

COMMUNITY AND ECONOMIC DEVELOPMENT PROFILE

Washington County, Maryland



Washington County

BUSINESS AND ECONOMIC DEVELOPMENT



www.washco-md.net/business-development

WASHINGTON COUNTY WORKFORCE TRAINING & DEVELOPMENT

Washington County can help you find workforce training and development opportunities. Your employees can strengthen their skills to help your business thrive.

Creating Strong and Successful Employees

Washington County Programs and Resources

Associated Builders & Contractors, Inc.

Mr. Amos McCoy, Executive Director
530 North Locust Street, Hagerstown, MD 21740
Ph: 301-739-1190 E: amos@abccvc.com

The Associated Builders & Contractors, (ABC), Inc., a National Trade Association, represents more than 21,000 general contractors, subcontractors, suppliers, and associates from more than 19,000 firms.

The Cumberland Valley Chapter, located in Washington County, MD is dedicated to assisting its members to grow and prosper. Architects, developers, owners, and contractors frequently contact ABC to find qualified member contractors, suppliers, and associates. Program teaching includes carpentry, electrical, and plumbing. Services offered include Apprenticeship & Craft Training, Apprenticeship Training Funding, Custom and In-House Training, and Online Safety Training.

Hagerstown Community College

Dr. James Klauber, President
11400 Robinwood Drive, Hagerstown, MD 21742
Ph: 240-500-2476 E: jklauber@hagerstowncc.edu

Offers a wide variety of educational opportunities through the Continuing Education & Workforce Development programs. Courses in almost any subject area desired by local businesses, agencies and groups can be custom-designed to fit your needs.

Hagerstown Community College initiated a community-wide effort to become Maryland's first Work Ready Community through the ACT WorkKeys Program for National Career Readiness. This program matches workforce skills to meet business needs.

Pittsburgh Institute of Aeronautics

Mr. Butch Adams, Campus Director
14516 Pennsylvania Avenue, Hagerstown, MD 21742
Ph: 240-347-4805 E: badams@pia.edu

Pittsburgh Institute of Aeronautics (PIA), is now Maryland's exclusive FAA certified Airframe & Powerplant training provider. Working in conjunction with the Hagerstown Airport Authority and by request of the Governor's Workforce Investment Board, PIA instituted the aviation maintenance technician school to help serve the workforce needs of both Maryland and the rest of the nation.

The facility features modern classrooms, a student resource center with a computer lab and publications library, and specialized shop areas designed to offer the optimal training environment for the instruction of aircraft propulsion systems, electricity, sheet metal, hydraulics, instruments & controls, composite materials, non-destructive testing, welding, painting and more.

Skills learned at PIA can be transferrable to any manufacturing facility.



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Workforce Training & Development

Washington County Programs and Resources

University System of Maryland – Hagerstown

Dr. Jacob Ashby, President
3 West Washington Street, Hagerstown, MD 21740
Ph: 240-527-2727 E: jashby@hagerstown.usmd.edu

Provides educational opportunities offered by participating universities at USM-H through Frostburg State University, Towson State University, University of Maryland – College Park, University of Maryland University College, and Salisbury University.

Washington County American Job Center

Mr. Brian Grim, Regional Labor Exchange Administrator
14 North Potomac Street, Suite 100
Hagerstown, MD 21740
Ph: 301-393-8200 E: brian.grim@maryland.gov

The Western Maryland American Job Center, formerly known as the Washington County One Stop Job Center provides a full range of assistance to job seekers and businesses. Grow your business and talent pipe line with the help of Maryland's Business Services. Experts in State resources, recruitment, and retention strategies.



Apprenticeship & Training Grants

Maryland Apprenticeship and Training Program Maryland Department of Labor

Ms. Jennifer Runkles, Western MD Apprenticeship & Training Navigator
14 North Potomac Street
Hagerstown, MD 21740
Ph: 443-615-4758
E: jennifer.runkles@maryland.gov

Hire an apprentice – By participating in the program, businesses can build their workforce, reduce turnover costs, increase productivity, make your workplace safer, plan for employee succession, and take advantage of tax credits and financial incentives.

Partnership for Workforce Quality Maryland Department of Commerce

Mr. Andrew Sargent, Senior Business Development Representative,
Western Region
401 East Pratt Street, 15th Floor
Baltimore, MD 21202
Ph: 443-447-4999
E: andrew.sargent@maryland.gov

Provides matching training grants and support services targeted to improve the competitive position of small and mid-sized manufacturing and technology companies. This program is targeted to manufacturing and technology. This program is administered by the State of Maryland Department of Commerce.

Western Maryland Consortium

Ms. Debora Gilbert, Executive Director
33 West Washington Street, 4th Fl.
Hagerstown, MD 21740
Ph: 301-791-3164
E: dgilbert@westmdcon.org

The Western Maryland Consortium assists businesses in acquiring new workers through screening, placement and other workforce development services. Financial assistance for companies is also available to help offset the cost of training new employees if on-the-job training is necessary. Training programs can be customized and tailored to specific employer requirements as well. These services are provided at no cost. Training reimbursement of up to \$4,500 per worker is available.

WASHINGTON COUNTY COST OF DOING BUSINESS INFORMATION

Utility rates throughout Washington County are competitively priced by individual providers. Rates may be negotiated directly with each provider/company, which can be facilitated through the Department of Business and Economic Development or the City of Hagerstown Community and Economic Development Department.

Connectivity in Washington County

Connecting You and Your Business

Digital, fiber optic, wireless data and cellular technologies are all part of the state-of-the-art communications infrastructure. Services are provided through public and private local and regional vendors with broadband speeds up to 1 Gigabit and Ethernet speeds up to 10 Gigabits. AT&T, Sprint, and Verizon operate Points-of-Presence within Washington County.

1 Gigabit Internet Service

The City of Hagerstown is among less than 300 cities in the United States with high speed internet up to and beyond 1 Gigabit service for businesses and residents. 1 Gigabit service is available downtown and in many other parts of the City of Hagerstown, and the fiber-optic internet connection offer speeds of 1,000 Megabit per second.

The dedicated connection allows for uploads and downloads of data at equal speeds. This makes Hagerstown an ideal location for businesses that do large volume of data transfers to clients. This service also benefits businesses that backup their own data and engage in collaboration through file sharing, online conferencing and screen sharing. It is also ideal for businesses that are moving their business processes such as email servers, customer contact management and database applications to the cloud.

For more information, visit <https://www.gigahubcity.com/> or watch the video at https://www.youtube.com/watch?time_continue=285&v=cNpp_DK59SU.



