

Howard County Department of Planning and Zoning

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Subject: FY 2026 Route 1 Tax Credit Annual Report to Council for Renovated, Upgraded or Rehabilitated

Properties

To: Liz Walsh, Chair, Howard County Council

From: Lynda D. Eisenberg, AICP, Director, Department of Planning and Zoning \mathcal{L}

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Jennifer Jones, President and CEO, Howard County Economic Development Authority

Date: August 29, 2025

The Departments of Planning and Zoning (DPZ) and Finance and the Howard County Economic Development Authority (HCEDA) are submitting the annual report on the Real Property Tax Credit for Renovated, Upgraded or Rehabilitated Property adjacent to Route 1, as specified in the Howard County Code Title 20. Section 20.129D(K). This program supports revitalization of properties along the Route 1 corridor and eligible properties within a specified boundary in Elkridge. The program offers a financial incentive for commercial and industrial property owners to renovate, rehabilitate, and upgrade properties through a property tax credit.

Background

The 2011 Robert Charles Lesser & Co. (RCLCO) Study identified Route 1 as an important employment corridor for the County but acknowledged that long stretches include "a hodgepodge of longstanding commercial visual blight." In response, CB 9-2014 was enacted to fund a four-year tax credit program for commercial and industrial properties along Route 1.

The County Council amended Section 6 of Council Bill 9-2014 (an uncodified section) On June 9, 2017, to <u>extend</u> the "Renovated, Upgraded, or Rehabilitated Property Adjacent to Route 1 Tax Credit" through the taxable year ending June 30, 2020. It also permitted the payment of approved credits beyond June 30, 2020, should the amount of the tax credit exceed the approved property's annual county tax bill.

On October 5, 2020, CB-52-2020 was introduced after the Route 1 Tax Credit Program sunset on June 30, 2020. This bill became effective on January 5, 2021, and restarted the credit and extended the program to accept applications through April 1, 2025. CB-52 included several provisions to enhance the attractiveness of the program and boost participation by increasing the length of eligibility to receive the tax credit for an additional year, increasing the maximum property size from the previous 10 acre maximum to 15 acres, allowing up to 10% of soft costs for eligible properties, and reducing the annual amount to \$250,000 from \$500,000. On July 7, 2025, the County Council extended the tax credit program for an additional five years, extending its operation from July 1, 2026 through July 1, 2031. This extension (via CB 46-2025) introduced several key changes largely based on the *Route 1 Corridor: A Plan for Washington Boulevard* recommendations that will affect the program starting in FY27:

• **Expanded eligibility:** Mixed-use properties that include residential components may now receive credits, provided the scope of work is limited to commercial uses.

- **Lifetime cap adjustment:** The \$100,000 lifetime cap per property has been removed; only a \$100,000 cap on landscaping expenses per application now pertains.
- **Property size cap:** The previous restriction limiting eligibility to properties that were 15 acres or smaller has been removed; there is now no acreage limit for participation.

2025 Reporting Requirement

This report summarizes program activity through June 30, 2025, for tax credits to be allocated in FY26 (beginning July 1, 2025). Three projects were approved for a total of \$104,695.77 in tax credits this year. The tax credits for these three properties have been applied to FY 2026 tax bill issued in July 2025. In the table below, "Initial Eligible Project Costs" are the amounts which were pre-approved prior to an applicant starting work and "Total Amount Approved" is the tax credit amount that the applicant was granted after project completion. "Eligible Costs" and "Total Amount Approved" may differ due to various factors, such as:

- the construction project has administrative amendments to the scope after approval, the applicant utilizes 10% for soft costs,
- unforeseen construction expenses trigger the need for 125% allowance,
- the invoices submitted were less than the original quotes, and/or
- the invoices submitted were higher than the original quotes and were confirmed as being eligible.

The "Credit Amount Applied to FY26" column refers to the portion of the total tax credit granted to the applicant that was applied to their FY26 property tax bill issued on July 1, 2025, based on their total county property tax liability.

