HOWARD COUNTY DEPARTMENT OF PLANNING AND ZONING
3430 Court House Drive ■ Ellicott City, Maryland 21043 ■ 410-313-2350
Lynda D. Eisenberg, AICP, Director FAX 410-313-3467

Subject: FY 2027 Route 1 Tax Credit Annual Report to Council for Renovated, Upgraded or Rehabilitated Properties

To: Opel Jones, Chair, Howard County Council

From: Lynda D. Eisenberg, AICP, Director, Department of Planning and Zoning LE
Rafiu Ighile, Director, Howard County Department of Finance RI
Jennifer Jones, President and CEO, Howard County Economic Development Authority JJ

Date: August 31, 2026

The Department of Planning and Zoning (DPZ) and the Department of 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.

Program Background History

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. CB9-2017 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) retained the program's annual amount at $250,000 and to make the program more competitive it introduced several key changes largely based on the following *Route 1 Corridor: A Plan for Washington Boulevard* recommendations:

- **Expanded eligibility:** Mixed-use properties that include residential components may now receive credits, provided the scope of work is limited to commercial uses.
- **Adjusted the lifetime cap:** The $100,000 lifetime cap per property has been removed; only a $100,000 cap on landscaping expenses per application now remains.
- **Removed the property size restriction:** The previous restriction limiting eligibility to properties that were 15-acres or smaller has been removed; there is now no acreage limit for participation.

2026 Reporting Requirement

This report summarizes program activity through June 30, 2026, for tax credits to be allocated in FY27 (beginning July 1, 2026). Three projects were approved for a total of $114,393.83 in tax credits this year. The tax credits for these three properties have been applied to FY 2027 tax bill issued in July 2026. 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 FY27" column refers to the portion of the total tax credit granted to the applicant that was applied to their FY27 property tax bill issued on July 1, 2026, based on their total property tax liability. Tax credits can be applied to a property's tax bill for up to 6 years on larger projects if the annual tax liability is less than the total amount expended.

Projects granted tax credits in FY 2027 (credit amount applied to July 2026/FY27 tax bill)

Owner Name	Tax Account Number	Property Address	Initial Eligible Project Costs	Total Tax Credit Granted	Credit Amount Applied to FY 27
Gardenia LLC	01-158767	5841 Washington Blvd, Elkridge, MD 21075	$8,590.52	$7,330	$5,591.66
Brenner Animal Hospital	06-481523	10100 Washington Blvd N, Laurel, MD 20723	$7,500	$7,500	$6,130.37
Durge LLC	01-163329	7894 Washington Blvd, Elkridge, MD 21075	$93,563.83	$99,563.83	$16,227.94
Total from July 2026 projects, applied to FY2027:				**$114,393.83**	**$27,949.97**

Prior tax credit projects with credit carried forward into FY27 (total tax credit amount applied to July 2026/FY 27 tax bill)

Owner Name	Tax Account Number	Property Address	Initial Eligible Project Costs	Total Tax Credit Granted	Credit Amount Applied to FY 27
Wabasea Group LLC	01-179683	5746 Main St, Elkridge, MD 21075	$61,500	$37,900	$5,028.95
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	$11,018.38
Amani Investments Group LLC	06-407986	10140 Washington Blvd, Laurel, MD 20723	$34,500	$34,500	$3,192.21
5820 LLC	01-174002	5820 Washington Blvd, Elkridge, MD 21075	$77,201.8	$75,516.16	$5,826.64
Vishnu Corporation	06-414613	9920 Washington Blvd N, Laurel, MD 20723	$53,953.65	$53,453.65	$22,683.84
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	$11,942.12
Gardenia LLC	01-158767	5841 Washington Blvd, Elkridge, MD 21075	$8,590.52	$7,330	$5,591.66
Brenner Robert M & Mary Jo Trustees	06-481523	10100 Washington Blvd N, Laurel, MD 20723	$7,500	$7,500	$6,130.37
Durge LLC	01-163329	7894 Washington Blvd, Elkridge, MD 21075	$93,563.83	$99,563.83	$16,227.94
Total from July 2026 projects, applied to FY2027 (see chart on page 2):					**$27,949.97**
Total tax credit applied to FY2027 from projects completed in previous fiscal years:					**$67,013.91**
Grant total of tax credits granted in FY2027:					**$94,963.88**

<u>Summary of FY27 Tax Credit Projects</u>

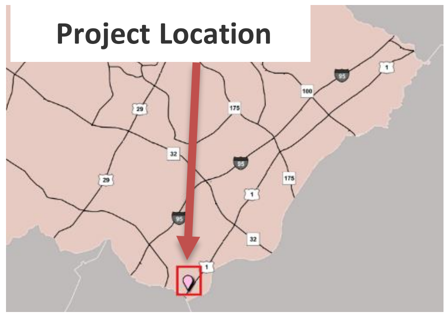
Project 27-001: Brenner Animal Hospital

10100 Washington Blvd N, Laurel, MD 20723

The applicant made significant improvements to the screening and overall beautification of the property by replacing the existing dilapidated wooden fence perpendicular to Route 1 which separates the Brenner Animal Hospital from an adjoining auto repair business in North Laurel. The scope of work included:

- **Fence replacement:** The 150-foot old wooden fence was replaced with a new 8ft PVC Hillside Khaki fence.

