

MY DOWNTOWN Hagerstown



10-YEAR DOWNTOWN PLAN
AND IMPLEMENTATION
STRATEGIES

January 20, 2026





TABLE OF CONTENTS

- 1. INTRODUCTION 4**
 - Project Purpose 4
 - Project Goals and Objectives..... 4
 - Project Background 5
 - The City of Hagerstown..... 5
 - Downtown Hagerstown 6
 - The Hagerstown Region 7
 - The Plan: My Downtown Hagerstown 7
- 2. DEMOGRAPHIC TRENDS..... 9**
 - Population & Households 10
 - Geographic Mobility13
 - Current Housing Characteristics.....13
 - Household Income & Poverty Rate 14
- 3. EMPLOYMENT TRENDS18**
 - Jobs in the Market Study Area..... 18
 - Market Study Area Resident Employment.....21
- 4. KEY MARKET FINDINGS23**
 - For Sale Housing Market 23
 - Rental Housing Market 25
 - Retail Market 26
 - Hotel Market 28
 - Office Market..... 29
 - Entertainment Market 30
- 5. COMMUNITY ENGAGEMENT METHODS 31**
 - Community Meetings 32
 - Online Survey Results 34
 - Pop- Up Events..... 45
 - Project Website..... 46
 - Key Direction from Community 48
- 6. KEY DOWNTOWN OPPORTUNITIES 52**
 - Catalyst Site Opportunities 52
 - Summit Avenue Row 54
 - N. Potomac Street..... 67
 - 50 E. Washington Street 70
 - Future Hotel Development..... 72



- Future Office Building..... 76
- 101-109 S. Potomac Street 79
- Holly Building..... 84
- YMCA Building..... 86
- Hospital Hill Site..... 92
- Streets and Open Space Opportunities 94
 - Humanize Downtown Streets 94
 - Create a Cultural Loop..... 99
 - Invest in Alleys 105
 - Be Uniquely Hagerstown..... 112
- Programmatic Opportunities 116
 - Reinforce Adjacent Neighborhood Housing..... 116
 - Improve the Downtown Public Safety Perception 120
 - Enhance University Collaboration 127
- 7. APPENDIX..... 130**
 - Market Analysis 130



1. INTRODUCTION

Project Purpose

Urban Partners, in association with MKSK, has been retained by the City of Hagerstown to prepare the City’s 10-Year Downtown Plan—an update to the 2014 Community’s City Center Plan. The project is intended to provide data and community support for realistic and achievable strategies that will continue to generate momentum and help the City and investors make decisions that create value, manage risk, and improve the prospects for success.

The planning effort includes extensive community engagement, evaluates current market conditions in Downtown Hagerstown, assesses the feasibility of specific catalyst projects and provides recommendations that will guide downtown redevelopment and growth for the next 10 years. Key components of the plan are an analysis of significant public and private catalyst projects and programs, visual renderings, and implementation strategies designed to advance the recommended downtown projects. The resulting plan will be used to market opportunities to private-sector investors, inspire community enthusiasm for the City’s vision, and bring the vision to life.

Project Goals and Objectives

Over the past decade, Hagerstown’s downtown redevelopment has been guided by the 2014 Community’s City Center Plan. The goals of this effort are to build off the city’s achievements since then, outline actions that can further support downtown housing and the arts, entertainment, and education economy, and recommend catalytic projects capable of energizing Hagerstown’s urban core.

The City has built a solid foundation for downtown planning, demonstrated in the Community’s City Center Plan. At the core of all revitalization planning efforts is a single, unifying vision: to reestablish Downtown Hagerstown as the commercial, institutional, and cultural heart of the community. The past efforts reveal that this vision must be achieved by enhancing the downtown image so it is broadly seen as a strong, appealing place for investment, business activity, and public use; and ensuring the downtown offers a mix of distinctive destinations and compelling features that attract people for social, cultural, educational, and economic experiences. As the City’s work has progressed, the following objectives have shaped the strategies developed to achieve its vision:

- Enhance the public realm to make the downtown easier, “safer,” and more attractive to navigate and visit for business patrons, employees and residents.





- Recruit new businesses and jobs to the downtown that support the unique atmosphere of our mixed-use downtown environment.
- Upgrade housing in and around the downtown to attract residents who will diversify the income mix downtown and will support downtown events and businesses.
- Improve evening and weekend activity; and create and support efforts that bring people downtown for events and to patronize businesses.
- Create and support amenities and assets that make Hagerstown unique and a place of choice to live and visit by all income groups - focus efforts on continued concentration and nurturing of arts, education, culture, and entertainment enterprises and protection of architectural assets and urban scale.
- Recruit residents with more discretionary spending power and more interest in the social engagement possible in a mixed-use downtown environment.
- Turn blighted conditions into opportunities for economic development and implementation of the community's goals for the downtown.

The City's 10-Year Downtown Plan aims to address each of these objectives through its variety of recommended projects and implementation strategies.

Project Background

The City of Hagerstown

Hagerstown is an historic industrial city of 43,490 residents situated at the center of a suburban metropolitan area of roughly 110,000 people. Its origins trace back to the early 19th century, when it emerged as a crossroads community serving the surrounding agricultural region. By the mid- to late-1800s, Hagerstown had evolved into a major railroad hub, attracting industry and commercial activity that solidified its role as the region's center of trade and manufacturing.

From the late 19th century into the early 20th century, the city experienced rapid residential growth as its thriving economy drew a steady demand for workers. In the early 1900s, Hagerstown and nearby Cumberland competed for recognition as Maryland's second-largest city. However, between 1950 and 2000, the suburbs around Hagerstown expanded nearly fourfold as residents and businesses moved outward, leaving the urban core increasingly concentrated with lower-income households and contributing to a gradual decline from its pre-1960 economic strength.





Today, the City is working to broaden its economic base and pursue annexation to support future growth. The surge in e-commerce in 2020 sparked a wave of speculative warehouse development in and around Hagerstown, generating new jobs and increasing the need for additional housing. Developers are now responding with new residential projects within the city limits.

Strengthening Hagerstown’s economy, image, and overall quality of life remains one of the City’s core priorities, ensuring it becomes an appealing place to live, work, and prosper. Central to this mission is the continued revitalization of the downtown area.

Downtown Hagerstown

Downtown Hagerstown emerged as the center of a thriving economic engine in the late 1800s and early 1900s. During its peak, the area supported a diverse mix of manufacturing operations, retail shops, commercial businesses, theaters, hotels, banks, churches, government offices, apartments, and townhouses. The City Center Mixed-Use (CC-MU) zoning district—which encompasses the core of the central business area—covers 162 acres. Although suburban growth throughout the late 20th century drained much of the activity from the city’s downtown and urban core, the area still boasts an impressive collection of historic buildings and cultural assets from its earlier years. The downtown and the three adjacent historic residential neighborhoods are protected through local historic zoning.

A growing challenge in the urban core is the increase in unhoused individuals, many of whom face addiction or mental health struggles. Addressing this issue is essential to improving downtown’s image and enhancing the sense of safety for residents and visitors.

Downtown is home to many of Washington County’s major arts, cultural, educational, and entertainment institutions, including the recently-expanded Maryland Theatre Performing Arts Center, the Maryland Symphony Orchestra, the University System of Maryland at Hagerstown, the relatively new Washington County Free Library, the Washington County Arts Council, the Barbara Ingram School for the Arts, the Hagerstown Cultural Trail with more than a dozen public art installations, a community theater, a dinner theater, a small live-music venue, and a private art gallery.

Meritus Park, which opened in spring 2024, serves as the home field for the Hagerstown Flying Boxcars, an Atlantic League professional baseball team. By the end of the 2024 season—after 60 home games—the stadium had drawn 175,079 fans, averaging nearly 3,000 attendees per game. The City also recently completed the Hagerstown Field House, a 114,000-square-foot indoor sports complex at the edge of downtown. The facility features two turf fields, hardcourt areas, fitness spaces, and concessions.





As the crossroads of the “Hub City,” downtown sees substantial daily traffic, with approximately 21,200 vehicles traveling along the two east–west U.S. 40 routes and roughly 12,000 vehicles using the major north–south corridors of Potomac and Locust Streets.

The Hagerstown Region

Hagerstown is strategically located in Maryland’s Great Valley, just 70 miles from Baltimore and Washington, D.C., and 156 miles from Pittsburgh, with excellent transportation connections via I-70, I-81, freight rail, a regional airport, and proximity to three international airports. This central location makes it ideal for logistics, warehousing, and distribution, sectors currently experiencing strong growth.

The metropolitan area is home to approximately 110,000 residents within six miles of the Public Square, supported by a tri-state workforce of nearly 425,000 and a median household income of \$69,244. Hagerstown offers a high quality of life, with strong educational institutions including Hagerstown Community College, the University System of Maryland Center, and top-ranking public schools, as well as Meritus Medical Center and a new College of Osteopathic Medicine.

The region is rich in parks, heritage sites, and recreational amenities, and its affordable cost of living and doing business, combined with a highly connected transportation network, positions Hagerstown as an attractive location for economic development and growth.

The Plan: My Downtown Hagerstown

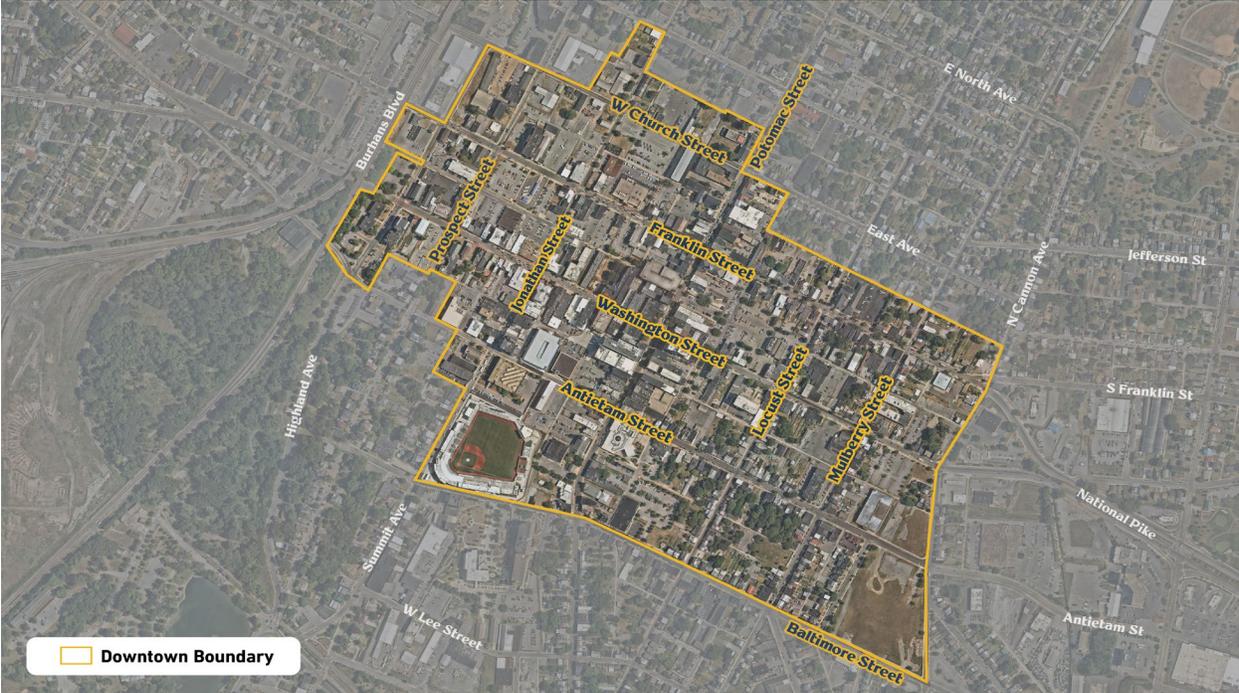
Building on Hagerstown’s history, prior achievements, and community spirit, the project team has branded the new City’s 10-Year Downtown Plan as My Downtown Hagerstown. The focus area for My Downtown Hagerstown is contiguous with the City’s defined City Center (see Figure 1). Generally, this area is bound by Church Street, Williams/Harmon Avenue, and Center Alley on the north, by North and South Cannon Avenue on the east, East and West Baltimore Street and East Antietam Street on the south, and the railroad tracks on the west. This area is also the City Center-Mixed Use (CC-MU) Zoning District.

Following sections on demographic trends, key market findings, and community engagement, the main recommendations of My Downtown Hagerstown are organized into three categories of projects: catalyst sites, open space/street improvements, and programmatic improvements. For each there is a site or project description and suggested preliminary implementation steps as well as an economic feasibility analysis for select catalytic site opportunities.





Figure 1: Hagerstown City Center



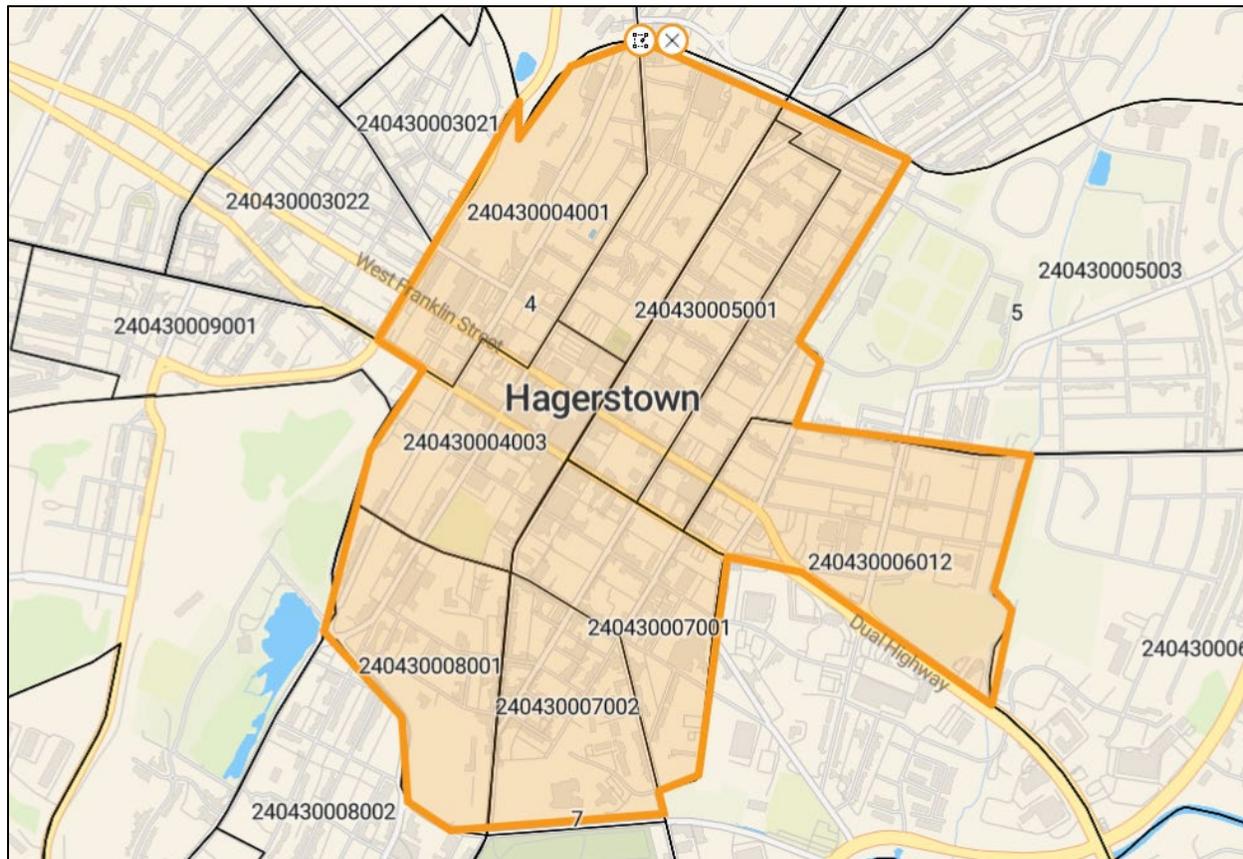


2. DEMOGRAPHIC TRENDS

A demographic trends analysis identifies how a local community is changing compared to the larger region. Specific elements of these trends include population and households, mobility patterns, housing, and income and poverty.

The primary data source for this socio-economic analysis is the U.S. Census Bureau’s American Community Survey (ACS)—providing data based on calculated estimates for 2013 and 2023, the latest year for which detailed data is available for most demographic trends. For the analysis summarized in this section, we’ve examined available data for the one Census Tract and six Census Block Groups that constitute the Greater Downtown Market Study Area (see Figure 2). This has been compared to the surrounding City of Hagerstown and Washington County for demographic trends.

Figure 2: Greater Downtown Market Study Area Census Tracts and Block Groups



Source: Polycymap, Urban Partners





Population & Households

According to the 2023 American Community Survey 5-Year Estimates (ACS), the total population of the Greater Downtown Market Study Area (referred to henceforth as Market Study Area) is 9,011. From 2013 to 2023, the total population for the Market Study Area grew by 2.7%, compared to an 8.1% increase for the City of Hagerstown and 4.4% for the Washington County (Table 1).

Table 1: Population Trends, 2013-2023

	2013 ACS	2023 ACS	Change (2013-2023)	% Change (2013-2023)
Market Study Area	8,778	9,011	233	2.7%
City of Hagerstown	40,243	43,490	3,247	8.1%
Washington County	148,435	155,033	6,598	4.4%

Source: U.S. Census Bureau ACS B01003, Urban Partners

There was an increase in the total number of households in the Market Study Area between 2013 and 2023, but at a faster rate (6.4%) than the rate of population increase. Likewise, the City and the County also experienced household growth (11.3% and 6.2%, respectively) that outpaced their rates of population growth (Table 2).

Table 2: Household Trends, 2013-2023

	2013 ACS	2023 ACS	Change (2013-2023)	% Change (2013-2023)
Market Study Area	4,240	4,511	271	6.4%
City of Hagerstown	16,603	18,472	1,869	11.3%
Washington County	55,960	59,411	3,451	6.2%

Source: U.S. Census Bureau ACS S1101, Urban Partners

The proportion of family households in the Market Study Area (19.3%) is less than that of the City and County (23.3% and 26.8%, respectively) (Table 3).

Table 3: Population by Household Type, 2023

	Market Study Area	City of Hagerstown	Washington County
Total Households	4,511	18,472	59,411
In Family Households (% of Total)	19.3%	23.3%	26.8%
In Non-Family Households (% of Total)	77.8%	19.7%	12.8%

Source: U.S. Census Bureau ACS B11001, Urban Partners

Table 4 and Figure 3 below compare the age distribution patterns in the Market Study Area to the City and the County. First, in the Market Study Area, children from 5 to 17 years-of-age represent 19.5% of the total population, slightly higher than the percentages in the City (16.7%) and the County (16.3%). Second, the Market Study Area has a higher percentage of 25 to 34-year-olds (15.9%, compared to the City's 12.9% and the County's 12.8%).



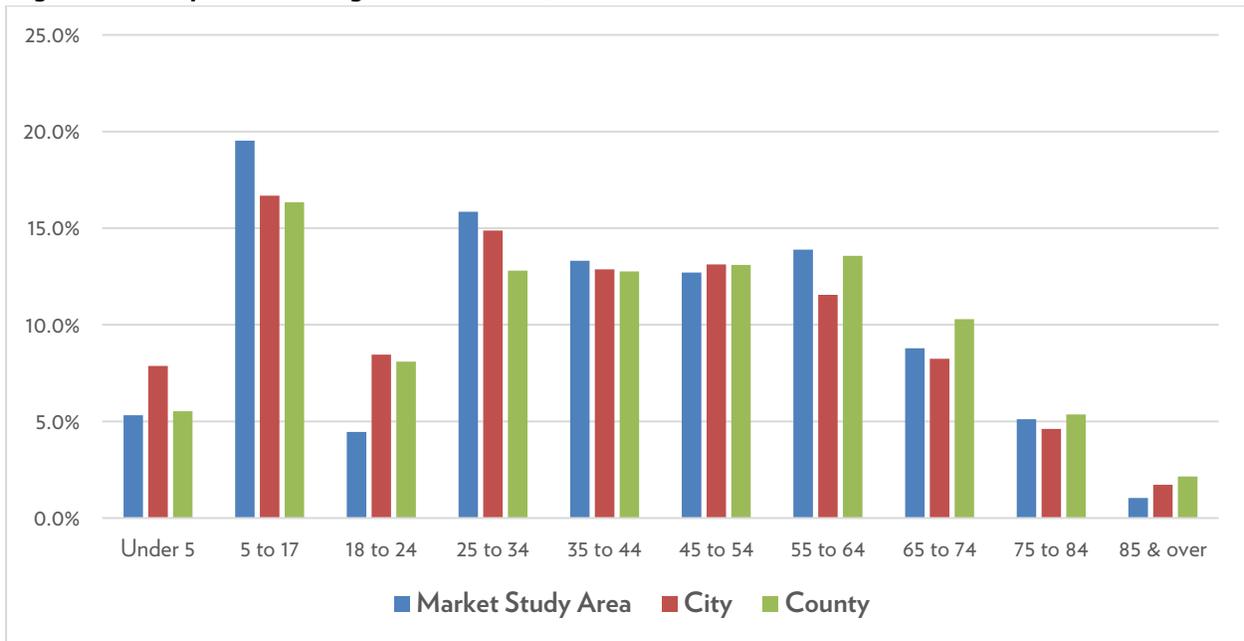


Table 4: Distribution of Age, 2023

	Market Study Area	%	City of Hagerstown	%	Washington County	%
Under 5 Years-of-Age	477	5.3%	3,422	7.9%	8,571	5.5%
5 To 17 Years-of-Age	1,752	19.5%	7,254	16.7%	25,333	16.3%
18 To 24 Years-of-Age	400	4.5%	3,678	8.5%	12,551	8.1%
25 To 34 Years-of-Age	1,422	15.9%	6,649	14.9%	19,846	12.8%
35 To 44 Years-of-Age	1,194	13.3%	5,595	12.9%	19,782	12.8%
45 To 54 Years-of-Age	1,140	12.7%	5,707	13.1%	20,312	13.1%
55 To 64 Years-of-Age	1,246	13.9%	5,025	11.6%	21,040	13.6%
65 To 74 Years-of-Age	788	8.8%	3,586	8.2%	15,951	10.3%
75 To 84 Years-of-Age	459	5.1%	2,005	4.6%	8,314	5.4%
85 Years-of-Age & Over	93	1.0%	749	1.7%	3,333	2.1%

Source: U.S. Census Bureau ACS B01001, Urban Partners

Figure 3: Comparison of Age Distribution, 2023



Source: U.S. Census Bureau ACS B01001, Urban Partners

The Market Study Area has a lower educational attainment level of residents over the age of 25 than the City of Hagerstown, with 23.2% of its residents having associate’s degree or higher as the highest educational attainment (see Table 5). From 2013 to 2023, the percentage of Market Study Area residents without high school diplomas decreased, from 6.8% in 2013 to 4.6% in 2023. Additionally, the percentage of Market Study Area residents with graduate or professional degrees decreased from 3.3% in 2013 to 3.0% in 2023.





Table 5: Educational Attainment for Population 25 Years and Over, 2013-2023

	Market Study Area		City of Hagerstown	
	2013	2023	2013	2023
Less Than 9th Grade	6.8%	4.6%	4.8%	4.2%
9th to 12th Grade, No Diploma	19.9%	13.0%	12.7%	10.3%
High School Graduate (Includes Equivalency)	36.9%	45.0%	35.2%	35.7%
Some College, No Degree	13.3%	13.0%	24.2%	21.4%
Associate's Degree	13.3%	13.0%	6.7%	8.7%
Bachelor's Degree	6.6%	8.5%	10.2%	12.4%
Graduate or Professional Degree	3.3%	3.0%	6.3%	7.3%

Source: U.S. Census Bureau ACS B15003, Urban Partners

As shown in Table 6, most of the shifts in ethnic/racial composition for the Market Study Area mirrored the trends that are observable for the City of Hagerstown as a whole:

- The share of African Americans residents is growing (25.6% of Market Study Area in 2013 to 27.9% in 2023).
- Conversely, the share of White residents is decreasing (59.3% of Market Study Area in 2013 to 46.1% in 2023).
- The share of Hispanics is increasing rapidly (5.2% of Market Study Area in 2013 to 10.2% in 2023).
- Though still a small fraction of the overall population, the percentage of Asian Americans is increasing (0.6% of Market Study Area in 2013 to 0.9% in 2023).
- The share of Two-or-More Races is increasing (7.5% of Market Study Area in 2013 to 13.6% in 2023).

Table 6: Ethnic/Racial Composition, 2013-2023

	Market Study Area				City of Hagerstown			
	2013		2023		2013		2023	
White Alone	5,488	59.3%	4,631	46.1%	29,328	68.8%	26,493	55.1%
Black or African American Alone	2,373	25.6%	2,801	27.9%	7,628	17.9%	9,980	20.7%
American Indian and Alaska Native Alone	76	0.8%	13	0.1%	152	0.4%	15	0.1%
Asian Alone	60	0.6%	87	0.9%	731	1.7%	578	1.2%
Native Hawaiian & Pacific Islander Alone	11	0.1%	-	-	15	0.1%	72	0.1%
Some other Race Alone	75	0.8%	116	1.2%	320	0.8%	1,179	2.5%
Two or More Races	695	7.5%	1,363	13.6%	2,069	4.9%	5,173	10.8%
Hispanic (All Races)	477	5.2%	1,029	10.2%	2,387	5.6%	4,619	9.6%

Source: U.S. Census Bureau ACS B03002, Urban Partners





Geographic Mobility

The geographic mobility data, which is a measure of how households move, indicates that City of Hagerstown households are more mobile than Washington County. According to the 2023 ACS, the percentage of people in the City who changed residences between 2022 and 2023 was 17.5%, compared to 12.5% for the County. Approximately 10% of the residents moved from within Washington County, 3.6% moved from a different county in Maryland, 3.1% moved from a different state, and 0.6% moved from abroad (See Table 7).

Table 7: Geographic Mobility, 2023

	City of Hagerstown		Washington County	
		%		%
Total Population 1 Yr and Over:	42,801		153,454	
Same House 1 Year Ago	35,314	82.5%	134,236	87.5%
Different House 1 Year Ago	7,487	17.5%	19,218	12.5%
Moved; within Washington County	4,365	10.2%	10,868	7.1%
Moved; from different county in Maryland	1,537	3.6%	4,638	3.0%
Moved; from different state	1,327	3.1%	3,266	2.1%
Moved; from abroad	258	0.6%	446	0.3%

Source: U.S. Census Bureau ACS B07001, Urban Partners

Current Housing Characteristics

In 2013, 15.7% of the housing units in the Market Study Area were vacant. By 2023, the vacancy rate declined to 11.4%, while the number of occupied units grew by 271, reflecting a 6.4% increase. The homeownership rate grew from 19.4% in 2013 to 20.5% in 2023, with owner- and renter-occupied housing units increasing by 925 and 3,586 units, respectively (Table 8).

Table 8: Housing Occupancy and Tenure, 2013-2023

	Housing Units		Housing Units		Change 2013-23	% Change 2013-23
	2013	(%)	2023	(%)		
Total housing units	5,029	-	5,090	-	61	1.2%
- Occupied units	4,240	84.3%	4,511	88.6%	271	6.4%
- Vacant units	789	15.7%	579	11.4%	-210	-26.6%
Total occupied housing units	4,240	-	4,511	-	271	6.4%
- Owner occupied	823	19.4%	925	20.5%	102	12.4%
- Renter occupied	3,417	80.6%	3,586	79.5%	169	4.9%

Source: U.S. Census Bureau ACS B25003, Urban Partners

Table 9 below is a detailed breakdown of the age of housing stock for the Market Study Area based on tenure. It shows that 46.6% of all housing units in the Market Study Area were built before 1940. The U.S. Census Bureau also reports that owner-occupied homes are newer than renter-occupied homes (5.1% of renter-occupied homes were built in 2000 or later, compared to 24.9% of owner-occupied homes).





Table 9: Age of Housing Stock by Tenure, 2023

	All Units	%	Owner Occupied	%	Renter Occupied	%
All Units	4,511	-	925	-	3,586	-
Built 2020 or later	0	-	0	-	-	-
Built 2010 to 2019	315	6.2%	202	21.8%	74	2.1%
Built 2000 to 2009	186	3.7%	29	3.1%	106	2.9%
Built 1990 to 1999	196	3.9%	43	4.6%	106	2.9%
Built 1980 to 1989	190	3.7%	0	-	166	4.6%
Built 1970 to 1979	653	12.8%	26	2.8%	549	15.3%
Built 1960 to 1969	377	7.4%	137	14.8%	240	6.7%
Built 1950 to 1959	486	9.5%	14	1.5%	459	12.8%
Built 1940 to 1949	314	6.2%	65	7.0%	229	6.4%
Built 1939 or earlier	2,373	46.6%	409	44.2%	1,657	46.2%

Source: U.S. Census Bureau ACS B25036, Urban Partners

The largest share of homes (41.8%) in the Market Study Area are one-unit structures (both attached and detached types). According to the 2023 ACS, 95.6% of homeowners live in residential structures with just one unit. Renter households are more evenly distributed in terms of units in structure, but the largest number of renters (1,240 households, or 34.5% of all rental units) live in one-unit structures (see Table 10).

Table 10: Units in Structure by Tenure, 2023

	All Units	%	Owner Occupied	%	Renter Occupied	%
All Units	4,511	-	925	-	3,586	-
1 Unit, detached	828	16.3%	458	49.5%	370	10.3%
1 Unit, attached	1,296	25.5%	426	46.1%	870	24.2%
2 Units	511	10.0%	-	-	511	14.2%
3 or 4 Units	864	17.0%	22	2.4%	842	23.4%
5 to 9 Units	667	13.1%	7	0.7%	660	18.4%
10 to 19 Units	262	5.1%	-	-	262	7.3%
20 to 49 Units	153	3.0%	-	-	153	4.3%
50 Units or more	509	10.0%	12	1.3%	497	13.8%
Mobile Home	-	-	-	-	-	-
Boat, RV, Van, etc.	-	-	-	-	-	-

Source: U.S. Census Bureau ACS B25032, Urban Partners

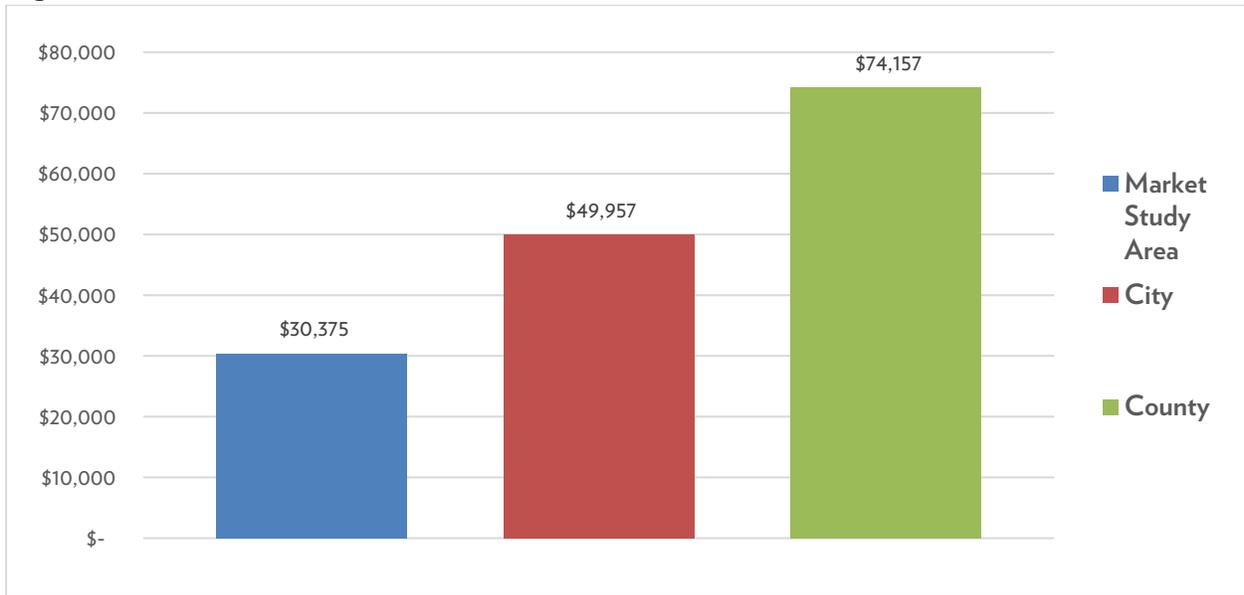
Household Income & Poverty Rate

Households in the Market Study Area have significantly lower income levels compared to those in the City and County. According to the 2023 ACS, median household incomes in the Market Study Area census tracts range from \$17,683 to \$51,691, with a weighted average of \$30,375—far below the City's median of \$49,957 and the County's \$74,157 (Figure 4).





Figure 4: Median Household Income, 2023



Source: U.S. Census Bureau ACS B19013, Urban Partners

Nearly three-quarters (71.3%) of Market Study Area households earn less than \$35,000 annually, compared to 63.3% for the City and 23.2% for the County. On the other end of the household income spectrum, only 4.6% of Study Area households earn more than \$100,000 annually, compared to 22.1% for the City and 36.5% for the County (Table 11).

Table 11: Distribution of Household Income, 2023

	Market Study Area	City of Hagerstown	Washington County
Household Incomes less than \$10,000	15.3%	7.5%	5.1%
Household Incomes from \$10,000 to \$14,999	15.5%	6.0%	3.5%
Household Incomes from \$15,000 to \$24,999	24.7%	12.4%	6.7%
Household Incomes from \$25,000 to \$34,999	15.8%	10.9%	7.9%
Household Incomes from \$35,000 to \$49,999	8.4%	13.3%	10.7%
Household Incomes from \$50,000 to \$74,999	10.0%	17.7%	16.6%
Household Incomes from \$75,000 to \$99,999	3.7%	10.2%	13.1%
Household Incomes from \$100,000 to \$149,999	3.6%	13.8%	18.2%
Household Incomes from \$150,000 to \$199,999	0.9%	5.1%	9.2%
Household Incomes from \$200,000 or more	0.1%	3.2%	9.1%

Source: U.S. Census Bureau ACS B19001, Urban Partners

According to the 2023 ACS, 18.5% of Market Study Area residents live below the poverty line. The poverty rate for the County is 22.7% and 12.5% for the State (Table 12 shown on the following page).





Table 12: Population Living Under Poverty Level, 2023

	Market Study Area	City of Hagerstown	Washington County
Population Below Poverty Level	1,638	9,681	18,367
Population Below Poverty Level (%)	18.5%	22.7%	12.5%

Source: U.S. Census Bureau ACS B06012, Urban Partners

Over half of renter households in the Market Study Area are cost burdened (shaded in blue below) meaning that they pay more than 30% of their income toward housing costs, while 33.5% of owner households are cost burdened, according to the 2023 ACS. The cost-burden rates for Hagerstown City households are higher than Washington County—50.3% of renter households and 29.3% of owner households in the City are cost-burdened, compared to 45.3% and 14.0% for the County, respectively (see Table 13).

Table 13: Tenure by Housing Costs, 2023

	Owner Occupants	%	Renter Occupants	%
Market Study Area Households	2,261		5,586	
Less than 20%	1,142	50.5%	977	17.5%
20 to 29%	306	13.5%	1,560	27.9%
30% or more (cost burdened)	758	33.5%	2,909	52.1%
Zero or negative income/no cash rent	55	2.4%	140	2.5%
Hagerstown Households	8,022		10,450	
Less than 20%	4,455	55.5%	2,191	20.9%
20 to 29%	1,436	17.9%	2,630	25.2%
30% or more (cost burdened)	2,354	29.3%	5,257	50.3%
Zero or negative income/no cash rent	232	2.9%	372	3.5%
Washington County Households	39,145		20,266	
Less than 20%	26,525	67.7%	4,989	24.6%
20 to 29%	6,733	17.2%	5,164	25.5%
30% or more (cost burdened)	5,484	14.0%	9,178	45.3%
Zero or negative income/no cash rent	403	1.0%	935	4.6%

Source: U.S. Census Bureau, Urban Partners

As illustrated in Table 14 on the following page, the most cost burdened households in the Market Study Area are renters with annual household incomes under \$35,000. A total of 3,161 such renter households reside in the Market Study Area and 2,514 (or 79.5%) are cost burdened.





Table 14: Tenure by Housing Costs as a Percentage of Household Income, 2023

	Owner Occupants	%	Renter Occupants	%
Households earning less than \$20,000	170		1,661	
Less than 30% (not cost burdened)	32	18.8%	270	16.2%
30% or more (cost burdened)	138	81.2%	1,391	83.7%
Households earning \$20,000 to \$34,999	332		1,500	
Less than 30% (not cost burdened)	158	47.6%	377	25.1%
30% or more (cost burdened)	174	52.4%	1,123	74.9%
Households earning \$35,000 to \$49,999	340		622	
Less than 30% (not cost burdened)	182	53.5%	323	51.9%
30% or more (cost burdened)	158	46.5%	299	48.1%
Households earning \$50,000 to \$74,999	483		874	
Less than 30% (not cost burdened)	234	48.4%	797	91.1%
30% or more (cost burdened)	249	51.6%	77	8.9%
Households earning \$75,000 or more	881		789	
Less than 30% (not cost burdened)	842	95.5%	770	97.5%
30% or more (cost burdened)	39	4.5%	19	2.5%

Source: U.S. Census Bureau, Urban Partners



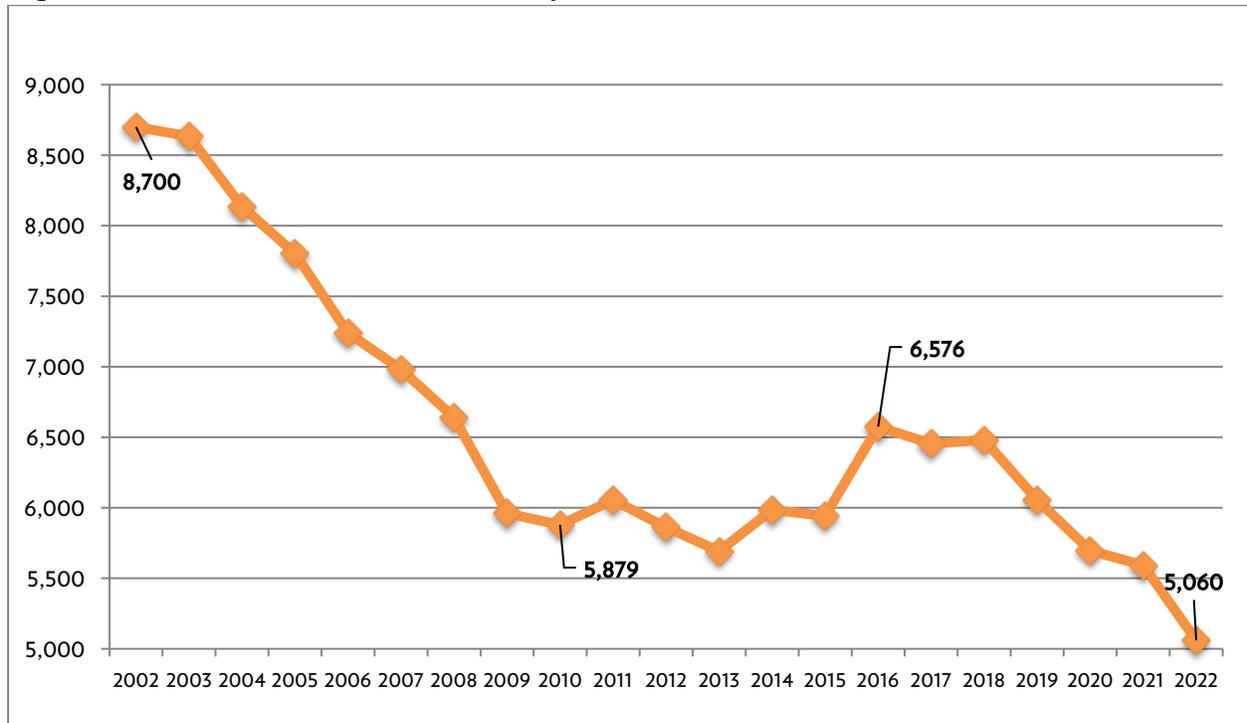


3. EMPLOYMENT TRENDS

Jobs in the Market Study Area

According to the U.S. Census Bureau’s *OnTheMap* application, which uses employer payroll tax information to geo-locate jobs within a defined area, the Market Study Area has experienced significant job loss in recent years. The Market Study Area experienced a decline in jobs between 2002 and 2010, dropping from 8,700 to 5,879. By 2011, the number had recovered slightly to 6,056 before starting another cycle of decline and recovery. In 2022, a total of 5,060 jobs were reported in the Market Study Area, which represents a loss of 3,640 (or -41.8%. See Figure 5).

Figure 5: Jobs Located in the Market Study Area, 2002 to 2022



Source: U.S. Census Bureau LEHD, Urban Partners

As detailed in Table 15 below, *Public Administration* remained the top sector between 2002 and 2022, adding 189 employees during that period. The 1,753 jobs in *Public Administration* represent 34.6% of all jobs within the Market Study Area. The *Health Care & Social Assistance* sector, which lost 109 jobs between 2002 and 2022, is the second largest with 965 jobs in the Market Study Area.





All 20 industrial sectors lost jobs apart from *Public Administration* and the following three sectors:

- *Educational Services*: 30 jobs
- *Utilities*: 24 jobs
- *Real Estate & Rental & Leasing*: 3 jobs

Table 15: Jobs Located in the Market Study Area by Industrial Sectors, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change in Jobs 2002-22	% Change in Jobs 2002-22
Total Employment	8,700	-	5,060		-3,640	-48.1%
Public Administration	1,564	18.0%	1,753	34.6%	189	12.1%
Health Care & Social Assistance	1,074	12.3%	965	19.1%	-109	-10.1%
Accommodation & Food Services	518	6.0%	346	6.8%	-172	-33.2%
Retail Trade	796	9.1%	291	5.8%	-505	-63.4%
Professional, Scientific, & Technical Services	494	5.7%	290	5.7%	-204	-41.2%
Construction	551	6.3%	199	3.9%	-352	-63.8%
Manufacturing	1,140	13.1%	179	3.5%	-961	-84.3%
Admin & Support, Waste Mgmt/Remed.	263	3.0%	147	2.9%	-116	-44.1%
Educational Services	116	1.3%	146	2.9%	30	25.8%
Information	364	4.2%	118	2.3%	-246	-67.5%
Wholesale Trade	281	3.2%	111	2.2%	-170	-60.4%
Finance & Insurance	387	4.4%	111	2.2%	-276	-71.3%
Other Services (excluding Public Admin)	341	3.9%	111	2.2%	-230	-67.4%
Arts, Entertainment, & Recreation	177	2.0%	102	2.0%	-75	-42.3%
Utilities	41	0.5%	65	1.3%	24	58.5%
Real Estate & Rental & Leasing	59	0.7%	62	1.2%	3	5.1%
Transportation & Warehousing	449	5.2%	46	0.9%	-403	-89.7%
Management of Companies & Enterprises	85	1.0%	18	0.4%	-67	-78.8%
Mining, Quarrying, & Oil & Gas Extraction	0	0.0%	0	0.0%	-	-
Agriculture, Forestry, Fishing & Hunting	0	0.0%	0	0.0%	-	-

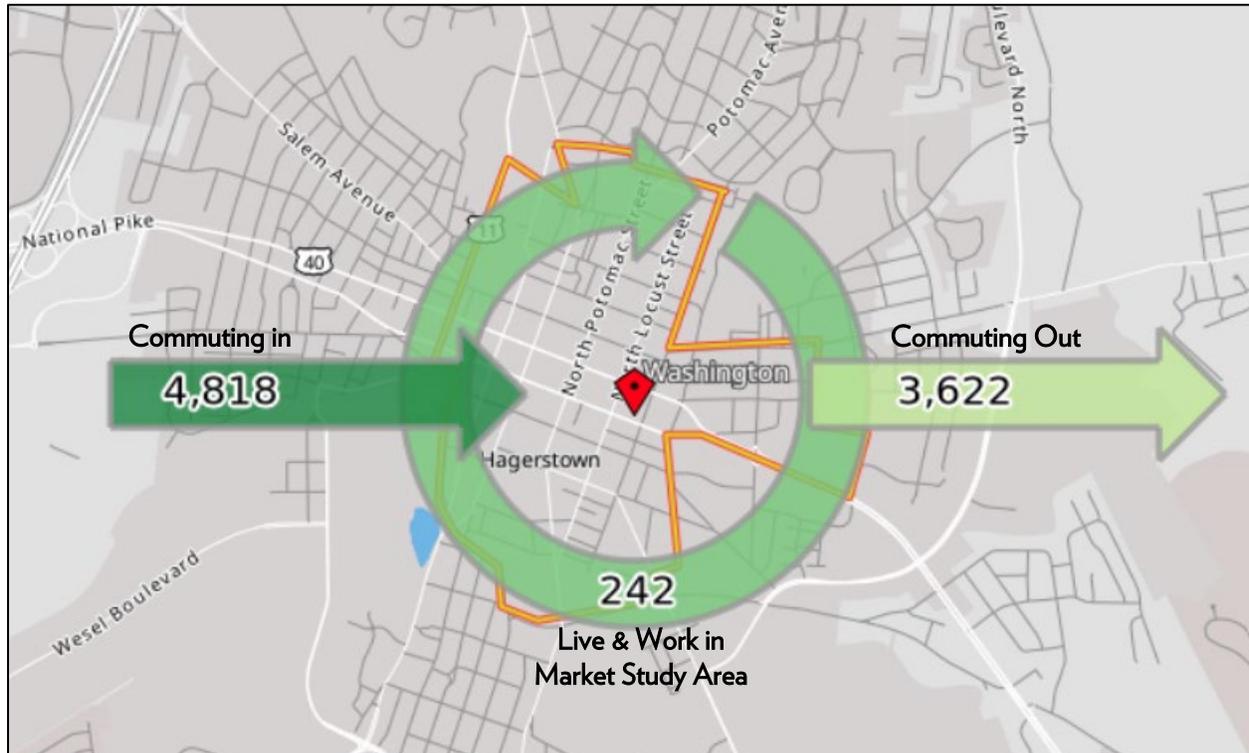
Source: U.S. Census Bureau LEHD, Urban Partners

The *OnTheMap* application reports that 242 out of the 5,060 employees also lived within the Market Study Area in 2022 (Figure 6 shown on the following page). The largest segment of workers employed in the Market Study Area live within the City of Hagerstown (897, or 17.7% of all employees). In 2002, Market Study Area residents that lived and worked in the City totaled 2,061, or 23.7% of the total workforce, a 56.5% reduction since 2022. Aside from the City of Hagerstown, the remaining top 10 origins of workers also decreased in employees except for the St. James area (see Table 16).