Projects granted tax credits in FY 2026 (credit amount applied to July 2025/FY26 tax bill)

Owner Name	Tax Account Number	Property Address	Initial Eligible Project Costs	Total Tax Credit Granted	Credit Amount Applied to FY 26
Vishnu Corporation	06-414613	9920 Washington Blvd N, Laurel, MD 20723	\$53,953.65	\$53,453.65	\$30,769.81
WEICK Properties LLC	01-182862	5800 Main St, Elkridge, MD 21075	\$39,300	\$39,300	\$4,934.99
5820 LLC	01-174002	5820 Washington Blvd, Elkridge, MD 21075	\$11,103	\$11,942.12	\$0*
			Total:	\$104,695.77	\$35,704.80

^{*5820} Washington Blvd. continues to receive its original \$75,516.16 tax credit through FY27. No new funding will be issued for the current FY26 project of \$11,942.12 until the previous credit is fully exhausted in FY27.

Prior tax credit projects with credit carried forward into FY26 (total tax credit amount applied to July 2025/FY 26 tax bill)

Owner Name	Parcel	Property Address	Initial Eligible Project Costs	Total Tax Credit Granted	Credit Amount Applied to FY 26
Wabasea Group LLC	01-179683	5746 Main St, Elkridge, MD 21075	\$61,500	\$37,900	\$4,763.07
David J. Marc	01-169297	5849 Washington Blvd, Elkridge, MD 21075	\$12,549	\$13,709	\$2,386.58
Andrews Real Estate Holdings LLC	06-391532	8414 Washington Blvd, Jessup, MD 20794	\$68,348.20	\$68,763.82	\$11,140.52
Amani Investments Group LLC	06-407986	10140 Washington Blvd, Laurel, MD 20723	\$34,500	\$34,500	\$3,176.89
5820 LLC	01-174002	5820 Washington Blvd, Elkridge, MD 21075	\$77,201.8	\$75,516.16	\$23,454.50
JNS Realty LLC	01-178512	7430 Washington Blvd, Elkridge, MD 21075	\$8,532.45	\$10,952.20	\$3,192.23
Eastern Hospitality LLC	01-173863	6195 Washington Blvd, Elkridge, MD 21075	\$9,442.10	\$9,442.10	\$725.04
Gardenia LLC	01-158767	5841 Washington Blvd, Elkridge, MD 21075	\$5,889	\$5,889	\$2,273.28
8510 Corridor LLC	06-486738	8510 Corridor Rd, Savage, MD 20763	\$69,868	\$69,868	\$32,099.21
	\$35,704.80				
	\$83,211.32				
	\$118,916.12				

Summary of FY26 Tax Credit Projects

Project 26-001: Super 8 9920 Washington Blvd N, Laurel, MD 20723

The subject property underwent a series of coordinated improvements to enhance visual appeal, safety, and compliance with applicable standards. The scope of work included:

- **Signage upgrade:** Replacement of existing signage with updated logo and repainting of associated trim for refreshed appearance.
- Landscaping installation: Type E landscaping was installed along the property's frontage on U.S. Route 1, consistent with the Route 1 Manual requirements for CAC-zoned parcels.
- **Street tree replacement:** Four deteriorating street trees were removed and replaced to maintain healthy vegetation and streetscape standards.
- **Pavement rehabilitation:** Repaving of the front parking lot was completed to address surface degradation and improve vehicular access.
- **Curb cut restoration:** Repairs to the crumbling curb cut were undertaken to restore function and meet accessibility and durability expectations.

Location: North Laurel



Before:







After:







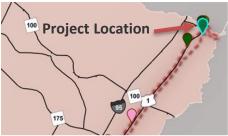
<u>Project 26-002: Elkridge Depot</u> 5800 Main St, Elkridge, MD 21075

As part of ongoing building improvements, the Elkridge Depot/Railroad Building (HO- 497) received a full roof system replacement to address aging materials and preserve structural integrity of the building which is significant architecturally and historically to Howard County and the state of Maryland. Although the structure has been altered over the years, it is listed as a contributing building in the Elkridge Landing Historic Survey District (HO-784). The Railroad Building derives its name from its location close to the west side of the Washington branch of the B & O Railroad. The FY26 scope of work included:

- Removal of existing roofing: Outdated asphalt shingles were removed to allow for enhanced roofing installation.
- **Installation of protective elements:** Synthetic underlayment and brown drip edge were added to improve moisture management and long-term performance.
- **Updated roofing application:** Teed Grand Manor architectural shingles in "Weathered Wood" were installed. This product not only offers superior durability and aesthetic appeal due to its dimensional design and slate-like appearance.
- **Flashing improvements:** New first-story flashing was installed to reinforce sealing at vulnerable transition points.
- **Debris removal:** All demolition and construction materials were hauled off-site to ensure clean project closeout.