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Connectivity in Washington County

Connecting You and Your Business

ELECTRIC

City of Hagerstown

Hagerstown Light Department

425 East Baltimore Street, Hagerstown, MD 21740

Ph: 301-790-4160

E: customerservice@hagerstownmd.org

The City of Hagerstown operates a self-supported Enterprise Fund utility, with total costs for operation derived through their electric rate structures. Being publicly owned means being publicly aware. Their customers, who are also owners, are a top priority. With that in mind, the City of Hagerstown has always strived to maintain some of the lowest rates in the region. Low rates not only save the customer money directly by way of lower monthly electric bills, but also decrease electric costs for publicly owned buildings thereby helping to keep taxes as low as possible. The City also provides \$400,000 to the city's Community Betterment Fund, which was established to provide direct improvement of the quality of life for all citizens of Hagerstown.

For more than 75 years, the City of Hagerstown Light Department (HLD) has provided safe and reliable electric power to our customers, at the most economical cost available, while endeavoring to provide the best reliable service possible.

The division is a publicly owned municipal electric utility, serving more than 17,500 customers within the corporate limits of Hagerstown with a peak demand of 79.8 mega-watts. More than 385,000,000 kilowatt hours are purchased at wholesale and distributed throughout our service territory annually.

GAS

Columbia Gas of Maryland, a NiSource Company

Mr. Matthew Blymire, Major Account Manager,

Large Customer Relations

1600 Colony Road, York, PA 17408

Ph: 717-818-2633 E: mjblymire@nisource.com

Columbia Gas of Maryland serves the area with natural gas. Propane is also readily available through private vendors such as AC&T Company and Thompson Gas.

WATER

Municipal or county systems serve most areas within the county.

SEWER

Municipal or county systems serve areas throughout the county. Publicly-owned industrial pretreatment facilities provide treatment and disposal of non-regulated liquid waste for businesses.

Potomac Edison, a FirstEnergy Company

10802 Bower Avenue, Williamsport, MD 21795

Ph: (800) 686-0011

www.firstenergycorp.com/potomac_edison.html

Potomac Edison, a FirstEnergy Company, serves most of Washington County. The City of Hagerstown Light Department provides service within the corporate limits. Potomac Edison has the lowest distribution rates of all investor-owned utilities within the State of Maryland. Potomac Edison's reliability consistently grades out in the highest quartile of U.S. electric delivery companies. At most industrial and/or commercial designated sites within Washington County, Potomac Edison's distribution system is well-situated to serve a variety of load profiles. In short, Potomac Edison has a long history of commitment to new business and industry, and the company has a well-earned reputation of providing low-cost and reliable service.

Potomac Edison offers up to \$1M in incentives on custom building projects. Project incentives are available on everything from windows to roofing to electrical retrofits. Additionally, Potomac Edison offers incentives that lower the cost of high-efficiency appliances for commercial buildings and businesses. From hotels to colleges, multifamily buildings, upgrading to efficient appliances is a wise investment that saves energy and money.

Incentives are available for energy-efficient LEDs, linear fluorescents, exit signs and lighting controls are available for retrofit and new construction projects; traffic lights and pedestrian signals; customer-owned street and area lighting; air conditioners; chillers; heat pumps; packaged terminal air conditioners (PTACs) and heat pumps (PHTPs); variable frequency drives (VFDs); vending machine controls; commercial clothes washers; pre-rinse spray valves, and so much more.



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WASHINGTON COUNTY TAX STRUCTURE & INCENTIVE PROGRAMS

Current Tax Structure 2023

Corporate Income Tax

Washington County - Zero
State of Maryland - 8.25%

Personal Income Tax

Washington County - 2.95%
State of Maryland - 2.0-5.75%

Sales & Use Tax

Washington County - Zero
State of Maryland - 6.0%

Real Property Tax

Washington County - \$0.928
State of Maryland - \$0.112

Business Property Tax

Washington County - \$2.37
State of Maryland - Zero

Other Maryland Tax Policy Advantages

There are NO

- Unitary tax on profits,
- Income tax on foreign dividends (if the corporation owns 50 percent or more of the subsidiary).

- Gross receipts tax on manufacturers,
- Corporate franchise tax,
- Separate school taxes,
- State personal property tax on business personal property.

County Research & Development Equipment Tax Exemption

Washington County EXEMPTS a company's research and development equipment from County Business Personal Property Tax. The State of Maryland does not tax business personal property.

County Manufacturing Machinery & Equipment Tax Exemption

Washington County EXEMPTS a company's manufacturing machinery and equipment from any County Business Personal Property Tax. The State of Maryland does not tax business personal property.

County Business Inventory Tax Exemption

Washington County EXEMPTS a company's inventory (raw materials, goods in process, and finished goods) from any County Business Personal Property Tax. The State of Maryland does not tax inventory.

Maryland Sales & Use Tax Exemptions

Maryland exempts from state Sales & Use Tax (6%) several items including the following:

- Sales of equipment and materials used or consumed in research and development,
- Sales of capital manufacturing machinery and equipment, including equipment used for testing finished products, assembling, processing or refining,
- Sales on tangible personal property consumed directly in manufacturing, testing of finished products, assembling, processing or refining, and
- Local jurisdictions in Maryland cannot and do not impose a sales tax.

The Comptroller of Maryland (www.marylandtaxes.gov) is the state's primary tax collector. The Comptroller's web site has information about tax regulations, withholding, tax forms, unclaimed property, as well as numerous fiscal reports. New businesses can register through the Maryland State Combined Registration On-line Application. The State Department of Assessments and Taxation, or DAT (dat.maryland.gov) administers and enforces the property assessment and property tax laws of Maryland, allowing for uniformity of property assessment throughout the state. The DAT site has information on property tax rates, exemptions, credits, and forms.

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Washington County Programs



Brownfield Revitalization Incentive Program (BRIP)

A site that qualifies for this incentive program may also qualify for real property tax credits. The site must be located in a jurisdiction that participates in the BRIP, and be owned by an incupable person.

For five years after cleanup, a site may qualify for a real property tax credit between 50% and 70% of the increased value of the site. In an Enterprise Zone, the tax credit may last for up to 10 years. This credit, combined with other real property tax credits, may not exceed 100% of the tax on the increased value of the site.

C-PACE Program

The Commercial Property Assessed Clean Energy (C-PACE) loan program provides commercial loans for businesses and nonprofits that want to invest in energy efficiency, renewable energy, and water conservation projects.

C-PACE loans require little or no down-payment, provide long repayment periods, and afford relatively low interest rates, making eligible projects more attractive and cost-efficient. C-PACE allows property owners to produce a new line of capital, create loans with up to 100% fixed-rate financing, and achieve a 20-year payback that can be cash-flow-positive from day one, while concurrently adding to the value of their commercial asset.

Washington County will facilitate the levy of a lien on participating properties and the PACE loan is repaid through the property taxes. The C-PACE program is sponsored by the Maryland Clean Energy Center (MCEC) with the

administration of the program handled through its agent Abacus Property Solutions.

