ 531,294	\$ 259,834	\$ -	\$ 4,333,200	\$ 14,132	0%
Frederick County	\$ -	\$ -	\$ 1,023,900	\$ 3,753,300	\$ 3,875,634	\$ 3,875,634	
Garrett County	\$ 11,697,300	\$ 10,864,001	\$ 10,993,832	\$ 10,141,767	\$ 10,295,634	\$ (1,401,666)	-12%
Harford County	\$ 356,577,449	\$ 394,951,747	\$ 444,661,565	\$ 463,543,002	\$ 473,716,570	\$ 117,139,121	33%
Kent County	\$ -	\$ 11,173,000	\$ 17,285,200	\$ 24,466,133	\$ 25,015,600	\$ 25,015,600	
Montgomery County	\$ 230,979,867	\$ 207,661,598	\$ 207,471,400	\$ 160,124,799	\$ 117,540,300	\$ (113,439,567)	-49%
Prince George's County	\$ 276,072,796	\$ 283,622,096	\$ 416,929,049	\$ 413,342,238	\$ 465,178,106	\$ 189,105,310	68%
Prince George's County (Focus Area)	\$ 19,445,043	\$ 18,423,086	\$ 34,691,596	\$ 39,461,964	\$ 26,883,866	\$ 7,438,823	38%
Queen Anne's County	\$ 8,739,698	\$ 13,177,500	\$ 13,984,400	\$ 17,107,517	\$ 17,981,350	\$ 9,241,652	106%
St. Mary's County	\$ 10,871,100	\$ 10,978,567	\$ 10,094,700	\$ 4,185,133	\$ 4,242,867	\$ (6,628,233)	-61%
Somerset County	\$ 806,900	\$ 806,900	\$ 822,766	\$ 1,070,000	\$ 2,208,300	\$ 1,401,400	174%
Talbot County	\$ 433,900	\$ 433,900	\$ 580,600	\$ 727,300	\$ 874,000	\$ 440,100	101%
Washington County	\$ 67,978,267	\$ 69,871,566	\$ 98,312,267	\$ 175,283,733	\$ 214,384,032	\$ 146,405,765	215%
Wicomico County	\$ 22,013,659	\$ 21,593,454	\$ 27,742,452	\$ 31,898,611	\$ 35,712,639	\$ 13,698,980	62%
Worcester County	\$ 1,544,667	\$ 1,557,900	\$ 1,583,333	\$ 1,608,767	\$ 1,744,000	\$ 199,333	13%

The EZ real property tax credit is not a by-right credit. The business must first verify that they are within the EZ and then apply for certification. As previously mentioned, each jurisdiction has both State and local standards that must be met for the business to become certified. Once certified, the company completes capital improvements that increase the assessed value of the property. The actual credit is a partial reduction of the total increase that the business/property owner would pay on the new and higher property assessed value. The credit is only applied to the local and any municipal real property taxes. It is not applied to any State real property taxes.

In FY24, the value of the EZ real property tax credit was \$50.3 million dollars. Of this total, \$39.3 million was in EZ certified properties and \$11.0 million was in FA certified properties. From FY20 to FY24, the total amount of real property credits increased by \$6.4 million (15%). The increase is entirely from an increase in properties located within the EZ. The total value of the property credits in FAs decreased slightly from FY20 to FY24.

The jurisdictions with the highest total tax credit value in FY24 included Baltimore City (\$28.1 million – includes both EZ and FA), Baltimore County (\$6.7 million), Cecil County (\$4.9 million), Harford County (\$3.5 million), and Prince George's County (\$3.4 million).

From FY20 to FY24, there has been a mixture of jurisdictions experiencing a decline in the total real property tax credit value while others have experienced an increase. The jurisdictions with the greatest decrease in tax credit value include Baltimore City (\$4.4 million) and Montgomery County (\$964,497). The jurisdictions with the greatest increases include Baltimore County (\$4.3 million) and Cecil County (\$3.2 million).

Total Value of Enterprise Zone Credit by County							
County	FY20	FY21	FY22	FY23	FY24	Change	% Change
Total	\$43,923,148	\$45,442,008	\$48,190,137	\$49,253,298	\$50,337,986	\$ 6,414,837	15%
Enterprise Zone Only	\$32,817,500	\$35,257,322	\$37,764,589	\$38,316,134	\$39,284,541	\$ 6,467,042	20%
Focus Area Only	\$11,105,649	\$10,184,686	\$10,425,548	\$10,937,164	\$11,053,444	\$ (52,204)	0%
Allegany County	\$ 238,527	\$ 270,440	\$ 158,246	\$ 108,606	\$ 101,987	\$ (136,539)	-57%
Baltimore City	\$21,503,783	\$22,050,095	\$20,639,455	\$19,251,754	\$17,247,635	\$(4,256,148)	-20%
Baltimore City (Focus Area)	\$10,950,088	\$10,037,302	\$10,148,015	\$10,621,468	\$10,838,374	\$ (111,715)	-1%
Baltimore County	\$ 2,417,598	\$ 2,851,479	\$ 4,804,055	\$ 4,974,450	\$ 6,676,057	\$ 4,258,459	176%
Calvert County	\$ 3,309	\$ -	\$ -	\$ -	\$ -	\$ (3,309)	-100%
Caroline County	\$ -	\$ 3,041,139	\$ -	\$ -	\$ 1,310	\$ 1,310	
Cecil County	\$ 1,706,431	\$ -	\$ 3,108,570	\$ 4,071,926	\$ 4,858,201	\$ 3,151,771	185%
Dorchester County	\$ 18,760	\$ 2,589	\$ 1,383	\$ -	\$ 60,190	\$ 41,430	221%
Frederick County	\$ -	\$ -	\$ 13,710	\$ 50,474	\$ 51,847	\$ 51,847	
Garrett County	\$ 95,445	\$ 95,462	\$ 93,168	\$ 78,455	\$ 67,329	\$ (28,116)	-29%
Harford County	\$ 2,588,124	\$ 2,836,322	\$ 3,589,961	\$ 3,679,773	\$ 3,486,771	\$ 898,647	35%
Kent County	\$ -	\$ 110,718	\$ 201,227	\$ 282,868	\$ 289,220	\$ 289,220	
Montgomery County	\$ 1,290,298	\$ 1,015,051	\$ 860,542	\$ 531,127	\$ 325,802	\$ (964,497)	-75%
Prince George's County	\$ 2,032,506	\$ 2,030,068	\$ 2,958,510	\$ 2,897,701	\$ 3,194,409	\$ 1,161,903	57%
Prince George's County (Focus Area)	\$ 155,560	\$ 147,385	\$ 277,533	\$ 315,696	\$ 215,071	\$ 59,511	38%
Queen Anne's County	\$ 59,227	\$ 89,301	\$ 94,769	\$ 115,934	\$ 113,335	\$ 54,107	91%
St. Mary's County	\$ 51,149	\$ 42,947	\$ 32,673	\$ 14,193	\$ 10,791	\$ (40,358)	-79%
Somerset County	\$ 11,735	\$ 5,754	\$ 11,144	\$ 17,208	\$ 35,704	\$ 23,969	204%
Talbot County	\$ 2,104	\$ 2,212	\$ 2,960	\$ 3,820	\$ 4,590	\$ 2,486	118%
Washington County	\$ 479,195	\$ 493,049	\$ 810,132	\$ 1,824,619	\$ 2,323,574	\$ 1,844,379	385%
Wicomico County	\$ 300,553	\$ 300,141	\$ 363,151	\$ 391,732	\$ 412,455	\$ 111,902	37%
Worcester County	\$ 18,756	\$ 20,554	\$ 20,932	\$ 21,496	\$ 23,333	\$ 4,577	24%

State Tax Revenue Generated

For the second year, SDAT was able to provide Commerce with data on the total amount of State property tax revenue generated by EZ certified companies.