Location: North Laurel



Before Photos:

After Photos:

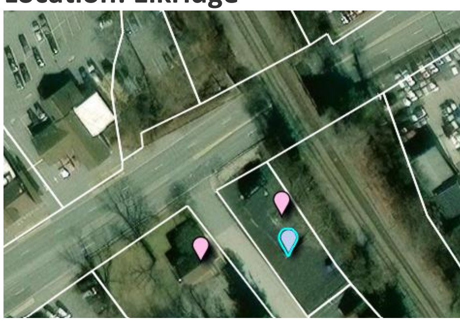
Project 27-002: Gardenia, LLC

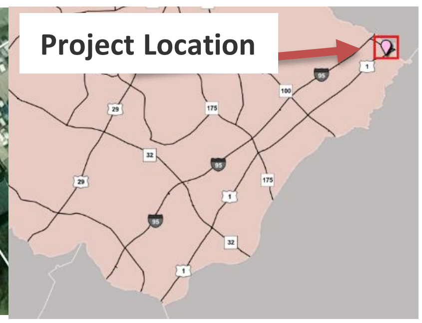
5841 Washington Blvd, Elkridge, MD 21075

As a part of ongoing site improvements, this former tax credit recipient in Elkridge made transformative façade improvements to their building, modernizing the look of the building and updating features that had rusting and paint chipping from weathering. The FY27 scope of work included:

- **Exterior power washing:** The brick façade, vinyl siding, and widows were power washed and primed in preparation for new exterior paint job.
- **Exterior painting of building facade:** One coat of masonry primer was applied to the brick façade, followed by two finish coats of white paint. One coat of bonding primer was applied to the vinyl siding, followed by two finish coats of white paint. Finally, one coat of bonding primer was applied to the windows, followed by two finish coats of black paint.
- **Painting & rust treatment of exterior chains and parking features:** The rusting 12 parking bollards and chains were treated and painted with exterior rust oleum black oil paint.

Location: Elkridge





Before Photos:

After Photos:

Project 27-003: Shell Gas Station at MD-175/Route 1

7894 Washington Blvd, Elkridge, MD 20175

This final FY27 project supported a subject property in a prime location at the corner of Route 1 and Route 175. These improvements not only helped to beautify the property but also improved the property's safety which furthers the program's objectives of encouraging reinvestment, enhancing commercial corridors, and supporting the long-term viability of local businesses. Improvements focused on signage upgrades, structural repairs, and lighting replacements. The FY27 scope of work included:

- **Roof replacement:** The aging and structurally compromised roof was replaced with an ISO board over the existing glow sloped roofing, followed by an installation of a new TPO white roofing system on the entire low slope roofing sections. The existing shingles roof section was also removed and replaced with new synthetic base felt to create a vapor barrier below the newly installed shingles. Along with all necessary plumbing installations, water and ice shield membrane protections were installed.
- **Signage enhancements:** New aluminum signs were installed that improved the safety by identifying "No Parking" & "Danger, Gas Lines" as well as an aluminum car wash signs that identifies "open and closed".
- **Light pole Replacement:** A new white yard light pole and LED light pole head was installed to replace the existing one that was hit by a car.

Location: Elkridge

Before Photos:

After Photos:

Evaluation

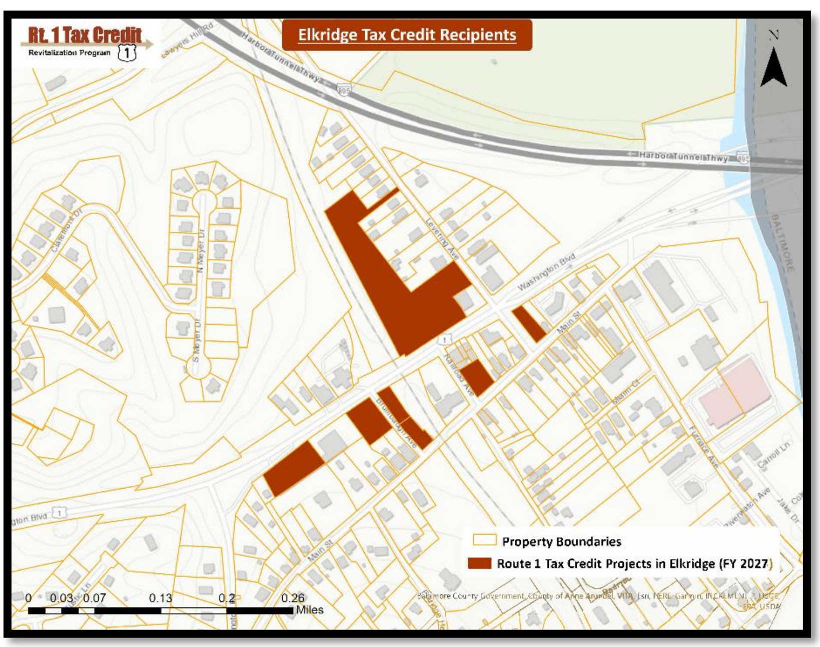
This fiscal year, the Route 1 Tax Credit Program awarded $114,393.83 in tax credits to three property owners—an increase from FY26, though still below the program's annual cap of $250,000. Interagency coordination among DPZ, Finance, and EDA remained strong, enabling efficient program administration. EDA and DPZ's marketing team, updated and distributed promotional materials, including a redesigned flyer, to property owner addresses along Route 1. These efforts were aimed to increase awareness and participation in the current and future funding cycles.