Location: Elkridge





Before:





After:





Project 26-003: FleetPro

5820 Washington Blvd, Elkridge, MD 21075

This FY26 project supported a series of targeted site enhancements through the County's Route 1 Tax Credit program, aimed at revitalizing FleetPro's car sales division and surrounding grounds. These improvements advance the program's objectives of encouraging reinvestment, enhancing commercial corridors, and supporting the long-term viability of local businesses. Improvements focused on visual upgrades, structural repairs, and site cleanup. Key activities included:

- **Exterior painting and cleaning:** The primary car sales structure underwent professional cleaning and repainting to refresh its appearance and improve curb appeal.
- **Architectural upgrades:** Doors, windows, and associated trim work were replaced to enhance energy efficiency, security, and overall presentation of the car sale building.
- **Signage enhancements:** New structure-mounted signage was installed to improve visibility and align with local design standards.
- **Site cleanup:** Removal of discarded tires and a disused moving truck box helped restore order and eliminate visual clutter.
- Landscaping improvements: New mulching was added to soften the site's edges and contribute to an inviting streetscape that is primed for future landscaping plantings.

Location: Elkridge



Before:



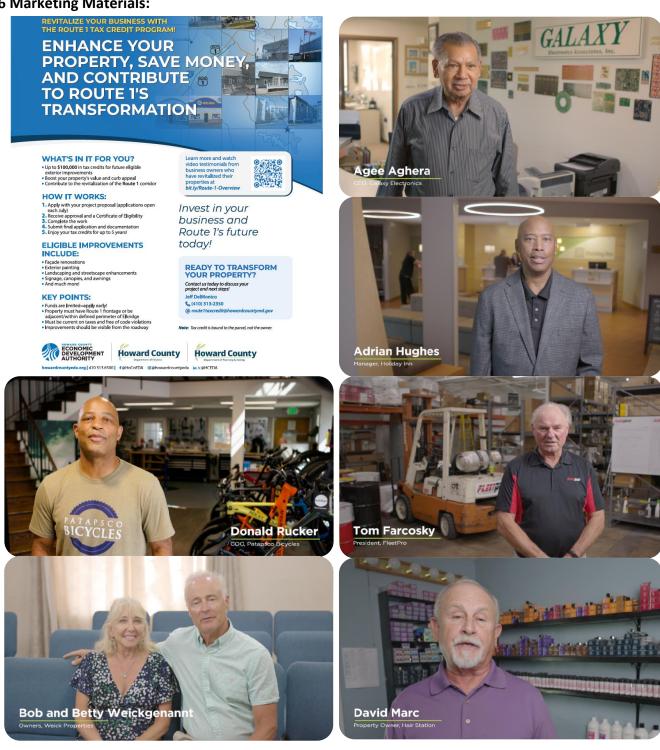
After:



Evaluation

In FY26, the Route 1 Tax Credit Program awarded \$104,695.77 in tax credits to three property owners—an increase from FY25, though still below the program's annual cap of \$250,000. Interagency coordination among DPZ, Finance, and EDA remained strong, enabling efficient program administration. Program outreach was expanded through EDA's marketing team, which produced and distributed updated promotional materials, including redesigned flyers and testimonial videos from past recipients. These efforts aim to increase awareness and participation in future funding cycles.