Figure 6: Inflow/Outflow for All Jobs in the Market Study Area, 2022



Source: U.S. Census Bureau

Table 16: Where Market Study Area Workers Live, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change 2002-22
Hagerstown City, MD	2,061	23.7%	897	17.7%	-1,164
Halfway CDP, MD	588	6.8%	240	4.7%	-348
Fountainhead-Orchard Hills CDP, MD	256	2.9%	131	2.6%	-125
Robinwood CDP, MD	218	2.5%	95	1.9%	-123
Frederick City, MD	103	1.2%	88	1.7%	-15
St. James CDP, MD	69	0.8%	81	1.6%	12
Maugansville CDP, MD	109	1.3%	69	1.4%	-40
Waynesboro Borough, PA	106	1.2%	68	1.3%	-38
Boonsboro Town, MD	67	0.8%	50	1.0%	-17
Paramount-Long Meadow CDP, MD	118	1.4%	50	1.0%	-68
All Other Locations	5,005	57.5%	3,291	65.0%	-1,714
Total	8,700		5,060		-3,640

Source: U.S. Census Bureau Center for Economic Studies, Urban Partners





Market Study Area Resident Employment

According to the *OnTheMap* application, there were a total of 3,864 employed residents of the Market Study Area in 2022, a decrease of 1,300 (-25.1%) from 2002. In 2002, more Market Study Area residents were employed in *Manufacturing* than any other industrial sector (724, or 14.0% of the total. See Table 17). Five sectors among Market Study Area residents added jobs between 2002 and 2022—*Admin & Support* (92 jobs), *Professional, Scientific, and Technical Services* (20 jobs), *Transportation & Warehousing* (68 jobs), *Management of Enterprises & Companies* (32 jobs), and *Agriculture, Forestry, Fishing, & Hunting* (5 jobs).

Among industries that lost employed Market Study Area residents, most notably there were 419 fewer employees in the *Manufacturing* sector, which amounts to a 57.8% loss from 2002 to 2022. Other sectors that experienced reductions in jobs among employed residents include:

- *Finance & Insurance* -219 jobs
- *Construction* -210 jobs
- *Public Administration* -126 jobs
- *Retail Trade* -104 jobs

Table 17: Employed Residents of Market Study Area by Sectors, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change in Jobs 2002-22	% Change in Jobs 2002-22
Total Employment	8,700	-	3,864	-	-1,300	-25.1%
Retail Trade	715	13.8%	611	15.8%	-104	-14.5%
Healthcare & Social Assistance	607	11.8%	563	14.6%	-44	-7.2%
Accommodation & Food Services	428	8.3%	376	9.7%	-52	-12.1%
Admin & Support, Waste Mgmt. & Rem.	230	4.5%	322	8.3%	92	40.0%
Manufacturing	724	14.0%	305	7.9%	-419	-57.8%
Professional, Scientific, & Technical Services	246	4.8%	266	6.9%	20	8.1%
Transportation & Warehousing	171	3.3%	239	6.2%	68	39.7%
Construction	429	8.3%	219	5.7%	-210	-48.9%
Educational Services	300	5.8%	206	5.3%	-94	-31.3%
Public Administration	326	6.3%	200	5.2%	-126	-42.0%
Wholesale Trade	190	3.7%	121	3.1%	-69	-36.3%
Other Services (excluding Public Admin)	190	3.7%	115	3.0%	-75	-39.5%
Finance & Insurance	305	5.9%	86	2.2%	-219	-71.8%
Arts, Entertainment, & Recreation	78	1.5%	64	1.7%	-14	-17.9%
Information	96	1.9%	54	1.4%	-42	-43.7%
Management of Companies & Enterprises	15	0.3%	47	1.2%	32	213.3%
Real Estate & Rental & Leasing	80	1.5%	35	0.9%	-45	-56.2%
Agriculture, Forestry, Fishing & Hunting	15	0.3%	20	0.5%	5	33.3%
Utilities	13	0.3%	11	0.3%	-2	-15.4%
Mining, Quarrying, & Oil & Gas Extraction	6	0.1%	4	0.1%	-2	-33.3%

Source: U.S. Census Bureau LEHD, Urban Partners





With *OnTheMap* reporting that only 242 out of the 3,864 employed residents worked inside the Market Study Area in 2022, 93.7% commute elsewhere for work. The largest number of residents (834) commute to other areas within the City of Hagerstown for work, followed by 224 in Frederick and 103 in the Ballenger Creek area (see Table 18).

Table 18: Commuting Destinations for Employed Market Study Area Residents, 2002-2022

	Jobs in 2002	% of All Jobs 2002	Jobs in 2022	% of All Jobs 2022	Change 2002-22
Hagerstown, MD	1,728	33.5%	834	21.6%	-51.7%
Frederick City, MD	237	4.6%	224	5.8%	-5.4%
Ballenger Creek CDP, MD	110	2.1%	103	2.7%	-6.3%
Halfway CDP, MD	113	2.2%	103	2.7%	-8.8%
Robinwood CDP, MD	76	1.5%	97	2.5%	27.6%
Baltimore City, MD	83	1.6%	91	2.4%	9.6%
Fountainhead-Orchard Hills CDP, MD	99	1.9%	87	2.3%	-12.1%
Rockville City, MD	71	1.4%	65	1.7%	-8.5%
Gaithersburg City, MD	41	0.8%	53	1.4%	29.2%
Washington City, DC	0	0.0%	47	1.2%	-
All Other Locations	2,606	50.5%	2,160	55.9%	-17.1%

Source: U.S. Census Bureau LEHD, Urban Partners





4. KEY MARKET FINDINGS

The market analysis is a key component of My Downtown Hagerstown. It examines specific markets representing potential future downtown development objectives identified by the City. These markets include retail, for-sale housing, rental housing, office, hotel, and entertainment. Following is a summary of suggested potential in Downtown Hagerstown for each of the examined markets. The full market analysis can be found in Appendix 1.

For Sale Housing Market

Our for-sale housing market research for the Market Study Area has demonstrated that the Downtown Hagerstown housing market is showing signs of market activity and improvement, with more than 1,100 homes sold over the past seven years and a median sales price that has risen at an annualized rate of 12.6% since 2019. Within this market, different housing types are performing in distinct ways that highlight opportunities for investment and policy support.

Townhouses, which account for nearly half of all sales, are emerging as the most common and attainable form of housing in the Market Study Area. With a median price of just under \$150,000, they are more affordable than detached homes and present an opportunity to be marketed as an entry point for first-time buyers and working families. Continued targeted programs to support townhouse renovation, infill development, and first-time homebuyer assistance could strengthen this segment of the market and expand access to ownership in the Downtown Study Area.

Detached single-family homes remain in demand, particularly among owner-occupants, who make up more than half of the buyers in this category. With median sales prices approaching \$185,000, these homes are both more expensive than townhouses and are viewed as desirable for families, reinforcing their role as the foundation for neighborhood stability. However, given the pace of appreciation, preserving affordability will be important. The continued promotion of tools such as down payment assistance and renovation grants can help protect opportunities for local families to remain in or enter this segment of the market.

Although duplexes and triplexes represent only a small share of recent transactions, their higher median sales prices suggest untapped potential. They can provide “missing middle” housing—smaller-scale multifamily options that balance affordability with higher value per property. Encouraging new construction or adaptive reuse of this housing type could diversify the housing stock while meeting a growing demand.

Condominiums, while a modest share of sales at just under seven percent (7%), stand out for their high per-square-foot value. With most purchased by owner-occupants, condos appeal to





an increasing number of buyers seeking lower-maintenance living in a walkable, downtown setting.

Figure 7: A Townhouse Recently Sold on E. North Avenue in 2025



Photo Credit: Redfin

Investor activity also plays a significant role in the market, accounting for about 35% of sales. While this signals the attractiveness of Downtown Hagerstown to both local and out-of-state buyers, it also raises the need for balance between investor-driven turnover and long-term owner occupancy. Policies that encourage responsible investment—such as quality standards, long-term ownership incentives, or partnerships tied to affordability commitments—can help align investor activity with community priorities.

Overall, with median sales prices in Downtown Hagerstown below replacement costs, the Downtown for-sale housing market remains challenged in terms of new housing construction potential. The cost to build would significantly exceed the return, making it unlikely that most developers would invest in new construction in the near term. Therefore, *the City should focus more on interventions to improve the existing housing stock that will continue to increase home values and in turn sale prices at a level that will encourage investment.*



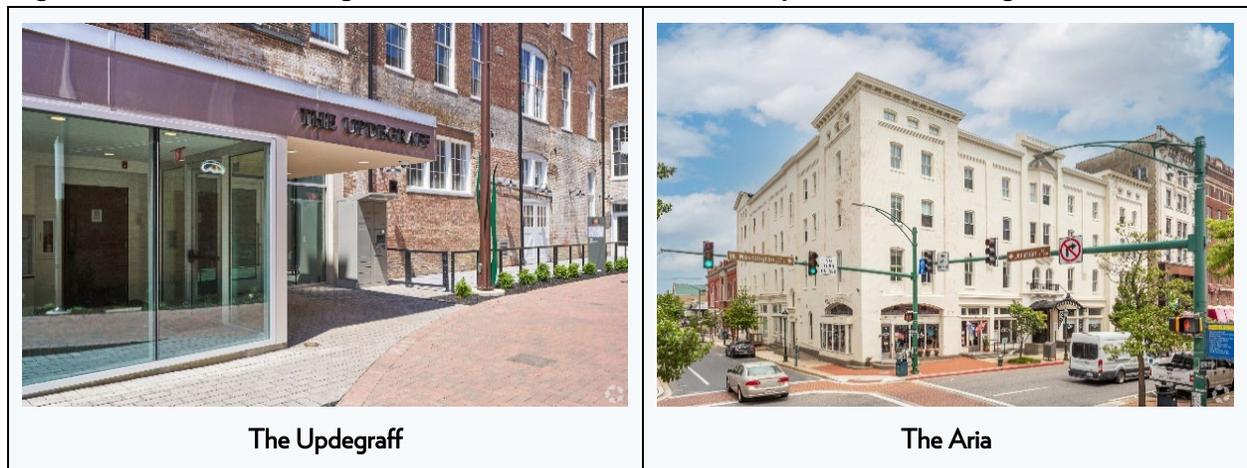


Rental Housing Market

Our housing market research for the Market Study Area has revealed that rental supply includes mainly apartments for rent in smaller buildings and single-family townhouses on residential blocks. These units offer relatively affordable rents with modest features for renters seeking attainable housing options.

More significantly, there are two new market-rate apartment developments in renovated historic downtown buildings introducing a new high-end rental product to Downtown Hagerstown—The Updegraff and The Aria. The rents at these new developments exceed all others in the Market Study Area and require residents with incomes higher than Downtown Hagerstown has traditionally been able to support. The addition of both buildings, particularly The Updegraff, signal that Downtown Hagerstown is beginning to test the upper end of its rental market and their success will likely determine the near-term viability of additional new rental product at the highest end. However, their relatively high vacancy rates suggest that while there is some interest in upscale housing, the depth of demand for luxury units may be limited at this stage. This creates an opportunity for future development to focus more on the middle of the market—units that are modern, well-amenitized, and attractive, but priced more affordably than the newest luxury options.

Figure 8: Downtown Hagerstown’s Newest Market-Rate Apartment Buildings



Source: Apartments.com

The existing stock of individual rentals in smaller buildings and townhouses reinforces this potential. Many of these units are attainable, but they lack modern conveniences and appeal. Demand therefore appears to be robust for moderately priced new or renovated one-bedroom units that can accommodate singles and couples. At the same time, there are relatively few options for households seeking two- or three-bedroom units of a similar quality. This points to an opportunity to deliver more moderately priced larger units that can accommodate





families, roommates, or young professionals looking for additional space. Incentives will likely be required to address possible financing gaps.

Overall, there appears to be potential for new rental housing in Downtown Hagerstown. This product should prioritize moderately priced rentals that fill the gap between the city's low-cost older stock and the newly built luxury units. More modestly-priced developments with studios and one-bedroom units will appeal to young professionals starting their careers, while limited two- and three-bedroom options will help broaden the appeal to a wider range of residents. At the same time, it will be important to monitor the leasing of the existing luxury product and phase any additional luxury development carefully, giving The Updegraff and The Aria time to stabilize before introducing more units at that price point. Across all new projects, developers should aim to provide in-demand features such as in-unit washer/dryers, updated kitchens, and well-designed shared amenities, while balancing cost considerations to keep rents within reach of the local market. Pairing residential uses with ground-floor retail or mixed-use redevelopment can further enhance downtown's vibrancy and create stronger long-term value.

Regarding income-restricted housing, the Market Study Area currently has almost 750 units. While subsidized housing is always in demand, it's important for it to be distributed equitably throughout the region to avoid high concentrations of low-income residents. Consideration should be made for affordable units to be incorporated into new multi-family residential projects as mixed-income developments containing a combination of market-rate and below-market units. Developer incentives or bonuses can help offset the additional expense of these affordable units.

Retail Market

The comparison of retail supply and demand reveals the retail surplus or gap/potential for additional retail stores in Downtown Hagerstown. Since downtown retailing functions within a larger regional marketplace, we defined three trade areas centered on City Hall: a 1.5-mile radius, a 6-mile radius, and a 12-mile radius. This comparison enables us to identify the degree to which customers from each of these areas patronize retailers in the other respective areas, understand how this impacts the downtown's retail supply and demand, and confirm a primary trade area for Downtown Hagerstown.

The supply of retailing in the 1.5-Mile Trade Area exceeds demand by more than \$949 million, indicating that the immediate area is significantly oversupplied for its population, and the customer base comes from beyond this 1.5-mile ring for most retail goods and services. However, for select miscellaneous retail categories, there is some limited demand that could serve local downtown residents.





The 6-Mile Trade Area contains significantly more commercial centers with retailers (including the area’s malls and big box centers) and population than the 1.5-Mile Trade Area. Within this 6-mile radius, total retail supply still exceeds demand by a significant \$1.1 billion surplus. Almost all retail categories remain oversupplied at this distance from downtown. With the region’s primary concentration of retail located within this area, it is logical that customers from beyond this radius would come to Hagerstown for their shopping needs beyond daily items.

Within the 12-Mile Trade Area, the store supply does not increase substantially for many retail categories since the mostly rural outer portions of the geography don’t contain many retail establishments. The population, however, grows significantly. As a result, while there is still a surplus of \$388 million, it is considerably less than in the other two smaller trade areas. Key retail categories within that 12-mile radius, particularly food-related, experience a significant opportunity gap that could be filled in Downtown Hagerstown with additional businesses. Combined with demand from the employee and visitor retail base, appropriate opportunities include:

- The potential to further exploit the significant number of downtown employees and visitors and supplement the current restaurant offerings with additional **food and dining establishments**; and
- Selected **miscellaneous retailing** to serve downtown residents.

Food/Dining Hub

Within the 12-Mile Trade Area, a significant opportunity exists for a variety of restaurants and establishments offering various foods. The downtown is already a regional culinary destination with such long-standing restaurants as Schmankerl Stube and Rhubarb House as well several newcomers that are creating a buzz. Adding establishments with diverse cuisine could further strengthen Downtown Hagerstown as a food and dining hub. These opportunities include:

- **Full-Service Restaurants.** Significant opportunity exists for full-service restaurants within the 12-Mile Trade Area. Over 200,000 SF of such space could be supported by the \$55.2 million gap. Downtown Hagerstown could capture a significant portion of that demand.
- **Bars/Drinking Places.** With a gap of \$5.1 million, bars, particularly ones offering live music and entertainment, could be supported totaling up to 18,000 SF of space.
- **Coffee Shop/Ice Cream Shop.** A gap of \$2.9 million in the Snack and Nonalcoholic Beverage Bars category could support an additional coffee shop and ice cream shop totaling up to 9,000 SF of store space that could supplement the popular Cannon Coffee.





- **Specialty/Fresh Food Store.** The retail data suggests that \$6.5 million in specialty food stores expenditures are leaking from the 12-Mile Trade Area annually. This category includes stores that sell fresh fruits, vegetables, and meats. The leakage can support 22,000 SF of fresh food store space that could complement nearby Cameron’s Seafood, a regional destination.

Miscellaneous Retailing

There are limited gaps in supply within the 1.5-Mile Trade Area in some miscellaneous retail categories that could serve the Downtown Hagerstown population, as well as residents from outside the downtown area and visitors, including:

- **Home Furnishing Store.** An opportunity exists for a small home furnishing stores in in Downtown Hagerstown. The \$0.5 million gap translates to approximately 2,000 SF in store space.
- **Pet Store.** A \$0.7 million gap in retail supply exists for pet stores. This leakage can support a 3,000 SF store.
- **Art Dealer.** The data indicates that \$0.9 million in expenditures on art are leaving the Trade Area annually. This leakage can support 2,000 SF of gallery space that could complement the theme of the Arts and Entertainment District. This opportunity grows to 13,000 SF of space at the 12-Mile Trade Area. Art dealers could appeal to visitors as well as area residents.

While such retailers could potentially locate anywhere within the Trade Area—including near other retail concentrations such as the Valley Mall—these opportunities are appropriate for a revitalizing Downtown Hagerstown. In general, they would be smaller store types that could occupy any vacant storefronts of downtown commercial buildings.

Hotel Market

From 2017 to 2023, the annual growth in demand was 8,200 room-nights per year. The additional supply from the introduction of the higher quality Fairfield and Home2Suites was fully absorbed with occupancy remaining above 72% in 2022 and 2023. This suggests that improved quality of supply triggered at least some positive incremental demand response.

If we assume that an annual average room-night increment in demand in the 5,000 to 8,000 range continues for several years and that 65% is a healthy average occupancy rate, then we can conclude that the new Tru by Hilton can be absorbed in the market by the end of 2026 and that *the Hagerstown area can absorb 60-100 new hotel rooms every two-three years, beginning in 2027 or 2028. This demand could potentially be accommodated in a downtown hotel.*

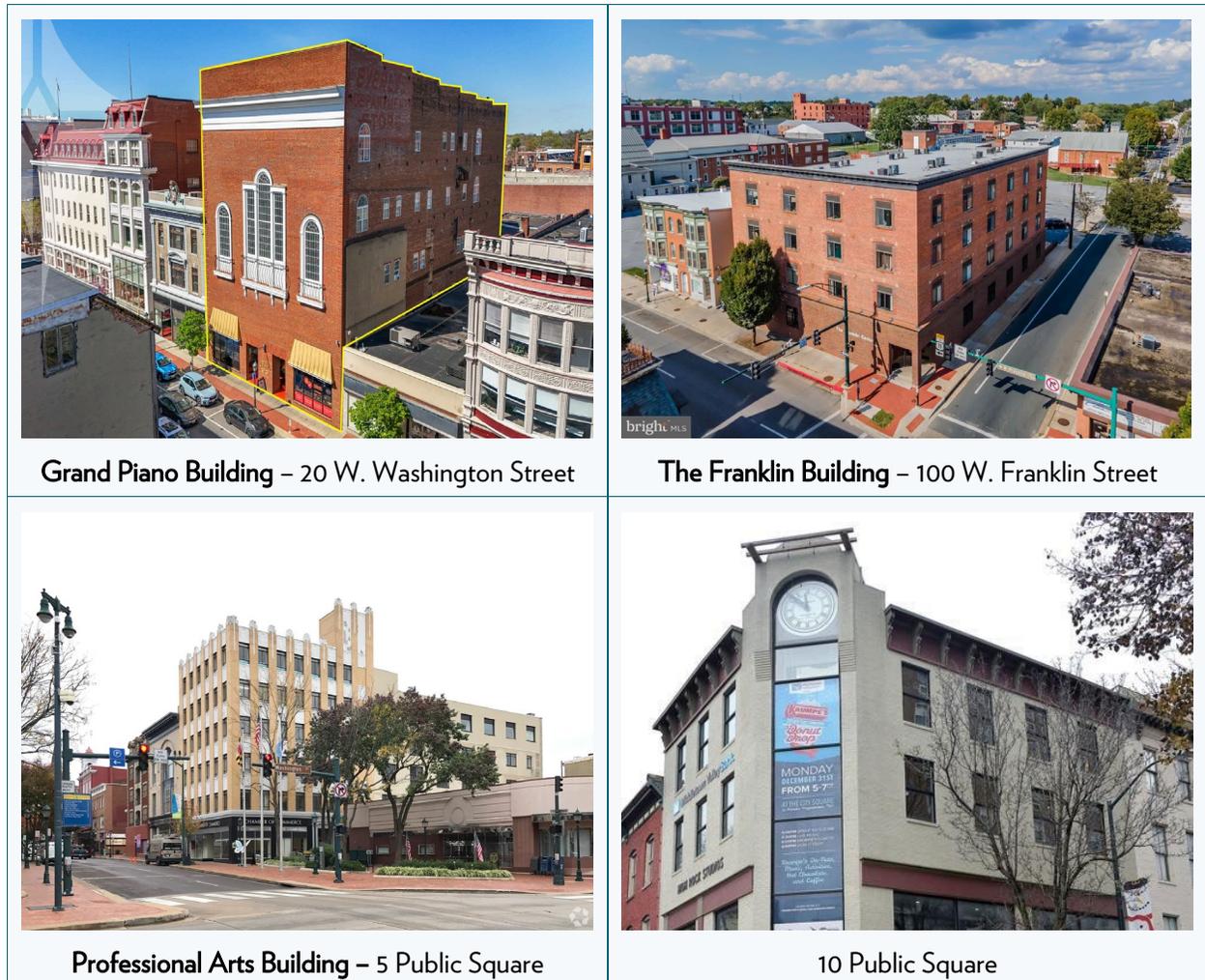




Office Market

Our research of the commercial/office market indicates that among the advertised spaces for rent in the Market Study Area, there are a significant number of smaller office space footprints currently available for rent as of August 2025, ranging from 185 SF to 12,300 SF. These spaces are listed for rents ranging from \$12.00 to \$30.00 per SF in a variety of office settings, including larger historic/renovated commercial buildings as well as former homes-turned-office buildings. Most are categorized as Class B and C. It appears that the supply of smaller mid-quality office space is therefore adequate for its demand. This space could appeal to the professionals affiliated with city and county governments and courts, particularly attorneys. At the same time, Downtown Hagerstown is home to two co-working spaces that offer several short- and long-term office space options from daily to monthly or yearly. As the two sites continue to grow in membership, *it appears that demand is not quite sufficient to support a third co-working location in the downtown.*

Figure 9: Buildings with Office Space Available for Rent in the Market Study Area



Source: Loopnet





On the other hand, there are currently limited opportunities for a business in need of a floorplate larger than 12,000 square feet that's move-in ready or a total building size of more than 30,000 square feet to accommodate a large company or an agency that's move-in ready. Furthermore, no available space of that size meets Class A or higher-quality standards. This scale of office development would require a committed user. To attract this larger dedicated tenant, Downtown needs to offer a well-situated site that could accommodate a building of this magnitude. The site then needs to be heavily marketed to prospective companies potentially seeking new Class A build-to-suit space.

Entertainment Market

Potential uses examined include a small movie theater and bowling alley as opportunities to expand the region's entertainment-oriented uses within Downtown Hagerstown.

Movie Theater

It appears that the greater Hagerstown region is currently overserved by movie facilities. However, a small and unique theater could still potentially be a complementary use in Downtown Hagerstown, specifically *a single cinema that could supplement other entertainment and cultural activities taking place in the Arts & Entertainment District.* Several concepts exist for this type of movie theater, including a "micro cinema", a movie tavern, and a non-profit community-based theater.

Bowling Alley

Despite the additional bowling lanes that will be introduced to the market with the opening of Stratosphere Social, *it appears that Downtown Hagerstown could support a small bowling center due to the existing undersupply of bowling lanes* within the 12-mile radius. As with a cinema, a small bowling alley—particularly one combined with other offerings such as a restaurant, bar, and live music—could supplement the concentration of other entertainment and cultural activities taking place in the Arts & Entertainment District and provide an experience that cannot be found in a suburban location, including a venue like Stratosphere Social.



5. COMMUNITY ENGAGEMENT METHODS

Through community meetings, stakeholder roundtables, online surveys and activities, and booths at events, engagement with Hagerstown residents, visitors, and stakeholders guided the ideas and recommendations in this plan. This section of the plan summarizes the methods used by the planning team to engage in conversations, the key things we heard from these activities, and how these comments and feedback guided the plan. Through this yearlong process, the planning team engaged with more than **1,800 Hagerstown voices**, including (see Figure 10):

- 90 attendees at three community meetings
- 200 residents and visitors engaged at local events.
- 1,000 unique visitors to the project website www.mydowntownhagerstown.com
- 41 contributions to an online interactive map
- 10 stakeholder roundtable meetings with community leaders, elected officials, business owners, and key constituents.

Figure 10: Community Engagement Methods





Community Meetings

The planning team hosted three community meetings in each of the three plan’s main phases. These meetings were an invaluable tool in engaging residents and stakeholders and consisted of open houses, presentations by the consultant team, interactive activities, small group discussions, and one-on-one conversations. The three community meetings attracted more than 70 attendees, with each meeting providing valuable insight and feedback to guide the plan’s development.

Community Meeting 1

The planning team hosted the first community meeting at the downtown location of the Washington County Public Library on June 26, 2025. An open-house event, this meeting included four interactive stations, each with activities designed to help us to understand what Hagerstown residents would like to see in downtown. The stations included map exercises where residents shared where they lived, sticker activities where residents could share what types of new housing and development they would like to see happen, questions about downtown’s mobility and transportation, and a board where people could tell us their big idea for downtown (see Figure 11).

Figure 11: Community Meeting 1





Community Meeting 2

The planning team held a second community meeting at City Hall’s Council Chambers on October 1, 2025 to share a presentation with Hagerstown residents and stakeholders. This presentation included an update on the process, key results from the online survey and engagement conducted to date, a draft map of potential catalyst sites for redevelopment, and draft ideas for parks, placemaking, open space, and mobility. Following the presentation, the 20+ attendees were divided into two smaller groups for a roundtable discussion. The two groups were asked to select a facilitator and discuss the catalyst sites, open space ideas, and programmatic opportunities. Following the discussion, each group selected a representative to report back the discussion’s key points with the larger group. This meeting was also broadcast online on Facebook Live using the City’s social media channel (see Figure 12).

Figure 12: Community Meeting 2



Community Meeting 3

A third and final community meeting was held at the Downtown Washington County Free Library on December 16, 2025 to share the plan’s final vision for downtown. Attended by more than 40 residents, this meeting included a presentation by the planning team sharing the key aspects of the 10-Year Master Plan, including catalyst site opportunities, open space and



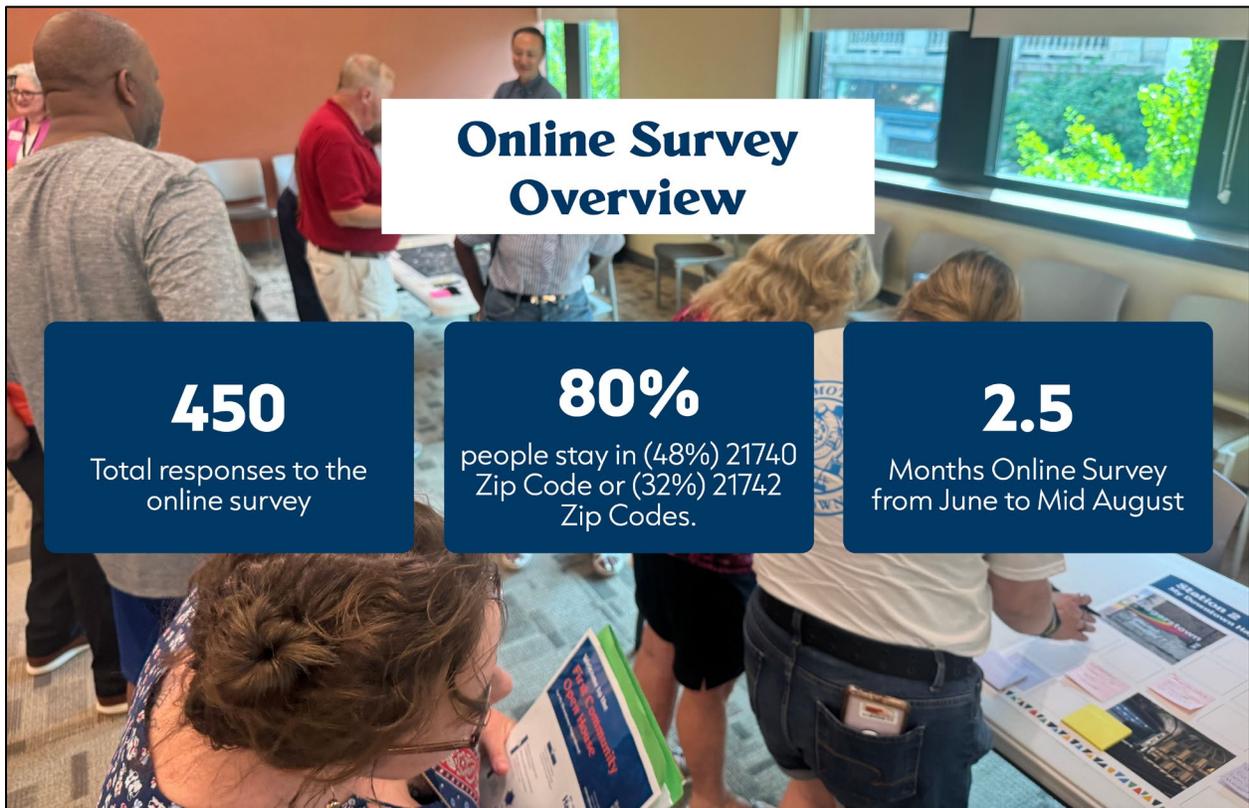


placemaking improvements, and programmatic recommendations. The presentation was followed by a Q&A session facilitated by the planning team with support from City Staff.

Online Survey Results

The planning team developed an online survey to understand community perspectives regarding downtown and gather feedback for this plan's ideas. The survey was open for approximately 2.5 months, from June to mid-August, and was shared by City of Hagerstown staff through the city's social media channels and email distribution lists. A total of 450 responses were received, reflecting broad community interest across various age groups and demographics. The survey responses are largely from Hagerstown locals – out of the 450 responses, about 80% live in either the 21740 ZIP Code (48%) or the 21742 (32%) ZIP code. Their responses form the foundation of the key findings in this report (see Figure 13).

Figure 13: Online Survey Summary

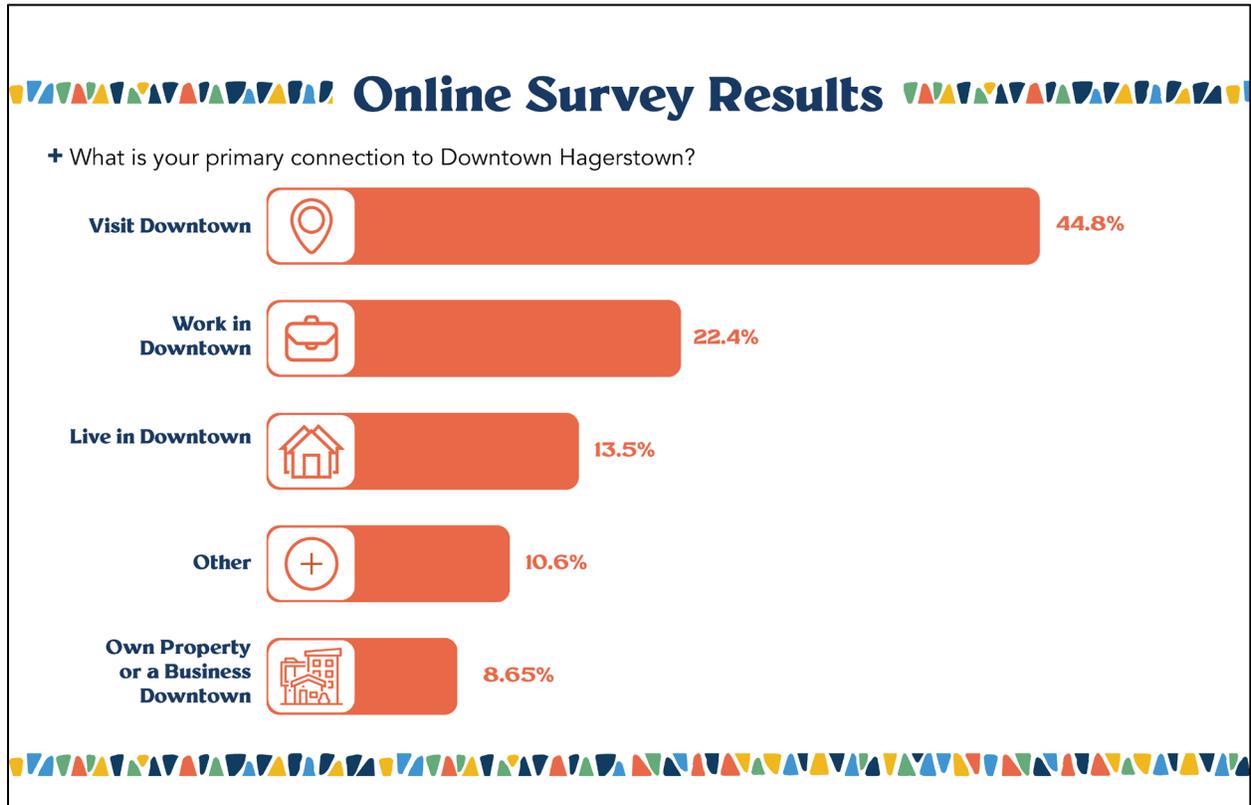




Primary Connection to Downtown

Survey responses indicate that nearly half of participants (44.8%) who answered this survey primarily visit downtown, while about a quarter of participants (22.4%) reported that they work in downtown, while 13.5% live within the area (see Figure 14).

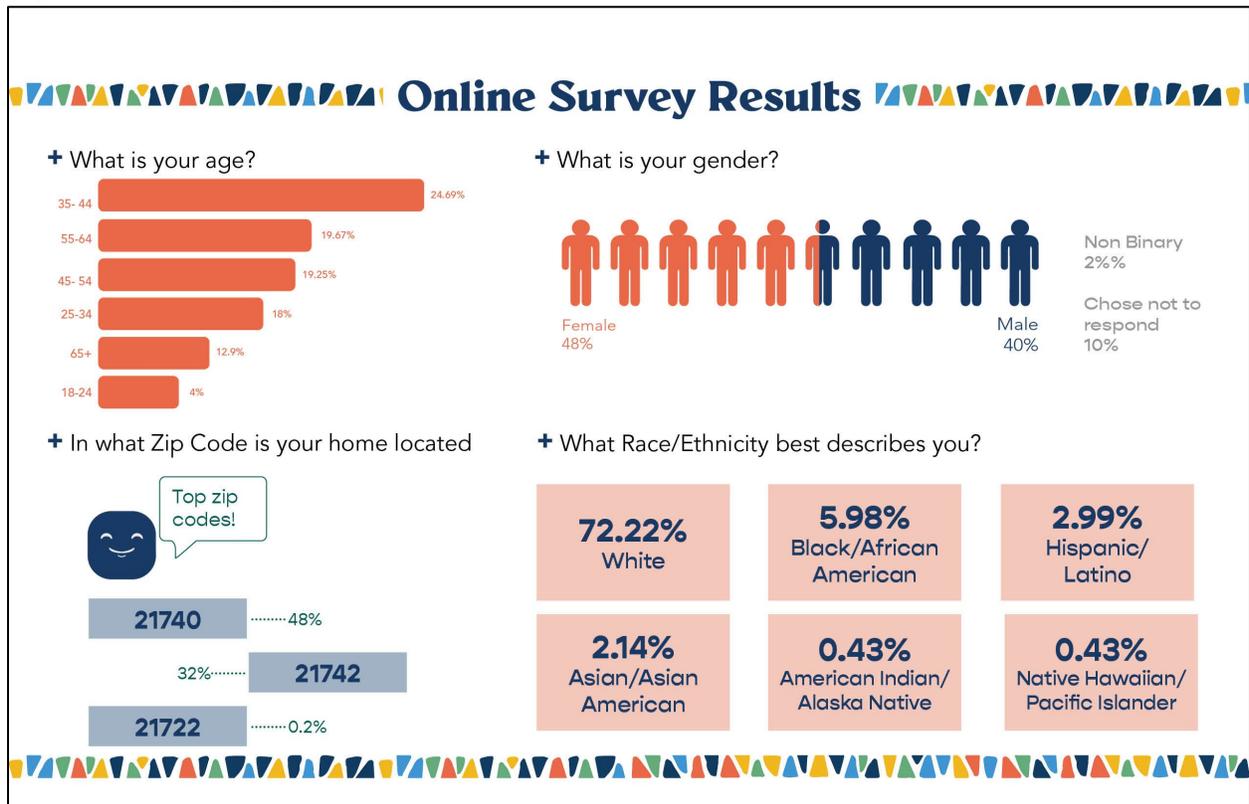
Figure 14: Primary Connection to Downtown



Survey Demographics

Out of the 450 responses that were received, a majority of the participants (63%) are in the range of 35 to 54 with about 24.6% participants in the 35 to 44 age group. There is an almost even split between male and female respondents, and about 80% participants are in the 21740 (48%) and 21742 (32%) ZIP Codes. The majority of survey respondents identified as white (72.22%), followed by Black/African American (5.98%) and Hispanic/Latino (2.99%). Smaller shares included Asian (2.14%. See Figure 15).

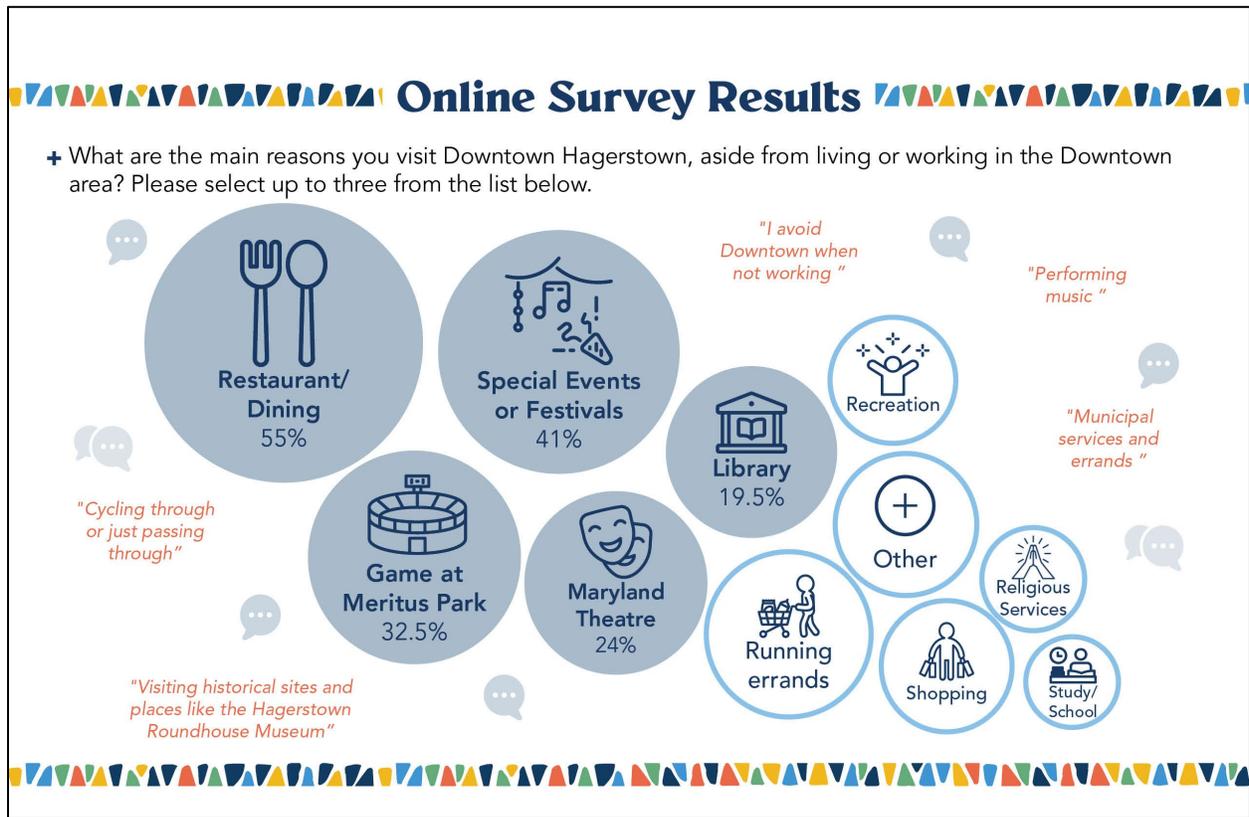
Figure 15: Demographics



Reasons for Visiting Downtown Hagerstown

Most people visit downtown for its restaurants and dining scene (55%) and to attend special events (41%). Other notable reasons are games at Meritus Park (32.5%), shows at the Maryland Theatre (24%) and visiting the downtown library (19.5%). Additional mentions include running errands, recreation, shopping, religious services, and for educational purposes (see Figure 16).

Figure 16: Reasons for Visiting Downtown

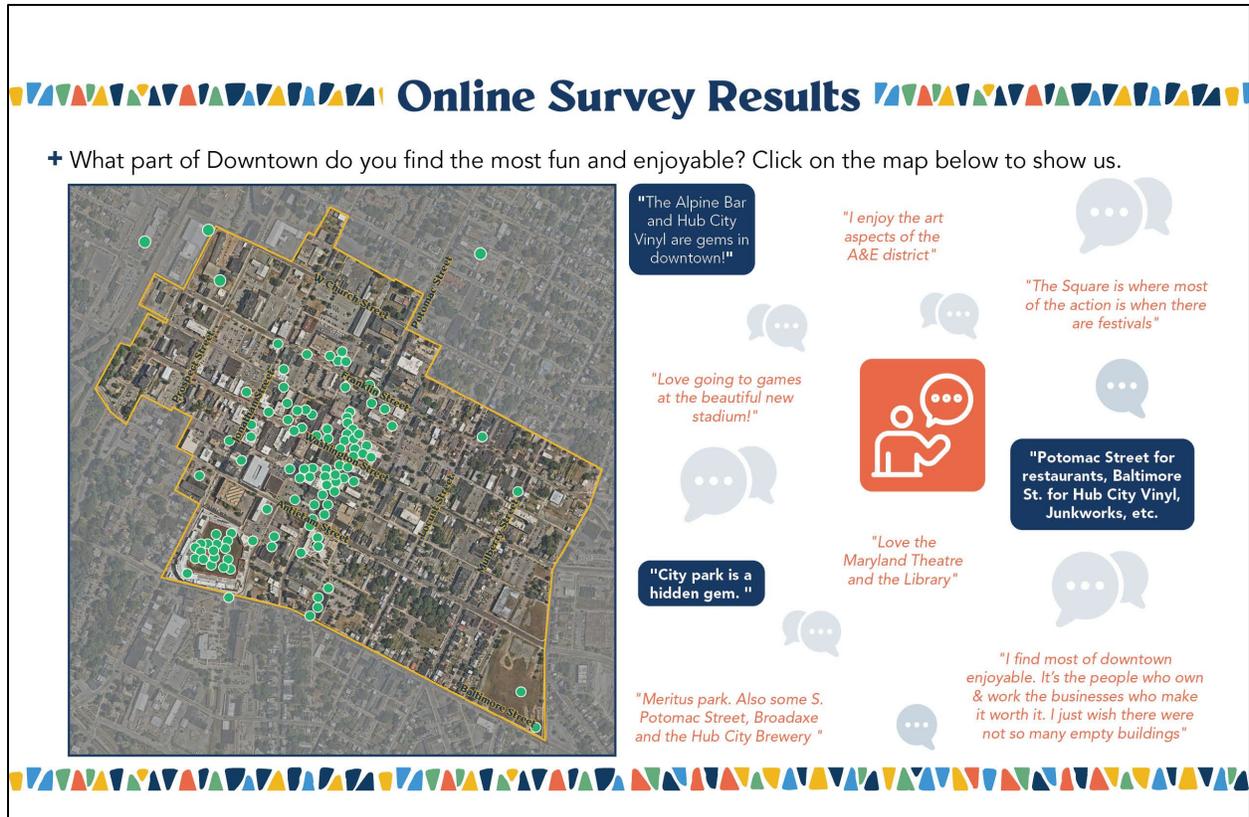




Most Fun and Enjoyable Part of Downtown

This question allowed people to select a location on a map that they considered the most fun and enjoyable in downtown. Many of the locations picked are along Potomac Street and include places like the Maryland Theatre, the Downtown Washington County Library, and Meritus Park. Other mentions highlight City Park and local businesses like Alpine Bar and Hub City Vinyl (see Figure 17).