In total, EZ certified companies generated a total of \$5.1 million in State property tax revenue in FY24. Of this revenue, 86% was generated by firms within the EZ and 14% were from firms within FAs. The jurisdictions that generated the greatest amount of State property tax revenue included Baltimore City (\$2.0 million), Baltimore County (\$905,262), Cecil County (\$629,764), Prince George's County (\$551,109), and Harford County (\$530,561).

On average in FY24, EZ certified firms generated \$8,156 in State property taxes. When considering only those EZ certified firms that earned a property tax credit and generated State property tax revenue, the average State property tax revenue per company increases to \$10,749. In FY23, EZ certified firms generated \$7,917 in State property taxes and those that earned a tax credit and generated State property tax revenue had tax generated of \$9,788 per property. Both measures increased from FY23 to FY24. It is important to note that as firms move further away from the initial certification and into the years six through ten of the program, the amount of property taxes that they pay the local jurisdiction increases while the total credit amount paid to the State remains the same.

Maryland State Tax Value Generated, FY24

County	Total	Per Certification	Per Certification with Credit Generated
Total	\$5,105,563	\$ 8,156	\$ 10,749
Enterprise Zone Only	\$4,400,465	\$ 7,747	\$ 9,844
Focus Area Only	\$ 705,098	\$ 12,157	\$ 25,182
Allegany County	\$ 10,351	\$ 1,150	\$ 1,150
Baltimore City	\$1,312,631	\$ 6,731	\$ 7,134
Baltimore City (Focus Area)	\$ 674,988	\$ 23,275	\$ 25,961
Baltimore County	\$ 905,262	\$ 31,216	\$ 32,331
Calvert County	\$ -	\$ -	\$ -
Caroline County	\$ 103	\$ 26	\$ 103
Cecil County	\$ 629,764	\$ 34,987	\$ 34,987
Dorchester County	\$ 4,853	\$ 1,213	\$ 2,427
Frederick County	\$ 4,341	\$ 1,085	\$ 1,085
Garrett County	\$ 11,531	\$ 2,306	\$ 2,306
Harford County	\$ 530,563	\$ 11,534	\$ 12,632
Kent County	\$ 28,017	\$ 2,335	\$ 2,802
Montgomery County	\$ 131,645	\$ 32,911	\$ 43,882
Prince George's County	\$ 520,999	\$ 7,137	\$ 9,473
Prince George's County (Focus Area)	\$ 30,110	\$ 1,771	\$ 15,055
Queen Anne's County	\$ 20,139	\$ 458	\$ 959
St. Mary's County	\$ 4,752	\$ 4,752	\$ 4,752
Somerset County	\$ 2,473	\$ 190	\$ 353
Talbot County	\$ 979	\$ 47	\$ 979
Washington County	\$ 240,110	\$ 6,860	\$ 10,440
Wicomico County	\$ 39,998	\$ 909	\$ 1,379
Worcester County	\$ 1,953	\$ 279	\$ 488

Personal Property Credits

The personal property tax credit is available to only those properties certified within Focus Areas who are certified and increase the total taxable personal property that they possess. The total number of FA certifications decreased from 25 in FY20 to 12 in FY24.

Total Number of Focus Area Certifications by County							
County	FY20	FY21	FY22	FY23	FY24	Change	% Change
Total	25	23	17	16	12	(13)	-52%
Baltimore City	17	19	13	12	8	(9)	-53%
Prince George's County	8	4	4	4	4	(4)	-50%

The total investment in taxable personal property by FA certified companies was \$81.0 million in FY24. Of this total amount, nearly all was made within Baltimore City. Additionally, the total taxable personal property decreased by 42% from \$138.5 million in FY20 to \$81.0 million in FY24.

Total Value of Personal Property Investment							
County	FY20	FY21	FY22	FY23	FY24	Change	% Change
Total	\$ 138,536,874	\$ 136,356,140	\$ 129,404,690	\$ 116,618,030	\$ 80,979,530	\$ (57,557,344)	-42%
Baltimore City	\$ 138,518,480	\$ 136,013,910	\$ 129,279,070	\$ 116,514,660	\$ 80,890,960	\$ (57,627,520)	-42%
Prince George's County	\$ 18,394	\$ 342,230	\$ 125,620	\$ 103,370	\$ 88,570	\$ 70,176	382%

Like the real property credit, the personal property credit covers a portion of the increased personal property taxes due to additional taxable personal property in FA certified companies. The total tax credit value for the personal property credit in FY24 was \$3.6 million. From FY20 to FY24, the total tax credit value decreased by 42%.

Total Value of Focus Area Personal Property Credit by County							
County	FY20	FY21	FY22	FY23	FY24	Change	% Change
Total	\$ 6,246,185	\$ 6,122,030	\$ 5,814,899	\$ 5,240,567	\$ 3,638,629	\$ (2,607,556)	-42%
Baltimore City	\$ 6,227,791	\$ 6,115,185	\$ 5,812,387	\$ 5,238,499	\$ 3,636,858	\$ (2,590,933)	-42%
Prince George's County	\$ 18,394	\$ 6,845	\$ 2,512	\$ 2,067	\$ 1,771	\$ (16,623)	-90%

Corporate Income Credits

The corporate income tax credit is available to certified EZ and FA companies that hire new employees that meet specific requirements. For this evaluation, the Comptroller of Maryland did not have any tax returns for the 2023 tax year that claimed the corporate income tax credit. The analysis provided below is only for the 2019 to 2022 tax years.

Over the four tax years, there were a total of 15 companies that claimed a tax credit. These companies hired an additional 297 workers. Of these, nearly all were located within the EZ with only 12 employees being within a Focus Area. Over the four tax years, these companies received a total of \$324,325 in tax credits.

It is important to note that it is possible that not all new employment at EZ and FA certified firms is captured in these statistics. There are several reasons why this might be the case. First, the firm must create a qualified new position. These positions have multiple requirements. A new employee might not meet all or even any of these requirements. Due to the job requirements, many firms may not have the capabilities to calculate whether the positions they created meet the program requirements. Also, the firm must be certified for this credit separately from the real property or personal property credits. The firm might perceive the administrative costs to apply for the program to exceed the total credit value of the job created. Finally, not every firm located within an EZ or FA might know about the program and the benefits available if they create a qualified position.