MCEC is a corporate instrumentality of the state, created by the Maryland General Assembly in 2008, with a statute-directed mission to advance clean energy and energy efficiency products, services, and technologies as part of a specific economic development strategy, which includes oversight of the MDPACE Program, which is administered by Abacus Property Solutions. For more information about the MD-PACE, please visit: www.md-pace.com/.

Job Creation & Capital Investment Real Property Tax Credit Program

This tax credit program ranges from six (6) years to fifteen (15) years in tax credits on the County portion of real estate taxes for qualified businesses that either expand or locate and increase employment in Washington County. There are three (3) opportunities:

- Section 4(a) – An existing business entity (1) must obtain at least an additional 1,500 square feet of new or expanded premises; (2) must employ at least one (1) individual in a new, permanent full-time position during a 12-month period during which the business entity must obtain and occupy the new or expanded premises. The tax credit is 52% during years one (1) and two (2); 39% during years three (3) and four (4); and 26% during years five (5) and six (6).
- Section 4(b) – (1) Must obtain at least 2,500 square feet; (2) employ at least five (5) additional new, permanent full-time

employees during a 24-month period. The tax credit is 30% during years one (1) and two (2); 20% during years three (3) and four (4); and 10% during years five (5) and six (6).

- Section 4(c) – (1) Must invest \$10,000,000 in capital improvements; (2) create 100 new, permanent full-time employees. Tax credit is 100% for each of the first five (5) taxable years; 75% for year six (6) through ten (10); 50% for years 11 through 15.

Under no circumstance(s) will this ordinance permit bundling of tax credits granted under this ordinance, rule, regulation or code to result in a tax refund or other payment to the business entity.

New Jobs Tax Credit Program

This program provides a six (6) year tax credit for qualified businesses that either expand or relocate in Washington County. The credit applies to Washington County's real property tax on real property owned or leased by the business and on personal property owned by that business. The amount of the New Jobs Tax Credit a business may claim against County taxes imposed on the assessed value of the new or expanded premises in which the credit is allowed is:

- 52% during the first (1st) and second (2nd) taxable years
 - 39% during the third (3rd) and fourth (4th) taxable years
 - 26% during the fifth (5th) and sixth (6th) taxable years
- To qualify for the program, a business must:
- Either construct or expand its operations in Washington County by a minimum of 10,000 square

feet,

- Employ at least 25 persons in new, permanent full-time positions located at the new or expanded premises in Washington County,
- Pay 50% of those new jobs at least 135% of the average weekly wage per Washington County worker as reported by the Maryland Department of Labor at the end of the previous calendar years, and,
- Be in a Priority Funding Area as designated in Title 5, Subtitle 7B of the State Finance and Procurement Article.

Pad-Ready Site Commercial Stimulus Program

A commercial property stimulus program that offers a qualified project a three (3) year tax credit against the County real property tax on four-tenths of one percent (0.004) of construction costs of the new improvement on the approved parcel.

This program is a valued part of our local business incentive package and considered integral in spurring economic growth in Washington County.

Qualifying projects are entitled to priority plan review by the Washington County Development Advisory Committee, deferral of County Site Plan application and review fees and a real-estate tax credit issuance once buildings are constructed and occupied. The tax credit is to be 0.4 of a percent (.004%) of the construction cost of the new improvement as determined by this office and will apply for three (3) consecutive years.

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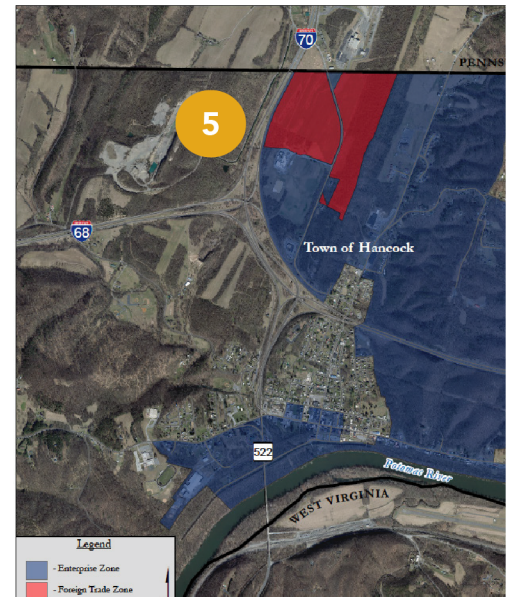
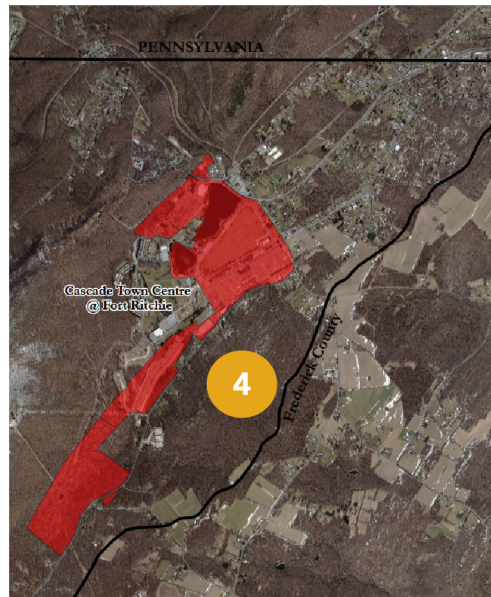
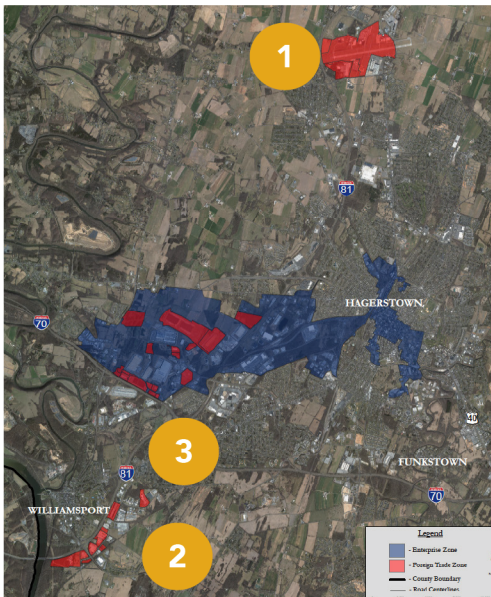
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WASHINGTON COUNTY FOREIGN TRADE ZONE

Materials used/consumed within FTZ processing are generally not subject to duties, as well as imports, may enter and be held in an FTZ without customs duties.