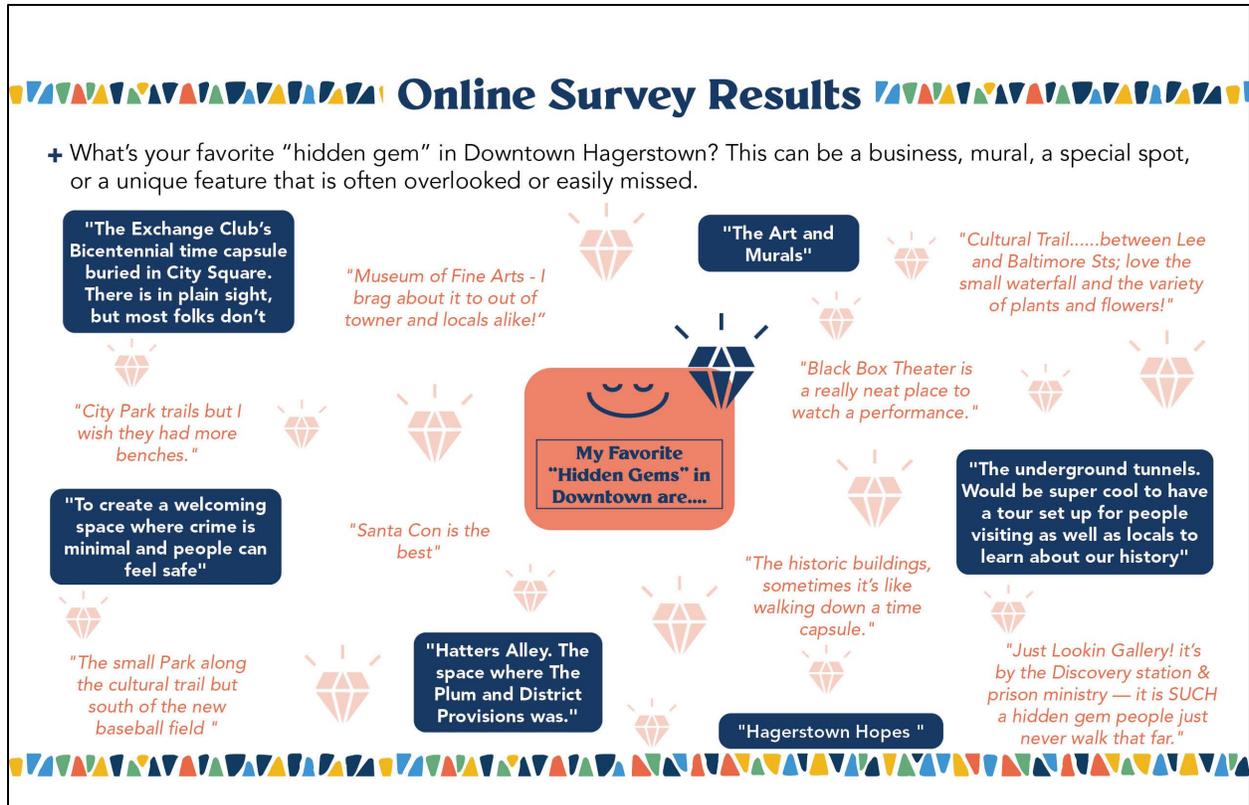
Figure 17: Most Fun and Enjoyable Part of Downtown



Favorite “Hidden Gems”

Respondents identified various “hidden gems” within Downtown Hagerstown, with many of the participants mentioning places like City Park, the Cultural Trail, and downtown’s existing public art and architecture. Some of the other things that were mentioned were downtown alleys, underground tunnels, and other likely unnoticed areas. Overall participants hope that Downtown remains welcoming and retains these “Hidden Gems” (see Figure 18).

Figure 18: “Hidden Gems” in Downtown

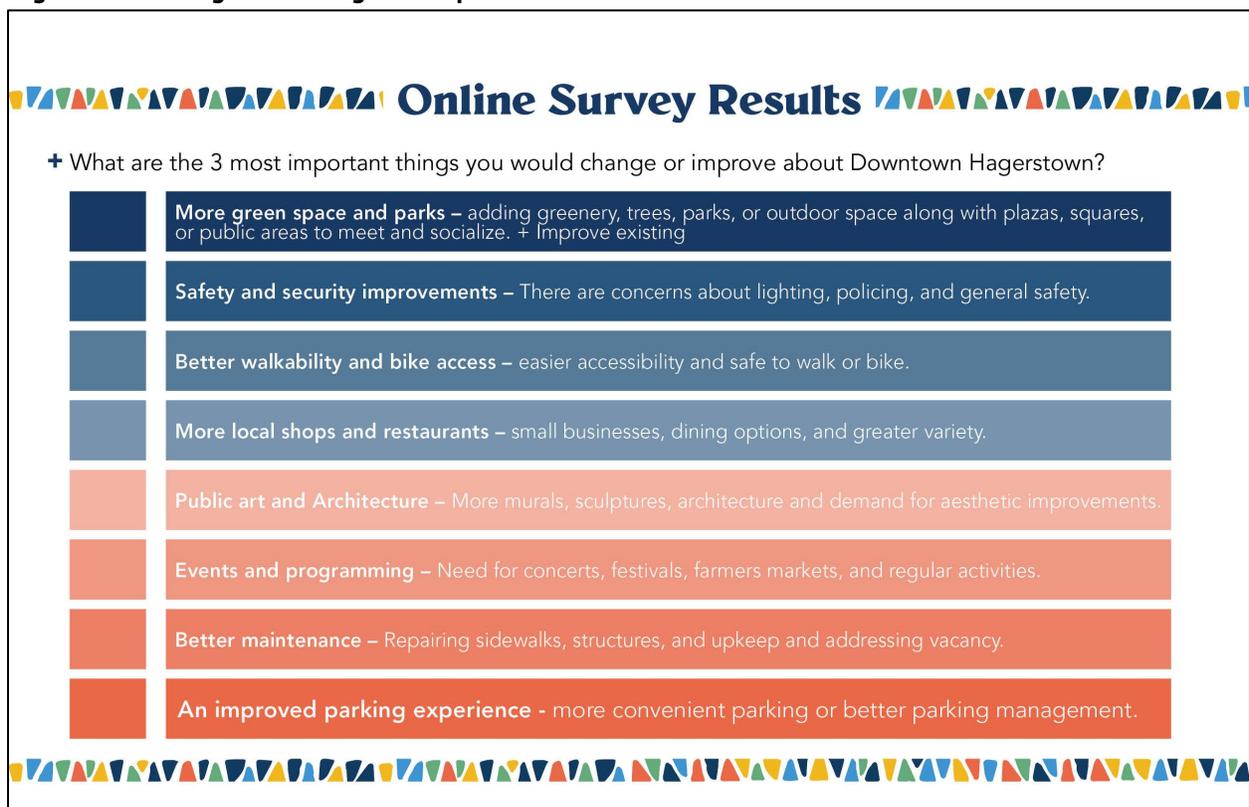




Things to Change or Improve

Participants put a strong emphasis on the need for more parks and green spaces, improving and adding outdoor spaces like plazas, as well as landscaping and trees. There is also a strong concern for overall safety and security along with a desire for a walkable downtown that allows for pedestrian and bike access. Other key areas of focus are increasing local shops and restaurants, expanding public art and architecture, offering more events and programming, ensuring better maintenance, and creating a more convenient parking experience (see Figure 19).

Figure 19: Things to Change or Improve in Downtown

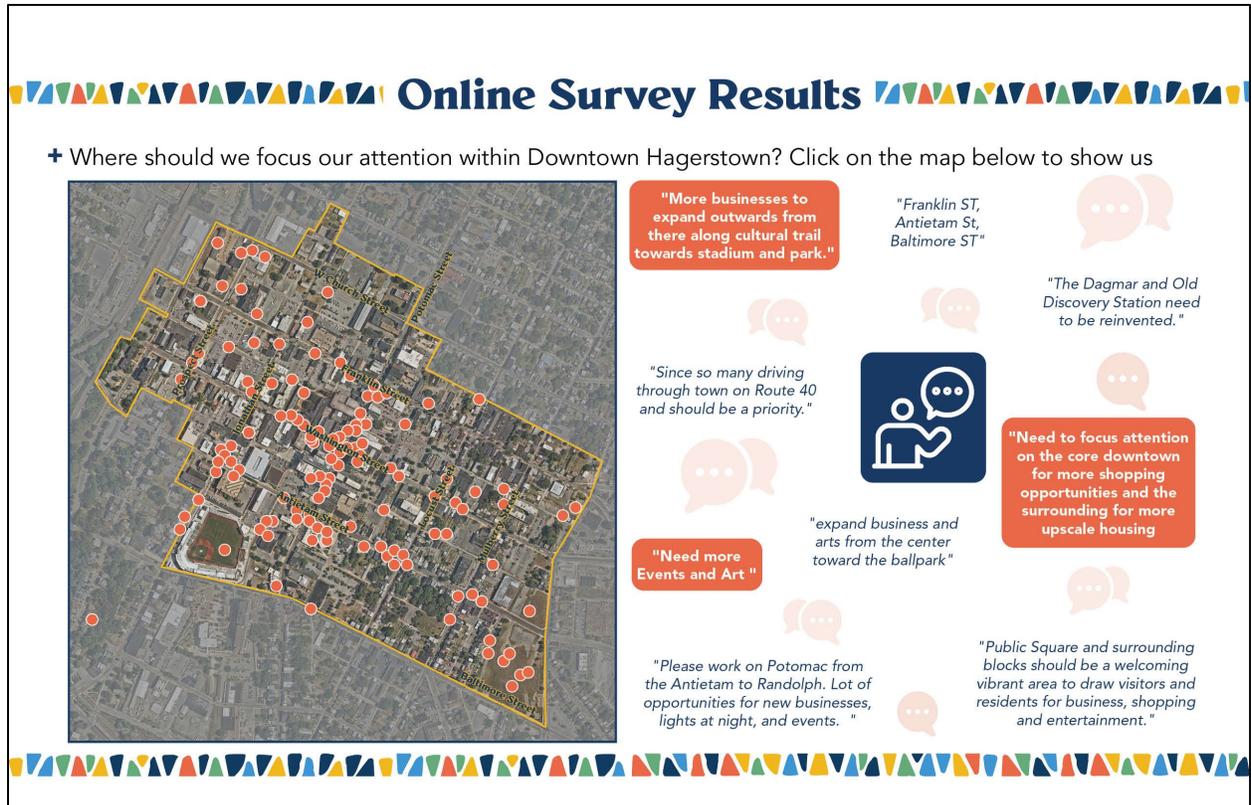




Areas to Focus Attention

Survey respondents suggested focusing improvements on the downtown area, particularly Potomac Street, Washington Street and Antietam Street and their surrounding blocks. Participants identify a need to attract more restaurants, retail, and businesses to downtown and near the cultural trail and Meritus park. Additionally, there is an emphasis on improved safety, as well as a desire for more art, public spaces, and events (see Figure 20).

Figure 20: Suggested Focus Areas in Downtown

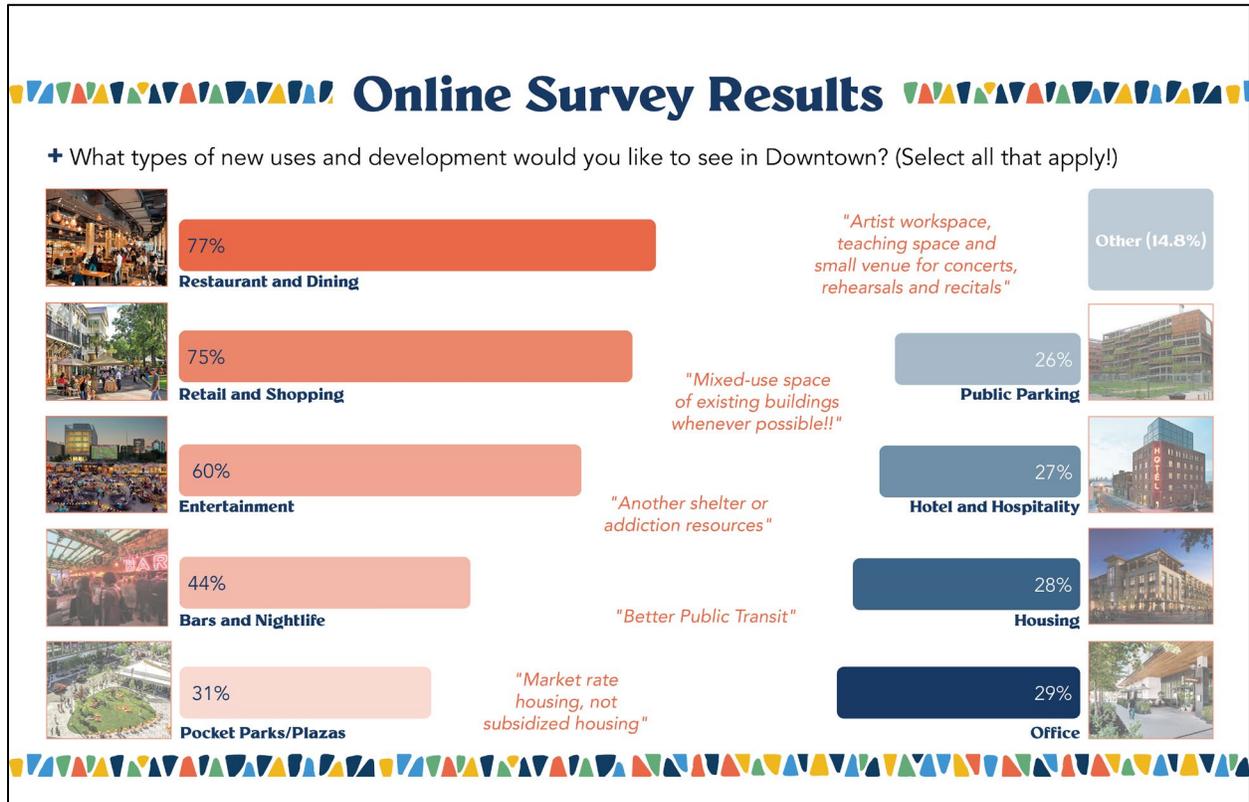




Preferred New Uses and Development

Out of the 450 responses, Restaurants and Dining as well as Retail and Shopping are top priority for the respondents with 77% participants voting for Restaurants and Dining and 75% for new Retail and Shopping. Entertainment, Bars and Nightlife and Pocket Parks are other top choices (see Figure 21).

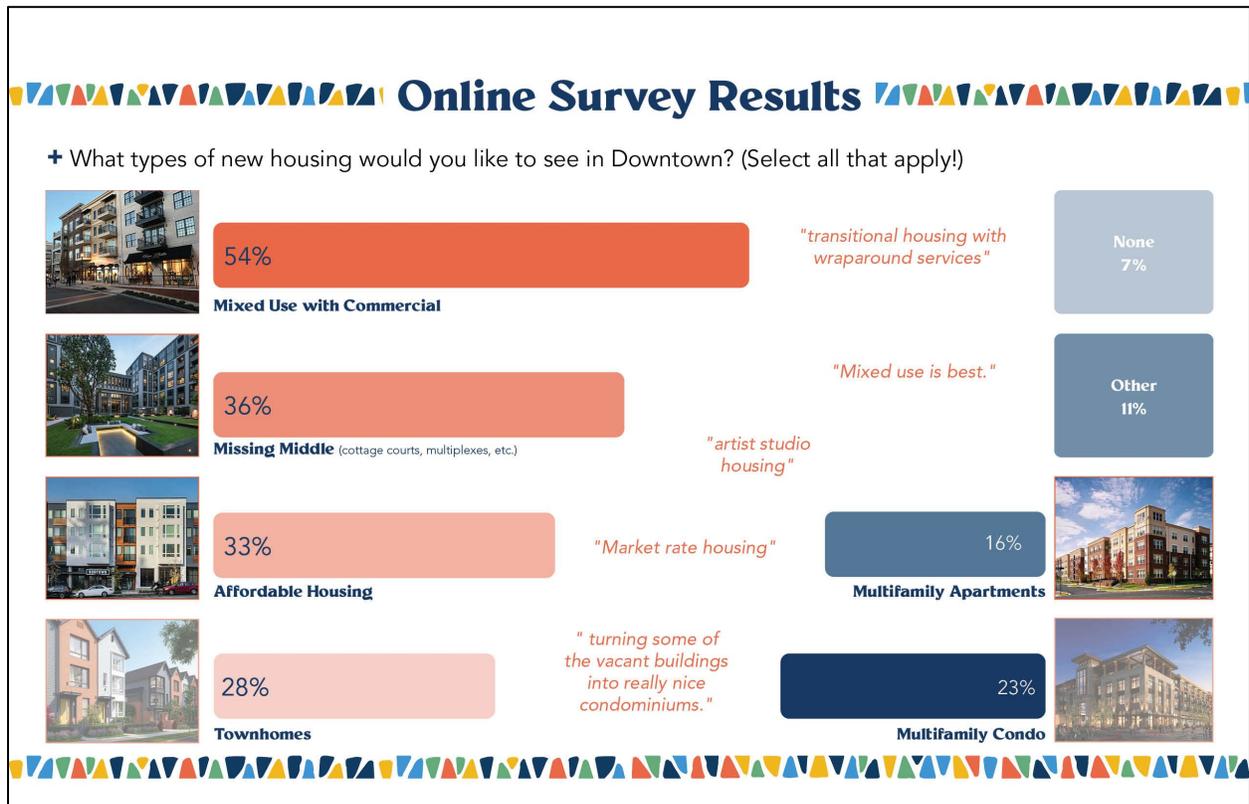
Figure 21: Preferred New Uses and Development in Downtown



Preferred New Uses and Housing Types

A majority of the Participants (54%) favored Mixed Use Housing, and more than a quarter of the respondents (36%) chose Missing Middle housing which can include housing types like cottage courts, multiples/duplex, followed by Affordable housing, indicating the preference for diverse housing types (see Figure 22).

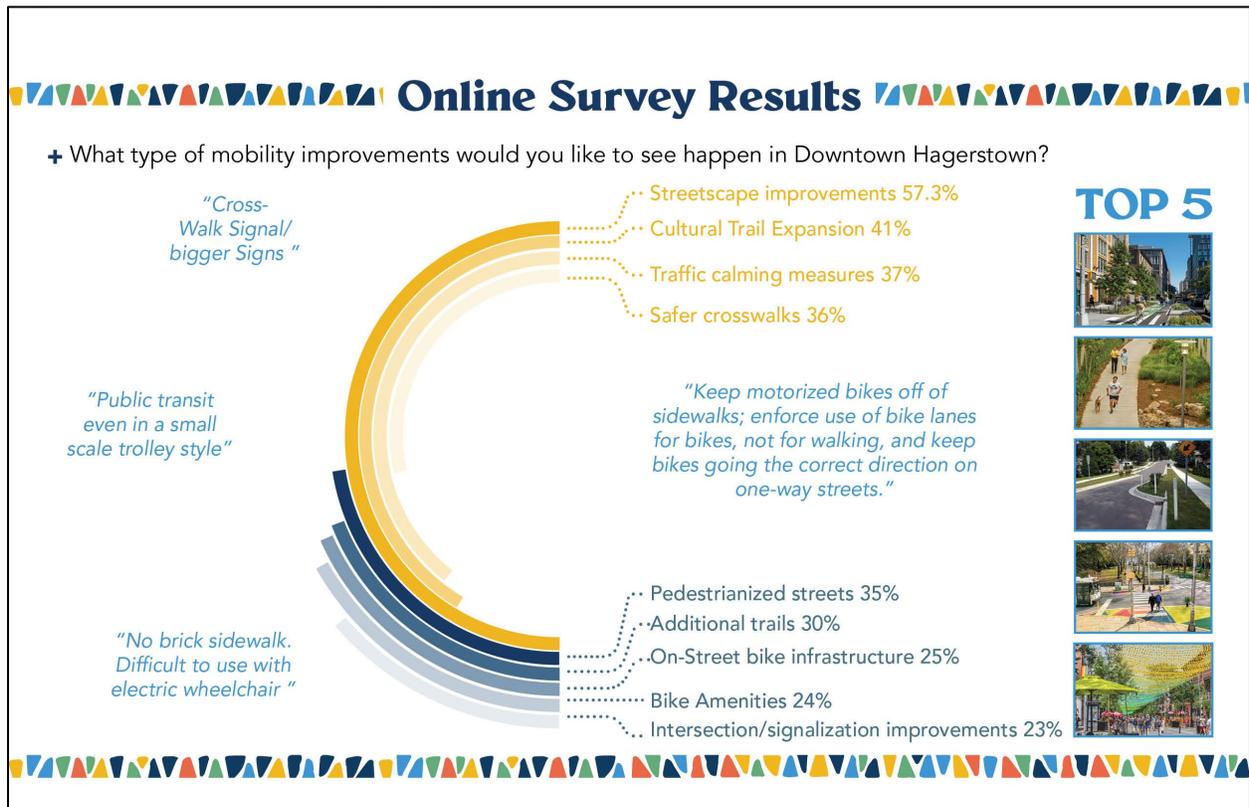
Figure 22: Preferred New Housing Types in Downtown



Preferred Mobility Improvements

There is strong support for walkability and accessibility with the respondents favoring streetscape improvements (57.3%) and Cultural Trail expansions, along with safety measures like traffic calming (37%) and safer crosswalks (36%). See Figure 23).

Figure 23: Preferred Mobility Improvements in Downtown





Pop- Up Events

In addition to community Meetings and surveys, the planning team also engaged with the community by tabling with pop-ups during downtown events. The first event took place on July 19th at a Flying Boxcars game in Meritus Park, where we invited participants to share how they would describe Downtown Hagerstown and their “Big Ideas” for its future. Similar activities were carried out during a second pop-up series at downtown’s Wednesday lunchtime events. These pop-ups allowed us to have meaningful conversations early in the process and outside the public meeting, helping us understand the community’s hopes for downtown and shaping the direction of the planning effort.

Figure 24: Planning Team at the Flying Boxcars Game





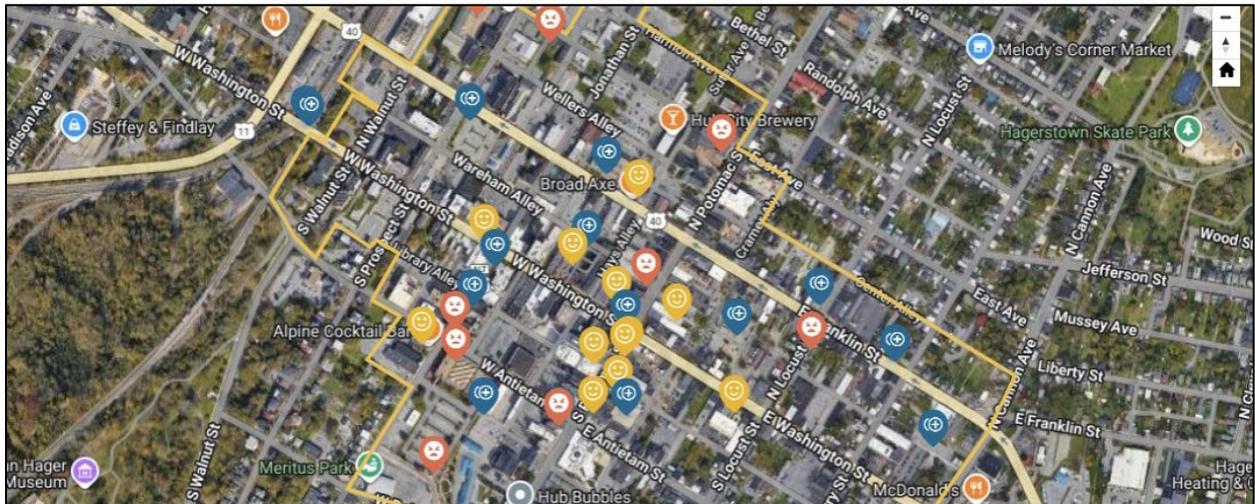
Project Website

A special website was created for the project with the address MyDowntownHagerstown.com. The site contains information about the project, including the project schedule, information about the project team, and a means for contacting the team. The site also contains several ways for the community to engage, including an explanation of how to get involved, information on community meetings and outreach, an interactive map, and the online survey discussed above. Finally, a project library is available on the website listing meeting presentations and deliverables.

Social Pinpoint Interactive Map Results

The interactive map was available online to collect direct input from website visitors on how they perceived downtown's strengths, challenges, and opportunities (see Figure 25).

Figure 25: Interactive Map Activity



This tool allowed participants to place geotagged pins on specific locations for each of the three categories. Over the course of the five months, it remained active. More than 40 participants contributed by marking locations and providing detailed comments in the following categories: strengths, challenges, and opportunities.

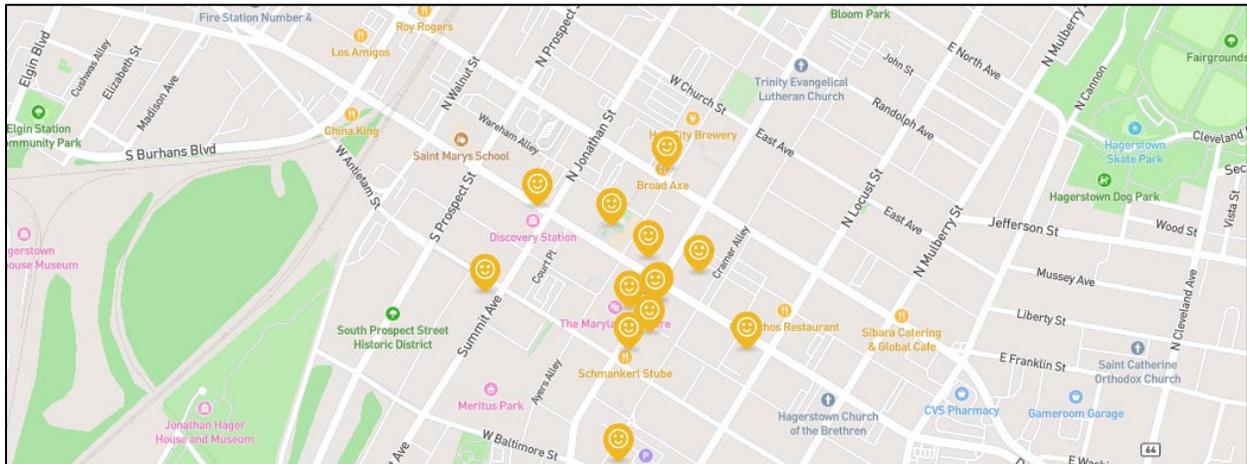
Strengths

Participants highlight downtown's strong cultural and historic character, including places like The Maryland Theatre and nearby parks. Participants identified places like Broad Axe, University Plaza, Hub City Vinyl along with some restaurants and bars. Comments emphasize downtown's sense of community, walkability, and existing green spaces that should be preserved and enhanced (See Figure 26).





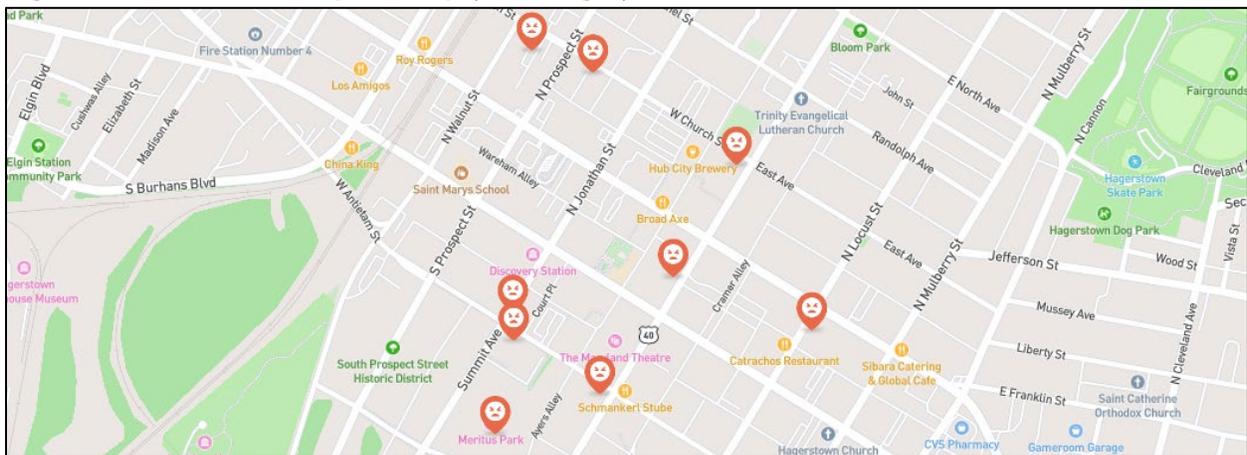
Figure 26: Interactive Map Activity (Strengths)



Challenges

Participants identified issues such as traffic congestion, parking, building vacancies, outdated infrastructure, and accessibility barriers. They also expressed concerns about unsafe crosswalks, sidewalk conditions, and limited ADA compliance as well as overall safety while walking in downtown (see Figure 27).

Figure 27: Interactive Map Activity (Challenges)



Opportunities

Respondents see potential for expanding the Cultural Trail, creating pedestrian-friendly streets, and introducing more green spaces and landscaping along with mixed-use development. Participants also identify opportunities to add more art, signage better lighting and enhance outdoor seating and bike infrastructure as ways to activate underutilized spaces (see Figure 28).





Figure 28: Interactive Map Activity (Opportunities)



Key Direction from Community

Over the course of the engagement process, we connected with the Hagerstown community through a variety of activities, including three community meetings, pop-up events, stakeholder roundtables, an online survey, and an interactive mapping tool. This process generated hundreds of conversations and comments, providing great insights into community priorities, aspirations, and concerns. Based on what we heard, we developed the following key takeaways to guide the vision and strategies in this 10-Year Downtown Master Plan. These takeaways are organized into four themes that reflect the community’s vision for the future: Vibrant, Connected, Celebrated, and Welcoming.

My Downtown Hagerstown is - VIBRANT



People would like to build on what works downtown, and hope that Downtown Hagerstown is lively and active with thriving businesses, cultural destinations, and events that make downtown vibrant. The community hopes to reduce vacancies and attract new businesses, making downtown a place where people want to spend time.





- Anchors like Meritus Park, Maryland Theater, and downtown events help bring life and energy into the district.
- The Downtown core needs more businesses, especially restaurants and retailers, to encourage more foot traffic.
- Downtown has the unique opportunity for new mixed-use development with housing and ground level commercial spaces.
- Downtown needs to address ongoing storefront and building vacancies that make downtown feel empty and underutilized.

My Downtown Hagerstown is - CONNECTED



There is an emphasis on the need for a downtown area that is easy to move through and safe to navigate as a pedestrian. People want improved streets and alleys and a safer pedestrian and biking experience with strong connections between downtown destinations to surrounding neighborhoods.

- Improve downtown streets and alleys to enhance walkability, pedestrian safety, and accessibility.
- The cultural trail is one of downtown’s strongest assets and should be expanded to connect downtown’s key destinations.
- Improve downtown’s connections to surrounding residential areas, so walking and biking downtown feels safe and pleasant.
- Address vehicular speeds through downtown and improve pedestrian safety at key intersections.





My Downtown Hagerstown is - CELEBRATED



There is great value in downtown's unique character, architecture, and history. The people we engage hope to see these qualities preserved and highlighted through public spaces, art, and placemaking. People asked for more parks, gathering areas and cultural programming and events that make Downtown Hagerstown a place to celebrate.

- Downtown needs more community-scale parks, green spaces, and gathering areas, with a special focus on improving Public Square and its surrounding area.
- An architectural gem with a distinct character, downtown has an opportunity to better highlight its history and culture.
- Enliven downtown through public art and placemaking that delights and inspires visitors.
- Continue to activate and program downtown with events and activities that attract visitors of all ages.

My Downtown Hagerstown is - WELCOMING





There is a strong desire for a downtown that feels safe, inviting, and inclusive. Residents hope that there is an improved perception, more attractions and experience that encourage people to spend time in Downtown Hagerstown making it a destination.

- Downtown needs to feel safer and more welcoming to locals, especially along key gateways.
- Downtown needs to improve its overall image and perception within the region. Locals need to give downtown a second chance.
- There is an opportunity to attract more tourism and visitors, both from inside and outside the region.
- Downtown needs more things to do and see - visitors should be able to spend an entire day downtown.





6. KEY DOWNTOWN OPPORTUNITIES

The key downtown opportunities outlined on the following pages are informed by research, analysis, public input, stakeholder feedback, and City staff collaboration. The market assessment for Downtown Hagerstown established the platform for the research and analysis component, offering an opportunity to understand market realities and opportunities for specific sites and properties. Public input garnered through the community meetings, project website, and online survey identified the priorities of City and Downtown residents, workers, and visitors. Focus group meetings and one-on-one interviews with local experts, officials, and constituencies provided the stakeholder input on specific topics that impact Downtown.

Together, this feedback and analysis results in a series of opportunities that have been vetted for community buy-in, feasibility, and potential success, reflecting the most significant priorities for Downtown Hagerstown over the next decade. Organized into three categories, they include Catalyst Site Opportunities, Streets and Open Space Opportunities, and Programmatic Opportunities. These initiatives propose projects designed to diversify downtown housing options and attract residents with greater disposable income, expand and sustain evening and weekend activity, and enhance perceptions of public safety while reducing nuisance behavior that tends to keep non-downtown residents away.

Catalyst Site Opportunities

The first set of opportunities for Downtown Hagerstown involves the redevelopment or rehabilitation of a series of key sites. They are labeled as catalyst due to their high visibility, prominence, current or prior focus for redevelopment, and importance to the continued revitalization of the downtown area. Repurposing them for active reuse will attract additional investment, expand the downtown residential and commercial base, and increase downtown activity, creating more of a “24/7” environment.

The catalyst sites, shown in Figure 29, have varying degrees of reuse possibility. They include historic buildings poised for rehabilitation, buildings with potential for redevelopment, and vacant parcels ideal for new construction. The sites include:

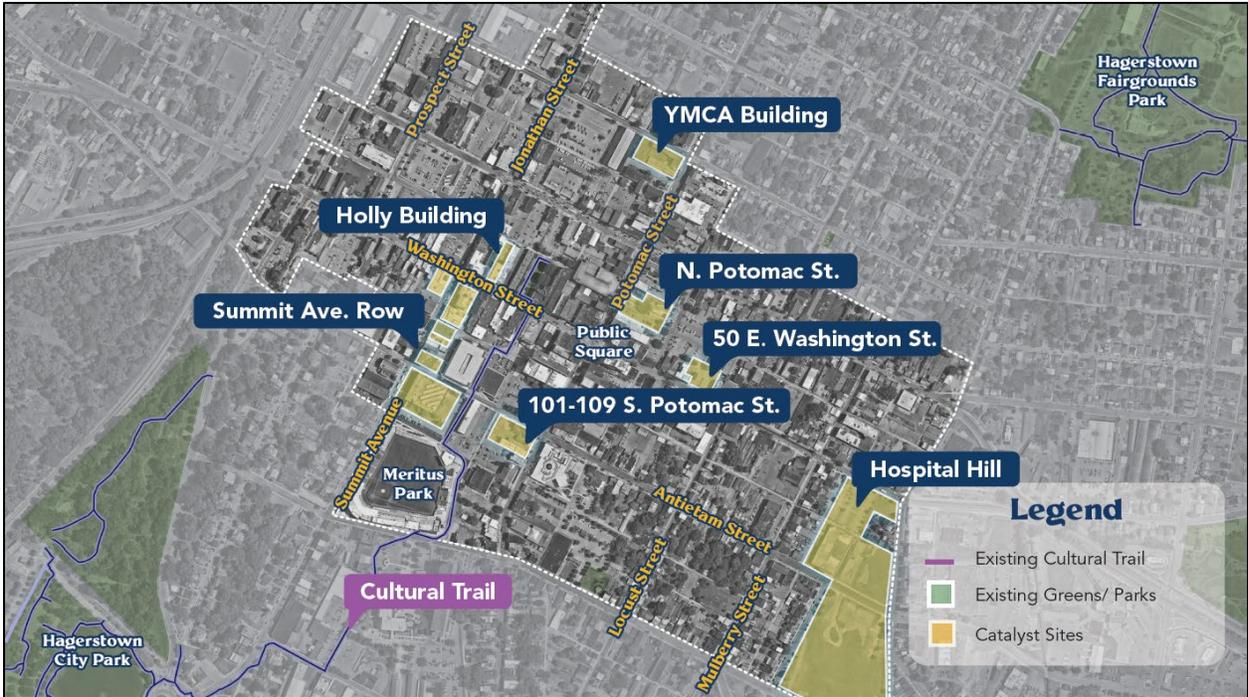
- Summit Avenue Row (unit block of Summit Avenue)
- N. Potomac Street
- 50 E. Washington Street
- 101-109 S. Potomac Street
- Holly Building (72-80 W. Washington Street)
- YMCA Building (149 N. Potomac Street)
- Hospital Hill Site





The timing of rehabilitation or redevelopment activity will differ from property to property within this collective of sites. Some properties are vacant and underutilized while others are occupied with tenants. Some properties have active and engaged owners that are interested in making improvements while others do not or their status is unknown. And for some properties, potential new uses have been identified, with redevelopment plans drafted and submitted to the City, but the process has been stalled due to a variety of circumstances. Including them in this plan in their various stages of evolution helps to ensure that their rehabilitation and reuse remain a top priority for the City and its constituents. Ideally this plan helps advance them to the next level in the redevelopment process—and ultimately, construction.

Figure 29: Catalyst Sites in Downtown Hagerstown





Summit Avenue Row

Summit Avenue Row is the label for a series of properties on the unit block of Summit Avenue between Washington and Antietam streets identified as having significant reuse potential. Collectively, repurposing these properties could make a significant revitalization impact to this part of Downtown Hagerstown. They include the former Dagmar Hotel building, the Shockey Building, the former Herald Mail Building, the former Discovery Station Building, and the Circuit Court Building (see Figure 30).

Figure 30: Location of Key Properties on Summit Avenue with Opportunity for Redevelopment



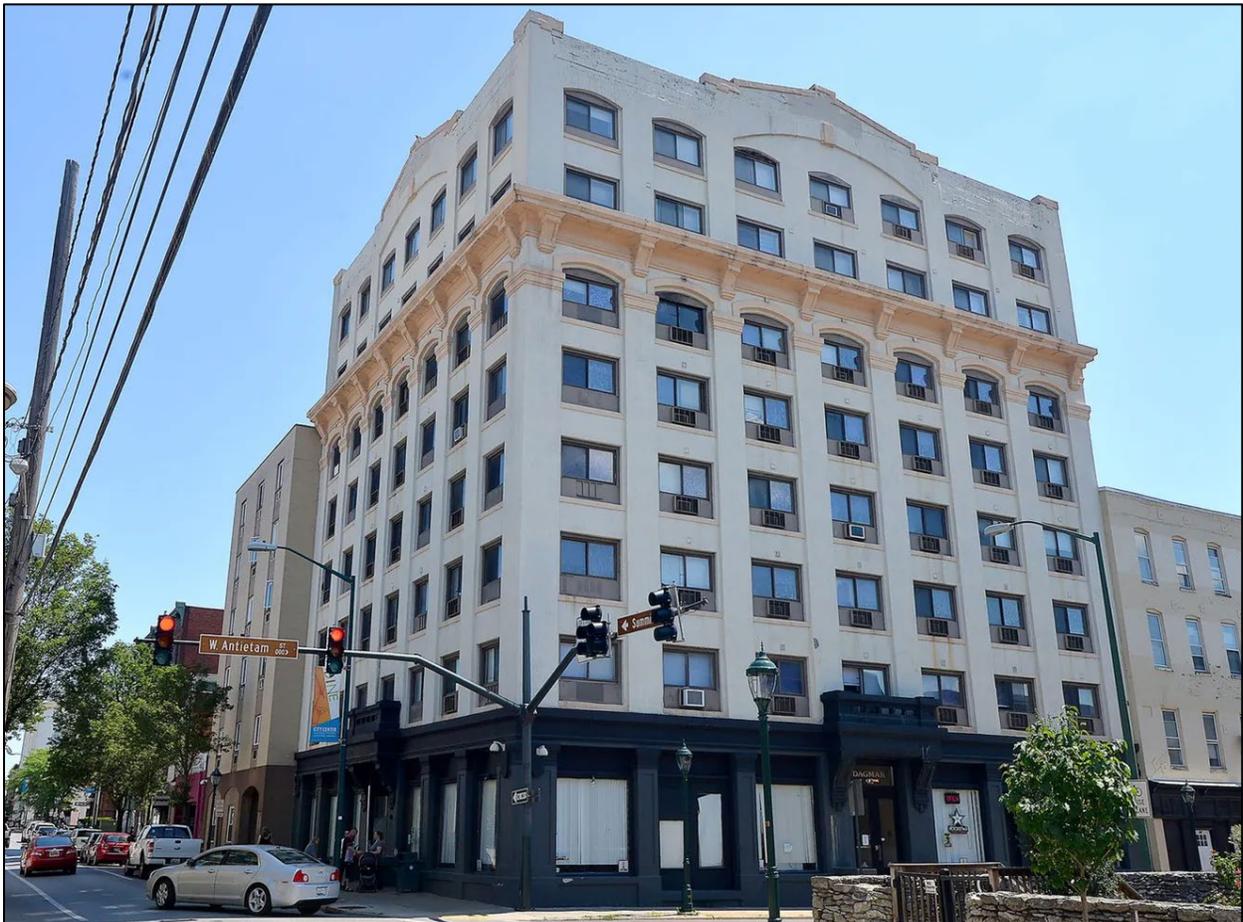


Dagmar Hotel Building

Property Description

As a significant downtown building, revitalization of the Dagmar Hotel has been a longstanding priority given its history of nuisance activity, ongoing public safety issues, and declining condition, although recent exterior investments have improved its aesthetics. Owned by Dagmar Place LLC, the property has continuously detracted from the downtown environment and poses a significant obstacle to comprehensive revitalization initiatives, particularly for the Summit Avenue Row grouping of properties. Suggested reuses include ground-floor retail/dining with one- and two-bedroom market-rate apartments on the upper floors.

Figure 31: Image of the Dagmar Hotel Building



Source: Herald Mail

Economic Feasibility Analysis

The Dagmar Hotel property consists of two attached buildings—one eight-stories; one six-stories—with a total of 66,000 gross square feet of space. The current owner purchased the property in 2020 for \$2,035,000. We assume that after some improvements, the owner's





current in-place equity and debt on the property is \$3 million. For redevelopment of the Dagmar Hotel we propose a 69-unit loft apartment building with 48 one-bedroom and 21 two-bedroom units.

Total redevelopment costs are estimated at \$13.075 million based on current (2025) construction pricing in the Hagerstown area (see Table 19). This includes full interior demolition, but saving of usable mechanical and electrical equipment, reconstruction for apartments, and costs associated with elevator installation, some façade repair and decoration, and other needed improvements. Total construction costs are estimated at \$8.225 million. Other costs include design and soft costs for approvals, financing, and carry.

Table 19: Dagmar Hotel Building Development Budget

Owner's Equity Value & Existing Debt		\$3,000,000
Construction		
Interior Demolition (66,000 SF @ \$15)	\$	990,000
Elevators/Lobbies	\$	600,000
Façade Repair/Cleaning	\$	300,000
Mechanical/Electrical/HVAC	\$	2,465,000
Residential Floor Interiors	\$	3,585,000
Appliances	\$	285,000
Total Construction	\$	8,225,000
Design; Approvals (8%)	\$	660,000
Financing; Carry; Other Soft Costs	\$	1,190,000
Total Development Costs	\$	13,075,000

The rehabilitated building will accommodate 69 apartments. Annual income and expense for operations of the property are detailed in Table 20. All revenues and expenses are at 2025 pricing for year one, inflated 4% annually thereafter. Year 1 apartment rents are estimated at \$1,300 monthly for a 700 SF one-bedroom apartment and \$1,750 monthly for a 925 SF two-bedroom.

Based on these assumptions and current operating expenses in the Hagerstown area, net operating income approaches \$750,000 by Year 3. This can support a \$8.6 million mortgage on the property with 5.5% interest and a 30-year amortization. Historic tax credits could attract another \$2.55 million in investment. The remaining cash flow is sufficient to support a competitive cash-on-cash return for the remaining \$1,925,000 in needed equity to complete financing.