Enterprise Zone Corporate Income Tax Credit, TY2019-2021				
	Tax Year 2019	Tax Year 2020	Tax Year 2021	Tax Year 2022
Total Number of Companies Claiming Credit	4	8	1	2
Total Number of Employees Hired Claiming Credit	122	130	3	42
Total Number of Enterprise Zone Employees Hired	115	125	3	42
Total Number of Focus Area Employees Hired	7	5	-	-
Total Credit Amount	\$ 137,500	\$ 141,825	\$ 3,000	\$ 42,000

EVALUATION

Noting the multiple data limitations mentioned earlier in this report and the issues surrounding the EZ program, it is still important to understand the effectiveness of the EZ program. Using the data currently available, this section of the report seeks to provide an evaluation of the program.

As mentioned, for an EZ certified company to receive a tax credit, they must make capital improvements that result in an increase in assessed property value. In FY24, each EZ certified company made an average of \$7.4 million in capital improvements. This figure has increased by 14.4% from FY20 to FY24.

The resulting real property credit is a portion of the total increase in local jurisdiction real property taxes from the capital improvements made by these companies. In FY24, each company made an average of \$91 in capital improvements for each tax credit dollar they received. This is an increase of 9.1% from FY20 to FY24.

When examining the total tax credit value each EZ certified company receives, this increased from \$78,155 in FY20 to \$81,984 in FY24. This is an increase of 4.9%. The total tax credit value each EZ certified company receives has continued to decrease from FY21 to FY24.

Enterprise Zone Real Property Evaluation					
	FY20	FY21	FY22	FY23	FY24
Investment per Certification	\$6,488,924	\$7,026,143	\$7,723,189	\$7,182,375	\$7,424,330
Investment per Credit Value	\$ 83	\$ 78	\$ 86	\$ 87	\$ 91
Credit Value per Certification	\$ 78,155	\$ 90,163	\$ 89,573	\$ 82,640	\$ 81,984

Since only FA certified companies are eligible to receive the personal property tax credit, there are fewer companies that claim the credit. It is important to note that the personal property credit is valued at a higher level and is the same over the 10-year period at 80%. Per each personal property certified company, a total of \$6.7 million in additional taxable personal property was added in FY24. The amount of personal property investment per certified company has increased by 21% from FY20 to FY24.

Each company increased their taxable personal property by an average of \$22 for each tax credit dollar they received. This figure has remained constant from FY20 to FY24. In FY24, each certified firm received an average of \$303,219 in personal property tax credits. From FY20 to FY24, the amount of personal property tax credit received per certified firm has increased by 21%. Since FY22, the credit value per certified firm has decreased.

Enterprise Zone Personal Property Evaluation					
	FY20	FY21	FY22	FY23	FY24
Investment per Certification	\$5,567,513	\$5,928,528	\$7,612,041	\$7,288,627	\$6,748,294
Investment per Credit Value	\$ 22	\$ 22	\$ 22	\$ 22	\$ 22
Credit Value per Certification	\$ 249,847	\$ 266,175	\$ 342,053	\$ 327,535	\$ 303,219

The corporate income tax credit is perhaps the most underutilized part of the EZ program. This report does not have any information on how many businesses certify for the credit, but only information on those companies that claim the credit. Additionally, only qualified jobs are counted, which may be an underrepresentation of the total number of jobs that are created by companies that are within the EZ or who are certified. This is because these pieces of information are not collected by the Office of the Comptroller or provided to Commerce.

In FY23, 21 qualified jobs were created per certified company. This is a significant decrease from 31 jobs per company in FY20 but an increase from 3 jobs per company in FY22. Additionally, each company received an average of \$1,000 per qualified job created and claimed. This value has not varied significantly from FY20 to FY23. Like the number of jobs created and credit value per job claimed, the amount of tax credit that each certified company created has decreased from FY20 to FY23. In FY22, each company received an average of \$21,000. This is a 39% decrease from FY20.

Enterprise Zone Corporate Income Tax Evaluation				
	FY20	FY21	FY22	FY23
Jobs per Certification	31	16	3	21
Credit Value per Job Claimed	\$ 1,127	\$ 1,091	\$ 1,000	\$ 1,000
Credit Value per Certification	\$ 34,375	\$ 17,728	\$ 3,000	\$ 21,000

NEXT STEPS

While this report has sought to provide information on the impact of the Maryland Enterprise Zone, it also recognizes that additional information, data, and importantly coordination is needed. To create a more thorough evaluation of the EZ program that not only captures its overall impact but examines how each EZ impacts the local jurisdictions, several steps need to occur. This section of the report provides a plan that would need to be put in place to assess the impact and effectiveness of the EZ program in Maryland.

Step 1: Coordination and Communication

The EZ program, while overseen by Commerce and involving a local administrator for each jurisdiction, also requires information and data from multiple other state agencies. These include the Maryland Department of Assessments and Taxation, the Maryland Department of Labor, and the Comptroller of Maryland.

A key step in moving towards a complete understanding of the impact of the EZ program and its effectiveness is greater and effective communication between each of these partners. Each of these agencies collect and has a component of the information necessary to provide a complete picture of the program. There needs to be a coordinated effort to find ways to collect, maintain, and provide the data and information needed to improve not only the reporting on the program, but increase its effectiveness and efficiency.

Within each agency, it will be important to identify data limitations and to explore ways to increase data capacity. It will be important to encourage those who are responsible for the EZ program within the various agencies to provide information as to the timing of the evaluation, possible data needed, and to address any questions or issues that might arise during the program evaluation. Additionally, the responsibilities of each partner will be identified and agreed upon. This includes not only the local administrators, but also the responsibilities of each state agency partner.

Step 2: Data Collection

Using the partners identified in Step 1, Commerce will seek to work with them to identify the data they maintain related to the EZ program. This data and information will be put into a master list and used in EZ evaluations. Beyond the actual data element, the list will need to contain information including data definition, data source, how the data is collected, timing of the data, confidentiality, restrictions on its use, and other information. If necessary, a data sharing agreement can be created to provide Commerce with all the data and information that is available and needed to evaluate the program. All data needed for evaluating the EZ program will be provided to Commerce by all partner agencies. In cases where the data needed for evaluating the program is not available, Commerce will need to work with the agencies and partners to identify the reasons why it is not available, if there is alternative data, and if not, how to address data gaps.

It is anticipated that Commerce will need to partner closely with the local administrators regarding data collection. Currently, there is much variation in the capacity of the administrators in collecting and maintaining data and information related to the EZ program. Commerce will work with the local administrators and other state agencies to create EZ data collection tools as needed. These tools may include both EZ certification letters and databases. This will help ensure that the necessary data and information is collected and provided to Commerce for use in evaluating the EZ program. Commerce will work with the local administrators to ensure that the correct data is being collected and that all necessary data is being maintained. Commerce will also work with the local administrators on ensuring data accuracy.