Nearly 1,700 acres of prime industrial/commercial properties are located within the Washington County, Maryland FTZ #255. FTZ #255 has an array of amenities including rail and airport runway access, superior interstate visibility, and municipal water and sewer, and natural gas. FTZ #255 is comprised of the following sites:



Foreign Trade Zone Map Key:

- 1 HAGERSTOWN REGIONAL AIRPORT**
Approximately 387 acres are designated within the FTZ coupled with 65 acres adjacent to the airfield and is located just off of Interstate 81.
- 2 WILLIAMSPORT, MARYLAND**
Nearly 140 acres located in the Interstate Industrial Park complex are designated within the FTZ.

- 3 HOPEWELL VALLEY**
Located in the Hunter's Green Business Center I and II, the Newgate Industrial Park, and near the intersection of I-70 and I-81, there are approximately 470 acres within FTZ.
- 4 LAKESIDE CORPORATE CENTER AT CASCADE**
The former Fort Ritchie Military Base is being developed as a mixed-use business park with approximately 279 acres within the FTZ.
- 5 HANCOCK, MARYLAND**
Having approximately 128 acres designated for use in FTZ and in the Enterprise Zone, it is also adjacent to the intersection of Interstates 68 and 70.

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City of Hagerstown Programs



CDBG Microenterprise Grant Program

<https://www.hagerstownmd.org/1554/CDBG-Microenterprise-Grant-Program>

Business Eligibility Criteria

A business owner/business may qualify for the Microenterprise Grant Program if they meet the following eligibility criteria:

- Business must be located in the corporate boundaries of the City of Hagerstown;
- Businesses that qualify as a "roving" business (i.e. a mobile business that travels from client to client without a particular location) must have at least two-thirds of their business occur in the corporate boundaries of the City of Hagerstown;
- Business must have five (5) or fewer total employees including the owner(s) in order qualify as a Microenterprise. For the purposes of this program there is no distinction between a part-time and a full-time employee in the headcount for the business;
- Business must be a private, for-profit business;
- Business must be in good standing with the City and State of Maryland;
- Business must be in compliance with all applicable City of Hagerstown regulations including the Land Management Code; and,
- Business must be established and operating for at least 12 months at time of application;
- Businesses that do not meet the above time frame may still apply for funding, however, the applicant is required to submit a business plan and provide documentation of a consultation with a business counseling service (Small Business Development Center, SCORE, etc.) in addition to all other application requirements.

Hagerstown Revolving Loan Fund (HRLF) Program

Eligibility – Small business or developer organized as a proprietorship, partnership, limited liability company or a corporation whose business sales are less than \$5M annually for each of the last two (2) years. A credit check is required along with a non-refundable application fee based on the requested loan amount.

Eligibility Activities – Loan funds may be used for activities, including but not limited to:

- Growth and expansion
 - Rehabilitation
 - Code compliance
 - Employee recruitment and retention
 - Façade enhancement
- Ineligible Activities* – Funds may not be used for:
- Non-profit organizations
 - Gambling organizations
 - Lending or investment businesses
 - Land speculation
 - Any activity deemed illegal by Federal, State or Local law or ordinance(s)

Eligibility Costs – May include the following:

- Land improvements, including but not limited to grading, new streets or street improvements, parking lots, utilities, and landscaping.
- Purchase or renovation of building.
- Purchase machinery or equipment defined to have a useful life of at least five (5) years.
- Building construction.
- Leasehold improvements provided the lease is equal to or greater than the term of the loan and the City secures a lien on the land or building, and improvements.
- Microenterprise activities defined as a commercial enterprise that have five (5) or fewer employees, one or more of whom owns the enterprise.

• Working capital.
Ineligible Costs – Include but are not limited to:

- Management fees
 - Financing costs
 - Franchise fees
 - Debt repayment or debt consolidation
 - Moving costs
 - Refinancing
- Terms and Conditions* -
- Maximum loan amount is \$200,000 or 80% of the total project cost, whichever is less
 - Maximum loan amount for working capital is \$30,000
 - Minimum loan amount of \$10,000
 - Additionally, microenterprise loans are available up to \$5,000
 - Interest rate shall be a fixed rate established at LIBOR plus 1% but shall not be less than 3%. Term may not exceed seven (7) years. Term may not exceed five (5) years for working capital loans.
 - For each \$35,000 or fraction thereof borrowed, one full-time job must be created or retained within two (2) years from the loan closing.
 - Business must pay each
- For more information, download the complete Guidelines and Application Form from the program website at: Hagerstown Revolving Loan Fund (HRLF) Program.

Invest Hagerstown Grant Program(s)

In partnership with private developers, the City of Hagerstown wishes to: Inspire and enable significant redevelopment, both city-wide and in the urban core, reusing and repurposing existing vacant and under-utilized properties, in which there are market conditions and/or significant barriers to development or redevelopment; create the opportunity for new jobs throughout the City of Hagerstown and Washington County; increase the value of

Hagerstown's commercial and mixed-use properties; and strengthen and improve market rate rental properties and increase homeownership.

There are four (4) grant programs available under the Invest Hagerstown Program:

1. City Center Redevelopment Grant Program

Grants from a minimum of \$150,000 to a maximum of \$250,000 and a minimum of 2:1 match required from the developer. Projects ranging from \$450,000 to \$750,000+.

2. City-Wide Redevelopment Grant Program

Grants with a minimum of \$5,000 to a maximum of \$25,000 and a minimum 2:1 match required from the developer. Projects ranging from \$15,000 to \$75,000+.

3. City-Wide Down Payment and Rehabilitation Grant Program

Homeownership Down Payment or Rehabilitation grants of \$7,500 is offered City-wide. Property must have been built prior to 1960 and be vacant for 12 months. Or the property may be a conversion of a rental of two (2) or more units to a single unit, owner-occupied home.

Rental Property Rehabilitation Grant Program

Grants of \$7,500 for rental property rehabilitation to market rate rental and requiring 2:1 match. Grant of \$7,500 + \$15,000 Match = \$22,500+ projects.

For more information, download the complete Guidelines and Application Form from the program website at: Invest Hagerstown Grant Programs.

State of Maryland Programs



Enterprise Zone

This program provides qualifying businesses with State income tax credits and local real property tax credits in return for job creation and capital investments made in the designated Enterprise Zone(s). This program is administered by the Washington County Department of Business Development and Economic Development.

More than 6,400 acres in Washington County within two, state-designated Enterprise Zones. To help promote growth of the industrial and commercial base, local and state incentives are available to new or expanding companies in these zones. Each Enterprise Zone is approved by the state for a ten-year period. Currently, there are two (2) Enterprise Zones located in Washington County including the Hagerstown-Washington County and the Town of Hancock, MD.

The Hagerstown-Washington County Enterprise Zone encompasses nearly 5,000 acres located within the City of Hagerstown. The zone includes Hopewell Valley Industrial Park, City of Hagerstown Business Park, and the Central Business District in downtown Hagerstown.

The Town of Hancock, MD Enterprise Zone is comprised of 1,500 acres surrounding the Town of Hancock, stretching from the Pennsylvania border down to the Potomac River. The zone includes commercial and industrial development opportunities in select areas of town as well as commercial frontage along Main Street.