Table 20: Dagmar Hotel Building Income and Expense Pro Forma, 12/2025

Number of Apartments	69				
One-Bedroom (70%)	48				
Two-Bedroom (30%)	21				
Average Occupancy	97%				
	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Revenue</u>					
One-Bedroom Income (@ \$1,300)	\$748,800	\$778,752	\$809,902	\$842,298	\$875,990
Two-Bedroom Income (@ \$1,750)	\$441,000	\$458,640	\$476,986	\$496,065	\$515,908
Gross Potential Residential Income	\$1,189,800	\$1,237,392	\$1,286,888	\$1,338,363	\$1,391,898
Less: Vacancy @ 3% (8% Year 1)	-\$95,183	-\$37,121	-\$38,606	-\$40,150	-\$41,756
Gross Effective Income--Residential	\$1,094,617	\$1,200,271	\$1,248,282	\$1,298,213	\$1,350,142
<u>Operating Expenses</u>					
Maintenance & Operations Residential (@ \$3400/Unit)	\$234,600	\$243,984	\$253,743	\$263,893	\$274,449
Utilities (\$1.75/Gross SF)	\$115,500	\$120,120	\$124,925	\$129,922	\$135,119
Management & Leasing (4%)	\$43,785	\$48,011	\$49,931	\$51,929	\$54,006
Real Estate Taxes	\$70,000	\$70,000	\$74,000	\$76,960	\$80,038
Total Operating Expense	\$463,885	\$482,115	\$502,599	\$522,703	\$543,612
Net Operating Income	\$630,732	\$718,156	\$745,683	\$775,510	\$806,530
<u>Debt Service</u>					
First Mortgage Debt Service	\$591,723	\$591,723	\$591,723	\$591,723	\$591,723
Cash Flow	\$39,009	\$126,433	\$153,960	\$183,787	\$214,807
Return on \$1,925,000 Return-Based Equity	2.03%	6.57%	8.00%	9.55%	11.16%

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful rehabilitation of the Dagmar Hotel building, including the following:

1. Maintain code enforcement for the building and an ongoing police presence in the area.
2. Establish rapport with the existing owner to facilitate rehabilitation or seek a reputable new owner.
3. Undertake an RFQ for a developer-partner.
4. Select the developer-partner.
5. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
6. *Developer-partner acquires necessary financing.*
7. *Developer-partner begins rehabilitation and undertakes marketing effort.*
8. *Developer-partner completes rehabilitation of the building.*
9. *Tenancing the building begins.*
10. Continue engagement with the property owner.
11. Consider acquisition of the property if necessary to reach redevelopment goals.





Shockey Building and Adjacent Parcel

Property Description

At 26-30 Summit Avenue—the mid-block of Summit Avenue Row—the Shockey Building is another key property among this collection of buildings (see Figure 32). Currently owned by Ariston Real Estate Group LLC, the four-story buildings remain in relatively good condition. Suggested reuses include ground-floor retail/restaurant space with studio, one-, two-, and three-bedroom market-rate apartments on the upper floors. A portion of the housing has potential to serve USMH students. Inclusion of 32 Summit Avenue next door presents the opportunity to create a courtyard that could be used for outdoor dining and activities as well as be used by residents of the apartments.

Figure 32: Image of the Shockey Building



Source: Google Maps

Economic Feasibility

For redevelopment of the Shockey Building we propose a mixed use building with 29 apartments and a 2,200 SF first floor restaurant. Demolition of the adjacent small property at 32 Summit can maximize redevelopment potential for apartments by allowing new windows on that side of the Shockey Building and by providing a plaza for outdoor dining for the restaurant. To further facilitate this development, we propose that 13 apartment units on the





first and second floors of the building be bulk leased to the University of Maryland to house 23 students (five three-bedroom suites; four one-bedroom apartments; and four studio apartments). The 16 apartments on the third and fourth floors would be market rate one- and two-bedroom apartments rented individually. Acquisition costs are estimated at \$600,000.

Total redevelopment costs are estimated at \$6.32 million based on current (2025) construction pricing in the Hagerstown area (see Table 21). This includes demolition of 32 Summit, full interior demolition of the Shockey Building, reconstruction for apartments and a 2,200 SF commercial space, and costs associated with elevator installation, replacement and addition of windows, and other needed improvements. Total construction costs are estimated at \$4.51 million. Other costs include design and soft costs for approvals, financing, and carry. We have also added a 5% contingency due to unknown conditions.

Table 21: Shockey Building Development Budget

Acquisition		\$600,000
Construction		
Demolition (6,294 SF @ \$20)	\$	125,000
Interior Demolition (24,535 SF @ \$15)	\$	370,000
Roof Resurface	\$	90,000
Elevators	\$	355,000
Window Replacement	\$	100,000
Window Additions/Façade Stability	\$	80,000
Façade Repair/Cleaning	\$	120,000
Plaza Landscaping	\$	30,000
Mechanical/Electrical/HVAC	\$	1,835,000
Residential Floor Interiors	\$	1,215,000
Commercial Space Interiors	\$	60,000
Appliances	\$	130,000
Total Construction	\$	4,510,000
Design; Approvals (8%)	\$	360,000
Financing; Carry; Other Soft Costs	\$	550,000
Contingency (5%)	\$	300,000
Total Development Costs	\$	6,320,000

The rehabilitated building will accommodate 29 apartments and one commercial space. Annual income and expense for operations of the property are detailed in Table 22. All revenues and expenses are at 2025 pricing for year one, inflated 4% annually thereafter. The \$250,000 annual bulk lease to the University of Maryland translates to \$906 per month for





each of the 23 student spaces available. Year 1 apartment rents on the third and fourth floors are estimated at \$1,300 monthly for a 700 SF one-bedroom apartment and \$1,750 monthly for a 925 SF two-bedroom. The commercial space is leased at \$15 per square foot plus tenant-paid utilities and maintenance.

Based on these assumptions and current operating expenses in the Hagerstown area, net operating income approaches \$370,000 by Year 3. This can support a \$4.25 million mortgage on the property with 5.5% interest and a 30-year amortization. Historic tax credits could attract another \$1.4 million in investment. The remaining cash flow is sufficient to support a very competitive cash-on-cash return for the remaining \$670,000 in needed equity to complete financing.

Table 22: Shockey Building Income and Expense Pro Forma

Number of Apartments	29				
Student Efficiency	4				
Student One-Bedroom	4				
Student Three-Bedroom	5				
Market One-Bedroom	12				
Market Two-Bedroom	4				
Average Occupancy	97%				
		Year 1	Year 2	Year 3	Year 4
					Year 5
Revenue					
University Bulk Lease		\$250,000	\$260,000	\$270,400	\$281,216
Per Student/Month	\$906				
Market One-Bedroom Income (@ \$1,300)		\$187,200	\$194,688	\$202,476	\$210,575
Market Two-Bedroom Income (@ \$1,750)		\$84,000	\$87,360	\$90,854	\$94,489
Commerical Space Lease Income (2,200 SF @ \$25)		\$33,000	\$34,320	\$35,693	\$37,121
					\$38,605
Gross Potential Income		\$554,200	\$576,368	\$599,423	\$623,400
Less: Vacancy @ 3% (6% Year 1)		-\$33,252	-\$17,291	-\$17,983	-\$18,702
					-\$19,450
Gross Effective Income		\$520,948	\$559,077	\$581,440	\$604,698
					\$628,886
Operating Expenses					
Maintenance & Operations Residential (@ \$3400/Unit)		\$98,600	\$102,544	\$106,646	\$110,912
Maintenance & Operations Commercial (@ \$2/SF)		\$4,400	\$4,576	\$4,759	\$4,949
Residential Utilities (\$1.75/Gross SF)		\$39,086	\$40,650	\$42,276	\$43,967
Management & Leasing (4%)		\$20,838	\$22,363	\$23,258	\$24,188
Real Estate Taxes		\$35,000	\$35,000	\$36,400	\$37,856
					\$39,370
Total Operating Expense		\$197,924	\$205,133	\$213,338	\$221,872
					\$230,746
Net Operating Income		\$323,024	\$353,944	\$368,102	\$382,826
					\$398,139
Debt Service					
First Mortgage Debt Service		\$292,421	\$292,421	\$292,421	\$292,421
					\$292,421
Cash Flow		\$30,603	\$61,523	\$75,681	\$90,405
					\$105,718
Return on \$670,000 Return-Based Equity		4.57%	9.18%	11.30%	13.49%
					15.78%





Figure 33: Image of a Rehabilitated Shockey Building with side Courtyard



Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful rehabilitation of the Shockey Building, including the following:

1. Establish rapport with the existing owner to facilitate rehabilitation or seek a reputable new owner.
2. Undertake an RFQ for a developer-partner.
3. Select the developer-partner.
4. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
5. Consider establishing a bulk lease agreement with USMH to occupy a portion of the building for student housing.
6. *Developer-partner acquires necessary financing.*
7. *Developer-partner begins rehabilitation of building, demolition of 32 Summit Avenue, and undertakes marketing effort.*
8. *Developer-partner completes rehabilitation of the building and adjacent courtyard.*
9. *Tenancing the building begins.*
10. Continue engagement with the property owner and USMH.





Herald Mail Building

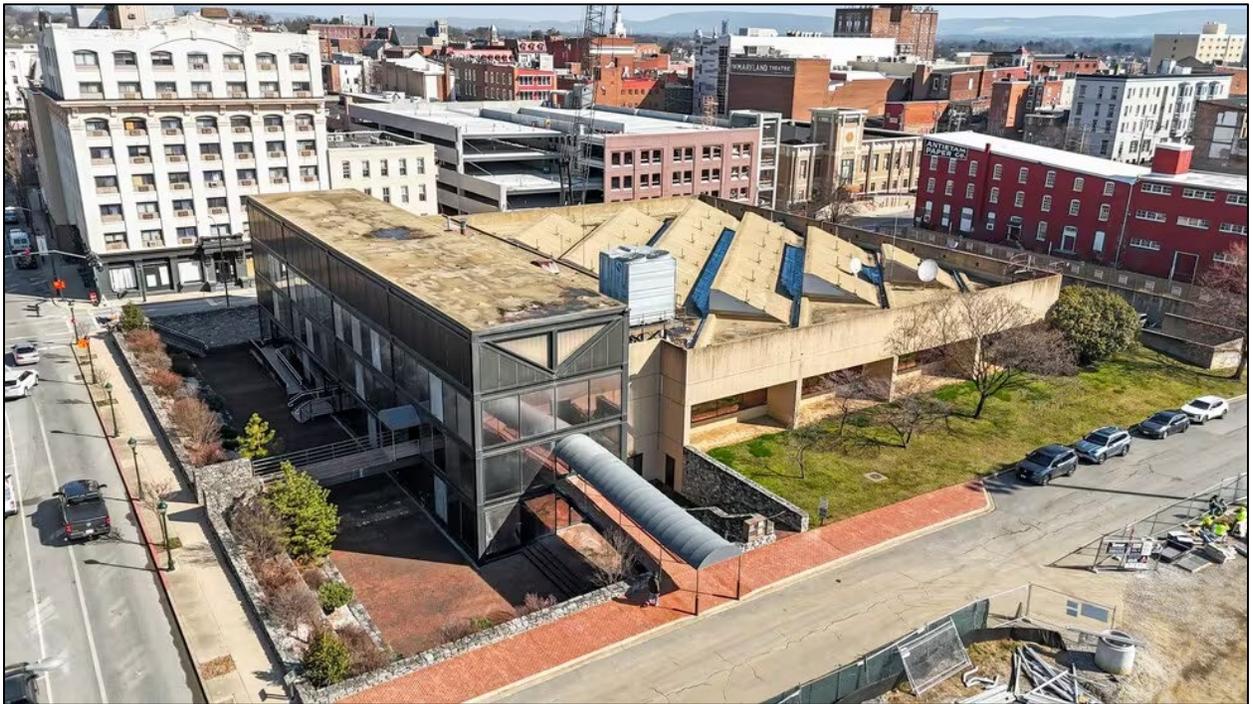
Property Description

The vacant Herald Mail Building is located along the Cultural Trail on a strategic corner of Summit Avenue, opposite the former Dagmar Hotel and new Hub City garage, and adjacent to the new Meritus Park Stadium. The large, approximately 60,000 SF building, owned by Hagerstown Multi-Use Sports Events Facility Inc., forms a key anchor to Summit Avenue Row (Figure 34).

The unique design of the building lends itself to several creative reuse ideas, some of which have been proposed through multiple redevelopment concepts. Each concept envisions the building containing a mix of uses, including retail/restaurant, office, residential (condos, townhouses, and apartments), hotel, and conference center.

The successful reuse of the Herald Mail Building could make it a significant mixed-use downtown destination. With its advantageous location, the building could both enhance and be enhanced by its adjacent properties. With its sprawling footprint, this is one of Downtown Hagerstown's most significant redevelopment opportunities.

Figure 34: Images of the Herald Mail Building





Source: Loopnet

Preliminary Implementation Steps

The City should consider the following preliminary implementation strategies to ensure the successful reuse of the Herald Mail Building:

1. Establish rapport with the existing owner to facilitate reuse or seek a reputable new owner.
2. Continue identifying reuse options for the building.
3. Identify potential tenants and arrange discussions.
4. Undertake an RFQ for a developer-partner.
5. Select the developer-partner.





Discovery Station Building

Property Description

On the Northwest corner of W. Washington Street and Summit Avenue is the former Discovery Center, a key downtown historic building that once housed a bank and the Federal Depository during the Civil War. First opening in 2005, the Discovery Station moved to a larger location at Fort Richie in Cascade in August 2025, vacating the downtown location. With its prominent location within the Arts & Entertainment District, the building, currently owned by LTP LLC, would be ideal to remain an arts and cultural use.

The Washington County Historical Society has expressed interest in relocating to the site. The City should continue discussions with the Historical Society or other prospective tenants to ensure that the new occupant contributes to and enhances the street-level activity of the downtown Arts & Entertainment District.

Figure 35: Image of Discovery Station Building



Source: Google Maps





Preliminary Implementation Steps

The City should consider the following preliminary implementation strategies to ensure the successful reuse of the Discovery Station Building:

1. Establish rapport with the existing owner to facilitate reuse or seek a reputable new owner.
2. Continue identifying reuse options for the building.
3. Identify potential tenants and arrange discussions.





Circuit Court Building

Property Description

On the Northeast corner of W. Washington Street and Summit Avenue is the former Circuit Court building, also a key downtown historic building currently owned by Washington County. County and State officials have engaged in preliminary discussions regarding the potential relocation of the Circuit Court to expand capacity and meet modern facility standards. If this move is pursued, the City should continue its thoughtful planning and coordination with Washington County to ensure the appropriate adaptive reuse of the historic building occurs and that it advances the economic vibrancy of downtown.

Figure 36: Image of Circuit Court Building



Source: Google Maps

Preliminary Implementation Steps

The City should consider the following preliminary implementation strategies to ensure the successful reuse of the Circuit Court Building should it eventually be redeveloped:

1. Work with Washington County (existing owner), acquire the property, or seek a reputable new owner to facilitate reuse.
2. Continue identifying reuse options for the building.





N. Potomac Street

Property Description

The North Potomac Street catalytic site is a combination of three separate parcels occupying 4, 6, and 14 N. Potomac Street, currently owned by the City of Hagerstown (see Figure 37).

Figure 37: Location of the N. Potomac Street Site



The buildings at 4 and 6 N. Potomac Street are two- and three-story buildings with ground-floor commercial space and office on the upper floors. The property at 14 N. Potomac Street, the Elizabeth Hager Center, is in the rear of and attached to 6 N. Potomac and is also used as office space. A portion of 14 is surface parking (see Figure 38).

City ownership of all three parcels creates a unique opportunity to pursue multiple reuse and redevelopment scenarios. Suggested reuses for the properties include office and/or hotel with ground-floor retail/restaurant space.





Figure 38: Images of the N. Potomac Street Site



Source: Google Maps





Preliminary Implementation Steps

The City should consider the following preliminary implementation strategies to ensure the successful reuse of the N. Potomac Street site should it eventually be redeveloped:

1. Continue identifying reuse options for the site.
2. If a hotel is selected for the site, see Preliminary Implementation Steps below for a Future Hotel Development.
3. If an office building is selected for the site, see Preliminary Implementation Steps below for a Future Office Development.





50 E. Washington Street

Property Description

50 E. Washington Street is another key catalytic site currently owned by the City of Hagerstown, part of the larger parcel between E. Washington Street, E. Franklin Street, Cramer Alley, and Locust Street (see Figure 39).

Figure 39: Location of the 50 E. Washington Street Site



The property is a surface parking lot, which offers an opportunity to pursue multiple redevelopment scenarios involving new construction (see Figure 40). Suggested uses for the property include office and/or hotel with ground-floor retail/restaurant space.

Preliminary Implementation Steps

The City should consider the following preliminary implementation strategies to ensure the successful reuse of the 50 E. Washington Street site should it eventually be redeveloped:

1. Continue identifying reuse options for the site.
2. If a hotel is selected for the site, see Preliminary Implementation Steps below for a Future Hotel Development.
3. If an office building is selected for the site, see Preliminary Implementation Steps below for a Future Office Development.





Figure 40: Image of the 50 E. Washington Street Site



Source: Google Maps





Future Hotel Development

Project Description

As described in the market analysis, from 2017 to 2023, the annual growth in competitive hotel demand near Downtown Hagerstown was 8,200 room-nights per year. The additional supply from the introduction of the higher quality Fairfield and Home2Suites was fully absorbed with occupancy remaining above 72% in 2022 and 2023. If we assume that an annual average room-night increment in demand in the 5,000 to 8,000 range continues for several years and that 65% is a healthy average occupancy rate, then we can conclude that the new Tru by Hilton can be absorbed in the market by the end of 2026 and that the Hagerstown area can absorb 60-100 new hotel rooms every two-three years, beginning in 2027 or 2028. This demand could potentially be accommodated in a downtown hotel.

Given its unique location for the region, a downtown hotel would offer an experience not currently provided by the existing hotels located outside of downtown at the highway interchanges. Instead of capturing a pass-through market, a downtown hotel would create more of a destination for visitors to Hagerstown seeking local culture and history. It would also bring a daily supply of additional customers who could support downtown businesses, particularly restaurants and stores.

Figure 41: Examples of Downtown Boutique Hotels



Source: Marriott





Source: Hilton

Several downtown sites could be appropriate for a new hotel as either new construction, rehabilitation of an existing building, or a combination of both. These include the N. Potomac Street and E. Washington Street sites identified above. The suggested scale of a new downtown hotel is smaller than typical chain hotels with more of a boutique format containing less than 100 rooms. The ground floor would ideally feature restaurant and/or retail space.

Economic Feasibility

To assess additional hotel development feasibility, we assume construction of a new 80-room hotel on a site requiring \$2 million acquisition/site preparation cost. Total redevelopment costs are estimated at \$15.18 million based on current (2025) construction pricing in the Hagerstown area (see Table 23). This includes \$9.44 million for the hotel and \$710,000 for sitework and limited courtesy surface parking. We assume overnight parking will be secured by the hotel operator in the nearby garages through an annual bulk lease. Other costs include furnishings and equipment, design, and soft costs for approvals, financing, and carry.





Table 23: New Hotel Development Budget

<u>Development Budget</u>	
Acquisition	\$2,000,000
Sitework, Courtesy Parking	\$710,000
Hotel Construction (40,000 SF @ \$236)	\$9,440,000
Furnishings/Equipment (\$11,000/Room)	\$880,000
Design; Approvals	\$770,000
Financing; Carry; Other Soft Costs	\$1,380,000
Total Development Costs	\$15,180,000

Annual income and expense for operations of the hotel are detailed in Table 24.

Table 24: New Hotel Income and Expense Pro Forma – Stable Year 3, 12/2025

Number of Rooms		80
Average Occupancy		65%
Average Collected Room Rate		\$145
<u>Revenue</u>		\$2,755,000
<u>Operating Expenses</u>		
Rooms Expense	21.5%	\$590,000
Administrative & General	9.0%	\$250,000
Sales & Marketing	10.1%	\$280,000
Property Operations & Maintenance	3.5%	\$95,000
Utilities	4.2%	\$115,000
Parking Garage Payment		\$75,000
Management Fee	3.0%	\$85,000
Taxes & Insurance	4.5%	\$125,000
Replacement Reserve	4.0%	\$110,000
Total Operating Expense		\$1,725,000
Net Operating Income		\$1,030,000
<u>Debt Service</u>		
First Mortgage Debt Service		\$825,000
Cash Flow		\$205,000
Return on \$2,700,000 Equity		7.59%





All revenues and expenses are at 2025 pricing, set for the stable operational Year 3. Room rates are assumed at an average of \$145 with 65% occupancy. We allocate \$75,000 in expense to a bulk parking space lease in municipal garages.

*Based on these assumptions, net operating income exceeds \$1.0 million by Year 3. This can support a \$12 million mortgage on the property with 5.5% interest and a 30-year amortization. The remaining cash flow is sufficient to support a competitive cash-on-cash return for \$2.7 million in equity investment. **This leaves a modest feasibility gap of \$480,000 to achieve full financing.***

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful development of a new downtown hotel, including the following:

1. Identify potential properties suitable for a new hotel.
2. Assist to assemble the property if necessary, seek a reputable buyer, and establish rapport with the owner to facilitate the development.
3. Undertake an RFQ for a developer-partner.
4. Select the developer-partner.
5. *Hotel operator begins marketing effort.*
6. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
7. *Developer-partner acquires necessary financing.*
8. *Developer-partner begins construction and undertakes marketing effort.*
9. *Developer-partner completes construction of the hotel.*
10. *Occupancy of the hotel begins.*
11. Continue engagement with the hotel owner.





Future Office Building

Project Description

As referenced in the market analysis above, there are many options in Downtown Hagerstown for professional office users seeking small spaces of a Class B or C quality. However, there are currently limited move-in ready opportunities for a business in need of a floorplate larger than 12,000 square feet or a total building size of more than 30,000 square feet to accommodate a large company or agency. Furthermore, no available space of that size meets Class A or higher-quality standards.

This scale of office development would require a committed user. To attract this larger dedicated tenant, Downtown needs to offer a well-situated site that could accommodate a building of this magnitude. Several downtown sites could be appropriate for a new office building. These include the N. Potomac Street and E. Washington Street sites identified above. The ground floor would ideally feature restaurant and/or retail space (see Figure 42).

Once build-to-suit sites in the downtown appropriate for larger users are identified, it is critical to form a partnership with a developer to market the sites, recruit tenants, and be ready to develop immediately upon receiving a commitment from a prospective office user. This effort would allow Downtown to compete with sites outside the City Center.

This initiative goes beyond the specific site to create a process whereby the City is continuously competitive for large office users through active marketing and nimble responsiveness to opportunities as they emerge. This will require pre-planning for contingent parking resources so that the City's developer-partner can aggressively and confidently compete within the larger regional marketplace.

This initiative is likely to benefit currently vacant office properties in the downtown area as aggressive recruitment will also identify smaller, more price-sensitive office users that could be housed in these currently vacant spaces. Restaurants and retailers will also strongly benefit from new purchases made by the expanding office worker base.





Figure 42: Examples of Downtown Office Buildings



Source: S. Hekemian Group and The Architecture Designs





Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful development of a new downtown office building, including the following:

1. Identify potential properties suitable for a new office building.
2. Assist to assemble the property if necessary, seek a reputable buyer, and establish rapport with the owner to facilitate the development.
3. Undertake an RFQ for a developer-partner.
4. Select the developer-partner.
5. *Developer-partner undertakes marketing effort for the building.*
6. Assist the developer with recruiting office tenants.
7. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
8. *Developer-partner acquires necessary financing.*
9. *Developer-partner begins construction and undertakes marketing effort.*
10. *Developer-partner completes construction of the office building.*
11. *Occupancy of the building begins.*
12. Continue engagement with the building owner.



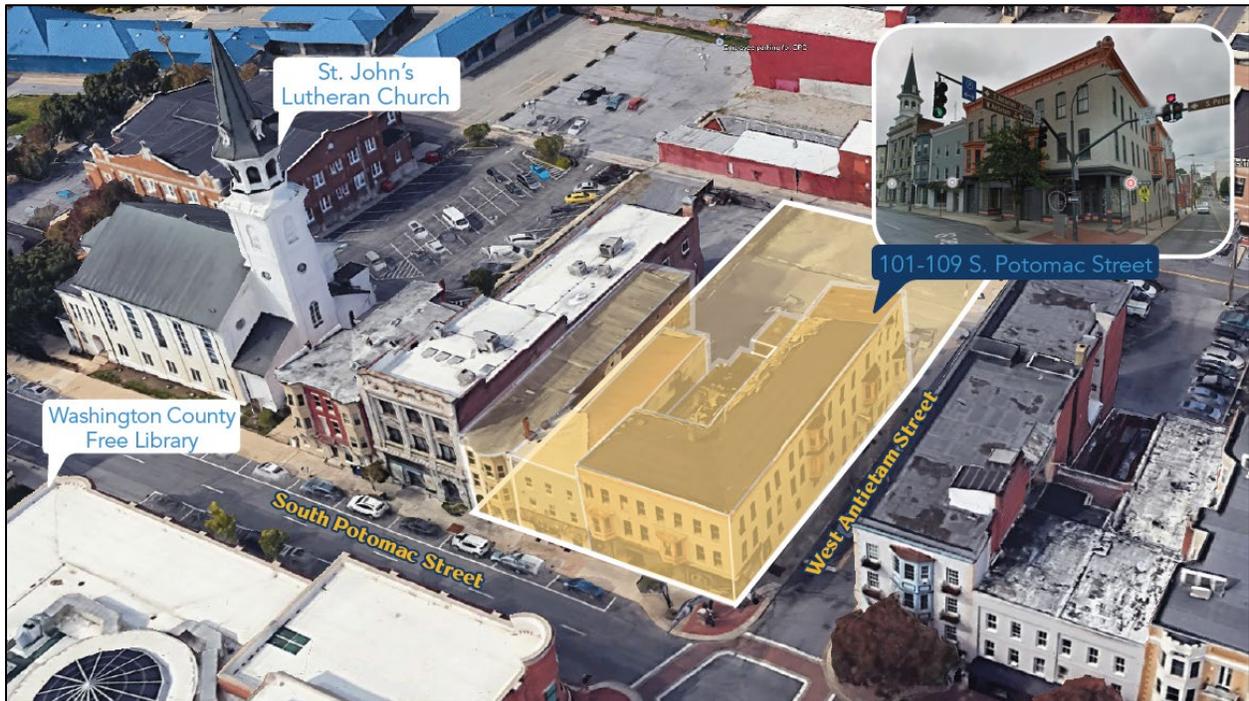


101-109 S. Potomac Street

Property Description

Over the past several years, the Bowman Development Company has been seeking to redevelop the key northwest corner of S. Potomac and W. Antietam Streets, opposite the Washington County Free Library (see Figure 43).

Figure 43: Location of the 101-109 S. Potomac Street Site



Encompassing 101-109 S. Potomac Street, the properties are currently vacant and the site totals 100 feet x 240 feet (see Figure 44). The owner, is proposing to demolish the existing buildings and construct a new five-story luxury market-rate residential building with ground floor commercial space. The site is ideally situated in Downtown Hagerstown with its proximity to Meritus Park, the future redeveloped Herald Mail building, other key downtown anchors, and the new Hub City Garage. A new market-rate apartment building in Downtown Hagerstown would significantly enhance the perception of Downtown in the Hagerstown region.





Figure 44: Image of 101-109 S. Potomac Street



Source: Google Maps

Economic Feasibility Analysis

The current owner assembled the property for approximately \$1 million and has expended funds for demolition and carry over several years. Additional demolition and site stabilization will be necessary to achieve a developable site. For this analysis, we assume the owner's in-place equity will be \$2 million. The site could accommodate nearly 100 apartments at full development; however, absorption of that many units at one time would be challenging, therefore, we propose a two-phase development. Phase 1 would utilize the front (from Potomac) 170 feet of the property; Phase 2 would add a later wing to the Phase 1 development. In the interim, the rear 100 x 70 portion of the lot would be used for surface parking.

The proposed Phase 1 development would include 60 luxury apartments and 7,000 SF of first floor commercial space along the Potomac St. frontage. The apartment entrance/lobby would be situated off W. Antietam Street about 100 feet west of W. Potomac. Underground parking would be provided for 38 cars; 22 cars could be parked in the rear surface lot, which would also access the garage. The proposed mix of units is 33 one-bedrooms (about 700 SF each) and 15 two-bedrooms (925 SF) on floors two through four. Floor five would be a penthouse level with six premium one-bedroom units (850 SF) and six penthouse two-bedroom units (1,200 SF).





Total redevelopment costs are estimated at \$21.65 million based on current (2025) construction pricing in the Hagerstown area (see Table 25). This includes construction of the mixed use building, the underground parking deck, and upgraded finishes and appliances to attract the new luxury market to Downtown. Total construction costs are estimated at \$16.525 million. Other costs include design and soft costs for approvals, financing, and carry.

Table 25: 101-109 S. Potomac St. Apartment Building Development Budget - Phase 1, 12/2025

Acquisition/Site Preparation/Carry		\$2,000,000
Construction		
Sitework; Infrastructure	\$	935,000
Below Grade Parking (12,000 SF @ \$90)--38 Spaces	\$	1,080,000
Surface Parking--22 Spaces	\$	40,000
Multi-Family Housing Construction (63,000 SF @ \$190)	\$	11,970,000
Commercial Construction (7,000 SF @ \$175)	\$	1,225,000
Upgraded Finishes	\$	945,000
Appliances	\$	330,000
Total Construction	\$	16,525,000
Design; Approvals (7%)	\$	1,155,000
Financing; Carry; Other Soft Costs	\$	1,970,000
Total Development Costs	\$	21,650,000

Annual income and expense for operations of the property are detailed in Table 26. All revenues and expenses are at 2025 pricing for year one, inflated 4% annually thereafter. Year 1 apartment rents are based on pricing about 10% to 15% above the highest levels achieved to date in Downtown for older rehabilitated buildings. For 101-109 S. Potomac, we assume \$2,050 monthly for a 700 SF one-bedroom apartment; \$2,450 monthly for a penthouse 850 SF one-bedroom; \$2,550 monthly for a 925 SF two-bedroom; and \$3,300 monthly for a 1,200 SF penthouse two-bedroom. Commercial space is priced at \$20/SF.

*Based on these assumptions and current operating expenses in the Hagerstown area, net operating income exceeds \$1.2 million by Year 3. This can support a \$14.2 million mortgage on the property with 5.5% interest and a 30-year amortization. The remaining cash flow is sufficient to support a competitive cash-on-cash return for \$4 million in equity. **This leaves a gap of \$3.45 million to complete financing.***





Table 26: 101-109 S. Potomac St. Apartment Building Income and Expense Pro Forma - Phase 1, 12/2025

Number of Apartments	60				
One-Bedroom (55%)	33				
Penthouse One-Bedroom (10%)	6				
Two-Bedroom (25%)	15				
Penthouse Two-Bedroom (10%)	6				
Average Occupancy	97%				
		Year 1	Year 2	Year 3	Year 4
		Year 5			
Revenue					
One-Bedroom Income (@ \$2,050)		\$811,800	\$844,272	\$878,043	\$913,165
Penthouse One-Bedroom Income (@ \$2,450)		\$176,400	\$183,456	\$190,794	\$198,426
Two-Bedroom Income (@ \$2,550)		\$459,000	\$477,360	\$496,454	\$516,313
Penthouse Two-Bedroom Income (@ \$3,300)		\$237,600	\$247,104	\$256,988	\$267,268
Gross Potential Residential Income		\$1,684,800	\$1,752,192	\$1,822,280	\$1,895,171
Less: Vacancy @ 3% (8% Year 1)		-\$134,783	-\$52,565	-\$54,667	-\$56,854
Gross Effective Income--Residential		\$1,550,017	\$1,699,627	\$1,767,612	\$1,838,317
Commercial Income (7,000 SF @ \$20)		\$140,000	\$145,600	\$151,424	\$157,481
Less: Vacancy @ 5% (8% Year 1)		-\$11,199	-\$7,279	-\$7,570	-\$7,873
Gross Effective Income--Commercial		\$128,801	\$138,321	\$143,854	\$149,608
Total Effective Income		\$1,678,818	\$1,837,948	\$1,911,466	\$1,987,925
Operating Expenses					
Maintenance & Operations Residential (@ \$3400/Unit)		\$204,000	\$212,160	\$220,646	\$229,472
Maintenance & Operations Commercial (@ \$2/SF)		\$14,000	\$14,560	\$15,142	\$15,748
Residential Utilities (\$1.75/Gross SF)		\$110,250	\$114,660	\$119,246	\$124,016
Management & Leasing (4%)		\$67,153	\$73,518	\$76,459	\$79,517
Real Estate Taxes		\$105,000	\$115,000	\$120,000	\$124,800
Total Operating Expense		\$500,403	\$529,898	\$551,494	\$573,554
Net Operating Income		\$1,049,614	\$1,169,729	\$1,216,118	\$1,264,763
Debt Service					
First Mortgage Debt Service		\$977,031	\$977,031	\$977,031	\$977,031
Cash Flow		\$72,583	\$192,698	\$239,087	\$287,732
Return on \$4,000,000 Equity		1.81%	4.82%	5.98%	7.19%
					8.46%

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful redevelopment of 101-109 S. Potomac Street, including the following:

1. Continue dialog with the existing owner/developer to facilitate redevelopment.
2. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
3. *Developer-partner acquires necessary financing.*
4. *Developer-partner demolishes existing structures.*
5. *Developer-partner begins construction and undertakes marketing effort.*



6. *Developer-partner completes construction of the building.*
7. *Tenanting the building begins.*
8. Continue engagement with the property owner.



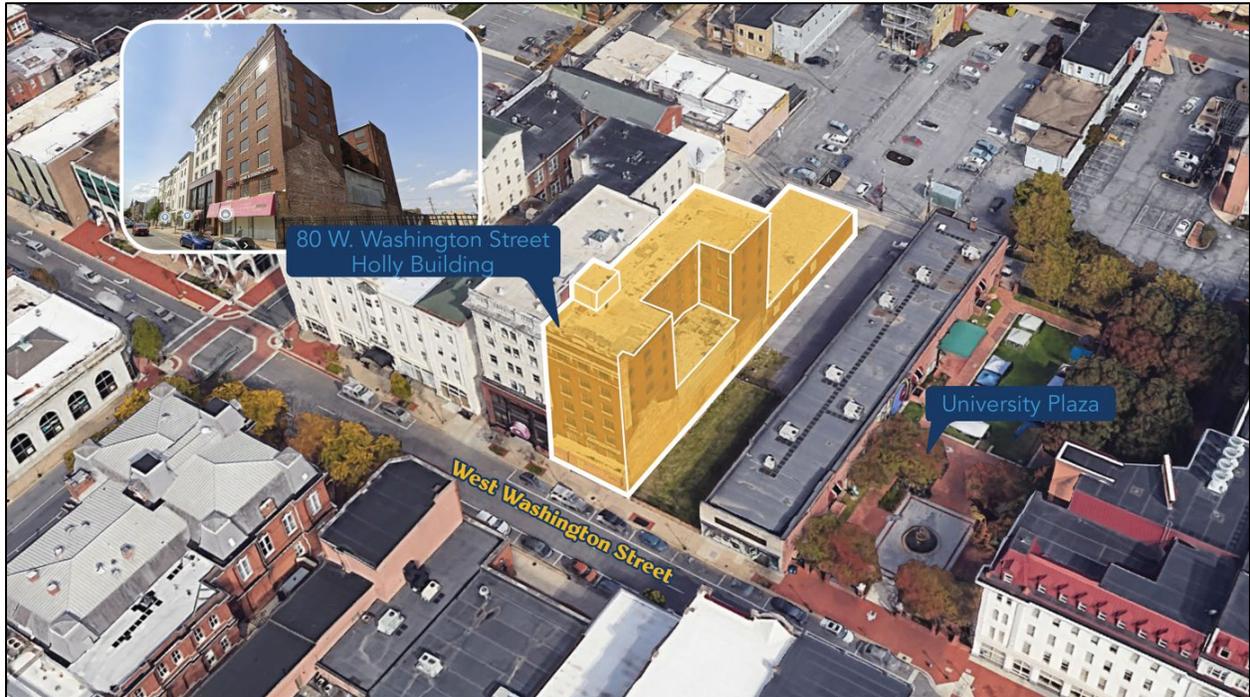


Holly Building

Property Description

The Holly Building is a prominent downtown building and catalytic site located at 72-80 W. Washington Street. Centrally situated on the block, it is very close to the center of the USMH campus, including University Plaza (see Figure 45).

Figure 45: Location of the Holly Building



Currently owned by Holly Building LLC, the seven-story structure appears to be in relatively good condition (see Figure 46). Recently-proposed reuses include ground-floor retail/restaurant space with one- and two-bedroom market-rate apartments on the upper floors.

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful rehabilitation of the Holly Building, including the following:

1. Continue discussions with the existing owner to facilitate rehabilitation or seek a reputable new owner.
2. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
3. *Developer-partner acquires necessary financing.*
4. *Developer-partner begins rehabilitation and undertakes marketing effort.*
5. *Developer-partner completes rehabilitation of the building.*





6. *Tenancing the building begins.*
7. Continue engagement with the property owner.
8. Consider acquisition of the property if necessary to reach redevelopment goals.

Figure 46: Image of the Holly Building



Source: Google Maps



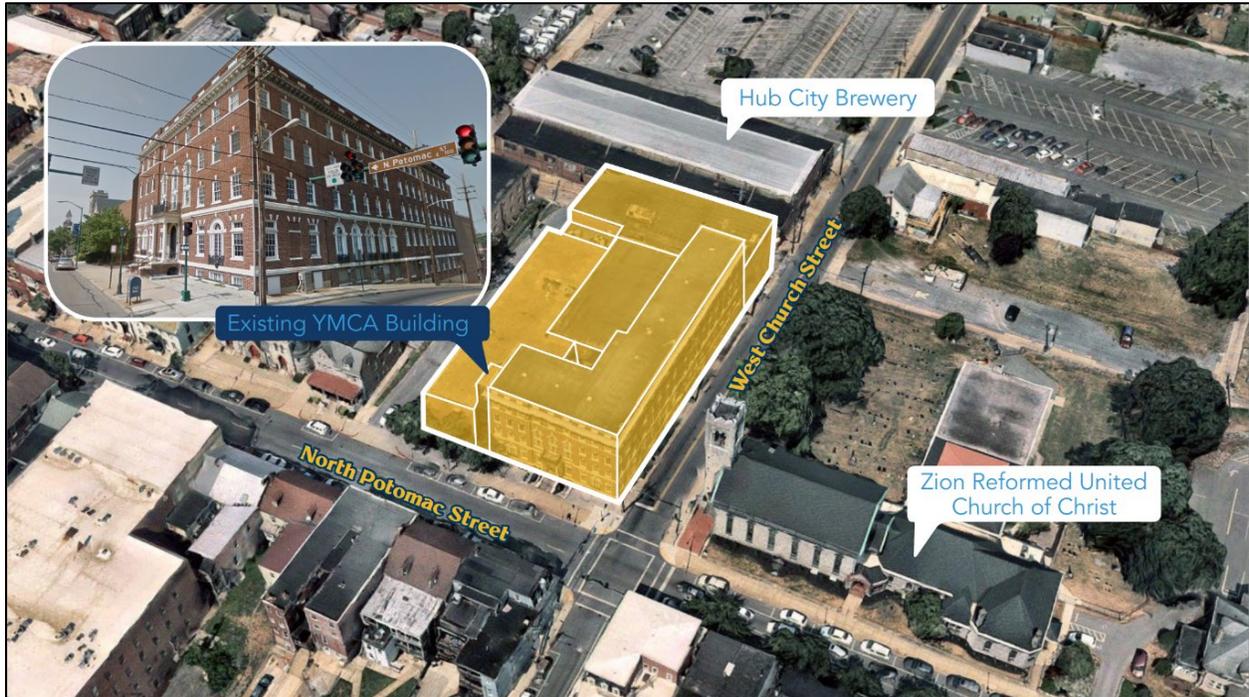


YMCA Building

Property Description

The YMCA Building is an iconic structure in the downtown community given its cultural significance and architectural character. Located at 149 N. Potomac Street, the original building underwent expansions but is currently vacant (see Figure 47).

Figure 47: Location of the YMCA Building



The five-story building is currently owned by 149 N Potomac LLC. While it could potentially host a variety of new uses, it has most recently been considered for market-rate rental housing in multiple formats. Its redevelopment, however, is impacted by several factors, including structural deterioration and limited on-site parking.

Economic Feasibility Analysis

Three options are considered for redevelopment of the vacant YMCA Building on North Potomac: (1) total demolition and construction of a new 75-unit apartment building; (2) the same new construction and retention of the Potomac Street facade; and (3) partial demolition and rehabilitation of the 1920s portion of the structure for 38 one- and two-bedroom apartments on four floors.

The building complex was constructed in three phases: a 1920s structure at the corner of Potomac and Church, a 1960s addition along the west side of the block, and a 1980s in-fill running west from Potomac on the south side of the block. The building footprint covers the





entire block—about 27,100 square feet. The footprint of the original 1920s building is about 13,600 SF; the 1960s addition covers about 6,200 SF; and the 1980s infill encompasses the remaining 7,300 SF of the site. Acquisition costs are estimated at \$850,000.

Figure 48: Image of the YMCA Building



Source: Google Maps

Options 1 & 2: New Construction

Total redevelopment costs are estimated at \$22.385 million based on current (2025) construction pricing in the Hagerstown area (see Table 27). This includes environmental remediation (\$1.15 million estimate), demolition of the existing building, and construction of a new 75,000 SF apartment building. Total construction costs are estimated at \$18.225 million. Other costs include design and soft costs for approvals, financing, and carry. To retain the Potomac St. façade will increase total costs to \$22.62 million.





Table 27: YMCA Building New Construction Alternative - Development Budget, 11/2025

Development Budget			
Acquisition		\$850,000	
Construction			
Environmental Remediation (95,380 SF @ \$12)	\$ 1,150,000		
Demolition (95,380 SF @ \$16)	\$ 1,525,000		
Retain Potomac Façade--Optional	\$ 200,000		
Sitework; Infrastructure	\$ 875,000		
Parking	\$ 75,000		
Multi-Family Housing Construction (75,000 SF @ \$190)	\$ 14,250,000		
Appliances	\$ 350,000		
Total Construction	\$ 18,225,000		
Total Construction--Retaining Façade			\$ 18,425,000
Design; Approvals (8%)	\$ 1,275,000	\$ 1,290,000	
Financing; Carry; Other Soft Costs	\$ 2,035,000	\$ 2,055,000	
Total Development Costs	\$ 22,385,000		
Total Development Costs--Retaining Façade			\$ 22,620,000

The new building will accommodate 75 apartments. Annual income and expense for operations of the property are detailed in Table 28. All revenues and expenses are at 2025 pricing for year one, inflated 4% annually thereafter. Year 1 rents are estimated at \$1,300 monthly for a 700 SF one-bedroom apartment, and \$1,750 monthly for a 925 SF two-bedroom.

*Based on these assumptions and current operating expenses in the Hagerstown area, net operating income approaches \$875,000 by Year 3. This can support a \$10.2 million mortgage on the property with 5.5% interest and a 30-year amortization. The remaining cash flow is sufficient to support a reasonably competitive cash-on-cash return for an additional \$2.8 million in equity. Total supportable investment is \$13 million, leaving a **\$9.385 million gap** to complete financing.*

*For Option 2, which retains the Potomac St. façade, total supportable investment is also \$13 million, leaving a **\$9.62 million gap** to complete financing.*



Table 29: YMCA Building Partial Rehabilitation Alternative - Development Budget, 11/2025

Development Budget	
Acquisition	\$850,000
Construction	
Environmental Remediation (95,380 SF @ \$12)	\$ 1,150,000
Demolition (36,390 SF @ \$20)	\$ 730,000
Interior Demolition (49,240 SF @ \$15)	\$ 740,000
Structural Integrity Adjustments	\$ 800,000
Roof Stabilization/Resurface	\$ 260,000
Elevators/Shaft/Floor Lobbies	\$ 600,000
Window Replacement	\$ 205,000
Window Additions/Façade Stability	\$ 25,000
Façade Repair/Cleaning	\$ 300,000
Parking Lot Surfacing (42 Spaces)	\$ 100,000
Accessibility Ramp	\$ 125,000
East Fire Tower Addition	\$ 45,000
Mechanical/Electrical/HVAC	\$ 3,680,000
Residential Floor Interiors	\$ 2,040,000
Ground Floor Interiors	\$ 145,000
Appliances	\$ 170,000
 Total Construction	 \$ 11,115,000
Design; Approvals (8%)	\$ 890,000
Financing; Carry; Other Soft Costs	\$ 1,285,000
Contingency (10%)	\$ 1,415,000
Total Development Costs	\$ 15,555,000

The rehabilitated building will accommodate 38 apartments. Annual income and expense for operations of the property are detailed in Table 30. All revenues and expenses are at 2025 pricing for year one, inflated 4% annually thereafter. Year 1 rents are estimated at \$1,300 monthly for a 700 SF one-bedroom apartment, \$1,650 for a 1,080 SF one bedroom plus den unit, and \$1,750 monthly for a 925 SF two-bedroom unit.

*Based on these assumptions and current operating expenses in the Hagerstown area, net operating income exceeds \$370,000 by Year 3. This can support a \$4.4 million mortgage on the property with 5.5% interest and a 30-year amortization. Historic tax credits could attract another \$3.775 million in investment. The remaining cash flow is sufficient to support a reasonably competitive cash-on-cash return for an additional \$1.3 million in equity. Total supportable investment is \$9.475 million, leaving a **\$6.08 million gap** to complete financing.*





Table 30: YMCA Building Partial Redevelopment Alternative - Income and Expense Pro Forma

Number of Apartments	38				
One-Bedroom (69%)	26				
One-Bedroom Plus Den/Office (5%)	2				
Two-Bedroom (26%)	10				
Average Occupancy	97%				
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
One-Bedroom Income (@ \$1,300)	\$405,600	\$421,824	\$438,697	\$456,245	\$474,495
One-Bedroom Plus Den/Office Income (@ \$1,650)	\$39,600	\$41,184	\$42,831	\$44,545	\$46,326
Two-Bedroom Income (@ \$1,750)	\$210,000	\$218,400	\$227,136	\$236,221	\$245,670
Gross Potential Residential Income	\$615,600	\$640,224	\$665,833	\$692,466	\$720,165
Less: Vacancy @ 3% (8% Year 1)	-\$49,247	-\$19,206	-\$19,974	-\$20,773	-\$21,604
Gross Effective Income--Residential	\$566,353	\$621,018	\$645,859	\$671,693	\$698,561
Operating Expenses					
Maintenance & Operations Residential (@ \$3400/Unit)	\$129,200	\$134,368	\$139,743	\$145,332	\$151,146
Utilities (\$1.75/Gross SF)	\$65,730	\$68,359	\$71,094	\$73,937	\$76,895
Management & Leasing (4%)	\$22,654	\$24,841	\$25,834	\$26,868	\$27,942
Real Estate Taxes	\$36,000	\$36,000	\$37,440	\$38,938	\$40,495
Total Operating Expense	\$253,584	\$263,568	\$274,111	\$285,075	\$296,478
Net Operating Income	\$312,769	\$357,450	\$371,748	\$386,618	\$402,083
Debt Service					
First Mortgage Debt Service	\$302,742	\$302,742	\$302,742	\$302,742	\$302,742
Cash Flow	\$10,027	\$54,708	\$69,006	\$83,876	\$99,341
Return on \$1,300,000 Return-Based Equity	0.77%	4.21%	5.31%	6.45%	7.64%

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful rehabilitation of the YMCA Building, including the following:

1. Continue discussions with the existing owner to facilitate rehabilitation or seek a reputable new owner.
2. Undertake an RFQ for a developer-partner.
3. Select the developer-partner.
4. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
5. *Developer-partner acquires necessary financing.*
6. *Developer-partner begins rehabilitation and undertakes marketing effort.*
7. *Developer-partner completes rehabilitation of the building.*
8. *Tenanting the building begins.*
9. Continue engagement with the property owner.
10. Consider acquisition of the property if necessary to reach redevelopment goals.