Step 3: Evaluation

The final step in continuing to evaluate the EZ program is to identify a methodology to accomplish the goal established in statute. Commerce will review evaluations of the EZ program nationally or conducted in other states to see if there are ways to improve upon how Commerce has been evaluating the EZ program. This will be done concurrently with the previous steps to ensure that all necessary data will be collected and to address any issues or criticisms of these evaluations.

The selected methodology will expand upon the metrics currently used and identify program impacts and its effectiveness. All data identified through the process will need to be provided to Commerce staff, who will be responsible for completing the evaluation and making it available as needed for review before completion. Another evaluation to possibly include would be the

economic impact of the program on the State of Maryland. This illustrates how the businesses participating in the program have impacted the State.

By implementing this plan, Commerce believes that it will be able to provide a more complete and thorough evaluation of the program. This plan will also build on the existing metrics and evaluation of the program completed annually.

Many EZ administrators reported success in attracting and retaining businesses to their EZ. Examples of EZ activities during FY2023 are discussed below. Please note these narratives come directly from the EZ administrators and have not been edited for content by Commerce.

Excerpts from Administrator Reports: Impact of Enterprise Zone (EZ) Program

Allegany County – Route 220 South

Allegany County had 2 companies certified in the Route 220 South EZ, and 1 new certification during this fiscal year.

Geocycle, a multibillion waste to value company, is leasing the County owned Shell Building located in this EZ. They have already expressed interest in expanding by constructing a 100,000 SQ FT addition in the next year. Also, in early 2025, 3 new shovel ready pad sites will be constructed in the Barton Business Park, which is in the Route 220 South EZ. Having the EZ credits will make it easier for Allegany County to market these pad ready sites.

Progress continues to be made in Allegany County. Downtown Cumberland has just completed a 2-year, \$20 million renovation. We are seeing a lot of private and government investment to restore buildings in our downtowns for mixed use. In addition, DR Horton will be breaking ground on a new housing development in 2025. One of the tools we are using to attract businesses to our industrial parks are the EZ benefits. It is extremely important that Maryland keeps this incentive in order for counties like Allegany to attract new employers.

Allegany County – City of Frostburg

The number of properties newly certified as qualified properties is four (4).

Notable examples of redevelopment or new businesses relocating or expanding in the Enterprise Zone due to the tax credits provided include:

- **O'Reilly Auto Parts:** Construction is well underway for a new retail store, covering 7,225 square feet, on a previously undeveloped parcel within the Frostburg Shopping Plaza. We anticipate the creation of approximately 10 new jobs.
- **Hamm & Glasbrenner CPAs:** This accounting firm, originally based outside the city limits, opened a second location in Frostburg in late 2023, creating approximately 5 new jobs in the area.
- **Playboy's Barber Studio:** In spring 2024, this popular barber shop opened its second location in Downtown Frostburg, expanding its reach from its flagship store in Morgantown, West Virginia. This resulted in the creation of 5-6 new jobs. In addition to these high-profile openings, there has been a significant increase in new businesses within the city, many of which have undertaken substantial interior renovations. These

enterprises have collaborated closely with the City of Frostburg, leveraging tax credits while focusing on future growth, innovative services, and sustainable practices that cater to the community's needs.

The Future Economic Development projects for the City of Frostburg include:

- **Main Street Redevelopment:** Rehabilitation efforts are underway for three sizable buildings on Main Street that are currently vacant or underutilized.
- **Clym Environmental Services:** This Frederick-based company has selected Frostburg for its second biomedical waste recycling facility. Groundbreaking has commenced on a new 9,600-square-foot facility, which will be included in the 2025 Enterprise Zone report.
- **Sierra Hygiene:** Following a significant 58,000-square-foot expansion of its existing facility in 2023, Sierra Hygiene is planning an additional 30,000-square-foot expansion. Although the city has not yet received a building permit application, we anticipate it will be submitted within the coming year.

Anne Arundel – Brooklyn Park

We have not had any utilization of the Brooklyn Park Enterprise Zone in FY24. We do believe that there will be a commercial property that will be able to take advantage of this tax credit in FY25. The property is Arundel Village Plaza, a six-building, 54,061 square foot retail center on 6.80 acres on Route 2/Ritchie Hwy in the retail corridor of Brooklyn, Maryland. The owner will be investing over \$200K in exterior improvements to the shopping center in FY25.

We believe that the EZ program is a valuable economic development tool. We are exploring ways we can better market this program to potential participants. We are considering possibilities for expansion of our current EZ or the creation of additional EZs.

Baltimore City – Baltimore City

The number of properties newly certified as qualified properties is eighteen (18) with a total private investment of \$510,758,769.

Notable examples of redevelopment or new businesses relocating or expanding in the EZ due to the tax credits provided:

4MLK UM BioPark

The 8-story, 250,000-square-foot building, Phase I of a two phase project located at the intersection of Martin Luther King, Jr. (MLK) Blvd. and Baltimore St., will provide critical wet laboratory space in downtown Baltimore for researchers and companies, flexible lab and office/support space for start-ups, and Class A office space, along with areas for convening and a conference center.

4MLK's Spaces

- 160,000 square feet of Class A wet lab-capable space will be available to commercial partners for build-out.
- 40,000 square feet is planned for flexible lab, office, and lab support facilities specifically designed to meet the rigorous needs of growing life science companies. These flexible lab

spaces are paired with full-service amenities such as shared lab equipment, weekly networking and educational programming, and flexible terms.

- A 16,000-square-foot space for community gathering and events will encourage networking and provide educational programming opportunities for tenants, UMB, and the greater Baltimore community.
- Along with the building, the project will deliver an adjacent public plaza and an activated streetscape with retail and food and beverage venues along Baltimore Street and MLK Blvd.
- Phase II will add a second 250,000-square-foot lab/office building.

4MLK has applied for its Use and Occupancy Permit (U&O) and has started negotiating leases for the Connect Lab wet lab space on the third floor.

- Connect Labs by Wexford is intentionally designed for innovative companies, entrepreneurs, and researchers, who are looking for a 'ready-now' environment that can help advance their discoveries along the commercialization and capitalization pathway.
- We leverage Wexford's Knowledge Community environment, especially facilities aimed at engineering intentional and serendipitous collisions and creating new collaborative opportunities, from which novel approaches and technologies to improve the human condition can emerge.

Baltimore County – Chesapeake

The number of properties newly certified as qualified properties is two (2).