Qualifying businesses may be eligible for local real property tax credits for up to ten years on capital investments. Credits of 80% on increased assessed value of real property for the first five (5) years, decreasing by ten percent (10%) in each remaining five (5) years.

Additionally, businesses that qualify for State Income Tax Credits may apply for the credit based on new jobs created. The credit is a one-time maximum of \$1,000 for most new jobs. Credits for hiring "disadvantage" employees (vouchered by the State): first year - \$3,000; second year - \$2,000; and third year - \$1,000.

Maryland Disability Employment Tax Credit (MDETC)

The Maryland Disability Employment Tax Credit (MDETC) allows employers to claim a tax credit up to \$1,800 for employees with disabilities hired on or after December 2014. Employers can also benefit from a tax credit up to \$600 for work-related childcare or transportation expenses.

Maryland Hire Our Veterans Tax Credit

This program provides a State income tax credit to small businesses for hiring qualified veterans based on wages paid to those veteran employees.

Benefit

A Maryland employer may qualify for an income tax credit equal to 30% of up to the first \$6,000 of wages paid to a qualified veteran employee during the first year of employment, i.e., a maximum of \$1,800 per qualified veteran employee.

Eligibility

A qualified employer is a "small business" operated by an individual, a partnership, a limited partnership, a limited liability partnership, a limited liability company, or a corporation that employs 50 or fewer full-time employees.

Qualified Veteran Employee

Must have been hired on or after January 1, 2017; AND must have served in the active Armed Forces and have been discharged or released from that service under honorable circumstances. "Armed Forces" means the United States Army, Navy, Marine Corps, Air Force, & Coast Guard, including related reserve components; AND must have served on active duty (not including training) in the Armed Forces for more than 180 days, OR have been discharged or released from active duty for a service-connected disability; AND not have a period of active duty (not including training) of more than 90 days that ended during the 60-day period ending on the hiring date; AND must be a Qualified Veteran for purposes of the Federal Work Opportunity Tax Credit, as follows:

- Be a veteran who is a member of a family that received SNAP benefits (food stamps) for at least a 3-month period during the 15-month period ending on the hiring date; OR Be a

disabled veteran entitled to compensation for a service-connected disability, who has been hired within 1 year after discharge or release from active duty OR unemployed for at least 6 months in the year ending on the hiring date; OR be a veteran who has been unemployed for at least 4 weeks in the year ending on the hiring date.

Limitations

This credit is only available for wages paid in the qualified veteran's first year of employment. A qualified employer may claim up to 5 qualified veteran employees for each taxable year. The total amount of credits available in a year is capped at \$500,000, and approvals of the tax credit certifications are on a first-come, first-served basis. The tax credit is not refundable. The tax credit cannot be carried forwards or backwards.

Apply

A small business must submit the Application Forms A & B, Qualified Veteran Employee's Self-Certification Form(s), copies of W-2s and/or pay stubs, and copies of DD214 or equivalent official discharge forms to the Maryland Department of Commerce for the certification. Maryland Commerce will certify or deny an application within 45 days after the receipt of a "complete" application.

For additional information regarding how to claim this credit, application materials, etc., Please visit <http://commerce.maryland.gov/fund/programs-for-businesses/hire-our-veterans-tax-credit>.

Maryland Industrial Development Financing Authority (MIDFA)

Encourages private sector investments with insurance, and the issuance of tax-exempt and taxable revenue bonds for projects located in Priority Funding Areas. Uses include land acquisition, building acquisition, construction costs and more.

Eligibility

For lending institutions and location-based. This program is administered by the State of Maryland's Department of Commerce.

State of Maryland Programs



Maryland Job Creation Tax Credit (JCTC)

Clients may be eligible for a Job Creation Tax Credit if it establishes or expands a Maryland business facility that is primarily engaged in an eligible activity such as agriculture, manufacturing, transportation, communications, research, development, testing, computer programming, data processing or other computer related services; central financial services; the operation of central administrative offices or a company headquarters; or warehousing. The new or expanded facility may also qualify for the credit if it is primarily engaged in business services and is located in one of the following priority funding areas: an incorporated municipality, within the Baltimore Beltway, within the Maryland portion of the Washington, D.C. Beltway, in a federal empowerment zone, in a Maryland Enterprise Zone, in a sustainable community as defined in Section 6.01 of the Housing and Community Development ("DHCD") Article, in any area in a county designated by the county as a priority funding area, or in that portion of the port land use development zone that has been designated as an area appropriate for growth in the county comprehensive master plan.

For businesses applying for certification for the Job Creation Tax Credit after December 31, 2017, to qualify, most business entities must create at least 60 "qualified positions" (permanent newly created Maryland positions of at least 1,680 hours per year resulting from the establishment or expansion of a business facility in a single location in the state and paying at least 120% of State minimum wage) within a 2-year period. The 60 new job minimum is reduced to 25 new jobs if the facility is in one of the "JCTC priority funding areas" listed above and reduced to 10 jobs if the business is in a County with average annual employment less than 75,000 or median household income two-thirds of the statewide median household income. Washington County currently has a minimum of 10 new jobs eligibility for the JCTC program. Qualified positions must be full-time and pay at least 120% of Maryland state minimum wage. As of July 1, 2018, 120% of State minimum wage is \$12.12/hr.

Beginning on January 1, 2018, the basic credit granted will be \$3,000 per qualified position. If the new or expanded facility is in a "revitalization area" (a federal empowerment zone, a Maryland Enterprise Zone, or a DHCD sustainable community), then the credit is \$5,000 for each qualified position. Commerce can certify no more than \$4 million Job Creation Tax Credits per year. The credits will be certified on a first come, first serve basis.

Based upon the qualified positions at the proposed Maryland project site(s), the business may qualify for a significant tax credit, subject to the availability of credits at the time of certification. The maximum credit allowed during any credit year for a single facility is \$1 million. If, during the 3 years succeeding the credit year, the average number of qualified positions falls below the applicable minimum number of qualified positions, all credits shall be recaptured. If the number of qualified positions falls more than 5%, but not below the applicable minimum number of qualified positions, then the credit is recaptured in proportion to the decline in qualified employees. Please note, the proposed project site location at the former Fort Ritchie property in Cascade, Maryland is believed to be within a Priority Funding Area (PFA) and in a "sustainable community" in Maryland. Before it hires new workers, an interested company must notify Commerce in writing that it intends to claim the credit. Maryland JCTC program is subject to an annual state-wide cap.

A business that qualifies for the JCTC may also qualify for other income tax credit programs, however, with one exception that a business may not claim both the One Maryland Tax Credit and JCTC in the same tax year.