Hospital Hill Site

Property Description

Located on the edge of the Downtown core, the former Washington County Hospital site, identified here as the Hospital Hill Site with a collective of contiguous parcels, remains a key catalytic opportunity (see Figure 49). The site is undeveloped except for the existing parking deck formerly used for the hospital.

Figure 49: Location of the Hospital Hill Site



Currently owned by MASN Realty LLC, redevelopment has been a challenge for this site ever since the demolition of the former hospital. Portions of the former structure are buried under the central parcel known as Washington Park, making excavations potentially cost-prohibitive. In addition, there are ongoing issues related to homelessness, loitering, and drug use around the site. Furthermore, its separation from the downtown core create both physical and psychological barriers to integrating the site with downtown activities and amenities.

The 2014 Community's City Center Plan also addressed the site, recommending a hotel/conference center and heritage center/commemorative park. This vision was not realized. Since then, the City has suggested a concept that combines a variety of potential uses. They include regional-scale passive open space with a cultural pavilion at the central park parcel, market-rate high-rise apartments on the parcels adjacent to the existing parking structure, reuse of the existing parking structure to serve the apartment buildings, and additional low-rise residential on the parcels fronting Mill Street, potentially including





apartments, townhomes, and/or duplexes (see Figure 50). The concept also includes a small retail use at the corner of Mill and E. Washington. Commercial uses are purposely limited at this site to prevent competition with downtown retailers.

Figure 50: Potential Reuse Concept for the Hospital Hill Site



Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to ensure the successful rehabilitation of the Hospital Hill Site, including the following:

1. Maintain an ongoing police presence in the area.
2. Continue discussions with the existing owner to facilitate redevelopment or seek a reputable new owner.
3. Assist the developer-partner with achieving a desired plan for the site with appropriate uses at appropriate scales.
4. Assist the developer-partner with identifying development incentives and/or funding sources for financing gaps.
5. *Developer-partner acquires necessary financing.*
6. *Developer-partner begins redevelopment and undertakes marketing effort.*
7. *Developer-partner completes redevelopment of the site with new buildings and park improvements.*
8. *Tenancing the buildings begins.*
9. Continue engagement with the property owner.
10. Consider acquisition of the site if necessary to reach redevelopment goals.





Streets and Open Space Opportunities

Based on the community input gathered through the planning process, it is clear that Hagerstown residents want to see an improved public realm with a safer and more welcoming pedestrian experience. In the hundreds of comments, ideas, and conversations we held, we see a strong demand for public spaces/open spaces that connect and re-image downtown's underutilized areas. The people we engaged with described improvements that build on Hagerstown's unique architecture and character to support a more active downtown. This section focuses on these improvements, organized through the following four categories:

- **Humanize Downtown Streets:** Envision more walkable, greener, safe, and human-scale streets that prioritize people and create a great pedestrian experience.
- **Create a Cultural Loop:** Extend the Cultural Trail to connect more of downtown's great destinations and cultural assets.
- **Invest in Alleys:** Re-imagine downtown's alley network as low stress streets for pedestrians and cyclists.
- **Be Uniquely Hagerstown:** Invest in placemaking, signage, and wayfinding that reflects Hagerstown's history and identity.

Humanize Downtown Streets

Designing and planning for inviting streets is a key community priority identified in this plan. As a historic downtown, Hagerstown's core already has a strong interconnected street grid with walkable block sizes, human-scale urban design, high quality materials, traffic calming features, marked crossings, and healthy street trees (see Figure 51). Noticeable in its signature streets, including portions of Washington Street, Potomac Street, and Franklin Street, significant and key portions of downtown are delightful for walking and strolling, and exhibit many of the characteristics desired for a walkable downtown. This is especially true along key retail corridors. Nonetheless, this character and high-quality walkable environment dwindles a block or two removed from these signature roads. This plan is an opportunity to build on this solid foundation and ensure that other downtown corridors show these same qualities.

This plan's engagement revealed a strong community desire for wider sidewalk, better landscaping, additional street trees, and a redesign of intersections so they are safer and more accessible for all users. Humanizing Downtown Street focuses on transforming downtown's street network into human-scale spaces that prioritize the pedestrian experiences, while continuing to adequately serve vehicle users. The benefits of improving streets to reflect more human-scale design goes beyond that of improving safety and walkability - there is also a business case to be made for having a high-quality public realm. Improving sidewalks, landscaping, and slowing down traffic can not only create streets that are more walkable and encourage social interaction, but also support downtown businesses and retailers by helping increase foot traffic, improve visibility from the street level, and encourage more meandering





and walking within downtown for those visiting to watch a performance at the Maryland Theater or catching a game at Meritus Park.

Figure 51: Examples of Existing Street Conditions



Types of Street Improvements

The types of improvements envisioned in this plan include the following key categories:

- **Pedestrian Comfort:** Enhance sidewalks and the public Right of Way to create a more comfortable and engaging walking experience in downtown. This may include widening sidewalks, improving paving materials, as well as adding street trees, shade, lighting, additional seating, and other pedestrian amenities that support daily use. Features should emulate the success of the Cultural Trail and Washington and Potomac Streets with similar material choices and consistent street furniture.
- **Intersection Safety:** Redesign intersections to be safer for all modes and more accessible for people of all ages and abilities. Enhancements may include shortening crossing distances with bump-outs, improving visibility with clearer markings, slowing turning movements with tighter radii, and incorporating specialty features such as raised crossings and high-visibility crosswalks with placemaking or public art.
- **Traffic-Calming:** Introduce street design strategies that naturally slow vehicle speeds and reinforce downtown as a pedestrian-oriented environment. This may include narrower travel lanes, bump outs at intersection, marked mid-block crossings,

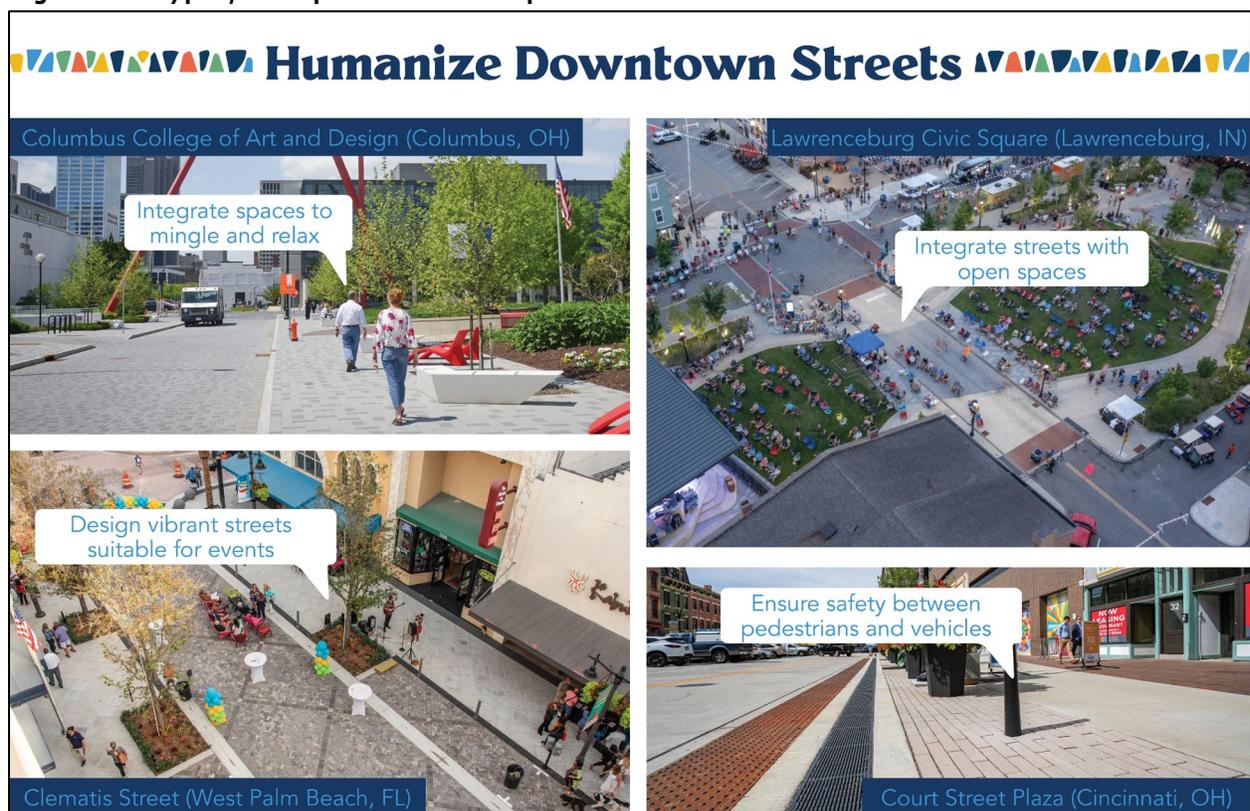




protected bike infrastructure, on-street parking, and enhanced streetscape elements such as outdoor dining, street trees, and downtown wayfinding.

- **Signature Curbless Streets:** Select key corridors suitable for a curbless or shared-street treatment that emphasize place-making and flexibility, where pedestrians, cyclists, and vehicles coexist in a carefully designed, low-speed environment. Curbless streets support downtown events, include outdoor dining, encourage retail activity, and reflect a distinct downtown identity. Potential candidates include Potomac Street, where a curbless environment will support key downtown anchors and destinations, and Summit Avenue, where a curbless environment may provide an opportunity to expand the Cultural Trail.

Figure 52: Types/Examples of Street Improvements



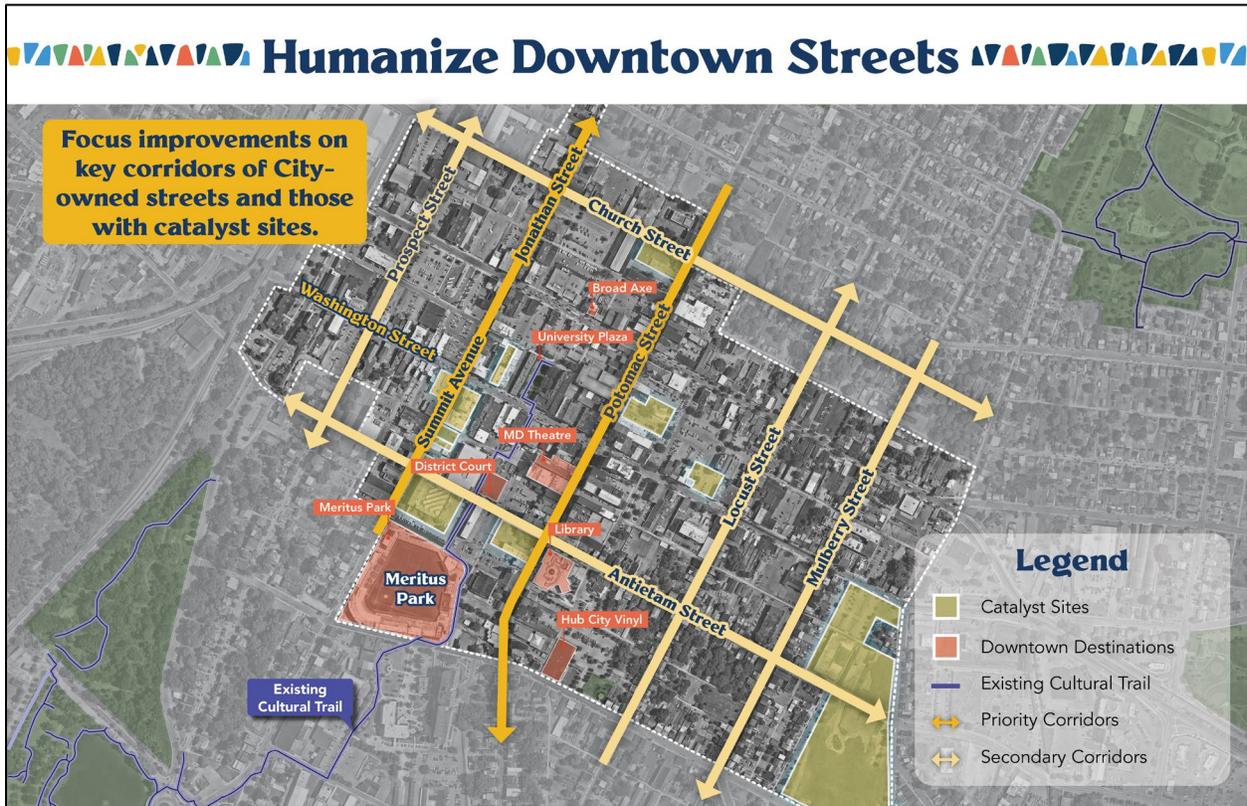
Priority and Secondary Corridors

This plan identifies a network of downtown corridors where street improvements can have the greatest impact for walkability, safety, and improved economic investment (see Figure 53). These corridors are organized into two categories, Priority Corridors and Secondary Corridors, to guide this plan’s future implementation. Together, these two corridor types support a strategic, scalable approach to humanizing downtown streets, building first on the strongest foundations, while ensuring that improvements gradually reach all parts of downtown.





Figure 53: Key Corridors Suggested for Improvements



Priority Corridors represent downtown’s key streets for improved pedestrian activity, visibility, and placemaking. These streets connect key destinations, catalyst sites, and civic anchors, and already experience higher levels of foot traffic or have strong potential to do so. Improvements along Priority Corridors should set the standard for humanized street design with wider sidewalks, enhanced landscaping, high-quality materials, safer crossings, and traffic-calming features that reinforce downtown as a place to walk, linger, and gather. These corridors are also prime candidates for signature treatments, including curbsless or shared-street designs where appropriate.

Secondary Corridors provide important connections between Priority Corridors, neighborhoods, and downtown destinations, and help extend downtown’s walkability beyond its most prominent streets. While these streets may require more modest or phased improvements, they play a critical role in creating a cohesive, legible downtown network. Enhancements along Secondary Corridors should focus on ensuring basic pedestrian comfort and safety, maintaining design consistency with priority corridors, and reinforcing downtown’s character farther from the core of Public Square.





Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to advance the Humanize Downtown Streets strategy in a practical and phased manner, including the following:

1. Focus early investment on corridors connecting key anchors (Public Square, Maryland Theatre, Meritus Park, Cultural Trail).
2. Prepare detailed walkability and safety audits for priority corridors, including sidewalk widths, curb conditions, crossings, lighting, trees, and utilities.
3. Create a consistent “downtown street toolkit” of design standards that specifies materials, lighting, trees, furniture, and intersection treatments, building on the success of the Cultural Trail.
4. Implement low-cost, quick-build projects such as temporary curb extensions, painted bump-outs, enhanced crosswalks, etc. to test traffic-calming measures and gather public feedback
5. Initiate feasibility and conceptual design studies for potential curbless/shared streets (e.g., Potomac Street, Summit Avenue), evaluating impacts on traffic, loading, emergency access, etc.
6. Identify high-risk intersections/locations for early redesign.
7. Align street improvements with planned utility upgrades, paving schedules, and private development projects to reduce costs and disruption.
8. Integrate projects into the City’s Capital Improvement Program (CIP).
9. Pursue state and federal grants (e.g., transportation safety, placemaking, and main street programs), exploring partnerships with downtown institutions, developers, and businesses for shared investment.
10. Conduct targeted outreach to downtown businesses, residents, and institutions to build support and refine designs.
11. Define measures such as pedestrian counts, crash reductions, retail vacancy, and public perception of safety to guide future phases and justify continued investment.





Create a Cultural Loop

The Cultural Trail is a beloved downtown feature that creates a walkable tissue for pedestrians, connects downtown’s key anchors, and graces its streets and otherwise hidden spaces with public art, placemaking, safe crossings, and a high-quality sense of place (see Figure 54). Through this plan’s engagement, it became immediately clear that residents value the Cultural Trail’s impact and qualities and wish to see it extended to cover more of downtown. This recommendation does so through the creation of a new Cultural Loop that builds on the trail’s success to create a more discernable and pleasant downtown experience.

Figure 54: Existing Cultural Trail



A new and Cultural Loop will build on the Cultural Trail’s success to celebrate Hagerstown’s unique character and personality, while providing a new layer of downtown connectivity and pedestrian comfort. Unlike the Cultural Trail, which transformed alleys and narrow spaces between buildings, the Cultural Loop is intended to adapt to different street contexts rather than take a single form. Depending on location, it may include enhanced sidewalks, shared-use paths, or streetscape improvements paired with consistent and coordinated wayfinding, lighting, public art, and placemaking elements. Together, these improvements create a recognizable downtown trail that celebrates Hagerstown’s character, strengthens downtown connectivity and enhances the overall visitor and pedestrian experience.



The Cultural Loop is envisioned as a phased system, with a first phase prioritizing a key corridor near downtown’s top destinations and along Catalyst Sites identified in this plan, and a second longer-term phase that connects downtown’s core with eastern portions of the district.

Cultural Loop Phase 1

The first phase of the Cultural Loop focuses on an extension of the Cultural Trail starting at Meritus Park and the Cultural Trail, turning north on Summit Avenue/Jonathan Street, and lastly, going east on Wareham Alley behind University Plaza to connect the new trail with this green space and the Cultural Trail (see Figure 55). The longest span of this first phase occurs along Summit Avenue and Jonathan Street, a critical street that includes various Catalyst sites identified in this plan and already acts as a city-owned low-stress street.

Figure 55: Cultural Loop Phase 1



Currently, Summit Avenue/Jonathan Street functions as a one-way northbound street with narrow sidewalks, limited landscaping, an on-street parking lane, and a narrow, unprotected bicycle lane (see Figure 56). Sidewalks are frequently obstructed by utilities or tree grates, resulting in limited space for walking, outdoor activity, or streetscape amenities. Its existing configuration limits comfort, safety, and the overall pedestrian experience.





Figure 56: Cultural Loop Phase 1 Existing Conditions



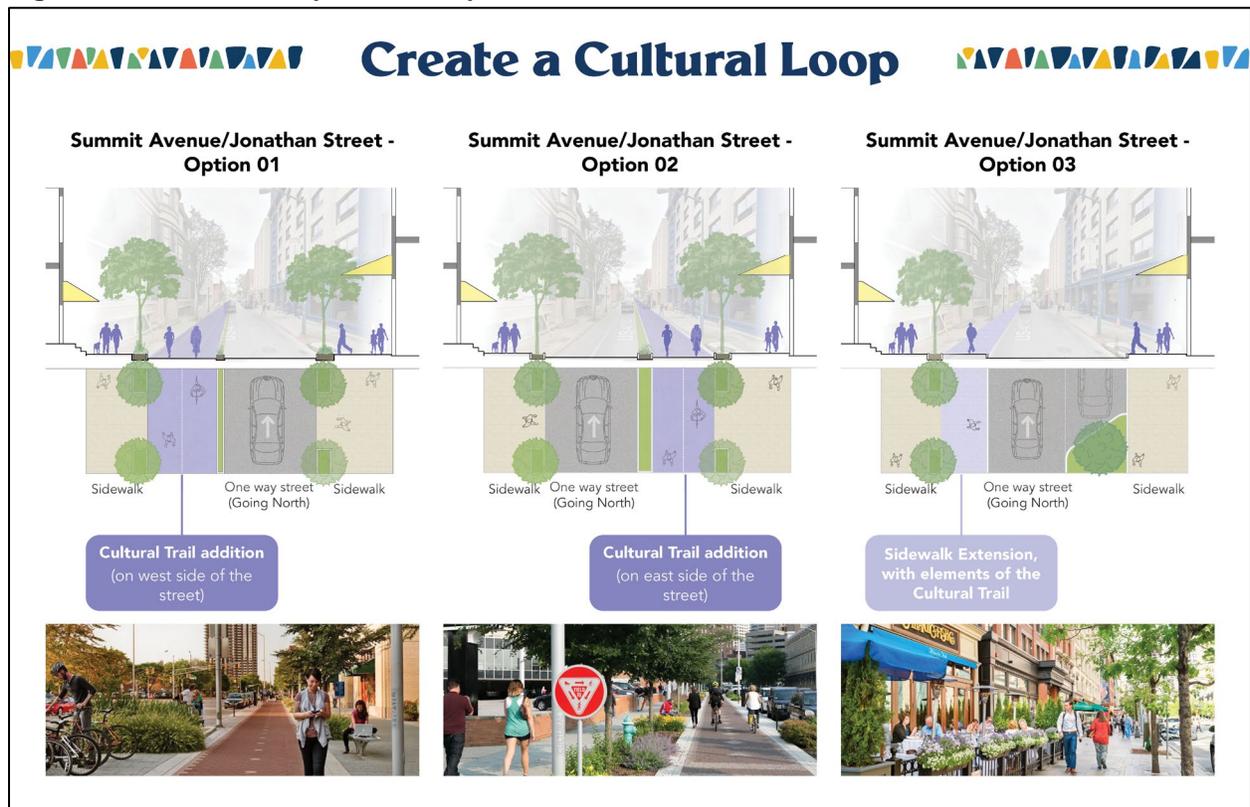
The options below illustrate a range of potential approaches for integrating the Cultural Loop along this corridor in ways that respond to potential right-of-way constraints, the redevelopment of adjacent land uses, and other implementation opportunities (see Figure 57). Together, these three options illustrate the flexibility of the Cultural Loop concept. Rather than prescribing a single street section, this plan supports a context-sensitive approach that allows segments of the loop to be implemented in different ways responding to funding, redevelopment of catalyst sites, and community priorities, all while maintaining a cohesive, recognizable Cultural Trail experience.

- **Option 1: Cultural Trail Addition – West Side of Street:** This option introduces a dedicated Cultural Trail facility along the west side of the street, using the Right of Way space previously taken by an on-street parking lane to create a continuous, clearly defined space for people walking and biking. A new 10- to 12-foot trail is added to the west side of the street and is buffered from vehicle traffic with landscaping and street trees that improve comfort and safety while establishing a recognizable Cultural Loop identity. Sidewalks on the opposite side of the street are improved to support building access and storefront activity.





Figure 57: Cultural Loop Phase 1 Options



- **Option 2: Cultural Trail Addition – East Side of Street:** Similar to Option 1, this alternative instead shifts the dedicated Cultural Trail facility to the east side of the street. This configuration may be advantageous since the east side of the street includes various catalyst sites where redevelopment would benefit from an enhanced pedestrian space. As with Option 1, landscaping and streetscape elements help buffer the trail from traffic and reinforce the Cultural Loop as a distinct downtown feature.
- **Option 3: Sidewalk Extension with Cultural Trail Elements:** This option integrates Cultural Loop features directly into an expanded sidewalk environment rather than creating a fully separate trail facility. Wider sidewalks use the Right of Way previously occupied by an unprotected bike lane to better accommodate walking, outdoor seating, signage, and placemaking elements. On-street parking is maintained on the east side of the street, and the single-lane street configuration is also kept as-is. Cultural Trail branding, materials, wayfinding, and public art help reinforce the loop identity, even where right of way constraints limit the ability to provide a fully separated trail.

Cultural Loop Phase 2

A longer-term alignment expands the Cultural Loop outward to form a larger, more comprehensive system that connects additional corridors, neighborhoods, and green spaces with the downtown core and the Cultural Trail (see Figure 58). This long-term vision extends





the benefits of the Cultural Trail beyond the core, linking downtown more seamlessly to surrounding areas while maintaining a consistent identity and experience.

Figure 58: Cultural Loop Long-Term Vision



A second phase alignment starts at University Plaza where the Cultural Loop intersects Washington Street, runs through the heart of Public Square, and turns north along Potomac Street. The Cultural Loop then turns eastbound, either along parking lots and Catalyst Sites between Washington Street and Franklin Street, or along Franklin Street, toward Locust Street, where it travels southbound past Antietam Street. The trail then loops back westbound along Bixler Alley toward the Washington County Free Library and through parking lots to connect back at the Cultural Trail alignment by Meritus Park.

This alignment reflects the Cultural Loop’s strengths and design flexibility by allowing for streetscape improvements or trail additions when it travels on public streets, while relying on placemaking, art, lighting, and sculpture along alley connections, as described in the next recommendation “Invest in Alleys.”





Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to advance the Cultural Loop strategy that supports near-term action while preserving flexibility, including the following:

1. Endorse the Cultural Loop, including Phase 1 and Phase 2 alignments, as a priority downtown investment while establishing it as an extension of the existing Cultural Trail program and brand.
2. Confirm Phase 1 alignment and limits, right-of-way constraints, and ownership responsibilities
3. Conduct a corridor feasibility study, analyzing Summit Avenue/Jonathan Street for right-of-way widths, utilities, drainage, parking impacts, and traffic operations; evaluate the feasibility, costs, and trade-offs of Options 1, 2, and 3.
4. Identify a preferred or hybrid design solution for Phase 1 that balances pedestrian comfort, redevelopment potential, and funding availability while maintaining cohesive identity.
5. Develop Cultural Loop design standards (consistent materials, lighting, wayfinding, public art integration, and branding elements), ensuring compatibility with existing Cultural Trail.
6. Align Cultural Loop design and phasing with planned or anticipated redevelopment along Summit Avenue/Jonathan Street.
7. Implement short-term enhancements such as pavement markings, lighting, and temporary art installations to build visibility and public support for the Cultural Loop.
8. Pursue grants focused on placemaking, transportation alternatives, public art, and downtown revitalization.
9. Partner with arts organizations, institutions, and adjacent property owners for programming, maintenance, and stewardship.
10. Preserve the Phase 2 alignment in City plans and capital programming.
11. Clarify roles for programming, maintenance, and public art curation.

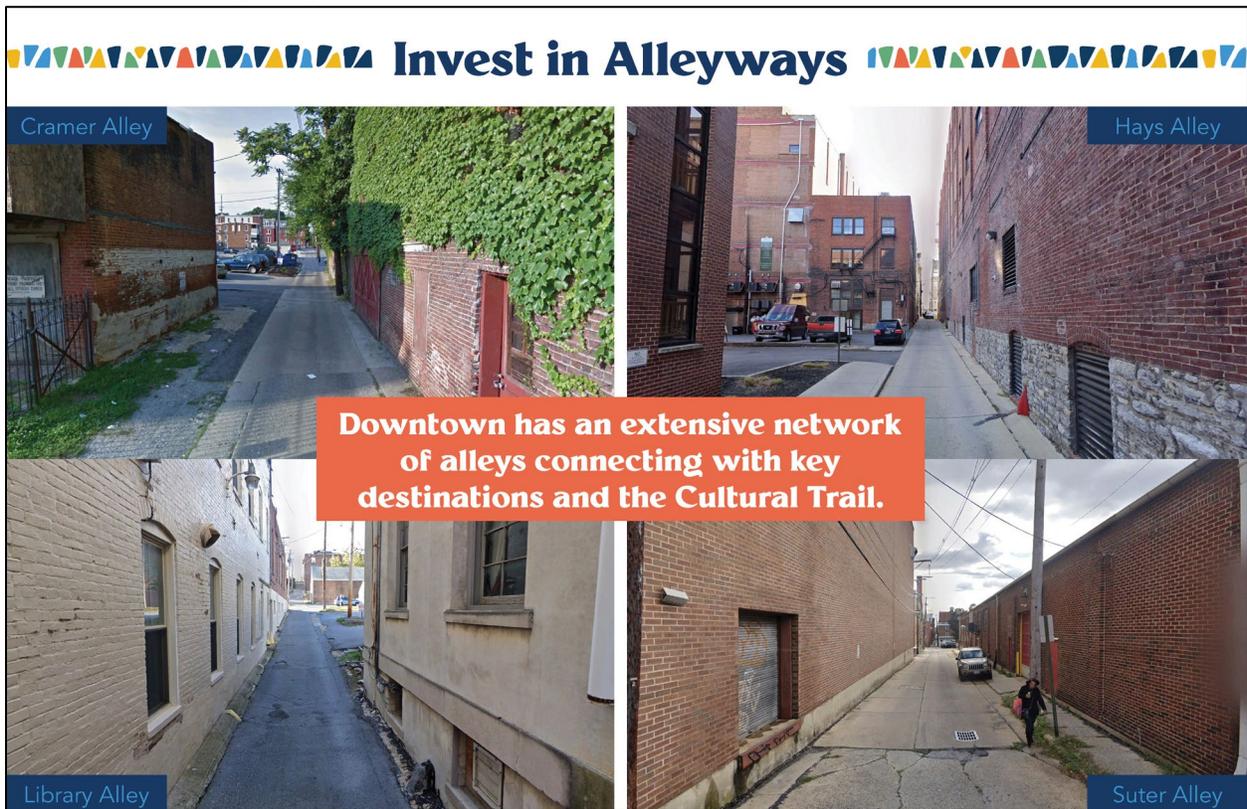




Invest in Alleys

As a historic downtown first laid out in the 1760s and evolved significantly during the late 1800s and early 1900s, Downtown Hagerstown includes an extensive network of alleys and service streets (see Figure 59). These corridors play an important functional role, providing access to building support areas, accommodating utilities, and supporting downtown operations and maintenance. While they continue to serve these essential purposes, many of Hagerstown’s alleys also present opportunities for placemaking and public art, reimagining them as inviting, low-stress connections that enhance walkability and cycling while adding character to the downtown experience. This investment in alleys will create a strong secondary network that supports the cultural loop and trail, while offering unique experiences with art and cultural elements.

Figure 59: Existing Alleys



Through the community engagement process, the residents we engaged consistently identified downtown alleys as underutilized spaces with the potential to improve connectivity and add character to the public realm. This recommendation builds on this community support to re-think these alleys as unique pedestrian experiences that improve mobility and turn overlooked spaces into assets that contribute to a lively urban environment, all while maintaining their primary role as service corridors.

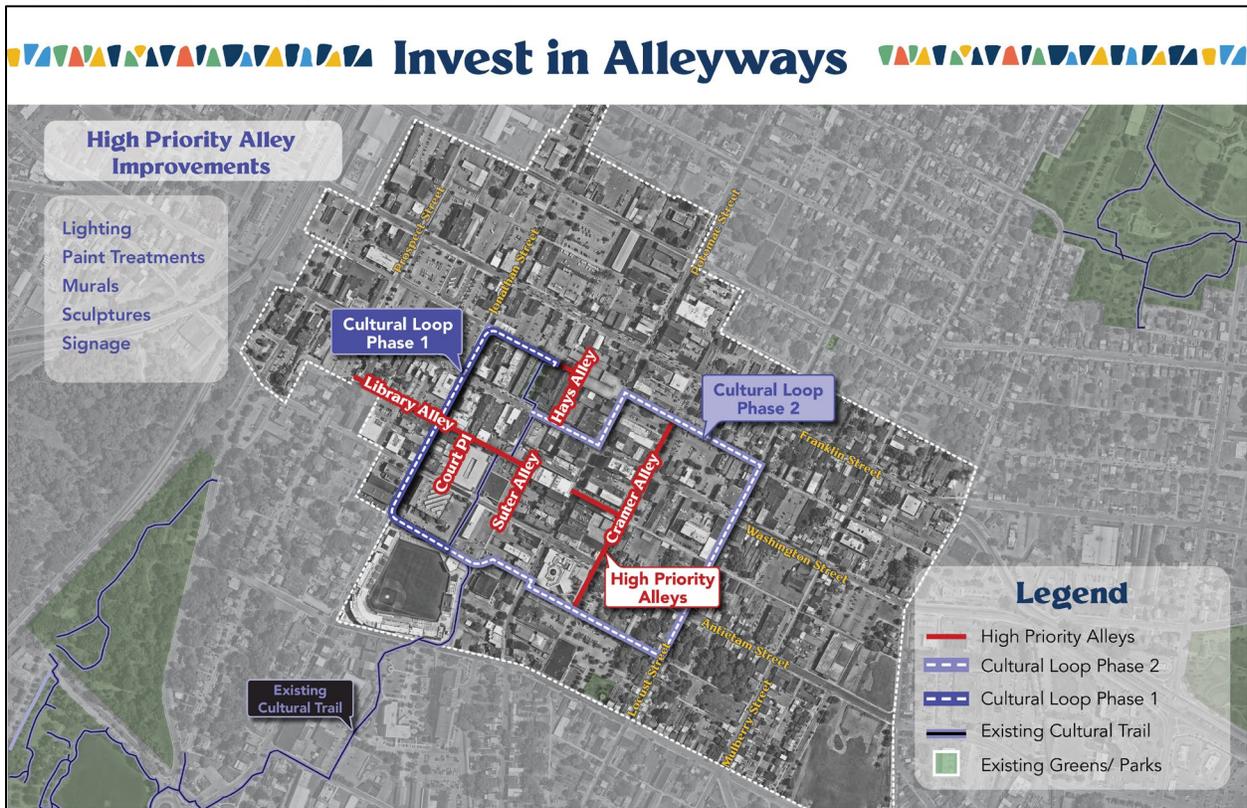




High-Priority Alleys

As the Cultural Loop gets added to the downtown’s public realm experience, alleys that intersect or closely parallel the loop can act as softer extensions of the enhanced pedestrian and cultural network created with the Cultural Loop. These alleys represent the highest priority for investment, as they strengthen connectivity between the Cultural Loop with downtown destinations and adjacent blocks (see Figure 60). Enhancing these alleys helps create multiple, intuitive routes for walking and cycling while reinforcing the Cultural Loop as a downtown-wide experience rather than a single path.

Figure 60: High-Priority Alleys and Improvements



The high priority alleys include Library Alley, Hays Alley, and Suter Alley, all of which directly connect to the Cultural Trail, the future Cultural Loop, or are well-connected with key downtown destinations. Because of their proximity to these assets, these alleys should receive more comprehensive improvements focused on safety, comfort, and placemaking. Strategic investments in lighting, paving, public art, and wayfinding can transform these corridors into inviting, low-stress connections that support foot traffic, disperse cycling activity from primary streets, and add richness to the downtown experience.

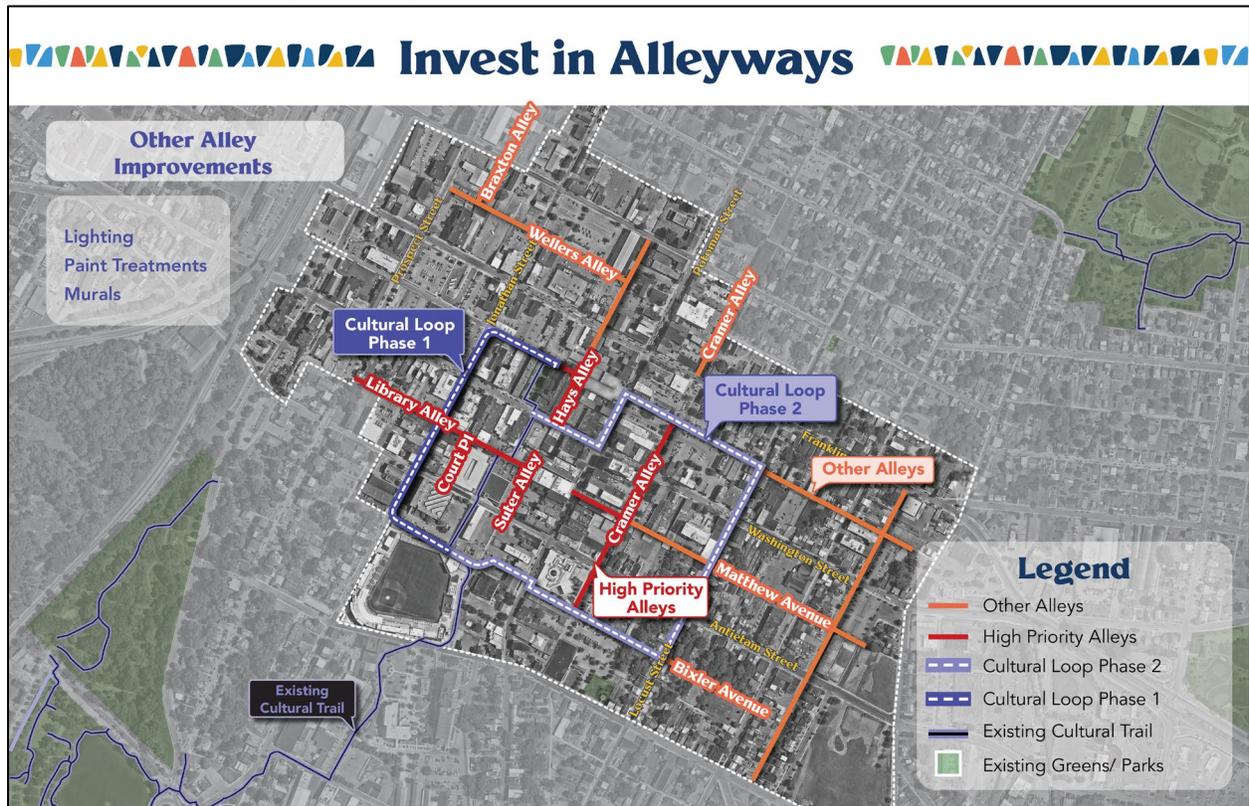




The Broader Alley Network

Beyond the alleys near and connecting with the Cultural Trail and its future Loop, Downtown Hagerstown also features a broader system of service alleys that can also play a key role in enhancing connectivity and character. While these alleys may not warrant the full spectrum of improvements in placemaking as the high priority alleys, they offer opportunities for lighter, lower-cost enhancements that improve visibility, safety, and visual interest (see Figure 61).

Figure 61: Other Alleys and Improvements



The broader alley network downtown includes Wellers Alley, Braxton Alley, Matthew Avenue, and Bixler Avenue. Improvements along this broader network can be smaller on scale and opportunistic, responding to the redevelopment of nearby Catalyst Sites (such as the Hospital Hill site), the desire or support of adjacent businesses, or the availability of funding. Relatively modest interventions like improved lighting, creative paint treatments, or murals where alleys turn the corner into the street grid, can elevate these spaces and gradually extend the benefits of alley activation throughout downtown.

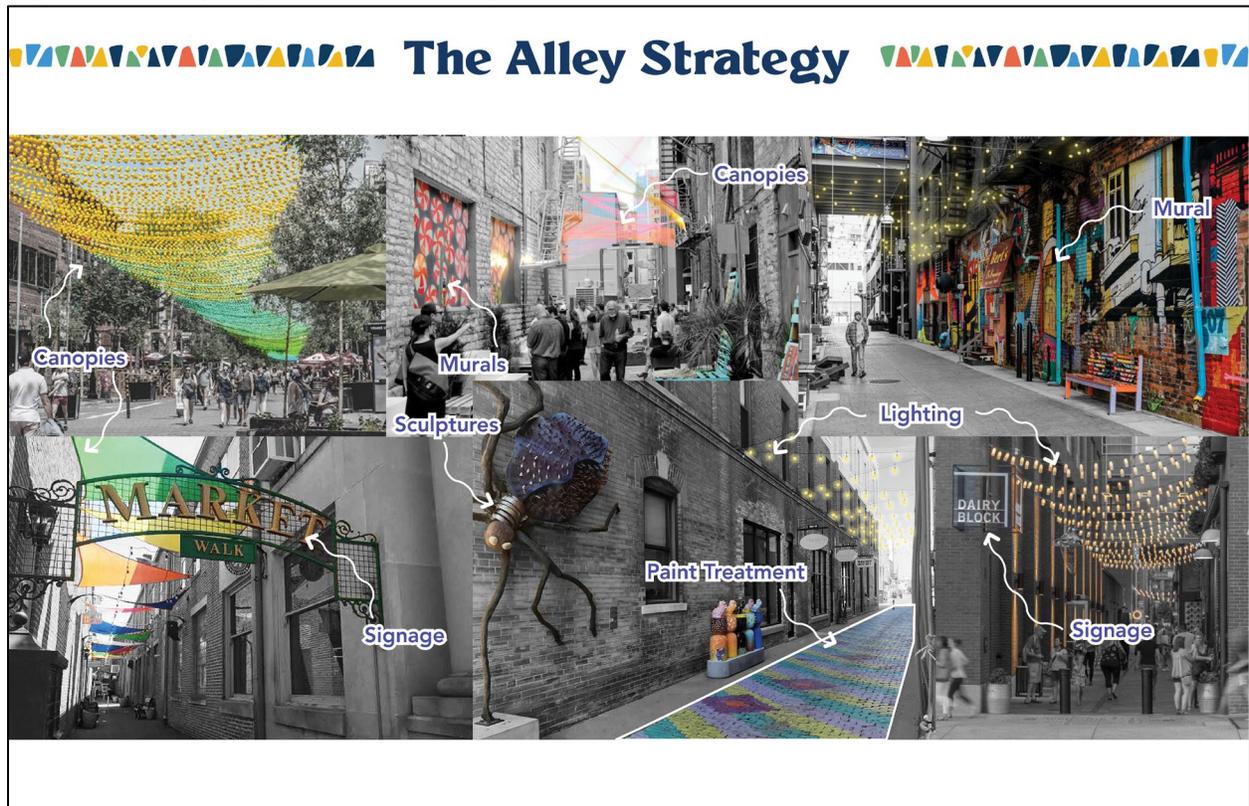




The Alley Design Toolkit

This plan's Alley Strategy emphasizes flexibility and creativity, recognizing that alleys vary widely in width, context, and in the intensity of their use as service ways (see Figure 62). As such, rather than prescribing a single design solution, this plan identifies a toolkit of improvements that can be applied individually or in combination, depending on the alley's location and the opportunity envisioned by nearby businesses, residents, landowners, and building operators.

Figure 62: Alley Improvement Strategies



The following toolkit elements show a wide range of flexible improvements that can be applied individually or in combination to activate downtown's high priority and longer-term alleys:

- **Lighting:** Pedestrian-scaled and decorative lighting, such as string lights, wall-mounted fixtures, and overhead installations improve visibility, enhance safety, and create a warm, inviting atmosphere during evening hours.
- **Canopies:** Overhead canopies, fabric installations, or artful elements suspended between building walls provide shade and visually transform alleys into creative environments that feel active and welcoming.



- **Murals and Public Art:** Murals, artist-led installations, and permanent or temporary public art celebrate local creativity and can tell the story of Hagerstown’s history and identity.
- **Pavement Paint Treatments:** Ground paint treatments add color, define pedestrian-friendly zones, slow vehicle movement, and visually distinguish alleys as shared, people-focused spaces.
- **Sculptural Elements:** Sculptural features create visual anchors and add character and whimsy to the experience of walking or cycling through an alley.
- **Signage and Wayfinding:** Creative and artistic signage and wayfinding improve navigation, highlight nearby destinations, and reinforce the identity of the Cultural Loop.

Applied to Downtown Hagerstown, the toolkit could transform Wareham and Hayes Alleys as specific examples (see Figures 63 and 64).