- Tradepoint Atlantic, LLC (University of Maryland Medical System Corporation as tenant); 1390 Sparrows Point Blvd, Baltimore, MD 21219
- Tradepoint Atlantic, LLC (Floor & Décor Outlets of America, Inc. as tenant); 1365 Sparrows Point Blvd, Baltimore, MD 21219

Notable examples of redevelopment or new businesses relocating or expanding in the EZ due to the tax credits provided:

- **McCormick & Co.** – opened its 1.8 million SF distribution center at TPA, after an investment of \$245 million, with an official ribbon cutting ceremony held in October 2023. The site is McCormick's largest distribution center in the world and hopes to create 200 new positions by 2024.
- **Niagara Bottling, LLC** - constructed a 600,000 square foot facility, with plans to expand multiple lines of operation over time. The facility opened for operations in 2024, projecting 50-125 full-time jobs, with an initial investment of \$75 million, and another \$75 million expansion anticipated.
- The construction of a 414,960 SF consolidated service center (including warehouse, office, lab, pharmacy space) on 26.1 acres for **University of Maryland Medical System (UMMS)**. The logistics hub will house the UMMS clinical engineering, supply chain, and pharmacy operations with the intent to better manage high-cost drug purchasing and utilization, reduce waste, and better serve UMMS facilities. Future considerations include laboratory and sterile processing operations.
- A 1,321,000 SF warehouse/distribution center on 74.2 acres is in process for **Floor & Décor**, who has indicated the addition of 165 new jobs

- **Diamond Point Logistics Center** has nearly completed 442,200 sf of new Class A industrial space, designed to meet the needs of dynamic businesses. The building provides direct access to I-695 and is within 4 minutes of I-95. Estimated completion by the end of 2024, with a total investment greater than \$66.6 million.
- **Rocket Lab USA**, a global leader in launch and space systems, is renovating part of the former Lockheed Martin site located at 2323 Eastern Boulevard. Total project cost is estimated at \$14 million. Projections indicate that 65 new full-time positions will be created by the end of 2025.

The future economic development projects that might claim a tax credit are:

- Continued interest in the Lockheed Martin site includes project costs ranging from \$100-500 million capex, bringing between 100-500 potential new positions
- Sparrows Point Container Terminal, a proposed 330-acre redevelopment project consisting of 168 acres for a new container terminal and intermodal yard, with an additional 162 acres for support facilities to enhance operations of the terminal. This joint venture between Tradepoint Atlantic and Terminal Investment Limited is expected to support 8,000 jobs and add \$1.5 billion to Maryland's GDP.

Baltimore County – Southwest Baltimore

No properties were newly certified as eligible for property tax credits in FY 2024.

Notable examples of redevelopment or new businesses relocating or expanding in the enterprise zone due to the tax credits provided:

- The **Beltway Business Interchange Park** is currently constructing two light industrial buildings totaling more than 130,000 sf in Arbutus, with I-695 visibility.

The future economic development projects that might claim a tax credit are:

- Fabpro Technologies, one of the only minority-owned precision sheet metal suppliers in the nation, purchased their leased Halethorpe facility in 2021, remodeling the space and nearly doubling their usable footprint to 45,000 square feet. Baltimore County financing programs contributed to the purchase of a fiberoptic laser to increase their efficiency, and the company recently indicated plans to add five additional positions.

Baltimore County – Woodlawn

The number of properties newly certified as qualified properties is one (1).

- HS Baltimore Portfolio Investors III, LLC (Securityhunter, Inc. as tenant); 7249 Ambassador Road, Baltimore MD 21244

The future economic development projects that might claim a tax credit are:

- Securityhunter, Inc., a cyber security enterprise, has grown their workforce to more than 70 employees since first locating in the original Woodlawn Enterprise Zone in 1999. They have recently advised of plans to expand with the addition of ten more full time positions over the next three years

- Baltimore County finalized the purchase of the former Sears property at Security Square Mall in November 2022, and in 2023 purchased an additional 12-acre parcel of the Security Square site for \$6.85 million. This, and the former Sears site acquisition makes the county owners of more than 1/3 of the entire Security Square site, providing county control over 18 acres of land, including a 202,653-square-foot building. Future development will pave the way for high tech companies to create highly skilled employment opportunities.

Caroline County – Federalsburg

No properties were newly certified as eligible for property tax credits in FY 2024.

There are no known examples of redevelopment or new businesses relocating or expanding in the EZ due to the tax credits provided in FY24. The Caroline County Economic Development Office continues to work with the Upper Shore Maryland Department of Commerce representative to ID future tax credit candidates.

There is no knowledge of projects in the Federalsburg EZ that will make capital improvements to facilities that would result in an increase in assessed value to the level that would make the project eligible for an EZ. There is no knowledge of projects that would create net new jobs to qualify the project eligible for an EZ; net new job growth has been difficult for businesses to obtain given the tight labor market to fill existing jobs.

The availability of a program that offers property tax and income tax credits is essential for small, rural counties. The Enterprise Zone program provides economic development in my county and towns for small and micro business development that is not available through other programs.

Caroline County – North County

No properties were newly certified as eligible for property tax credits in FY 2024.

There is a business in Ridgely that is interested in renovating to change its model, but that business has not yet determined if it will take on this project. The Caroline County Economic Development office has made this business aware of Enterprise Zone benefits, and regularly checks in with the business.

The availability of a program that offers property tax and income tax credits is essential for small, rural counties. The Enterprise Zone program provides economic development in my county and towns for small and micro business development that is not available through other programs.

Cecil County – Cecil

The number of properties newly certified as qualified properties is three (3).

- Two new Northrop Grumman buildings at their Elkton campus (a Classified SCRAM building and Slot Cutting Machining building), and new building on Lot B1 in Principio Business Park – home of a manufacturing facility for Regent Cabinetry.

Notable examples of redevelopment or new businesses relocating or expanding in the EZ due to the tax credits provided:

- Regent Cabinetry, which nearly left Cecil County, expanded into a new 97,000 SF building in Principio Business Park and created 25 new jobs.
- Great Wolf Lodge, who decided to expand before construction started in Summer 2023, opened the doors to the largest resort in the company's portfolio – a 700-room hotel & water park that created 1000+ new jobs.
- Hartprint, a small manufacturer from Canada, started operating in Building 2 of Free State Business Park (part of an Enterprise Zone expansion in 2020) in early 2024 – a total of 50 employees are expected at the site.
- The upcoming expansion of Restoration Hardware, which will occupy a 593,520 SF building currently under construction in Principio Business Park, which is in addition to its current location in the park.

The future economic development projects that might claim a tax credit are:

- Bainbridge Phase 1 – two of the four buildings in Phase 1 of the Bainbridge Logistics Center are complete, but not yet occupied. Collectively, the four buildings will total 3.7 million square feet of logistics and distribution space across 440 acres. \$67 MM capex for the first two buildings. Property tax credits will be applicable upon substantial completion of the buildings as well as income tax credits when qualified new jobs are created.
- Bainbridge Phase 2 – Norway's AquaCon, a land-based salmon farming company, plans to build on a 160-acre site. The proposed \$320 million capital investment will result in a 20,000-metric ton Recirculating Aquaculture Systems (RAS) facility to be built in two 10,000-metric ton phases. The first phase of the project is expected to break ground in early 2025 with the first harvest projected to occur in Q1 2028. A second phase to the project is planned, but details on the number of buildings and total square footage have not yet been determined. Property tax credits will be applicable upon substantial completion of the buildings as well as income tax credits when qualified new jobs are created.
- Elkton Commerce Center – Building 1 is complete, but not yet occupied. \$34 MM capex for Building 1. Buildings 2 & 3 will total 2 MSF. Property tax credits will be applicable upon substantial completion of the buildings as well as income tax credits when qualified new jobs are created.
- Free State Business Park – the first two of three buildings are complete and fully leased with a total capex of \$11 MM. Building 3 will start in 2025. Property tax credit will be applicable as well as income tax credits when the new jobs are created.
- Clene Nanomedicine, with the help of public and private partners, is also in the process of renovating a 74,000 square foot manufacturing facility (former W.L. Gore site) in the Upper Chesapeake Corporate Center in Elkton. Once complete, the plant will employ as many as 400 people in manufacturing Clene's proprietary bio-energetic nanocrystals. Property, income and personal property tax credits will be applicable.
- Principio Business Park – 10 MSF of development (existing, under construction, and proposed – about 5 MSF still to be developed). This includes the aforementioned 593,520 SF building under construction for Restoration Hardware that is nearing completion,

which has a \$32 MM capex and will support 50-60 new employees. A property tax credit, as well as income tax credits for qualified new jobs, will be applicable.