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State of Maryland Programs Continued



More Jobs for Marylanders

This program is geared towards manufacturing. It provides new and existing manufacturers with tax incentives tied to job creation for a 10-year period, including a refundable income tax credit, and encourages additional investment in new equipment through accelerated and bonus depreciation. New and existing manufacturers located in a Tier 1 or Tier 2 County may qualify for the following credits, available for a 10-year benefit period.

- TIER 1 NEW BUSINESS: (a) a refundable credit against the State's income; (b) a credit against the State's portion of the property tax; (c) a refund of sales and use tax; and (d) a waiver of fees charged by SDAT.
- TIER 1 EXISTING BUSINESS: A refundable credit against the State's income tax.
- TIER 2 EXISTING BUSINESS: A refundable credit against the State's income tax.
 - Tier 1 Counties include Baltimore City, Allegany, Baltimore, Caroline, Cecil, Dorchester, Garret, Kent, Prince George's, Somerset, Washington, Wicomico and Worcester Counties.
 - Tier 2 Counties include all other Maryland Counties.

Eligibility

To qualify, a business must:

- Be a manufacturer primarily engaged in activities that according to the North American Industrial Classification System, would be included in Sector 31, 32, or 33, except for Refiners.
- Offer ongoing job training or a postsecondary education program (e.g. tuition reimbursement).
- Provide Notice of Intent to enroll in the program:
 - New manufacturers provide Notice of Intent to Commerce before establishing a facility in Maryland.
 - Existing manufacturers provide Notice of Intent to Commerce before creating new jobs.
- New or existing manufacturers in Tier 1 counties must create at least 5 new qualified jobs. (A qualified job is a job that is full-time, pays at least 120% of State minimum wage and is filled for 12 months.)
- Existing manufacturers in Tier 2 counties must create at least 10 new qualified jobs.
- The business must begin hiring within 12 months of its Notice of Intent to Commerce. Once it begins hiring, it must add 5 new qualified positions (Tier 1 Counties) or 10 new qualified positions (Tier 2 Counties) within 12 months after the date of its first new hire.
- Existing manufacturers that move from their facility one Maryland County into another after June 1, 2017 will not be eligible to participate.
- Be certified by Commerce as a qualified business entity.

Businesses can enroll their project in the program and be certified as a Qualified Business Entity until June 1, 2020. Businesses who have been certified to receive benefits under the program will receive for the full ten-year duration, subject to appropriation.

If during the 10-year benefit period, the number of new qualified positions falls below the number the business received credit for in the first benefit year, the project will be removed from the program and all benefits will be terminated.

Application

- A new manufacturer must provide notice before establishing its facility in Maryland and an existing manufacturer must provide notice before it begins creating new jobs.
- Upon receipt of the Notice of Intent, Commerce will provide the business with an application to enroll its project in the More Jobs for Marylanders Incentive Program.
- Businesses that meet the requirements to enroll their project in the program will be certified by Commerce as a Qualified Business Entity eligible for the applicable incentives available under the program.
- Businesses should apply on July 1 for an Initial Income Tax Credit Certificate for those jobs that will qualify for credits during the fiscal year.

One Maryland Tax Credit

A qualified business entity with a qualifying project may claim project tax credits against State income taxes in an amount equal to up to \$5 million of the eligible project costs of an eligible economic development project located in a priority funding area in Baltimore City, Allegany, Caroline, Dorchester, Garrett, Kent, Somerset, Washington, Wicomico, and Worcester Counties and approved by the Secretary of Commerce.

Benefit – The amount of income tax credit that a business will qualify for depends on the amount of capital investment it makes in the project and the number of new qualified jobs it creates in a 24-month period. A business may qualify for the following maximum credit amounts:

- For businesses that have at least \$1 million of eligible project costs and create 10-24 qualified positions: maximum \$1 million in credits.
- For businesses that have at least \$2.5 million of eligible project costs and create 25-49 qualified positions: maximum \$2.5 million in credits.
- For businesses that have at least \$5 million of eligible project costs and create at least 50 qualified positions: maximum \$5 million in credits.

Eligibility

A business must locate or expand in a "Priority Funding Area" in a Tier 1 County. Tier 1 Counties are subject to change. Please verify with the Maryland Department of Commerce (Commerce) that the project location is in a PFA and Tier 1 County. Note: Beginning July 1, 2018, Tier 1 Counties include: Baltimore City and Allegany, Caroline, Dorchester, Garrett, Kent, Somerset, **Washington**, Wicomico and Worcester Counties.

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State of Maryland Programs Continued



- Declaration of Intent - A business may not claim any expenses incurred or jobs created prior to notifying Commerce in writing of its intent to seek certification for a One Maryland Tax Credit.
- Certification - A business must be certified as a qualified business entity eligible for the One Maryland Tax Credit. Applications for certification are available from Commerce.
- Job Creation Minimums - The business must create at least 10 new, full-time qualified positions at the project within 24 months. However, to receive the maximum \$5 million credit, the business must have at least 50 new qualified positions within 24 months.
- The positions must be full-time, pay 120% of State Minimum Wage, be filled for 12 months, and be a "net new" job to Maryland. The business must create the minimum number of jobs in a 24-month period. Note: As of 7-1-18, 120% of State Minimum Wage is \$12.12/hour.
- Have at least \$500,000 of eligible costs.
- The facility must be engaged in an eligible activity.

Application Process

- Business provides Notice of Intent to Commerce in writing. The business may count eligible costs and qualified positions after that date.
- The business will receive notification from Commerce that the Department received its intent and will be provided with a Preliminary Application and Employment Affidavit.
- Upon acceptance of the Preliminary Application and Employment Affidavit, Commerce will issue the business a Preliminary Certificate of Eligibility if the business is projected to qualify for the tax credit.
- The business may apply for final certification when it has incurred the eligible project costs, created at least 10 qualified jobs and those jobs have been filled for 12 months. To qualify for the maximum \$5M credit, the business must have 50 qualified positions and at least \$5M of eligible project costs.
- The final application will include a list of the qualified positions and employees in those positions, list of eligible costs and other information. Commerce will require the business to provide documentation to confirm expenditures for a sample of the costs.
- Commerce will issue the business a Final Certificate which the business will attach to its tax return. The certificate will include the amount of credit for which the business qualifies.

Claiming the Credit

The business may claim the credit against its state income tax liability. Insurance companies may claim the credit against the insurance premiums tax. The first year it qualifies is its "credit year".

- Beginning 4 years following the credit year, the business may apply the credit against its state income tax liability (or insurance premiums tax) and claim a refund. The amount of the refund is limited annually to the payroll withholding of the qualified positions.
 - The credit can be carried forward for 10 years following the credit year.
 - If the number of qualified positions falls below the required job number, the business may be able to claim a prorated credit, if:
 - o The number of qualified positions does not fall below 10.
 - o The business maintained the required number of jobs (25 for a maximum \$2.5M credit, 50 jobs for a maximum \$5M credit) for five years.
- The business must report to Commerce each year it claims the credit, the amount of project tax credit that it claims on its tax return. Failure to provide this information to Commerce will disqualify the business from claiming any unclaimed amount of credit.
- Exclusions – For more information, please visit <http://commerce.maryland.gov/fund/programs-for-businesses/one-maryland-tax-credit>.