Figure 63: Alley Example: Wareham Alley

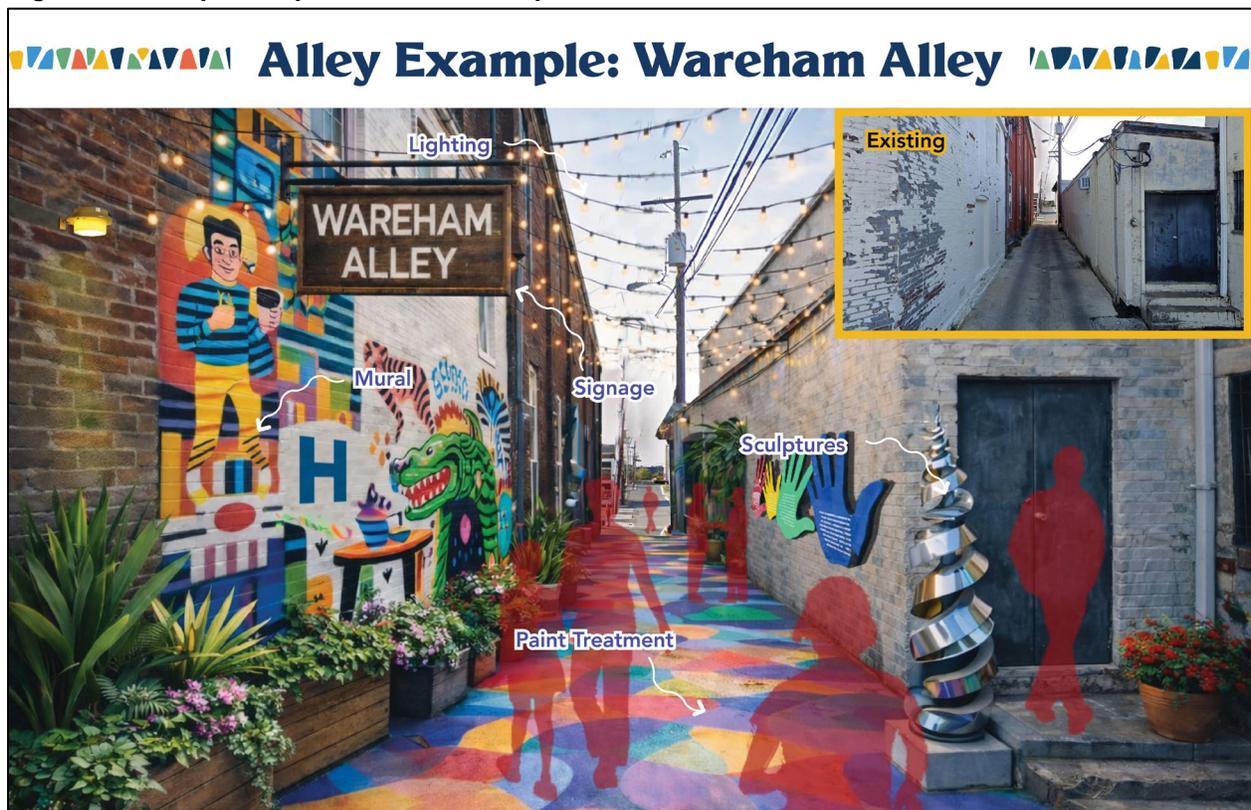
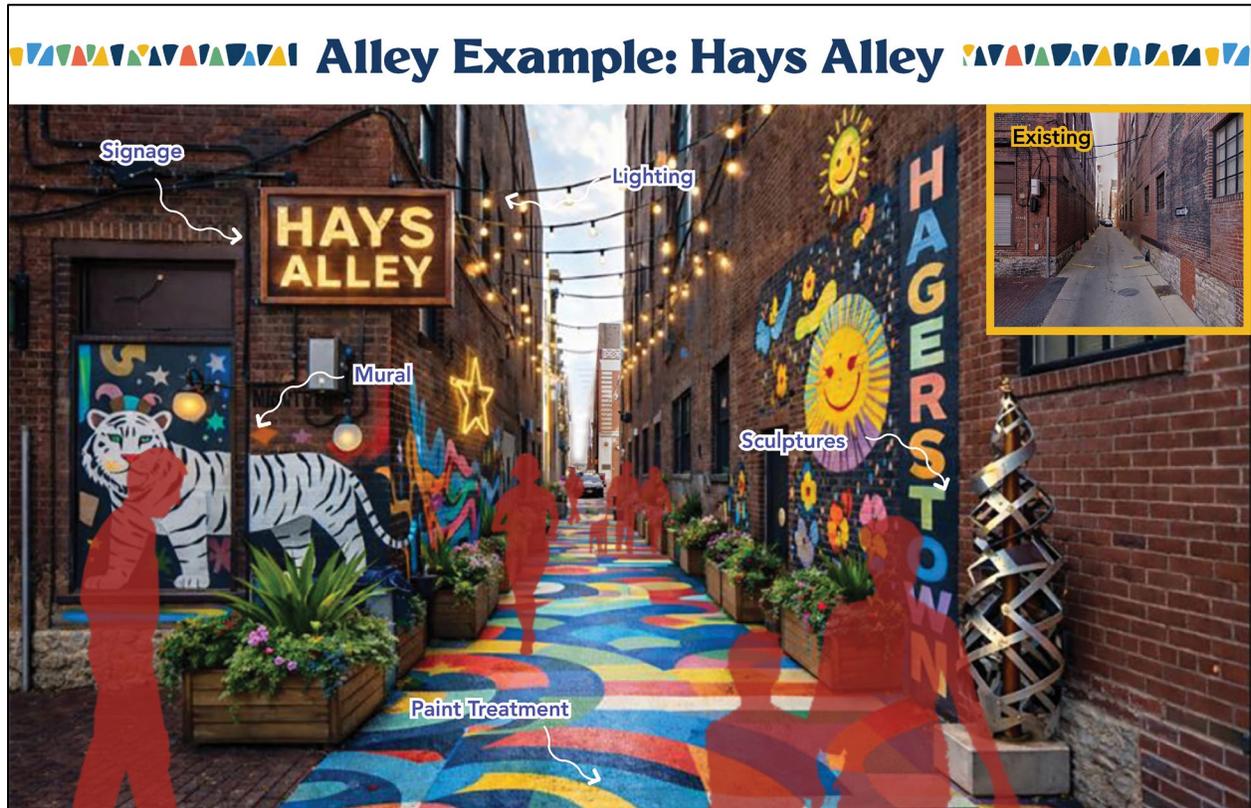




Figure 64: Alley Example: Hayes Alley



Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to advance the Invest in Alleys strategy in a practical and phased manner, including the following:

1. Adopt a clear hierarchy of alleys, identifying Wareham Alley, Library Alley, Hays Alley, and Suter Alley as first-phase, high-priority corridors.
2. Adopt the Alley Design Toolkit as a flexible menu of improvements, defining baseline requirements for safety and functionality while allowing creative variation by location.
3. Evaluate priority alleys for lighting, pavement condition, drainage, utilities, trash management, loading needs, and ADA considerations, identifying any potential conflicts between service functions and proposed placemaking elements.
4. Engage building owners and tenants along priority alleys to understand operational needs and interest in activation, exploring maintenance partnerships, mural permissions, lighting attachments, and shared stewardship.
5. Launch temporary or semi-permanent improvements such as string lighting, pavement paint, murals, or pop-up art installations to test concepts, build public support, and refine design approaches before permanent construction.
6. Install wayfinding, lighting, and branding elements that visually connect alleys to the Cultural Trail and future Cultural Loop, ensuring that entrances are clearly marked.





7. Collaborate with local artists, schools, and cultural institutions to curate murals and installations, potentially with a rotating public art program to keep alleys fresh and engaging
8. Coordinate alley investments with redevelopment of nearby catalyst sites to leverage private investment.
9. Seek grants related to public art, placemaking, active transportation, and downtown revitalization and allocate modest annual capital funds for incremental alley improvements.
10. Develop maintenance and management protocols, clarifying responsibility for lighting, art upkeep, trash, snow removal, and repairs.



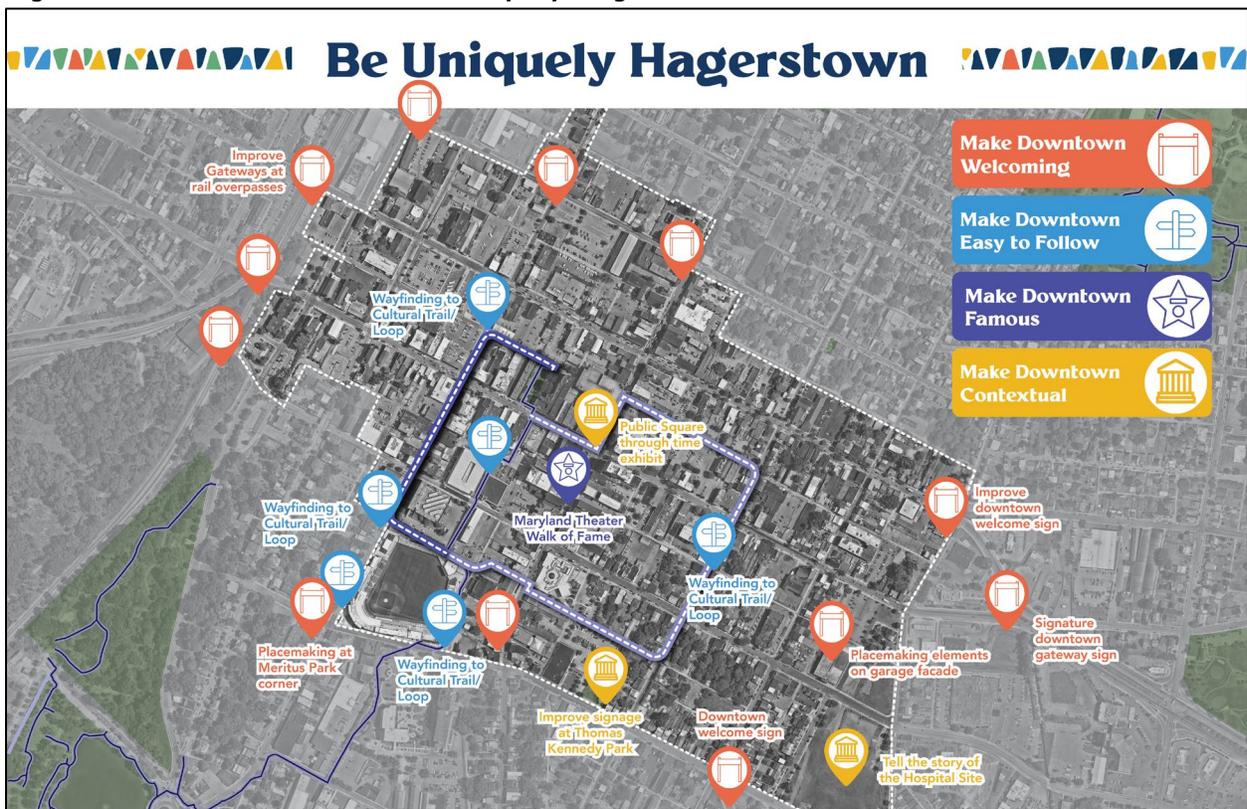


Be Uniquely Hagerstown

Downtown Hagerstown is a uniquely charming district with high quality architecture and an established sense of place. Its compact urban form, walkable environments, and distinct architectural qualities place it above peer communities in the region. Throughout the engagement process, the Hagerstown community highlighted this unique character and shared an opportunity for downtown to better celebrate the area’s history, architecture, notable residents, and culture. As such, this recommendation focuses on investing in placemaking strategies, including public art, interpretive signage, and wayfinding systems that tell Hagerstown’s story and build an identity, through the following four categories (see Figure 65):

- **Make Downtown Welcoming:** Plan for gateways/placemaking that celebrate downtown.
- **Make Downtown Easy to Follow:** Add more art, sculpture, whimsy, and fun elements.
- **Make Downtown Contextual:** Invest in thematic signage that shares downtown’s history.
- **Make Downtown Famous:** Celebrate notable Hagerstown residents and natives.

Figure 65: Potential Locations for Uniquely Hagerstown Features





Make Downtown Welcoming

Creating a strong sense of arrival is essential to cementing a positive first impression of downtown for first-time visitors or for those who do not visit downtown on a regular basis. This sense of entry and welcoming can occur through artful gateways with prominent signage, creative entry features that build on Hagerstown’s colors scheme and branding elements, and art and placemaking elements that clearly signal arrival into Downtown Hagerstown from nearby neighborhoods. These features may include signature signage, public art, landscaping, and enhanced streetscape treatments at key entry points. Together, these investments can help reinforce a shared sense of pride for residents and visitors alike, and make it clear that visitors have entered a special and unique district within the greater region.

Figure 66: Placemaking Strategies for Uniquely Hagerstown



Make Downtown Easy to Follow

Moving through Downtown Hagerstown should feel intuitive and legible, both for first-time visitors and longtime residents. This plan recommends enhancing wayfinding through creative, visually engaging elements that help people navigate downtown while reinforcing their overall sense of identity and small-town character. A next step implementation item should include developing a wayfinding package that delineates how artful signage, sculptural markers, playful graphics, and color-coded cues can guide people between





destinations, districts, and the Cultural Loop, making downtown easier to understand and more enjoyable to explore. By blending navigation with art and identity, wayfinding becomes part of the experience rather than simply a functional necessity that describes where things are located.

Make Downtown Contextual

Downtown Hagerstown's history and architecture are defining assets that should be celebrated in the public realm. This recommendation focuses on interpretive and thematic elements that share downtown's story, from its early origins and architectural legacy to its cultural and civic evolution. This can include contextual signage, murals, painted graphics on the sides of brick buildings, and interpretive displays that highlight historic moments and create deeper connections between visitors and downtown.

Make Downtown Famous

Hagerstown has a rich legacy of notable residents, including artists, musicians, athletes, and civic leaders who have shaped the community and left a lasting impact beyond the city. This recommendation focuses on celebrating these individuals through public art, installations, or storytelling. This can take various shapes and forms, including historic plaques, murals that tell the story of a notable figure and their contributions, or even a new "Walk of Fame" installation along South Potomac Street by the Maryland Theater. The latter can honor Hagerstown's history of creative individuals, including artists and performers, in a visible way that adds to the streetscape while fostering a stronger civic identity and pride.

Preliminary Implementation Steps

The City should pursue a sequence of implementation strategies to advance the Be Uniquely Hagerstown strategy in a practical and coordinated manner, including the following:

1. Convene City staff, downtown organizations, arts and cultural institutions, historians, and community representatives regarding themes, stories, and design direction to ensure authenticity and consistency.
2. Identify the core stories to be told, including Hagerstown's history, architecture, cultural evolution, and notable residents, aligning these narratives with existing branding, color palettes, and downtown character.
3. Confirm gateway locations, high-visibility corridors, and gathering spaces for placemaking investments prioritizing sites with strong visual impact.
4. Create a comprehensive wayfinding system that integrates artful signage, color coding, graphics, and sculptural elements, ensuring that it clearly connects destinations, districts, parking, the Cultural Loop, and key attractions.
5. Design signature entry features at major downtown approaches using signage, public art, landscaping, and lighting, considering one or two gateway locations as demonstration projects.





6. Commission initial murals, interpretive panels, or temporary installations that highlight downtown history and architecture, focusing early efforts on visible, high-impact locations to build momentum and public support
7. Identify notable Hagerstown figures to be honored in collaboration with historians and cultural partners, developing a phased concept for plaques, murals, or a “Walk of Fame” near the Maryland Theater
8. Establish partnerships with local artists, schools, arts organizations, and cultural institutions to lead creative production to reinforce authenticity and community pride.
9. Identify grants, sponsorships, and philanthropic opportunities to support public art, signage, and placemaking.
10. Coordinate placemaking elements with street improvements, alley upgrades, and Cultural Loop investments.
11. Define responsibilities for maintaining signage, art, lighting, and landscaping.
12. Use early successes to refine themes and expand placemaking investments citywide.





Programmatic Opportunities

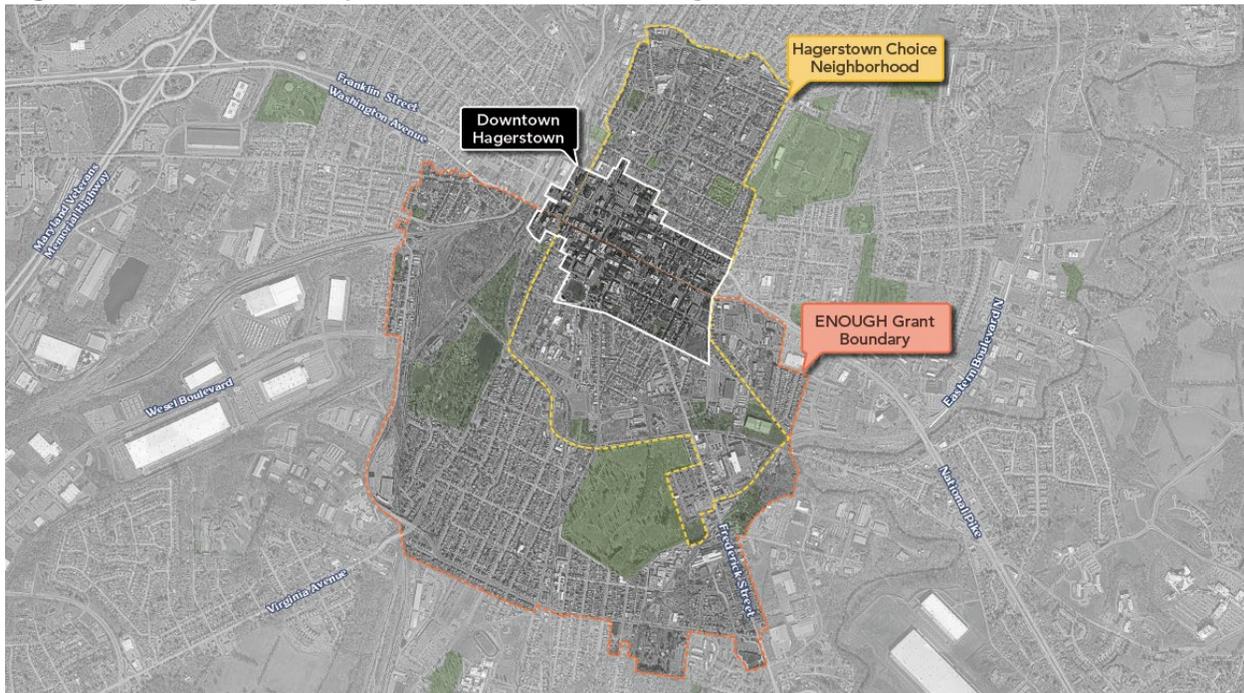
In addition to the specific catalytic site and public realm improvements for Downtown Hagerstown identified above, we also identified through the planning process a series of programmatic opportunities that, combined with those physical interventions, could further strengthen the downtown environment. This section focuses on these opportunities, organized through the following three initiatives:

- **Reinforce Adjacent Neighborhood Housing:** Improve blighted conditions and increase market-rate owner-occupied housing to strengthen the downtown residential market.
- **Improve the Downtown Public Safety Perception:** Enhance the broader community's Downtown experience and make them want to return.
- **Enhance University Collaboration:** Continue partnering with USMH to help increase the University's downtown presence and influence.

Reinforce Adjacent Neighborhood Housing

This initiative aims to improve blighted housing conditions and increase market-rate owner-occupied housing as part of an overall housing improvement strategy for the Downtown. Parallel neighborhood improvements in portions of Downtown include the ENOUGH program area on the southern end and CHOICE Neighborhoods effort both to the north and south of Downtown (see Figure 67).

Figure 67: Hagerstown City Center with CHOICE Neighborhood and ENOUGH Catchment Area





The Choice Neighborhoods Initiative (CNI) is a program run by the U.S. Department of Housing and Urban Development (HUD) focusing on creating vibrant, thriving neighborhoods. The Hagerstown Housing Authority (HHA) and the City of Hagerstown were successful in receiving the CNI grant to undertake a two-year planning process that envisions what the future of the Hagerstown Choice Neighborhood can be. The Hagerstown Choice Neighborhood process is designed to bring residents of Douglass Court and Parkside Homes on the North End of the city and residents of Frederick Manor on the South End together with HHA, City, and local partners to create a shared vision for the future.

The Engaging Neighborhoods, Organizations, Unions, Governments and Households (ENOUGH) initiative is the first-of-its-kind state-led, place-based strategy to create poverty fighting opportunities driven by communities' lived experience and expertise, data, and cross-sector partnerships. ENOUGH will direct resources into neighborhoods that have been disproportionately impacted by systems and policies that limit wealth creation and economic mobility. The Governor's Office of Children awarded 27 ENOUGH grants in December 2024, including the South End of the City of Hagerstown, with Bester Community of Hope as the identified recipient of an implementation grant.

These two programs emphasize the objectives to improve blighted housing conditions and increase market-rate owner-occupied housing and could provide supportive resources in targeted locations where the programs overlap with Downtown Hagerstown and its immediate edges. Suggested locations to focus resources within the CHOICE Neighborhood include N. Locust and N. Mulberry Streets between W. North Street and East Avenue adjacent to Fairgrounds Park. Suggested locations to focus resources within the ENOUGH catchment area include S. Locust and S. Mulberry Streets between E. Washington and E. Baltimore Streets, the block of S. Potomac Street south of Baltimore Street, and S. Prospect Street and S. Summit Avenue south of W. Antietam Street adjacent to City Park. These South End areas are also within the CHOICE Neighborhood.

Public engagement elements of the planning process have identified negative homeownership and business experiences caused by long-term vacant properties as well as problem rental properties on blocks within these identified areas where homebuyers and responsible rental property developers have been attempting to build strong community nodes. Poor tenant management and property maintenance by problem landlords have brought down values around them and discouraged expansion of market-rate homeownership.

Hagerstown is already utilizing an array of incentives to encourage Downtown housing choice. These proposed expanded supports would build on, focus, and, in some cases, supplement current efforts. Strategies to increase home ownership should involve a combination of concentrated code enforcement techniques along with existing and new





incentives to encourage the purchase and rehabilitation of homes for owner-occupancy in Greater Downtown. Rehabilitation incentives need to be designed to both encourage contractors/developers to purchase homes to renovate and resell, as well as to attract potential owner-occupants seeking to make their own improvements. This initiative will coordinate with on-going City and State efforts including:

- Downpayment assistant programs (Hagerstown Homeownership Initiative),
- Single-family and residential rehabilitation programs (Revolving Loan Fund Program, Maryland Housing Rehabilitation Program),
- Emergency repair programs (CDBG and Middle Neighborhoods Emergency Repair Programs),
- Rental licensing and inspection,
- Excessive nuisance enforcement efforts, and
- Infrastructure investment in play equipment, murals, street repaving, traffic calming devices, additional lighting, tree plantings, and other streetscape improvements.

Central to this initiative will be continuation and expansion of the CDBG Homeownership Program—the City effort to acquire problem properties, rehabilitate them, and sell them to new homeowners. The City’s recent experience suggests that, at 2025 pricing, the typical problem property will cost \$40,000 to acquire and \$285,000 to rehabilitate. Resale prices to appropriate homeowners might average \$165,000. A subsidy of \$160,000 per unit would be required for economic viability. Depending on location and the economic circumstances of the buyer, such subsidies may be available through the Enough or CHOICE Neighborhoods programs or from CDBG funds. Additional funding for these efforts might be sought through the Maryland Community Legacy Program.

A reasonable objective for this effort is completion and sale of three properties per year which would require about \$480,000 in subsidy funding from a variety of sources. These program activities will need to be continuously implemented to have the desired overall impact within ten years: 30 new Greater Downtown homeowners, significant reduction in problem rental properties, and stabilized blocks of homeowners and responsible landlords.

Preliminary Implementation Steps

The City should pursue a series of implementation strategies to ensure the successful program of reinforcing housing in neighborhoods adjacent to Downtown through the following key tasks:

1. Establish a standing coordination group consisting of representatives from the City, CHOICE Neighborhood Program, and ENOUGH Program (Bester Community of Hope).





2. Meet regularly with the coordination group to identify specific properties that could benefit from funding from either or both programs to maximize access to supportive resources in the target locations.
3. Finalize priority blocks and corridors within the Downtown, CHOICE Neighborhood, and ENOUGH overlap areas using housing condition data, vacancy rates, nuisance activity, and market indicators to refine block-by-block priorities.
4. Expand the CDBG Homeownership Program by leveraging these partnerships; create a clear funding stack template to streamline project approvals.
5. Prequalify a pool of responsible contractors and small developers capable of delivering high-quality rehabilitations.
6. Continue marketing/promoting existing City and State subsidy programs to encourage home repair, rehabilitation, and purchasing/ownership; partner with lenders, realtors, and housing counselors to reach qualified buyers.
7. Provide routine infrastructure investments in the targeted areas such as streetscape, lighting, traffic calming, public art, and park improvements.
8. Conduct outreach with current residents, neighborhood associations, and local businesses to build support.
9. Concentrate code enforcement techniques to address nuisance property maintenance issues; implement targeted, block-based code enforcement and rental licensing inspections in priority areas.





Improve the Downtown Public Safety Perception

This initiative aims to improve the perception of downtown public safety by enhancing the broader community's Downtown experience and making them want to return. This recommendation focuses on three strategies to consider:

- Promote the success of Downtown events,
- Consider creating a Downtown business improvement district,
- Coordinate with the Hagerstown Police Department

Downtown Events Promotion

Currently the City hosts a variety of successful events in Downtown Hagerstown year-round, including the MLK Day of Service, monthly 2nd Saturday events, St. Patrick's Day Festival, HAGERFEST Music and Art Festival, Music in the Plaza, MDWK Music & Market on Wednesdays throughout the summer, the Farmers Market every Sunday from April-September, Downtown Halloween Block Party, Downtown Business Trick-or-Treat, Holly Fest, Kick-off the Holidays in Hagerstown, Small Business Saturday, Merry & Bright Holiday Lights Tour, the Holiday Cookie Crawl, and a holiday pop-up shop on the four Saturdays of December. Additional events were coordinated with the Maryland Theatre.

Figure 68: Scenes from Various Downtown Hagerstown Events in 2025





In 2024, a total of 63 events were held downtown. The Downtown Hagerstown Main Street program hosted 28 of those events. In addition to general fund, Main Street received a \$25,000 grant from the Department of Housing and Community Development and often partners with the Arts & Entertainment District. Grant monies have been received from the Maryland State





Arts Council for the Arts & Entertainment District. Outside of the Main Street program, the City's Community Engagement office distributed over \$50,000 for FY24 for downtown event sponsorship that supported 23 events hosted by outside organizations. Staff revamped the process for FY24, and this program is now called the Downtown Event Grant. It caps the amount of money an organization can receive at \$3,000.

In addition to these public outdoor events, various arts and entertainment venues in the Downtown, including the theaters, galleries, libraries, schools, museums, and individual businesses host their own individual events. Total attendance for all events and venues in the Arts & Entertainment District has been approaching 100,000 annually.

The newest event venue in Downtown Hagerstown is Meritus Park, home of the Flying Boxcars. Opening for its inaugural season on May 4, 2024, with its final home game on September 15, 2024, the team publicly reported attendance for the season at just over 175,000.

To build off the positive atmosphere created by events in Downtown Hagerstown and attract even more people to the Downtown, expanded events programming should be considered where possible among individual venues. While the City's annual, monthly, and sometimes weekly events attract thousands of people, more regularly programmed activities within private art venues and business establishments would supplement those annual events and give people a reason to visit Downtown more often. Such events could include restaurant promotions, musical performances, gallery exhibitions, and movie showings.

Downtown events programming has clearly been successful. The public engagement process, including the online survey and focus group interviews, have all highlighted the importance of events and arts programming in establishing a positive impression of Downtown Hagerstown in the broader Washington County community, as well as in providing a strong asset to support demand for additional retail offerings and market-rate Downtown housing. However, in most cases, the general public is unaware of how successful these events are in terms of attendance, visitor spending, and the economic impacts of Downtown visitation. The City should coordinate with Visit Hagerstown and Washington County MD CVB to ensure that the success of Downtown events are actively promoted through social media, citing their measurable impacts. This will help confirm with the region's residents that Downtown Hagerstown is a safe and enjoyable environment for spending time and money, and perhaps, living.

Business Improvement District Consideration

A Business Improvement District (BID) is a defined geographic area in which property owners and, in some cases, businesses agree to pay an additional assessment to fund services, programs, and improvements that go beyond what a local government typically provides. The





primary purpose of a BID is to enhance the economic vitality, safety, appearance, and overall competitiveness of a commercial district.

BIDs are commonly used to support services such as enhanced street cleaning, landscaping, trash removal, lighting, security or ambassador programs, marketing and branding, event programming, and small business support. In many downtowns, BIDs also play a role in business recruitment, vacancy reduction, and coordination of capital improvements.

Governance is typically handled by a nonprofit organization or special authority overseen by a board composed of property owners, business representatives, and public-sector appointees. Budgets and work programs are established annually, and assessments are usually based on property value, frontage, or another agreed-upon formula. Because funding is generated locally and dedicated exclusively to the district, BIDs provide a stable and predictable revenue source for long-term downtown management and revitalization.

Importantly, a BID does not replace municipal services; rather, it supplements them in a targeted way that reflects the specific priorities of the district. When effectively structured and managed, a BID can create cleaner, safer, and more active commercial areas, strengthen collaboration among stakeholders, and support sustained downtown investment.

A successful BID depends on the participation of the local business community, and it must be a bottom-up approach. The City should assess when the timing is right to begin floating the idea in Downtown Hagerstown. A community outreach campaign should be considered, including a survey, to gauge the interest among downtown businesses to ensure widespread support before any formal process begins.

Hagerstown Police Department Coordination

From the perspective of the Hagerstown Police Department (HPD), downtown safety concerns are largely an issue of perception rather than actual crime. While there is a visible homeless population downtown that some people find intimidating, officers emphasize that these individuals are generally not dangerous. Serious violent or victim-based crimes in the downtown area are rare, with only one significant incident reported in the past year and otherwise limited to minor offenses such as occasional robbery. Downtown is also heavily monitored, with cameras at nearly every intersection, leaving very few areas without surveillance coverage.

A greater challenge is the lack of consistent police presence after 5:00 p.m. and on weekends, driven primarily by staffing shortages. Outside of special events—when officers are specifically assigned—downtown activity drops significantly, contributing to the perception that the area is unsafe. This decline in foot traffic has been exacerbated over the past decade





by the closure of many restaurants and bars, resulting in fewer people lingering downtown and more residents heading home directly after work.

Parking conditions also play a role in shaping perceptions of downtown and can be a source of confusion for visitors. Police officers frequently receive questions about where and how to park, suggesting that current systems and communication could be clearer. In particular, signage is not always oriented toward drivers and payment methods can be difficult to navigate, contributed to public frustration. Improving the clarity and user-friendliness of parking operations would help enhance the overall downtown experience and address a commonly raised concern.

Additional concerns include nuisance rental properties in and around downtown. While these properties are not operating illegally, their maintenance and appearance affect how downtown is perceived and are viewed as a contributing factor to broader image and quality-of-life challenges. The strategies outlined above to reinforce housing in adjacent neighborhoods would help alleviate those concerns.

In response to downtown safety and perception concerns, the HPD has focused on visibility, technology, and alternative staffing strategies. Downtown is extensively covered by surveillance cameras, with approximately four cameras at each intersection and very few areas without coverage. This system is supplemented by the limited use of drones on a case-by-case basis, including deployment during certain events. Drones have also been flown around baseball games as a public relations and visibility measure, reinforcing a sense of security.

Staffing strategies have evolved to maximize presence despite resource constraints. For example, while eight officers were assigned outside games in the past, current deployments have been reduced to two or three officers, with no reported issues—demonstrating that visible presence, rather than large numbers, has been effective. Downtown officers are increasingly deployed on bicycles, improving mobility, approachability, and visibility in the core area.

The department has also expanded its use of cadets who are not yet old enough for the police academy. These cadets patrol downtown on bikes, wear uniforms similar to sworn officers, and provide an additional visible presence. This approach has added approximately four more personnel downtown, helping to enhance perceived safety and officer visibility without placing additional strain on sworn staffing levels.

Looking ahead, the HPD indicated that its primary constraint is not equipment or technology, but staffing. HPD lacks the manpower necessary to maintain the level of downtown presence it once had. Department leadership noted that downtown previously had two to three officers





assigned to bike or foot patrols until midnight, with officers walking the area around the clock. That model began to erode roughly 20 years ago as staffing levels failed to keep pace with changing demands.

HPD should seek to restore a sustained, visible, 24-hour presence downtown, particularly during evening hours when activity drops and perceptions of safety become more acute. Achieving this would require additional officers, as the city has continued to expand and calls for service have increased accordingly. Rebuilding downtown staffing capacity is viewed as essential to improving both real and perceived safety and supporting broader revitalization efforts. In addition, promoting the Department's existing safety measures to the public-at-large would further build confidence in the safety of Downtown.

Preliminary Implementation Steps

The City should pursue a series of implementation strategies to ensure the successful program of improving the Downtown public safety impression through the following key tasks:

1. Develop and implement a coordinated marketing strategy with Visit Hagerstown and Washington County CVB to actively promote downtown events, attendance figures, and economic impacts through consistent social media and digital outreach.
2. Expand the City's year-round events calendar to aggregate Downtown City-sponsored events, venue programming, and private business activities to improve visibility and frequency of visits.
3. Launch a targeted campaign to encourage downtown businesses and arts venues to program recurring events (e.g., themed nights, performances, exhibitions) that complement existing City-led festivals.
4. Establish standardized post-event data collection (attendance, spending estimates, visitor origin) to better quantify and communicate the success of downtown events.
5. Begin exploratory outreach with downtown property owners and businesses to gauge interest in forming a Business Improvement District through surveys, meetings, and peer case studies.
6. Prepare a preliminary BID framework outlining potential boundaries, governance structure, assessment models, and priority services tailored to Downtown Hagerstown.
7. Coordinate with HPD to formalize a downtown visibility plan that prioritizes bike patrols, cadet deployment, and strategic staffing during evenings and weekends.
8. Publicly communicate existing downtown safety measures, including camera coverage, patrol strategies, and event staffing, to address perception gaps.
9. Initiate a parking communication and improvement effort, including clearer signage oriented to drivers, simplified payment systems, and proactive public education.





10. Align event scheduling, downtown marketing, police presence, and parking management to reinforce a consistent message that Downtown Hagerstown is active, safe, and welcoming.





Enhance University Collaboration

Over the next decade, the University System of Maryland at Hagerstown's (USMH) priorities are guided by an existing 10-year strategic plan focused on four core operational targets: increasing enrollment, expanding fundraising capacity, improving graduation outcomes, and developing new academic programs. Enrollment has fluctuated over time, growing from an initial 150 students to a peak of 500 and currently stabilizing at approximately 250, with continued growth as a stated goal. Fundraising is a particular priority given that the institution is currently almost entirely state-appropriated. Programmatic growth is underway and planned to continue, with new offerings including an MBA and an EdD program launched in FY 2025, a computer science program planned for FY 2027, and potential future programs in healthcare fields, robotics and AI tied to manufacturing and distribution, and additional education pathways. The university is also exploring a pathway program linking Hagerstown Community College to the Doctor of Osteopathic Medicine program at Meritus Health, as well as reinvesting in and strengthening existing programs with a focus on career pathways in healthcare, AI, robotics, and manufacturing.

Physically, the university anticipates modest growth in Downtown Hagerstown through consolidation rather than expansion. The institution currently occupies three buildings, down from an initial four, having vacated 24 W. Walnut Street and moved programs back into the main building (see Figure 69).

Figure 69: Scenes from Various Downtown Hagerstown Events in 2025





USMH's goal is to create a more cohesive, campus-like environment through strategic investment. One building at 59 W. Washington Street is currently underutilized after a hospitality program was discontinued, and while the structure includes a community kitchen, it is not actively used by the university beyond catering functions. The university has expressed interest in acquiring 60 W. Washington Street and continues to share University Plaza with the City, both financially and as a venue for events. The City should continue to support USMH's 10-year plan to optimize its building footprint and increase its enrollment.

Student housing remains an ongoing challenge for the university. As health-related programs such as the physician assistant program expand, demand for student housing is expected to grow. Some students are currently placed at 140 W. Antietam Street, and additional healthcare programs would likely intensify housing needs. While the university would consider developing or supporting additional housing options downtown, staffing shortages and lack of funding for additional personnel limit its capacity to manage housing directly. The City should collaborate with USMH to identify specific vacant or underutilized Downtown properties that could be considered for expanding university housing.

Location-related challenges are closely tied to perceptions of downtown safety and quality of life. The university has invested significantly in addressing these concerns, including improving security infrastructure, installing cameras, eliminating conditions that attracted nuisance activity, and hosting an HPD substation within a university building with dedicated bike patrols. The institution identified nearby alleys as persistent problem areas that would benefit from improved lighting, design, and activation to discourage negative behavior and attract positive use. To reinforce its downtown presence, the university emphasized the need for broader environmental and placemaking improvements, including safer and more inviting alleys, increased public art and murals, family-friendly amenities such as playgrounds, and strategies to put more people on the street through additional housing and businesses. Many of the recommendations and strategies outlined in this plan would address those needs.

The university also identified several commercial and operational gaps downtown that affect students and staff. These include a lack of quick daytime food options, limited restaurant hours in the evenings, and poor coordination between downtown business hours and university class or event schedules. Increased collaboration with Downtown business owners to synchronize retail and restaurant hours with student needs would help resolve these issues.

Parking is also a concern, with a mismatch between supply and student needs. The university noted that increased usage of parking garages at night by students could improve safety, reduce competition with on-street parking used by restaurants, and better leverage existing garage infrastructure with camera coverage. The City could consider a structured parking arrangement with USMH to facilitate off-street parking for students.





Preliminary Implementation Steps

The City should pursue a series of implementation strategies to ensure the successful program of enhancing university collaboration through the following key tasks:

1. Establish a formal City-USMH coordination working group to align downtown planning, housing, parking, and placemaking initiatives with the university's 10-year strategic plan.
2. Support USMH program growth by coordinating workforce, housing, and downtown amenities around priority academic areas such as healthcare, AI, robotics, and manufacturing.
3. Assist USMH in evaluating consolidation opportunities by identifying funding tools, partnerships, and regulatory pathways to optimize use of its existing downtown buildings.
4. Collaborate with USMH to identify vacant or underutilized downtown properties suitable for future student housing and assess incentives to support private or public-private development.
5. Partner with USMH and HPD to prioritize lighting, design improvements, and activation of alleys adjacent to university facilities to improve safety and perception.
6. Integrate university-focused placemaking investments—such as public art, murals, and wayfinding—into broader downtown streetscape and identity initiatives.
7. Coordinate with downtown businesses to align restaurant hours, retail offerings, and promotions with university class schedules, events, and peak student presence.
8. Explore a structured parking agreement that encourages student use of downtown garages, particularly during evening hours, to improve safety and reduce on-street parking conflicts.
9. Promote USMH's downtown presence, safety investments, and value proposition through coordinated messaging to address enrollment-related perception challenges.





7. APPENDIX

Market Analysis



My Downtown Hagerstown Market Analysis

Final Report

Submitted to:

City of Hagerstown

Prepared by

URBAN PARTNERS

123 S. Broad Street, Suite 2042
Philadelphia, PA 19109

December 31, 2025

TABLE OF CONTENTS

- 1. INTRODUCTION 4**
- 2. DEMOGRAPHIC TRENDS 5**
 - Population & Households 6
 - Geographic Mobility 9
 - Current Housing Characteristics..... 9
 - Household Income & Poverty Rate 10
- 3. EMPLOYMENT TRENDS.....14**
 - Jobs in the Market Study Area..... 14
 - Market Study Area Resident Employment.....17
- 4. SALES HOUSING MARKET ANALYSIS19**
 - Summary of Recently Sold Homes..... 19
 - Single-Family Detached Homes.....21
 - Duplexes and Triplexes..... 22
 - Townhouses..... 23
 - Condominiums..... 24
 - New Construction Housing For Sale..... 25
 - For-Sale Housing Market Potential 25
- 5. RENTAL HOUSING MARKET ANALYSIS..... 28**
 - Market-Rate Apartment Buildings.....28
 - Proposed Apartment Building.....30
 - Individual Rental Units.....31
 - Income-Restricted Communities..... 33
 - Rental Housing Market Potential.....34
- 6. RETAIL MARKET ANALYSIS 36**
 - Retail Supply.....36
 - Retail Demand38
 - Retail Trade Area.....38
 - Trade Area Supply and Demand Characteristics..... 40
 - Downtown Employee and Visitor Retail Base 43
 - Retail Market Potential.....44
 - Food/Dining Hub..... 45
 - Miscellaneous Retailing 45
- 7. HOTEL MARKET ANALYSIS 47**
 - Hotel Market Potential.....48

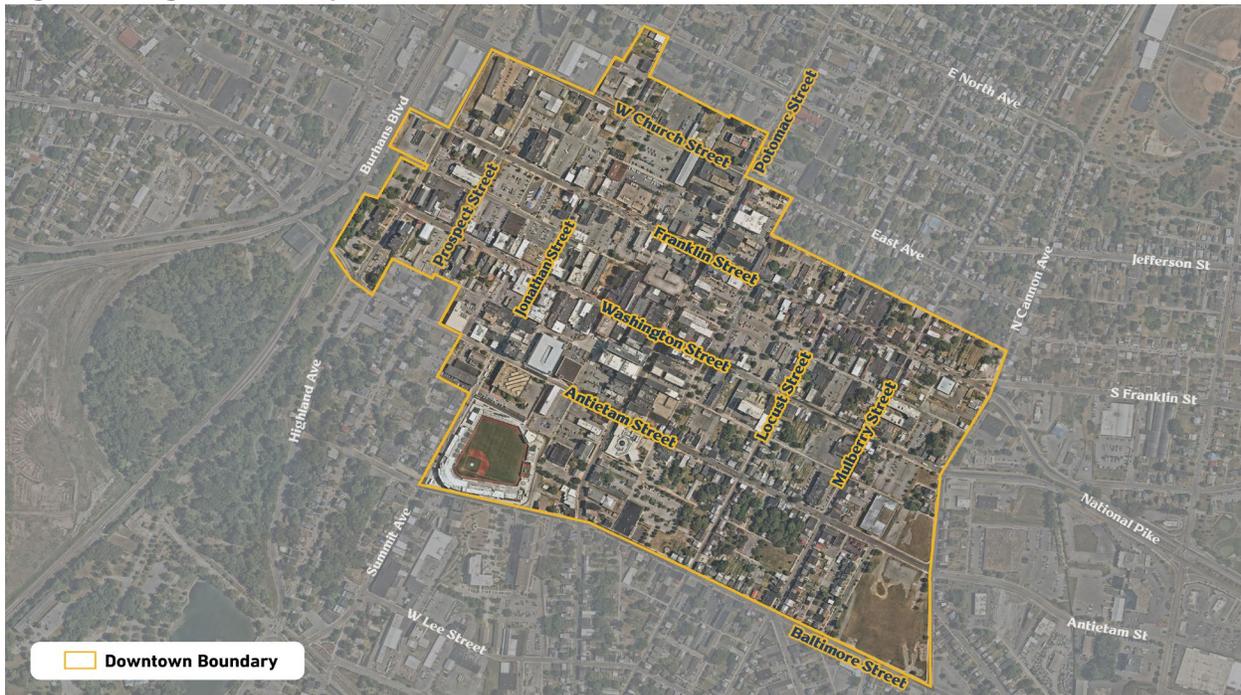
8. OFFICE MARKET ANALYSIS	49
– Office Market Potential	53
9. ENTERTAINMENT MARKET ANALYSIS	55
– Movie Theater.....	55
○ Movie Theater Potential.....	56
– Bowling Center.....	56
○ Bowling Center Potential	57
APPENDIX 1: FULL DOWNTOWN RETAIL INVENTORY.....	58

1. INTRODUCTION

Urban Partners, in association with MKSK, has been retained by the City of Hagerstown to prepare the City’s 10-Year Downtown Plan and Implementation Strategies—branded as My Downtown Hagerstown. The project is intended to provide data and community support for realistic and achievable tactics that will continue to generate momentum and help the City and investors make decisions that create value, manage risk, and improve the prospects for success. My Downtown Hagerstown includes extensive community engagement, a market analysis detailed in this document, and recommendations for catalyst projects that will guide downtown redevelopment and growth for the next 10 years. The overall effort serves as an update to the 2014 Community’s City Center Plan.

The focus area for My Downtown Hagerstown is contiguous with the City’s defined City Center (see Figure 1). Generally, this area is bound by Church Street, Williams/Harmon Avenue, and Center Alley on the north, by North and South Cannon Avenue on the east, East and West Baltimore Street and East Antietam Street on the south, and the railroad tracks on the west. This area is also the City Center-Mixed Use (CC-MU) Zoning District.

Figure 1: Hagerstown City Center



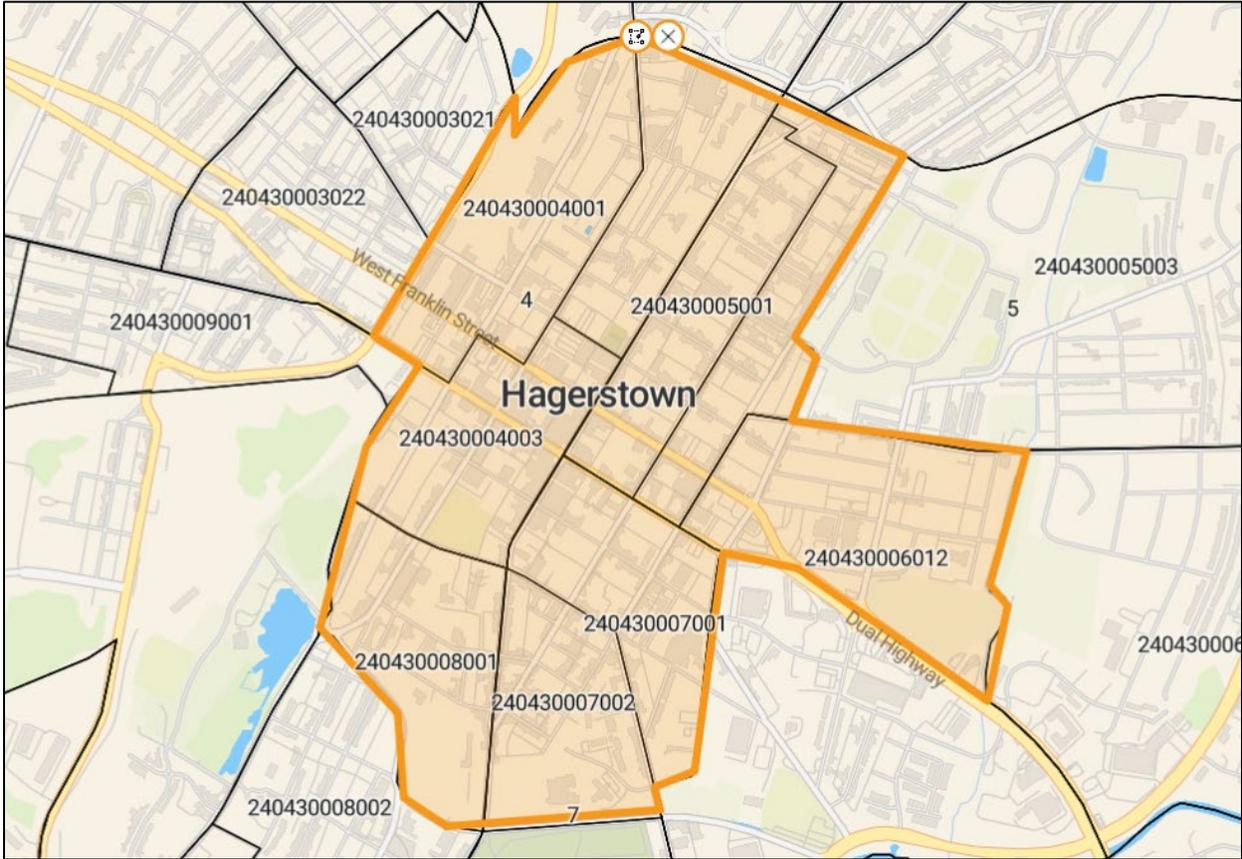
The following market analysis is a key component of My Downtown Hagerstown. It examines specific markets representing potential future downtown development objectives identified by the City. These markets include retail, for-sale housing, rental housing, office, hotel, and entertainment.