- Site work is nearing completion at the remaining 5 lots at Chesapeake Overlook (where Hollywood Casino and Great Wolf Lodge are located). In fact, a new Wawa is under construction on one of the pad sites. Property tax credits, as well as income tax credits for qualified new jobs, will be provided as applicable.

Frederick County – City of Brunswick

No properties were newly certified as eligible for property tax credits in FY 2024.

Garrett County – North Garrett Industrial Park

No properties were newly certified as eligible for property tax credits in FY 2024.

Future economic development projects that might claim a tax credit:

Beitzel Corporation/Pillar Innovations, LLC:

- Beitzel Corporation (Beitzel) had 2 planned expansions in FY 2023-24: (1) a 31,050-sf new fleet and field hub; and (2) a 100K-sf fabrication/manufacturing facility. With the closure of the ClosetMaid (CM) facility in March 2024, Beitzel changed plans and purchased the former CM facility instead – a 154K-sf building located on a 37.66-acre lot.
- With purchase and renovations of the former CM facility, Beitzel has estimated its capital investment to be between \$10 and \$15 million. This expansion will allow Beitzel to consolidate its operations with those of Pillar Innovations, LLC (Pillar), Beitzel's solely owned subsidiary, and the hiring of a minimum of 25 new FTEs once renovations are complete.
- Unless the new renovations increase the property assessment by at least \$100K, the project will not qualify for a new Enterprise Zone (EZ) application. If the new renovations qualify, and upon submission and approval of an EZ application, the business will qualify for EZ real property and income tax credits on those renovations.
- Additionally, if any such renovations increase the property assessment by at least \$100K, the project will also qualify for the County Business Property Tax (CBPT) Incentive. In that event, and upon submission and approval of a CBPT Incentive application, the business will qualify for a 5-year descending tax credit against the tax levied on the new renovations to the property. This program, combined with the EZ real property tax credits, will create a 100% tax credit on the new renovations to the property for the first 4 years following initial assessment.

Garrett County – Southern Garrett

No properties were newly certified as eligible for property tax credits in FY 2024.

Future economic development projects that might claim a tax credit:

Sunrise Sanitation Project:

- Sunrise Sanitation (Sunrise) is in the process of purchasing the last available lot in the SGEZ. It is a 4.2-acre parcel on which Sunrise intends to construct a recyclable

materials aggregation, processing, and storage facility. The company plans to move its operations currently located in Preston County, West Virginia to that facility.

- The plans indicate the construction of a 12K-sf building. In addition to the 18 FTE employees currently working in Garrett County, the company expects to initially create 26 new Maryland FTE jobs. Total job creation is expected to exceed 115 FTEs by the end of year 10 in the transportation, logistics, and solid waste/recycling industry sectors. Estimated capital investment is between \$5 and \$8 million.

Garrett County – Keyser’s Ridge

No properties were newly certified as eligible for property tax credits in FY 2024.

Future economic development projects that might claim a tax credit:

MD-1 Project:

- In July 2024, the county entered into purchase/sales and non-disclosure agreements with a company for the purchase of a 16.5-acre site in the KREZ. The company’s engineering firm plans to file its concept and stormwater plans with the county in late October 2024. Once the plans are approved, the company has advised it will proceed with purchase of the property.
- Initial plans indicate the construction of a 58K- to 60K-sf building. The company expects to create 25 FTE jobs initially and has plans to open the facility in September 2025. Estimated capital investment is between \$10 and \$15 million.

Harford County – Aberdeen/Havre De Grace

The number of properties newly certified as qualified properties is three (3).

- 350 Old Bay Lane, owned by Old Bay Industrial LLC
- 1525 S. Philadelphia Blvd., owned by ShebaLou LLC, business: CK Mechanical
- 1203 Technology Drive, owned by Technology Drive Industrial Properties LLC

Future economic development projects that might claim a tax credit:

- Two additional properties/buildings at Technology Drive in Aberdeen
 - a. Anticipated capital investment would be \$15 million+ with more than 50 new jobs for each building based on spec projections
- Several parcels totaling 380 acres in 1700 block of Perryman Road
 - a. Multiple projects possible as whole site is eligible for development and credit
 - b. Type of credit would be determined by future identified use

Harford County – Edgewood

Kent County – Town of Chestertown/Rock Hall/Town of Betterton/Worton Industrial

No properties were newly certified as eligible for property tax credits in FY 2024.

Montgomery County – Olde Towne

No properties were newly certified as eligible for property tax credits in FY 2024.

A future economic development projects that might claim a tax credit is:

- Lakeforest Mall (102 acres): up to 1.2 million square feet of new commercial space; up to 1600 jobs (through 2043); 1600 residential units.

Montgomery County – Burtonsville/Briggs Chaney

No properties were newly certified as eligible for property tax credits in FY 2024.

A principal driver for establishing the Burtonsville-Briggs Chaney Enterprise Zone was the potential redevelopment of Burtonsville Crossing, a parcel of commercial property adjacent to Old Columbia Pike (MD Rte. 29) in Burtonsville. The property - a 130,000 square foot shopping center - experienced significant vacancy after its anchor tenant, a Giant Foods supermarket, relocated to an adjacent shopping center and additional retail operations vacated Burtonsville Crossing as well. Since the Enterprise Zone's inception, redevelopment of Burtonsville Crossing has not been able to gain traction, and no certifications have been issued since the Zone's inception. However, in 2023, the state Board of Public works released \$3.5 million in funding to support the redevelopment of Burtonsville Crossing Center. In January 2024, a new anchor Sprouts Farmers Market celebrated a grand opening after leasing approximately 23,000 square feet. The attached articles provide additional details regarding these updates to Burtonsville Crossing's redevelopment effort.

Prince George's County – Prince George's

The number of properties newly certified as qualified properties is four (4).