State Lottery Terminal Fund (SLoT)

Maryland law provides for 1.5% of the proceeds generated from video lotter terminals (slots) to be contributed to the Small, Minority, and Women-Owned Business Investment Account, known as the Video Lottery Terminal Account (VLT), to be distributed to small, minority and women-owned businesses (Targeted Businesses). At least 50% of the VLT allocations will be deployed to targeted businesses located within a designated area associated with our Maryland casino facilities. The other 50% will be available to small, minority and women-owned businesses located throughout Maryland.

Tri-County Council for Western Maryland (TCCWMD) serves as a fund manager for the State's VLT. TCCWMD's allotment of funds is distributed through its lending program – Summit Financing Solutions' SLoT. Small, minority, women and veteran-owned businesses located within a designated area associated with our Maryland casinos (Target Areas), and those located elsewhere in the State may be eligible for loans between \$10,000 and \$500,000. Eligible projects include: business acquisition and expansion, owner occupied commercial real estate, leasehold improvements, equipment and vehicle purchase, and working capital. In addition, the SLoT Fund will refinance existing debt under certain circumstances.

For more information, please contact Christie Wakefield, Business Finance Specialist for Tri-County Council for Western Maryland at 301-689-1300, ext. 100 or email at cwakefield@tccmd.org

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Other Funding & Tax Credit Assistance

Business Resources

Rural Business Development Grants (RBDG)

Rural Business Development Grants (RBDG) is a competitive grant designed to support targeted technical assistance, training and other activities leading to the development or expansion of small and emerging private businesses in rural areas that have fewer than 50 employees and less than \$1M in gross revenues. Programmatic activities are separated into enterprise or opportunity type grant activities.

Eligibility

RBDG funds must be directed for projects benefitting rural areas or towns outside the urbanized periphery of any city with a population of 50,000 or more.

Uses

Enterprise type grant funds must be used on projects to benefit small and emerging businesses in rural areas as specified in the grant application. Uses may include:

- Training and technical assistance, such as project planning, business counseling/training, market research, feasibility studies, professional/technical reports, or product/service improvements
- Acquisition or development of land, easements, or rights of way; construction, conversion, renovation, of buildings, plants, machinery, equipment, access streets and roads, parking areas, or utilities
- Pollution control and abatement
- Capitalization of revolving loan funds including funds that will make loans for start-ups and working capital
- Distance adult learning for job training and advancement
- Rural transportation improvement
- Community economic development
- Technology-based economic development
- Feasibility studies and business plans
- Leadership and entrepreneur training
- Rural business incubators
- Long-term business strategic planning

Opportunity type grant funding must be used for projects in rural areas and they can be used for:

- Community economic development
- Technology-based economic development
- Feasibility studies and business plans
- Leadership and entrepreneur training
- Rural business incubators
- Long-term business strategic planning

Funding

There is no maximum grant amount for enterprise or opportunity type grants; however, smaller requests are given higher priority. Generally, grants range from \$10,000 up to \$500,000. There is no cost sharing requirement. Total opportunity type grant funding is limited statutorily to up to 10% of the total RBDG annual funding.

Eligibility

Rural public entities including, but not limited to:

- Towns

- Communities
- State agencies
- Authorities
- Non-profit organizations
- Institutions of Higher Education
- Federally recognized Tribes
- Rural Cooperatives

For more information about the program, please contact Letitia Nichols, Business and Cooperative Program Director of the Maryland Rural Development Office at 302-857-3580 or by email at: Letitia.nichols@usda.gov.

Technical Assistance Program

Tri-County Council for Western Maryland (TCCWMD) and the Natural Capital Investment Fund (NCIF) can provide grants for technical assistance to small businesses in western Maryland, including Washington County, MD. TCCWMD/NCIF may approve projects that will assist businesses that need professional guidance and services of a technical nature such as financial, architectural, legal, engineering or specialized planning services. The program is intended to help small businesses expand, grow, improve their operations and create jobs. The source of the funding for these projects is the Appalachian Economic Development Initiative.

Uses

Uses for the program include financial and management advisory services; engineering and architectural services related to an expansion or renovation; specialized business planning services such as improving efficiency of the operation, legal service; website or social media design and creation including branding or logo development (routine advertising and signage is not eligible.)

Eligibility

The project must be in Allegany, Garrett, or Washington County, MD; the company must create or retain jobs or there must be a reasonable expectation that jobs will be created in the future; the company must be an established legal entity and small business as defined by the U.S. Small Business Administration.

For more information, please contact Christie Wakefield, Business Finance Specialist for Tri-County Council for Western Maryland at 301-689-1300, ext. 100 or email at cwakefield@tccmd.org



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Other Funding & Tax Credit Assistance

Telecommunications Infrastructure Loans & Guarantees

This program provides financing for the construction, maintenance, improvement and expansion of telephone/broadband in rural areas. The cost of cash loans and loan guarantees are up to 80%. This program is administered through the Rural Maryland Council to local governments, Tribes, non-profit organizations for for-profit corporations or LLCs. (This can be done on behalf of a business entity.)

For more information about the program, please contact Letitia Nichols, Business and Cooperative Program Director of the Maryland Rural Development Office at (302) 857-3580 or by email at: Letitia.nichols@usda.gov.

Western Maryland Revolving Loan Fund (WMD RLF)

Through its Western Maryland Revolving Loan Fund Program (WMD RLF), the Tri-County Council for Western Maryland (TCCWMD) enhances the economic activity in Allegany, Garrett, and Washington Counties. The WMD RLF Program assists business development and expansion in an effort to increase the number of jobs in the three counties. A project's eligibility for WMD RLF financing is tied directly to the number of permanent jobs created or retained.

The program operates by participating with banks and other private lenders to provide the portions of funding that is not available through your primary lender. The program can be used for both working capital and fixed assets.

Funds for the WMD RLF Program have been provided by the Economic Development Administration, the Appalachian Regional Commission, the State of Maryland and our local governments.