2. DEMOGRAPHIC TRENDS

A demographic trends analysis identifies how a local community is changing compared to the larger region. Specific elements of these trends include population and households, mobility patterns, housing, and income and poverty.

The primary data source for this socio-economic analysis is the U.S. Census Bureau’s American Community Survey (ACS)—providing data based on calculated estimates for 2013 and 2023, the latest year for which detailed data is available for most demographic trends. For the analysis summarized in this section, we’ve examined available data for the one Census Tract and six Census Block Groups that constitute the Greater Downtown Market Study Area (see Figure 2). This has been compared to the surrounding City of Hagerstown and Washington County for demographic trends.

Figure 2: Greater Downtown Market Study Area Census Tracts and Block Groups



Source: Policymap, Urban Partners

Population & Households

According to the 2023 American Community Survey 5-Year Estimates (ACS), the total population of the Greater Downtown Market Study Area (referred to henceforth as Market Study Area) is 9,011. From 2013 to 2023, the total population for the Market Study Area grew by 2.7%, compared to an 8.1% increase for the City of Hagerstown and 4.4% for the Washington County (Table 1).

Table 1: Population Trends, 2013-2023

	2013 ACS	2023 ACS	Change (2013-2023)	% Change (2013-2023)
Market Study Area	8,778	9,011	233	2.7%
City of Hagerstown	40,243	43,490	3,247	8.1%
Washington County	148,435	155,033	6,598	4.4%

Source: U.S. Census Bureau ACS B01003, Urban Partners

There was an increase in the total number of households in the Market Study Area between 2013 and 2023, but at a faster rate (6.4%) than the rate of population increase. Likewise, the City and the County also experienced household growth (11.3% and 6.2%, respectively) that outpaced their rates of population growth (Table 2).

Table 2: Household Trends, 2013-2023

	2013 ACS	2023 ACS	Change (2013-2023)	% Change (2013-2023)
Market Study Area	4,240	4,511	271	6.4%
City of Hagerstown	16,603	18,472	1,869	11.3%
Washington County	55,960	59,411	3,451	6.2%

Source: U.S. Census Bureau ACS S1101, Urban Partners

The proportion of family households in the Market Study Area (19.3%) is less than that of the City and County (23.3% and 26.8%, respectively) (Table 3).

Table 3: Population by Household Type, 2023

	Market Study Area	City of Hagerstown	Washington County
Total Households	4,511	18,472	59,411
In Family Households (% of Total)	19.3%	23.3%	26.8%
In Non-Family Households (% of Total)	77.8%	19.7%	12.8%

Source: U.S. Census Bureau ACS B11001, Urban Partners

Table 4 and Figure 3 below compare the age distribution patterns in the Market Study Area to the City and the County. First, in the Market Study Area, children from 5 to 17 years-of-age represent 19.5% of the total population, slightly higher than the percentages in the City (16.7%) and the County (16.3%). Second, the Market Study Area has a higher percentage of 25 to 34-year-olds (15.9%, compared to the City’s 12.9% and the County’s 12.8%).

Table 4: Distribution of Age, 2023

	Market Study Area	%	City of Hagerstown	%	Washington County	%
Under 5 Years-of-Age	477	5.3%	3,422	7.9%	8,571	5.5%
5 To 17 Years-of-Age	1,752	19.5%	7,254	16.7%	25,333	16.3%
18 To 24 Years-of-Age	400	4.5%	3,678	8.5%	12,551	8.1%
25 To 34 Years-of-Age	1,422	15.9%	6,649	14.9%	19,846	12.8%
35 To 44 Years-of-Age	1,194	13.3%	5,595	12.9%	19,782	12.8%
45 To 54 Years-of-Age	1,140	12.7%	5,707	13.1%	20,312	13.1%
55 To 64 Years-of-Age	1,246	13.9%	5,025	11.6%	21,040	13.6%
65 To 74 Years-of-Age	788	8.8%	3,586	8.2%	15,951	10.3%
75 To 84 Years-of-Age	459	5.1%	2,005	4.6%	8,314	5.4%
85 Years-of-Age & Over	93	1.0%	749	1.7%	3,333	2.1%

Source: U.S. Census Bureau ACS B01001, Urban Partners

Figure 3: Comparison of Age Distribution, 2023



Source: U.S. Census Bureau ACS B01001, Urban Partners

The Market Study Area has a lower educational attainment level of residents over the age of 25 than the City of Hagerstown, with 23.2% of its residents having associate’s degree or higher as the highest educational attainment (see Table 5). From 2013 to 2023, the percentage of Market Study Area residents without high school diplomas decreased, from 6.8% in 2013 to 4.6% in 2023. Additionally, the percentage of Market Study Area residents with graduate or professional degrees decreased from 3.3% in 2013 to 3.0% in 2023.

Table 5: Educational Attainment for Population 25 Years and Over, 2013-2023

	Market Study Area		City of Hagerstown	
	2013	2023	2013	2023
Less Than 9th Grade	6.8%	4.6%	4.8%	4.2%
9th to 12th Grade, No Diploma	19.9%	13.0%	12.7%	10.3%
High School Graduate (Includes Equivalency)	36.9%	45.0%	35.2%	35.7%
Some College, No Degree	13.3%	13.0%	24.2%	21.4%
Associate’s Degree	13.3%	13.0%	6.7%	8.7%
Bachelor’s Degree	6.6%	8.5%	10.2%	12.4%
Graduate or Professional Degree	3.3%	3.0%	6.3%	7.3%

Source: U.S. Census Bureau ACS B15003, Urban Partners

As shown in Table 6, most of the shifts in ethnic/racial composition for the Market Study Area mirrored the trends that are observable for the City of Hagerstown as a whole:

- The share of African Americans residents is growing (25.6% of Market Study Area in 2013 to 27.9% in 2023).
- Conversely, the share of White residents is decreasing (59.3% of Market Study Area in 2013 to 46.1% in 2023).
- The share of Hispanics is increasing rapidly (5.2% of Market Study Area in 2013 to 10.2% in 2023).
- Though still a small fraction of the overall population, the percentage of Asian Americans is increasing (0.6% of Market Study Area in 2013 to 0.9% in 2023).
- The share of Two-or-More Races is increasing (7.5% of Market Study Area in 2013 to 13.6% in 2023).

Table 6: Ethnic/Racial Composition, 2013-2023

	Market Study Area				City of Hagerstown			
	2013		2023		2013		2023	
White Alone	5,488	59.3%	4,631	46.1%	29,328	68.8%	26,493	55.1%
Black or African American Alone	2,373	25.6%	2,801	27.9%	7,628	17.9%	9,980	20.7%
American Indian and Alaska Native Alone	76	0.8%	13	0.1%	152	0.4%	15	0.1%
Asian Alone	60	0.6%	87	0.9%	731	1.7%	578	1.2%
Native Hawaiian & Pacific Islander Alone	11	0.1%	-	-	15	0.1%	72	0.1%
Some other Race Alone	75	0.8%	116	1.2%	320	0.8%	1,179	2.5%
Two or More Races	695	7.5%	1,363	13.6%	2,069	4.9%	5,173	10.8%
Hispanic (All Races)	477	5.2%	1,029	10.2%	2,387	5.6%	4,619	9.6%

Source: U.S. Census Bureau ACS B03002, Urban Partners

Geographic Mobility

The geographic mobility data, which is a measure of how households move, indicates that City of Hagerstown households are more mobile than Washington County. According to the 2023 ACS, the percentage of people in the City who changed residences between 2022 and 2023 was 17.5%, compared to 12.5% for the County. Approximately 10% of the residents moved from within Washington County, 3.6% moved from a different county in Maryland, 3.1% moved from a different state, and 0.6% moved from abroad (See Table 7).

Table 7: Geographic Mobility, 2023

	City of Hagerstown		Washington County	
	Hagerstown	%	County	%
Total Population 1 Yr and Over:	42,801		153,454	
Same House 1 Year Ago	35,314	82.5%	134,236	87.5%
Different House 1 Year Ago	7,487	17.5%	19,218	12.5%
Moved; within Washington County	4,365	10.2%	10,868	7.1%
Moved; from different county in Maryland	1,537	3.6%	4,638	3.0%
Moved; from different state	1,327	3.1%	3,266	2.1%
Moved; from abroad	258	0.6%	446	0.3%

Source: U.S. Census Bureau ACS B07001, Urban Partners

Current Housing Characteristics

In 2013, 15.7% of the housing units in the Market Study Area were vacant. By 2023, the vacancy rate declined to 11.4%, while the number of occupied units grew by 271, reflecting a 6.4% increase. The homeownership rate grew from 19.4% in 2013 to 20.5% in 2023, with owner- and renter-occupied housing units increasing by 925 and 3,586 units, respectively (Table 8).

Table 8: Housing Occupancy and Tenure, 2013-2023

	Housing Units 2013		Housing Units 2023		Change 2013-23	% Change 2013-23
	Units	(%)	Units	(%)		
Total housing units	5,029	-	5,090	-	61	1.2%
- Occupied units	4,240	84.3%	4,511	88.6%	271	6.4%
- Vacant units	789	15.7%	579	11.4%	-210	-26.6%
Total occupied housing units	4,240	-	4,511	-	271	6.4%
- Owner occupied	823	19.4%	925	20.5%	102	12.4%
- Renter occupied	3,417	80.6%	3,586	79.5%	169	4.9%

Source: U.S. Census Bureau ACS B25003, Urban Partners

Table 9 below is a detailed breakdown of the age of housing stock for the Market Study Area based on tenure. It shows that 46.6% of all housing units in the Market Study Area were built before 1940. The U.S. Census Bureau also reports that owner-occupied homes are newer than renter-occupied homes (5.1% of renter-occupied homes were built in 2000 or later, compared to 24.9% of owner-occupied homes).

Table 9: Age of Housing Stock by Tenure, 2023

	All Units	%	Owner Occupied	%	Renter Occupied	%
All Units	4,511	-	925	-	3,586	-
Built 2020 or later	0	-	0	-	-	-
Built 2010 to 2019	315	6.2%	202	21.8%	74	2.1%
Built 2000 to 2009	186	3.7%	29	3.1%	106	2.9%
Built 1990 to 1999	196	3.9%	43	4.6%	106	2.9%
Built 1980 to 1989	190	3.7%	0	-	166	4.6%
Built 1970 to 1979	653	12.8%	26	2.8%	549	15.3%
Built 1960 to 1969	377	7.4%	137	14.8%	240	6.7%
Built 1950 to 1959	486	9.5%	14	1.5%	459	12.8%
Built 1940 to 1949	314	6.2%	65	7.0%	229	6.4%
Built 1939 or earlier	2,373	46.6%	409	44.2%	1,657	46.2%

Source: U.S. Census Bureau ACS B25036, Urban Partners

The largest share of homes (41.8%) in the Market Study Area are one-unit structures (both attached and detached types). According to the 2023 ACS, 95.6% of homeowners live in residential structures with just one unit. Renter households are more evenly distributed in terms of units in structure, but the largest number of renters (1,240 households, or 34.5% of all rental units) live in one-unit structures (see Table 10).

Table 10: Units in Structure by Tenure, 2023

	All Units	%	Owner Occupied	%	Renter Occupied	%
All Units	4,511	-	925	-	3,586	-
1 Unit, detached	828	16.3%	458	49.5%	370	10.3%
1 Unit, attached	1,296	25.5%	426	46.1%	870	24.2%
2 Units	511	10.0%	-	-	511	14.2%
3 or 4 Units	864	17.0%	22	2.4%	842	23.4%
5 to 9 Units	667	13.1%	7	0.7%	660	18.4%
10 to 19 Units	262	5.1%	-	-	262	7.3%
20 to 49 Units	153	3.0%	-	-	153	4.3%
50 Units or more	509	10.0%	12	1.3%	497	13.8%
Mobile Home	-	-	-	-	-	-
Boat, RV, Van, etc.	-	-	-	-	-	-

Source: U.S. Census Bureau ACS B25032, Urban Partners

Household Income & Poverty Rate

Households in the Market Study Area have significantly lower income levels compared to those in the City and County. According to the 2023 ACS, median household incomes in the Market Study Area census tracts range from \$17,683 to \$51,691, with a weighted average of \$30,375—far below the City's median of \$49,957 and the County's \$74,157 (Figure 4).

Figure 4: Median Household Income, 2023



Source: U.S. Census Bureau ACS B19013, Urban Partners

Nearly three-quarters (71.3%) of Market Study Area households earn less than \$35,000 annually, compared to 63.3% for the City and 23.2% for the County. On the other end of the household income spectrum, only 4.6% of Study Area households earn more than \$100,000 annually, compared to 22.1% for the City and 36.5% for the County (Table 11).

Table 11: Distribution of Household Income, 2023

	Market Study Area	City of Hagerstown	Washington County
Household Incomes less than \$10,000	15.3%	7.5%	5.1%
Household Incomes from \$10,000 to \$14,999	15.5%	6.0%	3.5%
Household Incomes from \$15,000 to \$24,999	24.7%	12.4%	6.7%
Household Incomes from \$25,000 to \$34,999	15.8%	10.9%	7.9%
Household Incomes from \$35,000 to \$49,999	8.4%	13.3%	10.7%
Household Incomes from \$50,000 to \$74,999	10.0%	17.7%	16.6%
Household Incomes from \$75,000 to \$99,999	3.7%	10.2%	13.1%
Household Incomes from \$100,000 to \$149,999	3.6%	13.8%	18.2%
Household Incomes from \$150,000 to \$199,999	0.9%	5.1%	9.2%
Household Incomes from \$200,000 or more	0.1%	3.2%	9.1%

Source: U.S. Census Bureau ACS B19001, Urban Partners

According to the 2023 ACS, 18.5% of Market Study Area residents live below the poverty line. The poverty rate for the County is 22.7% and 12.5% for the State (Table 12 shown on the following page).

Table 12: Population Living Under Poverty Level, 2023

	Market Study Area	City of Hagerstown	Washington County
Population Below Poverty Level	1,638	9,681	18,367
Population Below Poverty Level (%)	18.5%	22.7%	12.5%

Source: U.S. Census Bureau ACS B06012, Urban Partners

Over half of renter households in the Market Study Area are cost burdened (shaded in blue below) meaning that they pay more than 30% of their income toward housing costs, while 33.5% of owner households are cost burdened, according to the 2023 ACS. The cost-burden rates for Hagerstown City households are higher than Washington County—50.3% of renter households and 29.3% of owner households in the City are cost-burdened, compared to 45.3% and 14.0% for the County, respectively (see Table 13).

Table 13: Tenure by Housing Costs, 2023

	Owner Occupants	%	Renter Occupants	%
Market Study Area Households	2,261		5,586	
Less than 20%	1,142	50.5%	977	17.5%
20 to 29%	306	13.5%	1,560	27.9%
30% or more (cost burdened)	758	33.5%	2,909	52.1%
Zero or negative income/no cash rent	55	2.4%	140	2.5%
Hagerstown Households	8,022		10,450	
Less than 20%	4,455	55.5%	2,191	20.9%
20 to 29%	1,436	17.9%	2,630	25.2%
30% or more (cost burdened)	2,354	29.3%	5,257	50.3%
Zero or negative income/no cash rent	232	2.9%	372	3.5%
Washington County Households	39,145		20,266	
Less than 20%	26,525	67.7%	4,989	24.6%
20 to 29%	6,733	17.2%	5,164	25.5%
30% or more (cost burdened)	5,484	14.0%	9,178	45.3%
Zero or negative income/no cash rent	403	1.0%	935	4.6%

Source: U.S. Census Bureau, Urban Partners

As illustrated in Table 14 on the following page, the most cost burdened households in the Market Study Area are renters with annual household incomes under \$35,000. A total of 3,161 such renter households reside in the Market Study Area and 2,514 (or 79.5%) are cost burdened.

Table 14: Tenure by Housing Costs as a Percentage of Household Income, 2023

	Owner Occupants	%	Renter Occupants	%
Households earning less than \$20,000	170		1,661	
Less than 30% (not cost burdened)	32	18.8%	270	16.2%
30% or more (cost burdened)	138	81.2%	1,391	83.7%
Households earning \$20,000 to \$34,999	332		1,500	
Less than 30% (not cost burdened)	158	47.6%	377	25.1%
30% or more (cost burdened)	174	52.4%	1,123	74.9%
Households earning \$35,000 to \$49,999	340		622	
Less than 30% (not cost burdened)	182	53.5%	323	51.9%
30% or more (cost burdened)	158	46.5%	299	48.1%
Households earning \$50,000 to \$74,999	483		874	
Less than 30% (not cost burdened)	234	48.4%	797	91.1%
30% or more (cost burdened)	249	51.6%	77	8.9%
Households earning \$75,000 or more	881		789	
Less than 30% (not cost burdened)	842	95.5%	770	97.5%
30% or more (cost burdened)	39	4.5%	19	2.5%

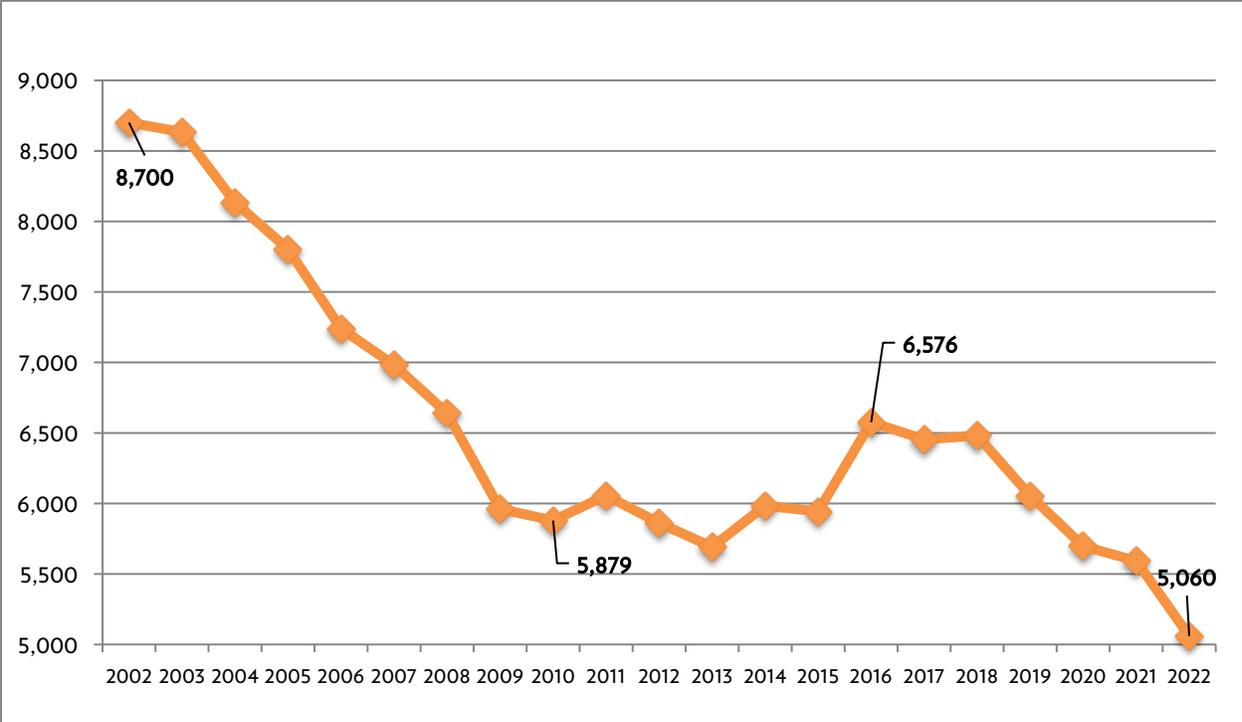
Source: U.S. Census Bureau, Urban Partners

3. EMPLOYMENT TRENDS

Jobs in the Market Study Area

According to the U.S. Census Bureau’s *OnTheMap* application, which uses employer payroll tax information to geo-locate jobs within a defined area, the Market Study Area has experienced significant job loss in recent years. The Market Study Area experienced a decline in jobs between 2002 and 2010, dropping from 8,700 to 5,879. By 2011, the number had recovered slightly to 6,056 before starting another cycle of decline and recovery. In 2022, a total of 5,060 jobs were reported in the Market Study Area, which represents a loss of 3,640 (or -41.8%. See Figure 5).

Figure 5: Jobs Located in the Market Study Area, 2002 to 2022



Source: U.S. Census Bureau LEHD, Urban Partners

As detailed in Table 15 below, *Public Administration* remained the top sector between 2002 and 2022, adding 189 employees during that period. The 1,753 jobs in *Public Administration* represent 34.6% of all jobs within the Market Study Area. The *Health Care & Social Assistance* sector, which lost 109 jobs between 2002 and 2022, is the second largest with 965 jobs in the Market Study Area.

All 20 industrial sectors lost jobs apart from *Public Administration* and the following three sectors:

- *Educational Services*: 30 jobs
- *Utilities*: 24 jobs
- *Real Estate & Rental & Leasing*: 3 jobs

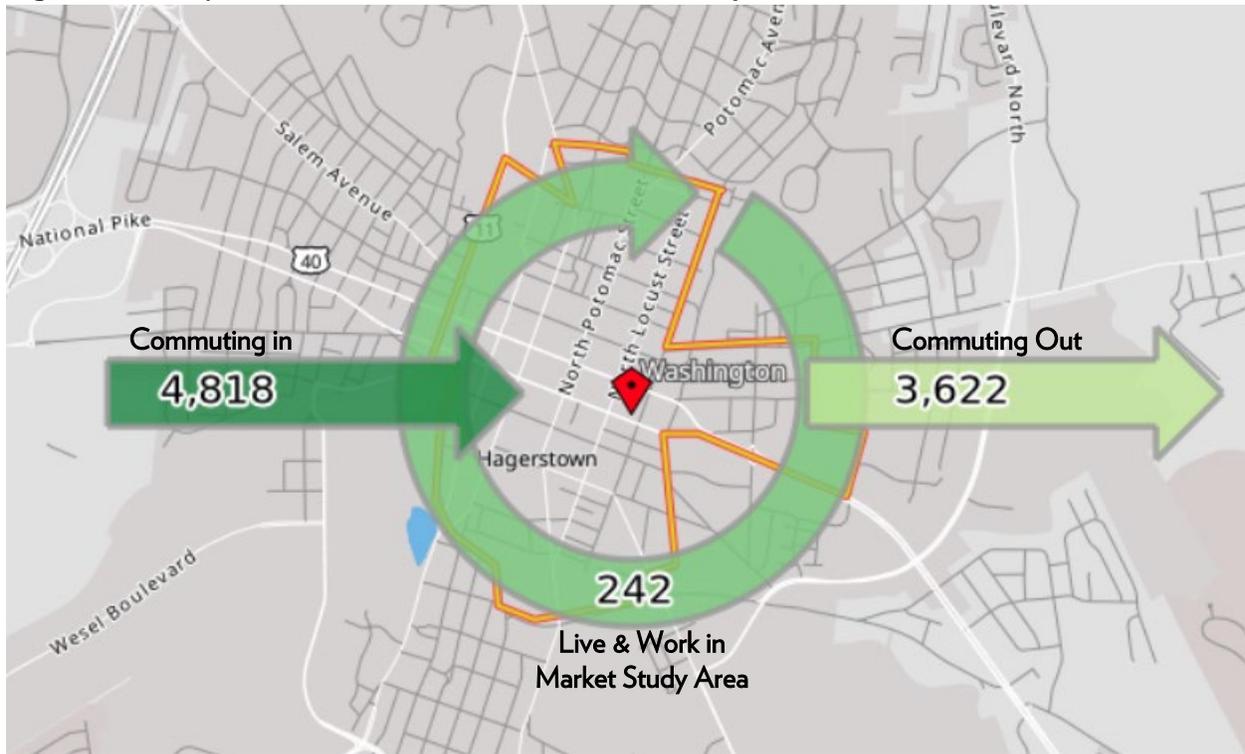
Table 15: Jobs Located in the Market Study Area by Industrial Sectors, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change in Jobs 2002-22	% Change in Jobs 2002-22
Total Employment	8,700	-	5,060		-3,640	-48.1%
Public Administration	1,564	18.0%	1,753	34.6%	189	12.1%
Health Care & Social Assistance	1,074	12.3%	965	19.1%	-109	-10.1%
Accommodation & Food Services	518	6.0%	346	6.8%	-172	-33.2%
Retail Trade	796	9.1%	291	5.8%	-505	-63.4%
Professional, Scientific, & Technical Services	494	5.7%	290	5.7%	-204	-41.2%
Construction	551	6.3%	199	3.9%	-352	-63.8%
Manufacturing	1,140	13.1%	179	3.5%	-961	-84.3%
Admin & Support, Waste Mgmt/Remed.	263	3.0%	147	2.9%	-116	-44.1%
Educational Services	116	1.3%	146	2.9%	30	25.8%
Information	364	4.2%	118	2.3%	-246	-67.5%
Wholesale Trade	281	3.2%	111	2.2%	-170	-60.4%
Finance & Insurance	387	4.4%	111	2.2%	-276	-71.3%
Other Services (excluding Public Admin)	341	3.9%	111	2.2%	-230	-67.4%
Arts, Entertainment, & Recreation	177	2.0%	102	2.0%	-75	-42.3%
Utilities	41	0.5%	65	1.3%	24	58.5%
Real Estate & Rental & Leasing	59	0.7%	62	1.2%	3	5.1%
Transportation & Warehousing	449	5.2%	46	0.9%	-403	-89.7%
Management of Companies & Enterprises	85	1.0%	18	0.4%	-67	-78.8%
Mining, Quarrying, & Oil & Gas Extraction	0	0.0%	0	0.0%	-	-
Agriculture, Forestry, Fishing & Hunting	0	0.0%	0	0.0%	-	-

Source: U.S. Census Bureau LEHD, Urban Partners

The *OnTheMap* application reports that 242 out of the 5,060 employees also lived within the Market Study Area in 2022 (Figure 6 shown on the following page). The largest segment of workers employed in the Market Study Area live within the City of Hagerstown (897, or 17.7% of all employees). In 2002, Market Study Area residents that lived and worked in the City totaled 2,061, or 23.7% of the total workforce, a 56.5% reduction since 2022. Aside from the City of Hagerstown, the remaining top 10 origins of workers also decreased in employees except for the St. James area (Table 16).

Figure 6: Inflow/Outflow for All Jobs in the Market Study Area, 2022



Source: U.S. Census Bureau

Table 16: Where Market Study Area Workers Live, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change 2002-22
Hagerstown City, MD	2,061	23.7%	897	17.7%	-1,164
Halfway CDP, MD	588	6.8%	240	4.7%	-348
Fountainhead-Orchard Hills CDP, MD	256	2.9%	131	2.6%	-125
Robinwood CDP, MD	218	2.5%	95	1.9%	-123
Frederick City, MD	103	1.2%	88	1.7%	-15
St. James CDP, MD	69	0.8%	81	1.6%	12
Maugansville CDP, MD	109	1.3%	69	1.4%	-40
Waynesboro Borough, PA	106	1.2%	68	1.3%	-38
Boonsboro Town, MD	67	0.8%	50	1.0%	-17
Paramount-Long Meadow CDP, MD	118	1.4%	50	1.0%	-68
All Other Locations	5,005	57.5%	3,291	65.0%	-1,714
Total	8,700		5,060		-3,640

Source: U.S. Census Bureau Center for Economic Studies, Urban Partners

Market Study Area Resident Employment

According to the *OnTheMap* application, there were a total of 3,864 employed residents of the Market Study Area in 2022, a decrease of 1,300 (-25.1%) from 2002. In 2002, more Market Study Area residents were employed in *Manufacturing* than any other industrial sector (724, or 14.0% of the total. See Table 17). Five sectors among Market Study Area residents added jobs between 2002 and 2022—*Admin & Support* (92 jobs), *Professional, Scientific, and Technical Services* (20 jobs), *Transportation & Warehousing* (68 jobs), *Management of Enterprises & Companies* (32 jobs), and *Agriculture, Forestry, Fishing, & Hunting* (5 jobs).

Among industries that lost employed Market Study Area residents, most notably there were 419 fewer employees in the *Manufacturing* sector, which amounts to a 57.8% loss from 2002 to 2022. Other sectors that experienced reductions in jobs among employed residents include:

- *Finance & Insurance* -219 jobs
- *Construction* -210 jobs
- *Public Administration* -126 jobs
- *Retail Trade* -104 jobs

Table 17: Employed Residents of Market Study Area by Sectors, 2002-2022

	Jobs in 2002	%	Jobs in 2022	%	Change in Jobs 2002-22	% Change in Jobs 2002-22
Total Employment	8,700	-	3,864	-	-1,300	-25.1%
Retail Trade	715	13.8%	611	15.8%	-104	-14.5%
Healthcare & Social Assistance	607	11.8%	563	14.6%	-44	-7.2%
Accommodation & Food Services	428	8.3%	376	9.7%	-52	-12.1%
Admin & Support, Waste Mgmt. & Rem.	230	4.5%	322	8.3%	92	40.0%
Manufacturing	724	14.0%	305	7.9%	-419	-57.8%
Professional, Scientific, & Technical Services	246	4.8%	266	6.9%	20	8.1%
Transportation & Warehousing	171	3.3%	239	6.2%	68	39.7%
Construction	429	8.3%	219	5.7%	-210	-48.9%
Educational Services	300	5.8%	206	5.3%	-94	-31.3%
Public Administration	326	6.3%	200	5.2%	-126	-42.0%
Wholesale Trade	190	3.7%	121	3.1%	-69	-36.3%
Other Services (excluding Public Admin)	190	3.7%	115	3.0%	-75	-39.5%
Finance & Insurance	305	5.9%	86	2.2%	-219	-71.8%
Arts, Entertainment, & Recreation	78	1.5%	64	1.7%	-14	-17.9%
Information	96	1.9%	54	1.4%	-42	-43.7%
Management of Companies & Enterprises	15	0.3%	47	1.2%	32	213.3%
Real Estate & Rental & Leasing	80	1.5%	35	0.9%	-45	-56.2%
Agriculture, Forestry, Fishing & Hunting	15	0.3%	20	0.5%	5	33.3%
Utilities	13	0.3%	11	0.3%	-2	-15.4%
Mining, Quarrying, & Oil & Gas Extraction	6	0.1%	4	0.1%	-2	-33.3%

Source: U.S. Census Bureau LEHD, Urban Partners

With *OnTheMap* reporting that only 242 out of the 3,864 employed residents worked inside the Market Study Area in 2022, 93.7% commute elsewhere for work. The largest number of residents (834) commute to other areas within the City of Hagerstown for work, followed by 224 in Frederick and 103 in the Ballenger Creek area (see Table 18).

Table 18: Commuting Destinations for Employed Market Study Area Residents, 2002-2022

	Jobs in 2002	% of All Jobs 2002	Jobs in 2022	% of All Jobs 2022	Change 2002-22
Hagerstown, MD	1,728	33.5%	834	21.6%	-51.7%
Frederick City, MD	237	4.6%	224	5.8%	-5.4%
Ballenger Creek CDP, MD	110	2.1%	103	2.7%	-6.3%
Halfway CDP, MD	113	2.2%	103	2.7%	-8.8%
Robinwood CDP, MD	76	1.5%	97	2.5%	27.6%
Baltimore City, MD	83	1.6%	91	2.4%	9.6%
Fountainhead-Orchard Hills CDP, MD	99	1.9%	87	2.3%	-12.1%
Rockville City, MD	71	1.4%	65	1.7%	-8.5%
Gaithersburg City, MD	41	0.8%	53	1.4%	29.2%
Washington City, DC	0	0.0%	47	1.2%	-
All Other Locations	2,606	50.5%	2,160	55.9%	-17.1%

Source: U.S. Census Bureau LEHD, Urban Partners

4. SALES HOUSING MARKET ANALYSIS

To understand the Downtown Hagerstown for-sale housing market, Urban Partners examined market conditions for single-family detached homes, duplexes/triplexes, townhouses, and condominiums in the Market Study Area. For this analysis, we obtained sales records in the five census tracts from *RealQuest*—a comprehensive real estate database service—from January 2019 to June 2025.

Summary of Recently Sold Homes

As evidenced by 1,242 home sales examined during the 7-year study period, the Market Study Area’s sales housing market is very active. The median sale price during that period was \$203,394 or \$103.08 per square foot, “SF” henceforth). Townhouse is the majority home type in the Market Study Area, representing 45.9% of the transactions with a median sale price of \$149,577, or \$99.98 per SF. The sales of 39 duplexes and triplexes represented 3.1% of all sales in the Market Study Area (with a median sale price of \$295,000, or \$85.56 per SF), while 548 homes categorized as single-family detached were sold for a median price of \$185,000, or \$116.94 per SF (see Table 19).

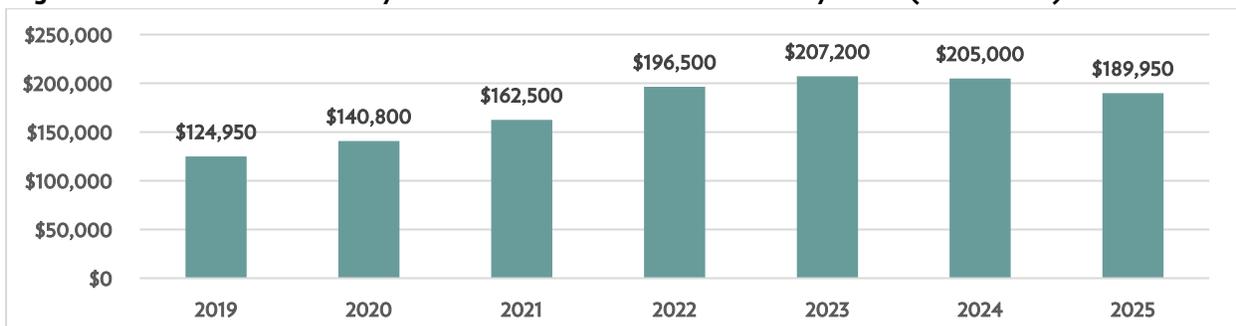
Table 19: Breakdown of Home Sales in the Market Study Area (2019-2025)

	No. of Transactions	% of Transactions	Median Sale Price	Median Square Footage	Median Price Per SF
Single-Family Detached	548	44.1%	\$185,000	1,582	\$116.94
Duplex/Triplex	39	3.1%	\$295,000	3,448	\$85.56
Townhouse	570	45.9%	\$149,577	1,496	\$99.98
Condominiums	85	6.8%	\$184,000	1,367	\$134.60
Total	1,242	100.0%	\$203,394	1,973	\$103.08

Source: RealQuest, Urban Partners

Home prices have been increasing steadily since 2019 when the median price was \$124,950, or \$81.35 per SF. Increasing at an annualized rate of 12.6%, the median price reported in 2025 was \$189,950 or \$131.91 per SF (see Figure 7).

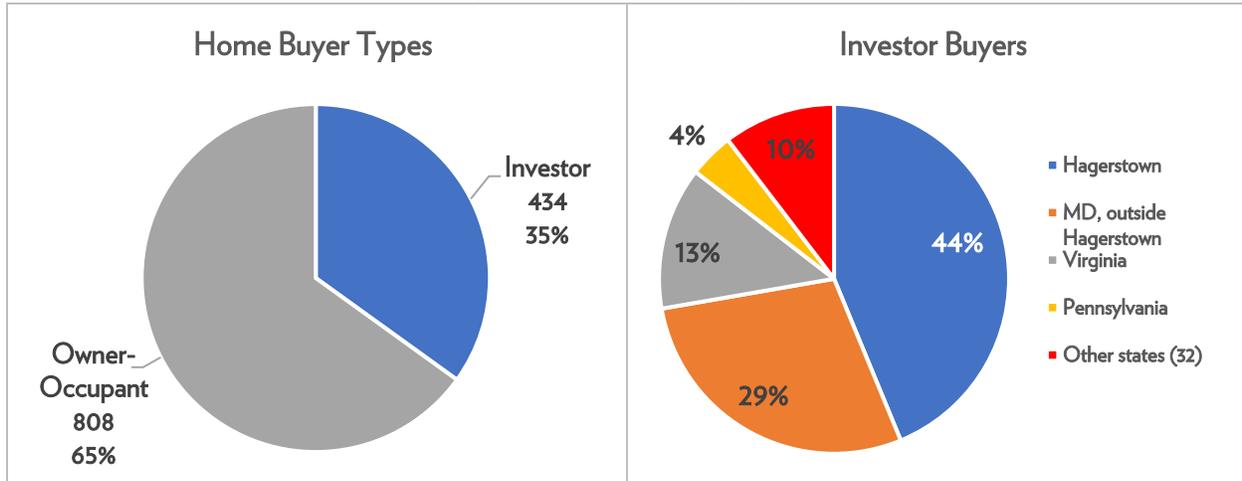
Figure 7: Median Sale Price by Year Home Sold in Market Study Area (2019-2025)



Source: RealQuest, Urban Partners

The *Realquest* data show that 35% of all homes sales in the Market Study Area are attributable to non-owner occupants or investors. Fifty percent (44%) of these investors are Hagerstown-based and another 29% are non-Hagerstown Maryland buyers. Other investors hail from 32 other states (see Figure 8).

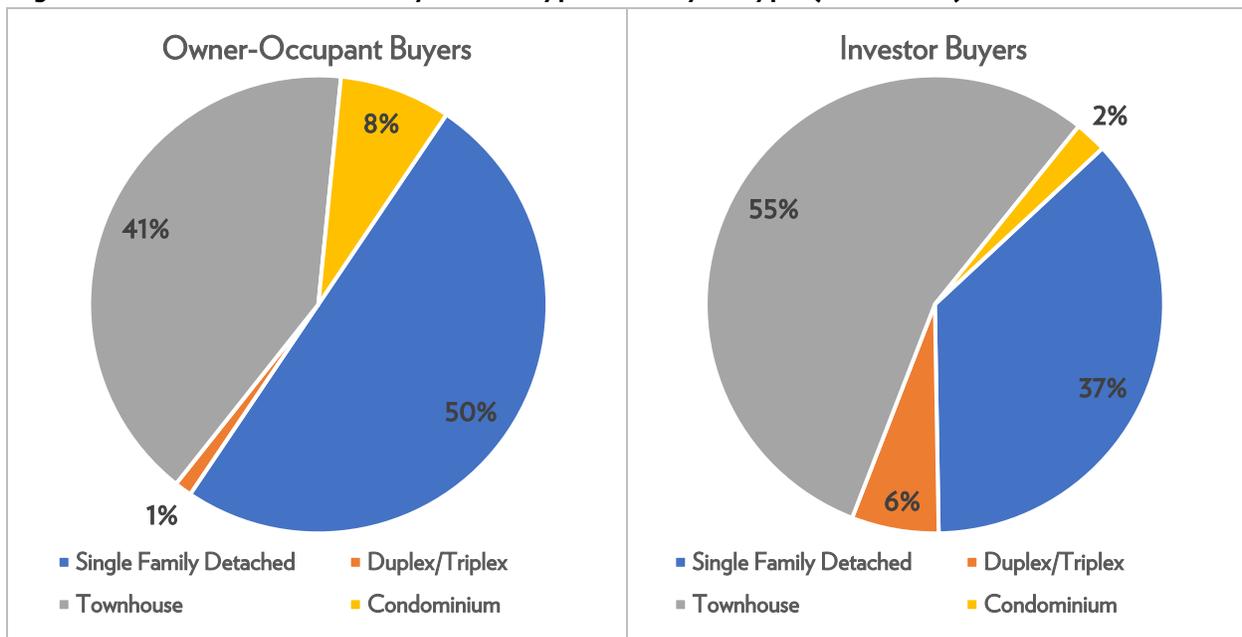
Figure 8: Residential Investor Activity in the Market Study Area (2019-2025)



Source: *Realquest, Urban Partners*

Figure 9 provides an overview of home sales categorized by home type and buyer type. Half of owner-occupants purchased single-family detached homes, whereas most investor transactions involved rowhomes or townhouses (55%).

Figure 9: Distribution of Sales by Home Type and Buyer Type (2019-2025)



Source: *Realquest, Urban Partners*

Single-Family Detached Homes

Table 20 indicates that owner-occupants accounted for the majority of single-family home sales in the Market Study Area, making up 77.7% of transactions, with median sale prices of \$185,000 or \$115.91 per SF.

Table 20: Single Family Sales by Seller Type (2019-2025)

Seller Type	No. of Transactions	% of Transactions	Median Sale Price	Median Square Footage	Median Price Per SF
Bank/Foreclosure	11	2.0%	\$77,000	1,461	\$52.70
Custom Builder	2	0.4%	\$267,500	2,053	\$130.30
Investor	108	19.7%	\$196,250	1,531	\$128.18
Non-Profit Organization	1	0.2%	\$145,000	1,022	\$141.88
Owner-Occupant	426	77.7%	\$185,000	1,596	\$115.91
Total	548	100.0%	\$185,000	1,582	\$116.94

Source: RealQuest, Urban Partners

Figure 10: 4XX N. Potomac Street; Sold for \$585,000 in 2022



Photo Credit: Redfin

Duplexes and Triplexes

Duplex/triplex sales represented just 3.4% of the total number of residential transactions in the Market Study Area during the aforementioned 7-year period. Overall, the 39 multifamily homes were sold for a median sale price of \$295,000 or \$85.56 per SF. Owner-occupants accounted for just over half of duplex/triplex sales, purchasing smaller homes at lower median prices (\$285,500) than investors. However, investors paid higher overall prices (\$330,000), reflecting their focus on larger properties despite only a modestly higher price per SF (see Table 21).

Table 21: Duplex/Triplex Sales by Seller Type (2019-2025)

Seller Type	No. of Transactions	% of Transactions	Median Sale Price	Median Square Footage	Median Price Per SF
Investor	19	48.7%	\$330,000	3,741	\$88.21
Owner-Occupant	20	51.3%	\$285,500	3,295	\$86.65
Total	39	100.0%	\$295,000	3,448	\$85.56

Source: RealQuest, Urban Partners

Figure 11: Representative Duplex/Triplex Sales



Townhouses

Townhouse sales represented nearly half (49.2%) of the total number of residential transactions in the Market Study Area during the aforementioned 7-year period. Overall, the 570 townhouses were sold for a median sale price of \$149,577, or \$99.98 per SF. As summarized below, most of the sales (380 units) were sold by owner-occupants at the highest median sale price among seller types of \$150,000 (Table 22).

Table 22: Townhouse Sales by Seller Type (2019-2025)

Seller Type	No. of Transactions	% of Transactions	Median Sale Price	Median Square Footage	Median Price Per SF
Bank/Foreclosure	8	1.4%	\$51,888	1,264	\$41.05
Custom Builder	3	0.5%	\$98,000	1,780	\$55.06
Investor	172	30.2%	\$146,500	1,428	\$102.59
Non-Profit Organization	7	1.2%	\$41,000	1,452	\$28.24
Owner-Occupant	380	66.7%	\$150,000	1,580	\$94.94
Total	570	100.0%	\$149,577	1,496	\$99.98

Source: RealQuest, Urban Partners

Figure 12: 1XX E. North Avenue; Sold for \$169,000 in 2025



Photo Credit: Redfin

Condominiums

Condominium sales represented 6.8% of the total number of residential transactions in the Market Study Area during the aforementioned 7-year period. Overall, the 85 condos were sold for a median sale price of \$131,883 or \$157.06 per SF. As summarized below, most of the sales (69 units) were sold by owner-occupants (Table 23).

Table 23: Condo Sales by Seller Type (2019-2025)

Seller Type	No. of Transactions	% of Transactions	Median Sale Price	Median Square Footage	Median Price Per SF
Bank/Foreclosure	2	2.4%	\$55,750	865	\$64.41
Investor	14	16.4%	\$120,000	819	\$14.64
Owner-Occupant	69	81.1%	\$219,900	834	\$263.60
Total	85	100.0%	\$131,883	839	\$157.06

Source: RealQuest, Urban Partners

Figure 13: A Condo Unit in 3X S. Prospect Street; Sold for \$135,000 in 2024



Photo Credit: Zillow

New Construction Housing for Sale

All the sales transactions examined above are for resale homes. With a predominantly older housing stock, there is no new construction for-sale housing in the Market Study Area that could provide an understanding of the price points that comparable new sales housing could command. We therefore examined new construction homes outside of the Downtown and the City to understand their pricing as a general guide for potential new construction in Downtown Hagerstown. We focused our new home research on townhomes as a new for-sale housing product that would likely be the most feasible given the limited land availability for single-family housing.

The newest and closest new townhome development is Rosehill Manor, a 55+ community by DRB Homes located off Longmeadow Road in North Hagerstown (see Figure 14). Constructed in pods of two attached units, this growing duplex/twin community of “lifestyle villas” offers four floorplans with 2 to 3 bedrooms and 2 to 3 bathrooms ranging in size from 1,466 SF to 1,687 SF. All have attached garages. Starting sale prices range from \$329,990 to \$359,990 or \$213/SF to \$225/SF.