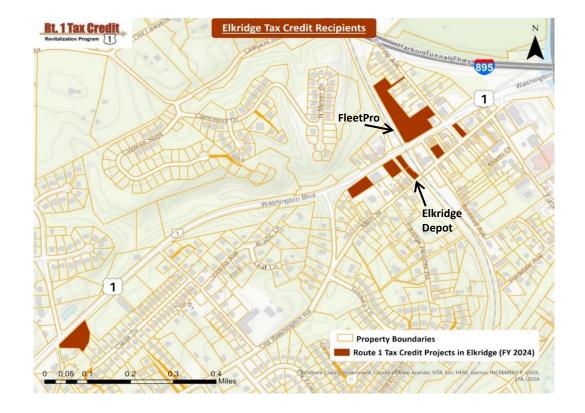
FY25-26 Marketing Materials:



Accomplishments

During FY26, the Route 1 Tax Credit Program advanced its mission to support commercial revitalization and corridor beautification through the following key accomplishments:

- 1. **Enhanced marketing and outreach:** The program launched a refreshed marketing campaign featuring redesigned flyers and professionally produced testimonial videos from past recipients. These materials are being used to increase visibility and encourage new participation.
- 2. "Website updates: The Route 1 Tax Credit webpage is continuously evaluated and updated for functionality and user experience. The website now includes a comprehensive mapping application that displays past tax credit recipients and includes an explanatory dashboard. Additional improvements are planned for the upcoming fiscal year to further expand the platform's utility and impact.
- 3. **Strong applicant engagement:** Three applications were received in FY26, all from returning participants. This continued engagement reflects the program's growing credibility among business owners and the tangible value they associate with façade improvement incentives.
- 4. **Ongoing impact in Elkridge 'Cluster of Change':** The program's cumulative impact remains visible in Elkridge, where seven properties were improved between FY21 and FY24 along a concentrated 1,000-foot segment of Route 1. In FY26, two of those properties returned with new projects, reinforcing the program's role in fostering sustained investment and enhancing the visual character of the corridor. (See Elkridge Tax Recipients map below.)
- 5. **Historic resource collaboration:** Consulted with DPZ's Historic Preservation Planner in the Resource Conservation Division to ensure that roof improvements to the Elkridge Depot (HO-497) did not compromise its historic integrity.
- 6. Landscaping enhancements: Staff identified a key opportunity to improve site aesthetics and corridor character by recommending the use of tax credit funds for added landscaping fronting Route 1. An applicant modified their application to incorporate enhancements consistent with the Route 1 Manual's landscaping guidelines for CAC-zoned properties, resulting in a more visually appealing and context-sensitive frontage.



Challenges

Route 1 is a complex corridor. As EDA and DPZ continue to work with stakeholders and potential applicants, program staff better understand the corridor's challenges and how to respond to them. Below are some ongoing and new programmatic challenges, many of which have remained similar over the past few years, and the project team's efforts to address them:

- Limited number of small business owners that have the upfront funds to invest in transformative projects
 - Educating small business owners on additional programs that EDA sponsors, including loans and other incentives that may assist with upfront costs.
 - Working with applicants to scale their applications to best meet their financial limitations.
- Several properties maxed out their tax credit maximum cap but had additional needs for upgrades and renovation.
 - Updated the 2025 legislation to remove the \$100,000 lifetime cap per property.
- Various properties in the corridor were ineligible for the program.
 - Removed the property size cap of 15 acres or smaller in the 2025 legislation so there is no acreage limit for participation in the tax credit program.
 - Expanded the program in the 2025 legislation to include mixed-use properties with residential components provided the scope of work is limited to commercial uses.
- Marketing and promoting the program to existing businesses.
 - o Continuing to build up awareness of the program, including marketing success stories.
 - EDA has increased the number of staff on-the-ground and established the Route 1 Business
 Alliance meetings to build relationships with business owners and promote numerous small
 business incentives, including the Route 1 Tax Credit Program.

Conclusion

In last year's annual report and within the *Route 1 Corridor: A Plan for Washington Boulevard*, it was recommended that any future reauthorization should "expand the Tax Credit Program's reach, scope, and funding to encourage greater participation." The recently adopted legislation responds directly to that recommendation, broadening eligibility and removing prior limitations that may have constrained applicant interest. These changes position the program for continued growth and impact in the years ahead. The Department will monitor the impact that the legislative changes made to the program, the number of participants, and the types of projects and their visual impact.

The Route 1 Tax Credit Program team is available if the Council would like a presentation at an upcoming monthly meeting.