For more information, please contact Christie Wakefield, Business Finance Specialist for Tri-County Council for Western Maryland at 301-689-1300, ext. 100 or email at cwakefield@tccmd.org

Employment Major Employers

In Washington County



3,500+ Businesses



2022 Top 10 Employers

Washington County Public Schools	3,286
Meritus Health	2,740
FiServ	2,185
State of Maryland	2,030
Volvo Group	1,836
Amazon	1,500
Washington County Government	1,118
FedEx Ground	900
Bowman Group, LLP (The)	830
Federal Government	582

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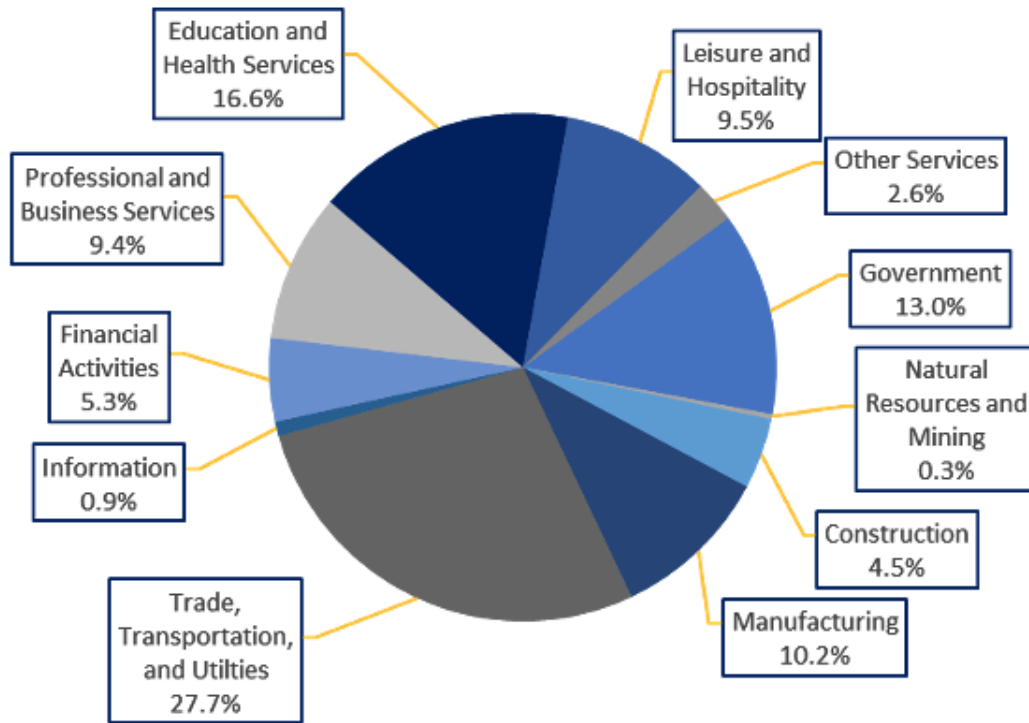


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Employment Categories

In Washington County



Industry	Estab- lishments	Annual Avg Empl	Empl %	Avg Wkly Wage
Federal Government	32	443	0.7%	\$ 1,398
State Government	12	1,805	2.9%	1,482
Local Government	65	5,740	9.3%	1,070
Subtotal Government	109	7,988	13.0%	945
<i>Private Sector</i>				
Natural Resources and Mining	27	196	0.3%	1,003
Construction	334	2,777	4.5%	1,056
Manufacturing	135	6,258	10.2%	1,259
Trade, Transportation, and Utilities	876	17,046	27.7%	830
Information	41	570	0.9%	1,182
Financial Activities	319	3,266	5.3%	1,293
Professional and Business Services	494	5,811	9.4%	1,055
Education and Health Services	426	10,197	16.6%	1,076
Leisure and Hospitality	381	5,857	9.5%	406
Other Services	300	1,626	2.6%	675
Subtotal Private Sector	3,333	53,604	87.0%	945
Total	3,442	61,592		\$ 975

Source: Employment Data (2021), Maryland Department of Commerce, "Brief Economic Facts" 2022

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WASHINGTON COUNTY TRANSPORTATION & KEY CONNECTIONS

A pro-business climate located in the heart of the mid-Atlantic at the intersection of I-81 and I-70, and served by I-68, make Washington County, MD a major industrial and transportation hub.

Methods of Transportation

Getting You From Point A To Point B



Located in western Maryland, bounded by Pennsylvania, Virginia, and West Virginia; extending east to South Mountain, south to the merging of the Shenandoah and Potomac rivers, north to the Mason-Dixon line, and west to Sideling Hill Creek.

Highway Distance from Hagerstown (the County Seat)

Atlanta, Georgia – 642 miles or 1,134 kilometers
 Baltimore, Maryland – 71 miles or 114 kilometers
 Boston, Massachusetts – 451 miles or 725 kilometers
 Chicago, Illinois – 614 miles or 987 kilometers
 New York, New York – 239 miles or 384 kilometers
 Philadelphia, Pennsylvania – 152 miles or 245 kilometers
 Pittsburgh, Pennsylvania – 156 miles or 250 kilometers
 Richmond, Virginia – 156 miles or 250 kilometers
 Washington, District of Columbia – 68 miles or 109 kilometers

AIR

Hagerstown Regional Airport (HGR) is a Part 139 Facility providing commercial service on Allegiant. HGR offers fixed base operation services to general aviation, corporate and military aircraft. More than 12 businesses offer clients a variety of aviation services for all types of aircraft. Approximately 1,500 people are employed at the airport. Travelers are also within 70 miles of Hagerstown via Dulles International, Baltimore/Washington Thurgood Marshall International and Ronald Reagan Washington National.

BUS

Washington County Transit operates public transportation in Washington County with eight fixed urban routes that originate in Hagerstown with services to Funkstown, Halfway, Long Meadow, Maugansville, Robinwood, Smithsburg, and Williamsport. Washington County Transit provides transit for seniors and persons with disabilities through a contracted ride assist voucher program. ADA Complementary Para-transit Service for individuals with disabilities who cannot access fixed-route service and Job Access in cooperation with the Washington County Department of Social Services and the Community Action Council are also provided. Total annual ridership averages more than 480,000 trips.

SEAPORT

The Port of Baltimore, a 50 foot channel is 70 miles east of Hagerstown, with intermodal container facilities serving import and export accounts, accommodating loading and discharge to the seaport. The Virginia Inland Port at Front Royal, VA (48 miles south) serves the region as an interface between truck and rail for ocean-going containers to and from the Port of Norfolk, VA, a 50 foot channel.

RAIL

CSX Transportation and Norfolk Southern Railway provide economical shipment anywhere on the Atlantic seaboard. CSX, with a public siding, operates daily trains and connects with other major carriers for long-distance shipping. The Norfolk Southern Railway mainline is just outside of Hagerstown and CSX interchange with Norfolk Southern is in Hagerstown for nationwide access. The County is also only 19 miles from CSX's 85 acre inter-modal terminal in Chambersburg, Pennsylvania. Daily Amtrak and weekday MARC passenger services are available from Martinsburg, West Virginia (23 miles south of Hagerstown). MARC passenger service from neighboring Frederick County to Washington, D.C. is also available.

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Washington County

BUSINESS AND ECONOMIC DEVELOPMENT

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