- Pacific Realty Associated, L.P. 1520 Cabin Branch Drive, Landover, MD 20785
- Sheriff Road Holdings, LLC 6400 Sheriff Road, Hyattsville, MD 20785
- 5200 Auth LLC 5200-5208 Auth Rd, Camp Springs, MD 20746
- XPO Logistics Freight, Inc 7600 Preston Dr, Hyattsville, MD 20785

A notable example of redevelopment or new businesses relocating or expanding in the EZs due to the tax credits provided:

- XPO Logistics Freight, Inc is the parent company to LTL Transportation Services, which provides truckload transportation, and is one of the largest providers in North America. The company has a network of LTL trucks, drivers and terminals for regional, national and cross-border shipping. With coverage that extends to every state, including Alaska and Hawaii, they deliver to 99% of all U.S. postal codes. The company has 23 current employees and will hire an additional 25 (estimated within the next 12 months). Total project cost is estimated to be \$1,200,000 for "rehabilitation" of project property.
- 5200 Auth LLC is planning to construct and manage multiple retail establishments in Camp Springs, Maryland. The company's project will construct multiple pad sites that will host a convenience store, restaurants, dentist office, veterinary office and UPS store. This project will be new construction, with a total cost of \$4,659,467. The number of employees will be 20, which includes both full time and part time.
- Sherriff Road Holdings, LLC is a project located at 6400 Sheriff Rd, Landover, MD 20785. Trammell Crow (TCC) Acquires Prince George's County Business Park. The Company has acquired the Sheriff Road Business Park in Landover, MD for \$3,565,000.00. The 12+ acres site which currently features 3 buildings totaling 345,000 square feet of office/industrial space. Total project costs are estimated at \$16,314,521.

- Pacific Realty Associates, L.P. - new 70,000 sf office/warehouse building to be constructed and offered for lease. Total project costs are estimated at \$12,203,639.

Future economic development projects that might claim a tax credit:

- 4501 AUTH PL, SUITLAND, MD, 20746: Conshohocken, Pa.-based Exeter paid \$22.7 million for 4501 Auth Place recently, and is now looking to lease the vacant space. Of the 113,562 square feet, almost 78,000 is available. Most of that is warehouse space, but it includes almost 2,000 feet of office space. Though industrial, the property is within a couple of blocks of the Branch Avenue Metro Station. The building sale is the second in the Auth Place area recently, after a partnership affiliated with the nearby Passport Toyota dealership bought the office building at 4710 Auth Place out of foreclosure, for \$4.4 million.
- 133 Central Ave, Capitol Heights, MD 20743: WMATA seeks a joint development partner that would bring 600,000 square feet of mixed-income housing to the Capitol Heights Metro Station. The transit agency released the solicitation last week for the approximately six-acre assemblage it controls along East Capitol Street NE at Southern Avenue. The agency believes that a mix of market-rate, workforce and affordable units can be delivered to the site. Over the last two years, WMATA has worked to make the Capitol Heights site more amenable to development. A key decision was to close the Park & Ride surface lot and not require a joint developer to replace Metro commuter parking. Then, the state committed nearly \$17 million in funding for infrastructure and transit improvements. It's a Request for Qualifications, or RFQ, that WMATA put out for Capitol Heights, and it seeks answers by December 13, 2024.
- PPS-2023-002 – 4005 Silver Hill Road. Zoned CGO / CS. 1.87 acres. Propose joining two parcels into one to develop 109,000 square feet self-storage. Located at 4005 and 4011 Silver Hill Road, Suitland, Md. 20746.
- JFC International, based in Los Angeles, paid \$15.25 million for the approximately 12-acre tract at 1651 Brightseat Road. JFC bills itself as a major wholesaler and distributor of Asian foods throughout the United States and Canada, specializing in Japanese food. It's expected to construct a new building on the tract, with refrigeration space. Sellers Turnbridge Equities and Columbia-based Manekin LLC bought the property in early 2023, and navigated entitlements for a 152,000 square foot building. JFC takes ownership positioned to apply for and pull permits.

Queen Anne's County – Queen Anne's

No properties were newly certified as eligible for property tax credits in FY 2024.

The Enterprise Zone has been a great asset and tool for economic development in Queen Anne's County. This has not only been a catalyst for business attraction but has also been an attractive benefit for businesses to remain and grow within the county. We continue to see growth and investment from previously EZ certified companies as well as continued increases in new hires. The QA EZ zone strategically includes our business parks and areas zoned for growth and it supports job growth as our population grows and the need for additional businesses that provide services for our citizens are in demand. Since its inception in 2017, the Queen Anne's County EZ has supported 636 existing jobs and created 357 new jobs. The zone has also prompted over \$146 million in capital investment.

Future economic development projects that might claim a tax credit include:

- FY25 Application for the capital improvements to the waterfront campus of the Chesapeake Bay Beach Club. It is estimated at \$2.6 million supporting 200 jobs and creating 42 new jobs.
- FY 25 Application for a new 36,000 sqft. Dog Food Distribution headquarters/facility at the Matapeake Business Park. This new facility will provide 30 new jobs and expected investment of \$6 million. This project is near completion and will support 47 jobs.
- FY 25 Application for a new commercial kitchen and office space for Chesapeake Chef Service. This is a redevelopment project in viewshed of rt 50/301. Capital investment is estimated at \$1.7 million and will create 6 new full-time jobs and support existing 6 jobs on site. Project under construction estimated completion early spring 2025.

Future Projects:

- Phase 2 of Bay Bridge Marina Redevelopment Construct 3 commercial apartment buildings. Total of 174 commercial apartments and 65,647 sf of Commercial Floor Area in Stevensville, MD
- Kent Island Crossing- A new 174,464 sf mixed use development (retail, office, grocery, rest.) and an 84-bed assisted living facility located in Chester, MD

Somerset County – Crisfield

No properties were newly certified as eligible for property tax credits in FY 2024.

With funding received from the Tri-County Council (TCC), Somerset County has just recently purchased a 168 acre parcel of land located on Revells Neck Road in Westover, which will be utilized as a future Industrial Park. This land is included within an EZ and the EZ tax incentives can be utilized as a marketing tool.

Somerset County – Town of Princess Anne

No properties were newly certified as eligible for property tax credits in FY 2024.

Talbot – Tilghman

There were no new properties certified in the Tilghman Island Enterprise Zone in 2024.

While we have no new projects, the EZ on Tilghman Island has seen several notable redevelopment projects in the past few years. The Wylder Hotel and the Tilghman Island Inn have both returned to their glory as attractive tourist destinations. Both properties had fallen into disrepair, and the Tilghman Island Inn had closed all together. Now, the Wylder hosts guests and boasts a robust wedding business. The Tilghman Island Inn has always had one of the most fabulous views of the Chesapeake Bay. Today, it is also known for lush gardens, modern amenities, and a fine dining restaurant.

At Tilghman Wharf Seafood, owner Nick Hargrove has expanded his blue catfish processing plant, one of only a few in the state of Maryland, restoring the property to its longtime commercial use. Mr. Hargrove is also growing spat on shell for oyster restoration planting in the Chesapeake Bay on this property. Many state and federal officials have been to Tilghman Wharf to see this processing operation and offer assistance in eradicating this

invasive species.