FY26-27 Marketing Materials - Press sheet (left) and Flier/Mailer (right):

Accomplishments

Over the last program year, the Route 1 Tax Credit Program advanced its mission to support commercial revitalization and corridor beautification through the following key accomplishments:

1. **Refreshed marketing campaign:** The program updated its marketed and outreach materials featuring redesigned flyers based on the legislative updates to the program from Council Bill 46-2025. These materials are being used to increase visibility and encourage new participation.
2. **Received a 2026 NACo Achievement Award for Website updates:** The Route 1 Tax Credit webpage has been continuously evaluated and updated for user experience and functionality. The website includes a comprehensive mapping application that displays past tax credit recipients and includes an explanatory dashboard. This updated user experience recently received a 2026 NACO Achievement award in the categories of Civic Education and Public Information, as well as Planning.
3. **Worked in collaboration with the Maryland Façade Improvement Program (MFIP) Grant:** Partnered with EDA's marketing team to coordinate outreach for both the Route 1 Tax Credit Program and the 2024-MFIP for North Laurel-Savage grant, aligning efforts in areas with overlapping eligible properties. This collaboration enabled program managers to direct applicants to the most advantageous funding source, increasing the likelihood of successful project outcomes. Staff will continue to look for additional funding streams to assist Route 1 corridor businesses including a recent DPZ grant submission for additional MFIP funding for FY2028.
4. **Continued strong engagement with past recipients:** Three applications were approved for tax credits in 2026, two were new to the program while one was a returning participant. This added interest and continued engagement reflects the program's growing credibility among business owners and the tangible value they associate with façade improvement incentives.
5. **Focused on maintaining the Elkridge 'Cluster of Change':** The program's cumulative impact remains visible in Elkridge, where seven properties were improved between 2020 and 2026 along a concentrated 1,000-foot segment of Route 1. In 2026, one of those properties returned with a new project, reinforcing the program's role in fostering sustained investment and enhancing the visual character of the corridor. (See Elkridge Tax Credit Recipients Map below.)



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:

- Challenge 1: Limited number of small business owners that have the up-front funds to invest in transformative projects:
    - Proposed Solutions:
        - Educate small business owners on additional programs that EDA sponsors, including loans and other incentives that may assist with upfront costs.
        - Work with applicants to scale their applications to best meet their financial limitations.
        - Seek other funding sources to offset the costs to property owners. If awarded the FY28 MFIP grant, eligible applicants may be able to combine grant reimbursements with tax credits which may improve applicant cash flow by reducing reimbursement wait times, which could increase participation.
- Challenge 2: Lack of interest in the program, including businesses that are the most visually blighted.
    - Proposed Solution:
        - Target the most blighted properties with more "boots on the ground".
- Challenge 3: Marketing and promotion to new businesses.
    - Proposed Solutions:
        - Continue to build up awareness of the program, including door knocking events and mailing flyers to property owner addresses.
        - Continuous tracking of weekly DILP permit reports, enabling staff to proactively identify potential project opportunities based on new permit activity.
        - Increased visibility with real estate brokers and county-led open houses/events.
        - Support EDA's expanded on-the-ground presence.
        - Continue to follow the efforts of the Route 1 Business Alliance to engage businesses.
        - Research newsletters distributed to Howard County commercial realtors as a new outreach channel and plan to include program information in the next award cycle.

Conclusion

The Program was reauthorized last year with substantial updates, including the removal of the $100,000 project cap, expanded eligibility for mixed-use properties, and elimination of the 15-acre minimum property size. These improvements generated substantial interest following the public announcement, resulting in an unusually strong early response. Two new applicants applied during this cycle, and many additional businesses expressed interest after learning they may now qualify under the revised criteria.

The expanded eligibility positions the Program for continued growth, broader participation, and greater impact. Along with the continually evolving marketing efforts, the DPZ and its partners are optimistic that future cycles will benefit from increased awareness and sustained interest driven by these changes.

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