The EZ continues to be a valuable tool in helping encourage the redevelopment of this unincorporated Talbot County village.

Washington County – Town of Hancock

There were no new properties certified in the Town of Hancock Enterprise Zone in 2024.

The successful projects during the calendar year 2024:

- 557 East Main Street, LLC, Parcel 05-006988. This was a rehabilitation project that became eligible for tax credits on July 1, 2012. Renovations were complete and enabled the owner to continue doing business in a blighted area in the middle of the Town of Hancock, MD. Credits for this project have now expired.
- Potomac River Grill Inc., Parcel 05-018722. This was a new construction of an addition to an existing building on the banks of the Potomac River, located on the outskirts of the Town of Hancock. Customers are attracted to the new outside deck overlooking the river. Surrounding businesses also enjoy the increase in visitors to the restaurant.

Washington County – Hagerstown

4 properties were newly certified as eligible for property tax credits in FY 2024:

- Commonwealth Avenue Hagerstown Re, LLC; 825 Commonwealth Avenue, Suite 200, Hagerstown, MD 21740
- 2004 Florida Avenue, LLC; 1050 Florida Avenue, Hagerstown, MD 21740
- Hagerstown Industrial Properties, II, LLC; 45 West Oak Ridge Drive, Hagerstown, MD 21740
- Groh Enterprises; 901 Pennsylvania Avenue, Hagerstown, MD 21740

1 property was newly certified as eligible for income tax credits in FY 2024:

- ConAgra Foods Packaged Foods, LLC; 1200 Frederick Street, Hagerstown, MD 21740

A notable example of redevelopment or new businesses relocating or expanding in the EZ due to the tax credits provided:

- ConAgra Foods Packaged Foods, LLC; 1200 Frederick Street | Hagerstown, MD 21740
ConAgra Foods Packaged Foods, LLC aimed to use the enterprise zone program to retain their 244 full-time employees and hire an additional 30 full-time employees, providing training for them.
- Commonwealth Avenue Hagerstown RE, LLC; 825 Commonwealth Avenue, Suite 200 | Hagerstown, MD 21740
Commonwealth Avenue Hagerstown RE, LLC requested to utilize the enterprise zone program to fully demolish and rebuild a 25,000 square foot facility, which includes 20,000 square feet of warehouse/logistics space, along with 5,000 square feet of modern office space. This \$1.12 million investment would not have been feasible without the enterprise zone program.
- 2004 Florida Avenue, LLC; 1050 Florida Avenue | Hagerstown, MD 21740

2004 Florida Avenue, LLC, is utilizing the enterprise zone program to replace an aged 12,000 square foot building and reintroduce it to the market. This \$1.8 million investment would not have been achievable without the enterprise zone program.

- Hagerstown Industrial Properties, II, LLC; 45 West Oak Ridge Drive | Hagerstown, MD 21740

The enterprise zone program enabled this \$45.2+ million construction project possible in Washington County, MD. The 600,000 square foot facility will employ more than 200+ workers and contribute significantly to the tax base. Without the enterprise zone program, this project would likely have chosen a different location.

- Groh Enterprises; 901 Pennsylvania Avenue | Hagerstown, MD 21740

An investment of \$100,000 for upgrades and repairs on this structure would not have been possible without the enterprise zone program.

Future economic development projects that might claim a tax credit include:

- *Hager 5, LLC*; 37 West Antietam Street, Suite 100 | Hagerstown, MD 21740

This project has applied and been certified as eligible for the enterprise zone tax credit program, although it falls outside the reporting period for fiscal year 2024. Hager 5, LLC purchased the building for \$355,000 and plans a \$3.8 million renovation on this 20,000 square foot building. It is located outside the focus area and has qualified for real property tax credits. This is an exciting initiative that will help ensure the continued growth and revitalization of downtown Hagerstown's core.

- *Project Oyster*; Hagerstown, MD 21740

Project Oyster is a new initiative seriously considering Hagerstown, MD for its new location. It plans to construct a 700,000 square foot, high vertical integration cold storage facility, which will be the fourth largest of its kind in the nation and among their 17 fully automated facilities worldwide. The site in Washington County is outside of the focus area. The project will create 125-150 full-time jobs, with 50% being salaried positions that pay above the state minimum wage, making the company an employer of choice in the area. The estimated capital expenditure for this facility is \$250 million.

Wicomico County – Salisbury

1 property was newly certified as eligible for property tax credits in FY 2024

- 117 W. Main St.

A notable example of redevelopment or new businesses relocating or expanding in the enterprise zone due to the tax credits provided:

- 212 W. Main St.
- 120 N. Division St; Recently awarded Project Restore funds. Once opened and operational, both are planning to apply for enterprise zone tax credits.
- Westwood Commerce Park; Naylor Mill Road at Westwood Drive, Salisbury, MD

Future economic development projects that might claim a tax credit include:

- Westwood Commerce Park; Naylor Mill Rd. at Westwood Drive, Salisbury, MD

The property is located within a focus area.

Real property tax credit

\$1 million+ in expected capital expenditures

Wicomico County – City of Fruitland

There were no new properties certified in the City of Fruitland Enterprise Zone in 2023.

Worcester County – Town of Berlin

There were no new properties certified in the Town of Berlin Enterprise Zone in 2024.
The redevelopment of the Heron Park Property in the next several years has potential.

Worcester County – City of Pocomoke

There have been no new businesses enlisting in the Enterprise Zone Program in 2024.

Future economic development projects that might claim a tax credit include:

- 130 Market St. (business expansion-partially occupied by dog grooming business)
- 202 Clarke Ave. (vacant storefront, renovations for 1st floor business)
- 204 Clarke Ave. (vacant storefront, business renovations)
- Broadband Holdings LLC, AKA Simple Fiber, AKA Firehouse Apartments

5 Fifth St. Property Account: 24-01-022245

This formerly abandoned and city-owned fire department building was successfully renovated into both commercial space and 2nd story residential apartments by Broadband Holdings LLC. The commercial space is occupied by the Simple Fiber, an internet cable company owned by the Davis Brothers. A large interior space is expected to be leased to the Worcester County library as they transition into a new facility. The commercial component of this building will be in the 2nd year of the EZ property tax credit program.

- Independence Enterprises LLC (currently leased to Harbor Freight); 110 Newtowne Blvd. Property Account: 24-01-040898

This property is presently enrolled in the program but may be receiving no EZ property tax credits due to the owner's successful appeal of the assessed property values, after the property became eligible and enrolled in the program.

- 153 Market Street (partially occupied building, major renovations)
- 149 Market St. (vacant storefront, office renovations)
- 144 Market St. (vacant bank building-office or event center renovations).
- 113 Willow St. (vacant office building-renovations expected)
- 111 Willow St. (vacant commercial building-former barbershop and residential 2nd floor). 153 Newtowne Boulevard, (new retail business, Starbucks).

Worcester County – Town of Snow Hill

There were no new properties certified in the Town of Snow Hill Enterprise Zone in 2024.