Figure 14: Rendering of New “Lifestyle Villas” at Rosehill Manor in North Hagerstown



Source: DRB Homes

For-Sale Housing Market Potential

Our housing market research for the Market Study Area has demonstrated that the Downtown Hagerstown housing market is showing signs of market activity and improvement, with more

than 1,100 homes sold over the past seven years and a median sales price that has risen at an annualized rate of 12.6% since 2019. Within this market, different housing types are performing in distinct ways that highlight opportunities for investment and policy support.

Townhouses, which account for nearly half of all sales, are emerging as the most common and attainable form of housing in the Market Study Area. With a median price of just under \$150,000, they are more affordable than detached homes and present an opportunity to be marketed as an entry point for first-time buyers and working families. Targeted programs to support townhouse renovation, infill development, and first-time homebuyer assistance could strengthen this segment of the market and expand access to ownership in the Downtown Study Area.

Detached single-family homes remain in demand, particularly among owner-occupants, who make up more than half of the buyers in this category. With median sales prices approaching \$185,000, these homes are both more expensive than townhouses and are viewed as desirable for families, reinforcing their role as the foundation for neighborhood stability. However, given the pace of appreciation, preserving affordability will be important. The continued promotion of tools such as down payment assistance and renovation grants can help protect opportunities for local families to remain in or enter this segment of the market.

Although duplexes and triplexes represent only a small share of recent transactions, their higher median sales prices suggest untapped potential. They can provide “missing middle” housing—smaller-scale multifamily options that balance affordability with higher value per property. Encouraging new construction or adaptive reuse of this housing type could diversify the housing stock while meeting a growing demand.

Condominiums, while a modest share of sales at just under seven percent (7%), stand out for their high per-square-foot value. With most purchased by owner-occupants, condos appeal to an increasing number of buyers seeking lower-maintenance living in a walkable, downtown setting. This suggests potential to grow the condo market as part of mixed-use and adaptive reuse projects.

Investor activity also plays a significant role in the market, accounting for about 35% of sales. While this signals the attractiveness of Downtown Hagerstown to both local and out-of-state buyers, it also raises the need for balance between investor-driven turnover and long-term owner occupancy. Policies that encourage responsible investment—such as quality standards, long-term ownership incentives, or partnerships tied to affordability commitments—can help align investor activity with community priorities.

Overall, with median sales prices in Downtown Hagerstown below replacement costs, the Downtown for-sale housing market remains challenged in terms of new housing construction

potential. The cost to build would significantly exceed the return, making it unlikely that most developers would invest in new construction in the near term. Therefore, the City should focus more on interventions to improve the existing housing stock that will continue to increase home values and in turn sale prices at a level that will encourage investment.

5. RENTAL HOUSING MARKET ANALYSIS

Urban Partners assessed market conditions within the Market Study Area to understand the market-rate rental housing market in Downtown Hagerstown. For this analysis, we examined multi-family apartment complexes as well as individual rental units found in smaller buildings and single-family townhouses on residential blocks.

Market-Rate Apartment Buildings

To determine the potential for new market-rate rental housing development, we have examined market conditions for existing apartment buildings located within the Market Study Area. Within this area, we have identified two rental developments - both new to the Downtown - that represent the area's latest product (see Figure 15).

Figure 15: Newly Rehabilitated Rental Housing in the Market Study Area

	<p>The Updegraff 51 W. Washington Street</p> <p>Total Units: 21 Built: 1882/2024 Type: 4-Story Building</p>
	<p>Key Amenities:</p> <ul style="list-style-type: none">• Island kitchen• In-unit washer/dryer• Walk-in closets• Hardwood floors• Loft layout/high ceilings• Sprinkler system• Elevator



The Aria
92 W. Washington Street
Total Units: 120
Built: 1898/ 2024
Type: 4-Story Building

Key Unit Amenities:

- Island kitchen
- In-unit washer/dryer
- Large closets
- Tile and vinyl floors
- High ceilings
- Elevator



Source: Apartments.com, Apartmentfinders.com, Urban Partners

The Updegraff and The Aria represent a new high-end product that previously did not exist in Downtown Hagerstown. Both developments are in historic buildings on W. Washington Street, with rehabilitations completed in 2024. The Updegraff offers 21 one- and two-bedroom units while The Aria has 37 studio, one-, and two-bedroom units. Both have buildings similar amenities, such as kitchens with islands, in-unit washer/dryers, high ceilings, and an elevator in the building. The Updegraff has more upscale finishes with hardwood flooring and higher-end appliances.

In Table 24 on the next page, age, size, rental rate, and occupancy information is summarized for the two new market-rate apartment buildings in the Market Study Area.

Table 24: Summary of Rents for Newly Rehabilitated Rental Housing in Downtown

Name	Address	Year Built	Total Units	Type	Price	Size (SF)	\$/SF	Avail. (8/25)
The Updegraff	51 W. Washington St.	1882/2024	21	1 Bedroom	\$1,500-\$1,735	530-675	\$2.57 to \$2.83	4
				2 Bedroom	\$2,150-\$2,625	840-960	\$2.56 to \$2.73	6
The Aria	92 W. Washington St.	1898/2024	37	Studio	\$900	502	\$1.79	1
				1 Bedroom	\$1,249-\$1,512	694-840	\$1.80	5
				2 Bedroom	\$1,550-\$2,400	924-1,335	\$1.68 to \$1.80	6

Source: Company websites, Apartments.com, Apartmentfinders.com, Urban Partners

Both The Updegraff and The Aria continue their initial lease-up phases and serve as a test of the upper end of the rental market in the Market Study Area. As of August 2025, The Updegraff has 10 units available, including all of its two-bedroom units, reporting a 48% vacancy rate. The Aria has 12 units available, or a 32% vacancy rate.

As the table shows, rents for the two complexes, representing the top of the rental market in the Market Study Area, are as follows:

The Updegraff

- One-bedroom units: \$1,500 to \$1,735 per month (\$2.57 to \$2.83 per SF)
- Two-bedroom units: \$2,150 to \$2,625 per month (\$2.56 to \$2.73 per SF)

The Aria

- Studio units: \$900 per month (\$1.79 per SF)
- One-bedroom units: \$1,249 to \$1,512 per month (\$1.80 per SF)
- Two-bedroom units: \$1,550 to \$2,400 per month (\$1.68 to \$1.80 per SF)

Proposed Apartment Building

As The Updegraff and The Aria continue to test the rental market, a similarly high-end downtown apartment building has been recently proposed. Located at the corner of S. Potomac and Antietam Streets, the brand new six-story 43-unit mixed-use building would replace three existing structures at the corner. The facility would offer ground-floor retail, an open outdoor plaza with seating, and a rooftop lounge. The residential units, including several penthouse units, would have large windows and balconies.

Individual Rental Units

There are also a variety of individual apartments for rent within the Market Study Area available in smaller buildings and single-family townhouses. Most include basic amenities, including in-home washers/dryers, porches or patios, yards, and basements. Generally, utilities are not included in the rent and tenants pay separately for utilities. As of August 2025, there were several such homes available for rent in the Market Study Area (see Table 25).

Table 25: Summary of Available Individual Units for Rent in the Market Study Area, 8/2025

Address	Type	Rent	SF	Rent/SF	BR	BA
313 Frederick St.	Townhouse	\$2,400	1,620	\$1.48	3	1.5
25 E. Baltimore St.	Townhouse	\$2,300	1,200	\$1.92	3	1.5
20 East Ave.	Townhouse	\$2,030	2,088	\$0.97	4	2.0
25 Wayside Ave., #2	Apartment	\$2,000	1,200	\$1.67	3	1.0
214 Hager St.	Townhouse	\$2,000	N/A	N/A	3	1.0
22 East Ave.	Townhouse	\$1,999	2,088	\$0.96	5	2.5
646 N. Mulberry St.	Townhouse	\$1,895	1,320	\$1.44	3	1.5
1 N. Potomac St., #3S	Apartment	\$1,850	1,100	\$1.68	2	1.0
295A Frederick St.	Townhouse	\$1,850	1,224	\$1.51	3	1.5
54 E. Baltimore St.	Townhouse	\$1,800	1,280	\$1.41	3	1.0
72 Wayside Ave.	Townhouse	\$1,695	1,382	\$1.23	2	2.0
300 E. Franklin St.	Townhouse	\$1,650	1,800	\$0.92	3	1.0
15 E. Lee St.	Townhouse	\$1,650	1,064	\$1.55	2	1.0
109 Fairground Ave.	Townhouse	\$1,600	1,470	\$1.09	3	1.0
629 Oak Hill	Apartment	\$1,595	1,386	\$1.15	2	1.0
232 Jefferson St.	Townhouse	\$1,595	2,000	\$0.80	2	1.5
234 Jefferson St.	Townhouse	\$1,595	2,000	\$0.80	2	1.5
37 S. Prospect St., #101	Apartment	\$1,595	630	\$2.53	1	1.0
47 Fairground Ave., #B	Apartment	\$1,550	N/A	N/A	2	1.0
148 E. Washington St.	Townhouse	\$1,550	N/A	N/A	3	1.0
158 S. Potomac St.	Apartment	\$1,500	1,400	\$1.07	3	1.0
26 Randolph Ave.	Apartment	\$1,400	N/A	N/A	3	1.0
266 S. Prospect St., #3	Apartment	\$1,400	600	\$2.33	2	1.0
227-229 East Ave.	Townhouse	\$1,395	1,000	\$1.40	2	1.0
136 E. Franklin St.	Apartment	\$1,350	950	\$1.42	3	1.0
156 S. Prospect St., #B	Apartment	\$1,350	1,735	\$0.78	2	1.0
37 E. Baltimore St.	Apartment	\$1,300	N/A	N/A	1	1.0
37 N. Locust St.	Townhouse	\$1,290	1,080	\$1.19	3	1.0
115 S. Potomac St., #2	Apartment	\$1,250	1,200	\$1.04	2	1.0
21 E. Baltimore St.	Apartment	\$1,250	N/A	N/A	1	1.0
11 N. Potomac St., #3	Apartment	\$1,200	N/A	N/A	3	1.0
259 S. Potomac St.	Apartment	\$1,200	N/A	N/A	2	1.0
118 S. Locust St.	Townhouse	\$1,180	854	\$1.38	2	1.0
25 Broadway, Apt. 7-4	Apartment	\$1,175	900	\$1.31	1	1.0
441 N. Potomac St., Apt. 5	Apartment	\$1,155	1,100	\$1.05	1	1.0
231 N. Locust St., Apt. 6	Apartment	\$1,125	1,000	\$1.13	2	1.0
217 N. Locust St., #B	Apartment	\$1,100	960	\$1.15	1	1.0
133 Summit Ave., Apt. 2	Apartment	\$1,100	1,200	\$0.92	2	1.0
154 S. Potomac St.	Apartment	\$1,100	800	\$1.38	1	1.0
162 S. Potomac St.	Apartment	\$1,100	600	\$1.83	1	1.0

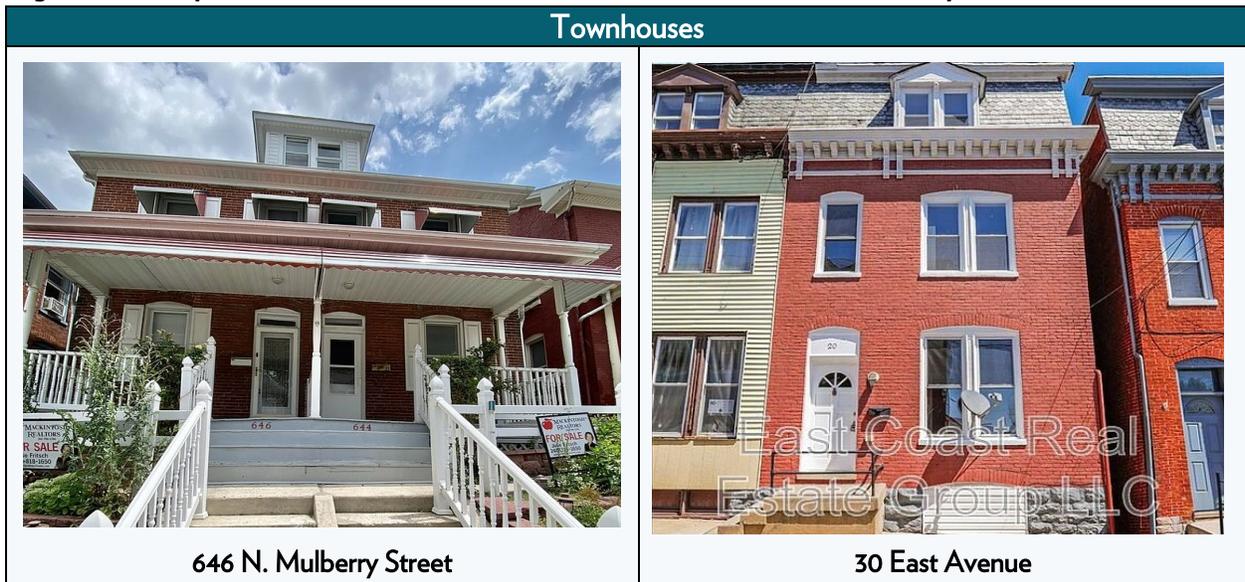
41 E. Antietam St.	Apartment	\$1,095	N/A	N/A	1	1.0
301 S. Potomac St., Apt. 2N	Apartment	\$1,050	800	\$1.31	1	1.0
5 E. Lee St.	Apartment	\$1,030	900	\$1.14	1	1.0
200 E. Antietam St.	Apartment	\$1,000	800	\$1.25	1	1.0
65 Broadway	Apartment	\$995	550	\$1.81	1	1.0
424 N. Locust St.	Apartment	\$985	N/A	N/A	1	1.0
345 N. Potomac St., Apt. D	Apartment	\$975	700	\$1.39	1	1.0
64 W. Antietam St., #4	Apartment	\$975	600	\$1.63	2	1.0
242 S. Potomac St.	Apartment	\$975	600	\$1.63	1	1.0
225-229 N. Jonathan St.	Apartment	\$950	N/A	N/A	1	1.0
130 S. Potomac St., Apt. 1S	Apartment	\$950	900	\$1.06	1	1.0
238 Summit Ave., Apt. 5	Apartment	\$950	800	\$1.19	1	1.0
41.5 S. Potomac St., #2F	Apartment	\$900	N/A	N/A	1	1.0
111 E. Baltimore St.	Apartment	\$900	N/A	N/A	1	1.0
500 N. Mulberry St.	Apartment	\$875	N/A	N/A	1	1.0
62 W. Church St., #2	Apartment	\$825	500	\$1.65	5	1.0
49 N. Potomac St., Apt. 3	Apartment	\$800	400	\$2.00	1	1.0

Source: Apartments.com, Zillow.com, Urban Partners

Rentals in the Market Study Area are mostly one-bedroom units, along with several two- and three-bedroom units, and a rare studio, four-, and five-bedroom unit. The unit with the highest rent is a 1,620 SF three-bedroom townhouse on Frederick Street renting for \$2,400 per month (\$1.48/SF). At the low end of the rent scale is the smallest for rent in the Market Study Area—a 400 SF one-bedroom apartment in a small apartment building on N. Potomac Street for \$800 per month (\$2.00/SF). This is the third highest rent per SF. Rents per SF in the Market Study Area range from \$0.78 to \$2.53.

Figure 16 depicts a sample of the variety of individual rental units available in the Market Study Area.

Figure 16: Sample of Available Individual Rental Units in the Market Study Area





Source: Apartments.com, Apartmentfinders.com, Urban Partners

Income-Restricted Communities

In addition to the market-rate rental units profiled in the previous pages, we assessed the affordable housing market in the Market Study Area. We examined all HUD housing facilities and Low Income Housing Tax Credit (LIHTC) projects to identify the nearby current supply and availability of affordable housing. Table 26 describes characteristics of both types of facilities.

Table 26: Income-Restricted Communities in the Market Study Area, 8/2025

Name	Address	Total Units	Type	Expiration Date
Potomac Towers	11 W. Baltimore Street	326	HUD Public Housing	N/A
Walnut Towers	12 S. Walnut Street	150	HUD Public Housing	N/A
Elizabeth Court	55 E. Washington Street	110	LIHTC	2035
Alexander House	7 E. Washington Street	95	HUD Multifamily	2043
Bethel Gardens Apartments	356 Henry Avenue	94	LIHTC/HUD Multifamily	2033
C. Williams Brooks	45 W. Baltimore Street	60	LIHTC/HUD Public Housing	2026
Parkside Homes	130 W. North Avenue	39	HUD Public Housing	N/A

Source: HUD, PolicyMap, Urban Partners

As of August 2025, there are seven income-restricted rental communities in the Market Study Area comprising 874 units. The two largest facilities—Potomac Towers and Walnut Towers—are senior resident HUD Public Housing buildings, owned and operated by the Hagerstown Housing Authority. Parkside Homes is similarly a HUD Public Housing complex operated by HHA. One of the seven communities, the 110-unit Elizabeth Court, is a Low Income Housing Tax Credit (LIHTC) property. LIHTC units are restricted to residents with incomes not to exceed 60% of the area median income (AMI). The Alexander House is a HUD Multifamily

building, which typically is owned and operated by a non-profit organization or private developer. The remaining two properties are funded by a combination of LIHTC and HUD. Three former income-restricted properties—West Bethel Street Apartments, North Potomac Street Apartments, and East Franklin Street Apartments—were originally financed with LIHTC. Each property has exceeded its program expiration date and is no longer in the LIHTC program. Therefore, the units are no longer income restricted.

Rental Housing Market Potential

Our housing market research for the Market Study Area has revealed that rental supply includes mainly apartments for rent in smaller buildings and single-family townhouses on residential blocks. These units offer relatively affordable rents with modest features for renters seeking attainable housing options.

More significantly, there are two new market-rate apartment developments in renovated historic downtown buildings introducing a new high-end rental product to Downtown Hagerstown—The Updegraff and The Aria. The rents at these new developments exceed all others in the Market Study Area and require residents with incomes higher than Downtown Hagerstown has traditionally been able to support. The addition of both buildings, particularly The Updegraff, signal that Downtown Hagerstown is beginning to test the upper end of its rental market and their success will likely determine the near-term viability of additional new rental product at the highest end. However, their relatively high vacancy rates suggest that while there is some interest in upscale housing, the depth of demand for luxury units may be limited at this stage. This creates an opportunity for future development to focus more on the middle of the market—units that are modern, well-amenitized, and attractive, but priced more affordably than the newest luxury options.

The existing stock of individual rentals in smaller buildings and townhouses reinforces this potential. Many of these units are attainable, but they lack modern conveniences and appeal. Demand therefore appears to be robust for moderately priced new or renovated one-bedroom units that can accommodate singles and couples. At the same time, there are relatively few options for households seeking two- or three-bedroom units of a similar quality. This points to an opportunity to deliver more moderately priced larger units that can accommodate families, roommates, or young professionals looking for additional space. Incentives will likely be required to address likely financing gaps.

Historic renovation stands out as a successful strategy in Hagerstown. The character and uniqueness of redeveloped historic buildings give new rental projects a unique edge in the market. Additional adaptive reuse opportunities remain downtown in various underutilized buildings, and these could continue to provide distinctive housing choices while reinforcing the city's identity.

Overall, there appears to be potential for new rental housing in Downtown Hagerstown. This product should prioritize moderately priced rentals that fill the gap between the city's low-cost older stock and the newly built luxury units. More modestly-priced developments with studios and one-bedroom units will appeal to young professionals starting their careers, while limited two- and three-bedroom options will help broaden the appeal to a wider range of residents. At the same time, it will be important to monitor the leasing of the existing luxury product and phase any additional luxury development carefully, giving The Updegraff and The Aria time to stabilize before introducing more units at that price point. Across all new projects, developers should aim to provide in-demand features such as in-unit washer/dryers, updated kitchens, and well-designed shared amenities, while balancing cost considerations to keep rents within reach of the local market. Pairing residential uses with ground-floor retail or mixed-use redevelopment can further enhance downtown's vibrancy and create stronger long-term value.

Regarding income-restricted housing, the Market Study Area currently has almost 750 units. While subsidized housing is always in demand, it's important for it to be distributed equitably throughout the region to avoid high concentrations of low-income residents. Consideration should be made for affordable units to be incorporated into new multi-family residential projects as mixed-income developments containing a combination of market-rate and below-market units. Developer incentives or bonuses can help offset the additional expense of these affordable units.

6. RETAIL MARKET ANALYSIS

Urban Partners conducted a retail market analysis to characterize the performance of existing retailers in Downtown Hagerstown as well as to identify gaps and opportunities for the potential development of new retailing in the area.

Retail Supply

For this retail market analysis, we are focused chiefly on retail stores engaged in selling merchandise for personal and/or household consumption and on establishments that render services incidental to the sale of these goods. All retail establishments in the area were classified by type of business according to the principal lines of merchandise sold and the usual trade designation. In general, this classification follows the numeric system established for both government and industry practice—the North American Industry Classification System (NAICS).

The term “retail store sales” in this analysis includes sales by establishments that are normally found in pedestrian-oriented retail shopping areas. This definition excludes the sales of automobile dealerships and repair facilities, service stations, fuel oil dealers, and non-store retailing. Banks and other financial establishments are also excluded from this assessment because banking activities—deposits, loans, etc.—cannot be added to sales volume data for other types of retail establishments.

To identify and categorize the supply of currently available shopping opportunities in Downtown Hagerstown, Urban Partners updated an inventory of all retail establishments located within the City Center-Mixed Use (CC-MU) Zoning District that was completed in 2014 as part of The Community’s City Center Plan. Table 27 describes the current range of stores available within the Market Study Area in January 2014 as well as the current update (see Appendix 1 for a complete inventory). In January 2014, the Market Study Area included 75 operating retail businesses. As of August 2025, this total has increased to 86. This net increase of 11 stores, however, masks a much more extensive set of changes. During the 11 and a half-year period, 24 stores changed names or store types, and 15 formerly vacant spaces became occupied.

More than 36% of these establishments (31) are full- and limited-service restaurants and bars serving a broad range of market segments including nearby residents, employees, event-goers, and the overall Washington County market. The number of establishments in each of those categories has increased since 2014, indicating a growing downtown niche for dining. Another 17 stores (20%) are hair salons and laundries/dry cleaners.

Table 27: Retail Supply in the Market Study Area – January 2014 vs. August 2025

Retail Category	# of Stores 1/2014	# of Stores 8/2025	Change
Grocery Store, Supermarket	1	1	-
Convenience Store	2	6	4
Meat Store	1	-	-1
Fish Store	1	1	-
Bakeries	1	2	1
Other Specialty Foods	1	2	1
Liquor and Beer Distributors	2	2	-
Drug Store/Pharmacy	2	1	-1
Cosmetics, Beauty Supply Stores	2	2	-
Other Health/Personal Care	1	-	-1
Full-Service Restaurants	14	16	2
Limited-Service Restaurants	6	7	1
Bars and Lounges	3	9	6
Dollar Stores/General Merchandise	-	1	1
Family Clothing	1	-	-1
Clothing Accessories	1	-	-1
Other Clothing	1	3	2
Shoe Stores	-	-	-
Floor Coverings	3	1	-2
Specialty Sporting Goods	2	-	-2
Toy & Hobby Stores	1	3	2
Gift, Novelty, Souvenir Store	4	3	-1
Florist	1	-	-
Antique Stores	1	2	1
Other Used Merchandise	3	4	1
Art Dealers	3	2	-1
Other Miscellaneous Retail Stores	1	1	-
Hair Salon	14	15	1
Laundries; Dry Cleaning	3	2	-1
Total	75	86	11

Source: Urban Partners

The other 48 stores are scattered among 14 broad categories of retailing, serving both nearby and more distant markets. Growth in store quantities has occurred in the following categories:

- Convenience stores (+4)
- Bakeries (+1)
- Other Specialty Foods (+1)
- Dollar Stores (+1)
- Other Clothing Stores (+2)
- Toy & Hobby Stores (+2)
- Antique Stores (+1)
- Other Used Merchandise Stores (+1)

Retail Demand

Consumer shopping patterns vary depending on the types of goods being purchased. For convenience goods purchased frequently, such as groceries, drugs, and prepared foods, shoppers typically make purchases at stores close to their home or place of work. For larger-ticket, rarely purchased items—such as automobiles, electronics, and large appliances—shoppers may travel anywhere within the metropolitan area or beyond to obtain the right item at the right price. For apparel, household furnishings, and other shopping goods, consumers generally establish shopping patterns between these two extremes, trading at a number of shopping areas within a 30-minute commute of their homes.

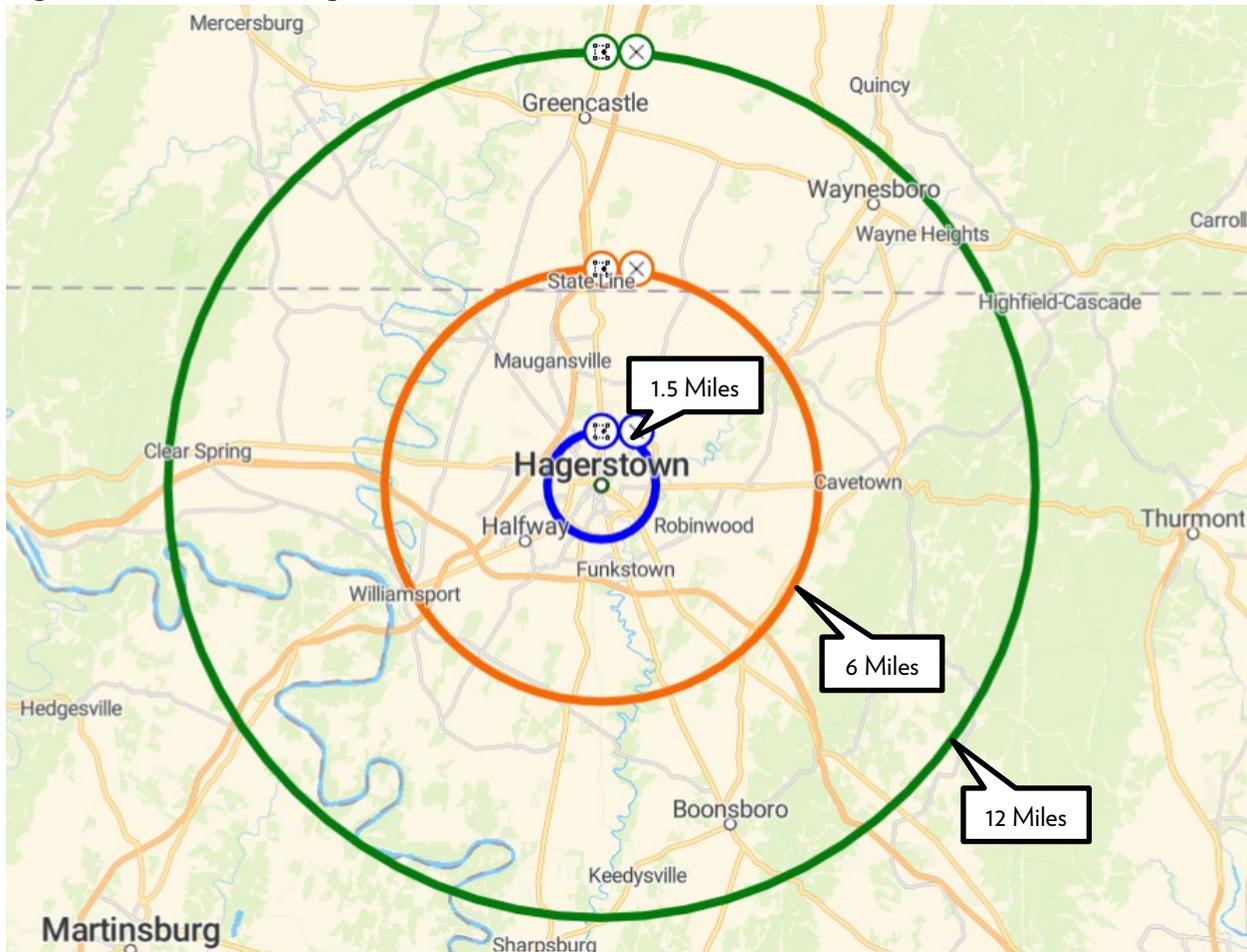
In analyzing the retail market demand within a portion of a larger metropolitan area, these behavioral observations translate into a series of analytical rules-of-thumb:

- Shopping for community-serving goods and services is generally confined to the immediate trade area.
- Expenditures made at full-service restaurants will occur chiefly within the immediate trade area, but some restaurant expenditures made by the trade area population will be lost to established restaurants located outside the immediate trade area. Similarly, some restaurant sales occurring in the immediate trade area will be attracted from residents who live elsewhere in the region.
- Expenditures made by immediate trade area residents for shopping good items (department stores, apparel, and most specialty goods) will more likely occur within the area if they exist, but a substantial proportion of these sales will occur outside the area. Similarly, significant sales will be attracted from residents outside the immediate trade area to any large, well-known stores located within a trade area.
- Specific high-quality stores within the immediate trade area may attract significant clientele from well beyond the trade area for highly-targeted, single destination trips for specialized purchases.

Retail Trade Area

To examine the entire range of retailers potentially feasible for the Market Study Area, we have identified a Retail Trade Area from where potential customers would likely originate for the types of goods and services most typically available. Since retailing in Downtown Hagerstown functions within a larger regional marketplace, we have defined three trade areas centered on City Hall: a 1.5-mile radius, a 6-mile radius, and a 12-mile radius (see Figure 17). This comparison enables us to identify the degree to which customers from each of these areas patronize retailers in the other respective areas, understand how this impacts the downtown's retail supply and demand, and confirm a primary trade area for Downtown Hagerstown.

Figure 17: Downtown Hagerstown Retail Trade Areas



Source: *Environics Analytics, Urban Partners*

The 1.5-Mile Trade Area encompasses the entirety of the downtown area. Residents within this radius are likely to find most of their daily needs in several categories of goods and services and make most of their purchases, including supermarkets, convenience stores, pharmacies, and take-out restaurants. The 1.5-Mile Trade Area includes all of Hagerstown’s downtown retailers as well as those in the surrounding city neighborhoods, extending from Eastern Boulevard North on the north and east to E. Wilson Boulevard on the south and almost to Interstate 81 on the west. The estimated 2020 population for this area was 31,802.

Beyond the 1.5-Mile Trade Area, the 6-Mile Trade Area encompasses the City of Hagerstown in its entirety, as well as the suburban areas just outside the city and some more rural portions beyond. Extending from just north of the Pennsylvania state line to practically the Potomac River and West Virginia, it includes the Valley Mall and Hagerstown Premium Outlets, capturing the bulk of the region’s retail supply. Included in this ring are the hamlets of Maugansville, Robinwood, Funkstown, St. James, and Wilson-Conococheague. The Town of

Williamsport is included in this area as well. The estimated 2020 population for this area was 99,636.

The 12-Mile Trade Area is predominantly rural beyond the 6-Mile area, extending to just beyond Greencastle and Waynesboro, PA on the north/northeast, Keedysville on the south, Falling Waters, WV on the southwest, and Clear Spring on the west. It extends halfway to Chambersburg, PA on the north and Frederick on the southeast, creating a trade area boundary between each of those cities. The estimated 2020 population for this area was 188,258.

Trade Area Supply and Demand Characteristics

In this section, we compare the current supply and demand for all retail goods and services by residents of the Downtown Hagerstown 1.5-Mile Trade Area, as well as the 6- and 12-Mile Trade Areas. To determine the trade areas' supply and demand, we acquired information about the retail spending behavior of Market Study Area residents from Environics Analytics, which acquires its data from the Nielsen Company—one of the national data services typically used by retail store location and real estate professionals. Table 28 outlines the supply and demand characteristics of the trade areas examined.

According to this information from Environics Analytics about the retail spending behavior of Market Study Area residents, stores within the Downtown Hagerstown 1.5-Mile Trade Area sell more than **\$1.3 billion** worth of retail goods annually, while the trade area's population spends approximately **\$396 million** on retail goods annually. This retail spending includes:

- \$85.6 million in Eating and Drinking Establishments,
- \$80.9 million in Food and Beverage Stores,
- \$75.5 million in General Merchandise Stores,
- \$39.9 million in Building Material and Garden Stores,
- \$35.7 million in Health and Personal Care Stores,
- \$26.3 million in Clothing and Accessories Stores,
- \$13.4 million in Miscellaneous Store Retailers,
- \$11.9 million in Auto Parts Stores,
- \$10.9 million in Furniture and Home Furnishings Stores,
- \$7.8 million in Sporting Goods, Hobby, and Book Stores, and
- \$7.5 million in Electronics and Appliance Stores.

Table 28: Trade Area Retail Supply and Demand Characteristics

	Downtown Hagerstown Trade Area 1.5-Mile			Downtown Hagerstown Trade Area 6-Mile			Downtown Hagerstown Trade Area 12-Mile		
	2025 Demand (Consumer Expenditures)	2025 Supply (Retail Sales)	Opportunity Gap/ Surplus	2025 Demand (Consumer Expenditures)	2025 Supply (Retail Sales)	Opportunity Gap/ Surplus	2025 Demand (Consumer Expenditures)	2025 Supply (Retail Sales)	Opportunity Gap/ Surplus
Total Retail Sales	395,687,513	1,345,119,848	(949,432,335)	1,364,073,152	2,421,434,190	(1,057,361,038)	2,689,193,946	3,077,170,068	(387,976,122)
Motor Vehicle and Parts Dealers-441	11,943,079	30,127,830	(18,184,751)	41,075,021	63,972,405	(22,897,384)	77,354,511	99,595,932	(22,241,421)
Automotive Parts/Accsrs, Tire Stores-4413	11,943,079	30,127,830	(18,184,752)	41,075,021	63,972,405	(22,897,384)	77,354,511	99,595,932	(22,241,422)
Furniture and Home Furnishings Stores-442	10,909,585	27,730,493	(16,820,908)	38,445,503	66,843,506	(28,398,003)	74,632,152	79,759,546	(5,127,394)
Furniture Stores-4421	6,114,460	21,787,505	(15,673,046)	21,429,590	30,854,030	(9,424,440)	40,665,433	32,417,220	8,248,213
Home furnishings stores - 4422	4,795,125	5,942,988	(1,147,863)	17,015,913	35,989,476	(18,973,563)	33,966,719	47,342,326	(13,375,607)
Floor covering stores - 44221	1,815,373	3,413,152	(1,597,780)	6,595,488	20,630,100	(14,034,612)	13,862,735	31,060,769	(17,198,034)
Other home furnishings stores - 44229	2,979,752	2,529,836	449,916	10,420,425	15,359,376	(4,938,951)	20,103,984	16,281,557	3,822,427
Electronics and Appliance Stores-443	7,518,376	20,392,846	(12,874,470)	25,806,562	54,810,113	(29,003,551)	50,459,398	59,274,048	(8,814,650)
Household Appliances Stores-443141	1,855,139	7,907,835	(6,052,696)	6,410,471	8,823,458	(2,412,987)	12,449,869	11,081,053	1,368,816
Electronics Stores-443142	5,663,237	12,485,011	(6,821,775)	19,396,091	45,986,655	(26,590,564)	38,009,529	48,192,995	(10,183,466)
Building Material, Garden Equip Stores -444	39,901,921	108,016,213	(68,114,292)	141,643,503	255,652,624	(114,009,121)	279,597,345	350,262,231	(70,664,886)
Building Material and Supply Dealers-4441	34,844,319	91,224,813	(56,380,494)	123,841,771	224,630,012	(100,788,241)	244,611,943	285,340,058	(40,728,115)
Home Centers-44411	18,729,799	46,403,927	(27,674,128)	66,419,407	135,555,917	(69,136,510)	131,070,712	155,992,280	(24,921,568)
Paint and Wallpaper Stores-44412	1,490,035	4,825,267	(3,335,232)	5,488,220	14,179,590	(8,691,370)	10,788,309	20,197,667	(9,409,359)
Hardware Stores-44413	3,472,533	11,152,394	(7,679,862)	12,316,606	21,950,658	(9,634,052)	24,281,166	31,172,912	(6,891,746)
Other Building Materials Dealers-44419	11,151,952	28,843,225	(17,691,273)	39,617,538	52,943,847	(13,326,309)	78,471,756	77,977,199	494,558
Lawn, Garden Equipment, Supplies Stores-4442	5,057,602	16,791,400	(11,733,798)	17,801,732	31,022,612	(13,220,880)	34,985,402	64,922,173	(29,936,771)
Outdoor Power Equipment Stores-44421	1,050,826	4,962,909	(3,912,083)	3,725,791	12,912,314	(9,186,522)	7,247,722	28,986,903	(21,739,180)
Nursery and Garden Centers-44422	4,006,776	11,828,491	(7,821,715)	14,075,941	18,110,298	(4,034,357)	27,737,680	35,935,270	(8,197,590)
Food and Beverage Stores-445	80,894,633	130,579,478	(49,684,845)	274,856,691	352,830,743	(77,974,052)	549,958,548	553,206,296	(3,247,748)
Grocery Stores-4451	72,989,208	111,109,466	(38,120,258)	247,460,594	295,337,183	(47,876,589)	494,678,626	471,926,280	22,752,346
Supermarkets, Grocery (Ex Conv) Stores-44511	69,566,637	108,386,357	(38,819,721)	235,887,820	283,483,253	(47,595,433)	471,802,185	454,953,251	16,848,934
Convenience Stores-44512	3,422,571	2,723,109	699,463	11,572,774	11,853,930	(281,156)	22,876,441	16,973,029	5,903,412
Specialty Food Stores-4452	2,282,407	2,538,508	(256,100)	7,730,679	5,879,779	1,850,898	15,502,226	9,048,652	6,453,574
Meat Markets-44521	686,680	270,001	416,679	2,335,005	1,101,503	1,233,502	4,676,712	2,758,308	1,918,404
Fish and Seafood Markets-44522	270,459	1,937,223	(1,666,764)	918,333	1,937,223	(1,018,890)	1,840,123	2,085,796	(245,673)
Fruit and Vegetable Markets -44523	476,634	0	476,634	1,607,733	131,926	1,475,806	3,227,603	1,021,822	2,205,782
Other Specialty Food Stores-44529	848,634	331,284	517,351	2,869,608	2,709,127	160,480	5,757,788	3,182,726	2,575,061
Beer, Wine and Liquor Stores-4453	5,623,018	16,931,504	(11,308,486)	19,665,418	51,613,781	(31,948,362)	39,777,696	72,231,364	(32,453,667)
Health and Personal Care Stores-446	35,693,396	155,907,692	(120,214,296)	121,690,019	262,914,399	(141,224,380)	238,266,343	334,096,152	(95,829,809)
Pharmacies and Drug Stores-44611	30,069,428	130,981,075	(100,911,646)	102,525,766	215,981,915	(113,456,149)	200,712,839	281,934,016	(81,221,177)
Cosmetics, Beauty Supplies, Perfume Stores-44612	2,510,137	11,312,312	(8,802,175)	8,579,945	17,893,119	(9,313,174)	16,818,875	18,247,235	(1,428,360)
Optical Goods Stores-44613	1,128,909	4,249,088	(3,120,179)	3,817,328	8,814,039	(4,996,711)	7,488,675	12,455,057	(4,966,382)
Other Health and Personal Care Stores-44619	1,984,922	9,365,217	(7,380,295)	6,766,980	20,225,326	(13,458,346)	13,245,954	21,459,844	(8,213,890)

Clothing and Clothing Accessories Stores-448	26,310,867	152,855,799	(126,544,932)	90,056,773	240,574,700	(150,517,927)	175,148,857	254,395,972	(79,247,115)
Clothing Stores-4481	18,951,794	98,534,455	(79,582,661)	64,938,939	166,450,692	(101,511,753)	125,171,445	173,649,137	(48,477,692)
Men's Clothing Stores-44811	685,856	3,178,258	(2,492,403)	2,371,922	6,573,430	(4,201,508)	4,643,078	6,573,430	(1,930,352)
Women's Clothing Stores-44812	3,260,201	7,613,898	(4,353,697)	11,153,582	20,838,009	(9,684,428)	20,974,580	21,301,332	(326,752)
Children's, Infants Clothing Stores-44813	734,064	2,202,174	(1,468,109)	2,470,506	6,713,843	(4,243,337)	5,103,425	8,468,017	(3,364,592)
Family Clothing Stores-44814	11,457,562	56,576,779	(45,119,217)	39,285,590	87,346,401	(48,060,812)	76,122,051	87,747,636	(11,625,586)
Clothing Accessories Stores-44815	1,085,814	10,689,687	(9,603,873)	3,731,285	16,464,584	(12,733,299)	7,141,723	20,814,522	(13,672,799)
Other Clothing Stores-44819	1,728,297	18,273,659	(16,545,362)	5,926,054	28,514,425	(22,588,372)	11,186,588	28,744,200	(17,557,612)
Shoe Stores-4482	2,879,126	36,731,931	(33,852,806)	9,747,925	47,607,372	(37,859,447)	19,926,015	50,455,785	(30,529,769)
Jewelry, Luggage, Leather Goods Stores-4483	4,479,947	17,589,413	(13,109,466)	15,369,909	26,516,636	(11,146,727)	30,051,397	30,291,050	(239,653)
Jewelry Stores-44831	2,562,632	17,589,413	(15,026,781)	8,795,391	26,516,636	(17,721,245)	17,305,643	30,291,050	(12,985,407)
Luggage and Leather Goods Stores-44832	1,917,315	0	1,917,315	6,574,518	0	6,574,518	12,745,754	0	12,745,754
Sporting Goods, Hobby, Book, Music Stores-451	7,755,223	20,340,742	(12,585,519)	26,861,046	53,342,634	(26,481,588)	51,299,262	64,117,028	(12,817,766)
Sporting Goods, Hobby, Musical Inst Stores-4511	6,749,758	17,819,842	(11,070,084)	23,386,100	50,157,034	(26,770,934)	44,213,370	59,662,281	(15,448,911)
Sporting Goods Stores-45111	4,536,930	9,471,916	(4,934,986)	15,812,431	23,664,784	(7,852,354)	29,531,985	31,069,074	(1,537,090)
Hobby, Toys and Games Stores-45112	1,667,528	7,968,232	(6,300,704)	5,704,844	23,099,164	(17,394,320)	10,985,370	24,282,817	(13,297,448)
Sew/Needlework/Piece Goods Stores-45113	220,259	286,396	(66,137)	769,120	1,908,323	(1,139,203)	1,573,697	2,025,965	(452,268)
Musical Instrument and Supplies Stores-45114	325,041	93,298	231,743	1,099,705	1,484,763	(385,058)	2,122,318	2,284,425	(162,107)
Book, Periodical and Music Stores-4512	1,005,465	2,520,900	(1,515,435)	3,474,946	3,185,600	289,346	7,085,892	4,454,747	2,631,145
Book Stores-451211	954,880	2,520,900	(1,566,020)	3,302,784	3,185,600	117,184	6,745,973	4,454,747	2,291,226
News Dealers and Newsstands-451212	50,585	0	50,585	172,162	0	172,162	339,919	0	339,919
General Merchandise Stores-452	75,503,363	471,910,534	(396,407,171)	257,787,530	568,325,603	(310,538,073)	506,948,383	599,090,285	(92,141,902)
Department Stores Excl Leased Depts-4521	4,707,580	12,588,727	(7,881,147)	16,145,221	31,952,822	(15,807,601)	31,403,944	32,738,187	(1,334,243)
Other General Merchandise Stores-4529	70,795,783	459,321,807	(388,526,024)	241,642,309	536,372,781	(294,730,472)	475,544,439	566,352,098	2,499,100
Warehouse Club and Supercenters-452311	64,957,408	440,238,908	(375,281,500)	221,675,583	497,965,942	(276,290,358)	436,307,055	506,193,666	(69,886,611)
All Other General Merchandise Stores-452319	5,838,375	19,082,899	(13,244,524)	19,966,726	38,406,839	(18,440,113)	39,237,384	60,158,432	(20,921,047)
Miscellaneous Store Retailers-453	13,406,426	20,997,273	(7,590,847)	45,736,326	88,529,434	(42,793,108)	89,802,632	111,316,801	(21,514,169)
Florists-4531	686,453	1,675,517	(989,063)	2,432,251	2,507,895	(75,644)	4,728,984	5,073,517	(344,533)
Office Supplies, Stationery, Gift Stores-4532	2,143,683	5,220,662	(3,076,979)	7,410,387	10,396,606	(2,986,219)	14,679,308	13,185,867	1,493,441
Office Supplies and Stationery Stores-45321	594,609	2,383,040	(1,788,431)	2,068,789	3,766,833	(1,698,043)	4,093,535	4,228,318	(134,783)
Gift, Novelty and Souvenir Stores-45322	1,549,074	2,837,622	(1,288,547)	5,341,598	6,629,773	(1,288,175)	10,585,773	8,957,549	1,628,224
Used Merchandise Stores-4533	2,183,225	3,146,769	(963,543)	7,448,317	11,989,619	(4,541,302)	14,927,589	14,215,404	712,186
Other Miscellaneous Store Retailers-4539	8,393,065	10,954,325	(2,561,260)	28,445,371	63,635,314	(35,189,943)	55,466,751	78,842,013	(23,375,262)
Pet and Pet Supply Stores-45391	2,566,959	1,669,797	897,162	8,658,974	35,149,478	(26,490,504)	17,048,379	43,472,882	(26,424,503)
Art Dealers-45392	1,433,083	246,747	1,186,337	4,886,670	3,442,910	1,443,760	9,803,344	3,789,670	6,013,675
All Other Miscellaneous Stores-45399	4,393,023	9,037,781	(4,644,757)	14,899,727	25,042,926	(10,143,199)	28,615,028	31,579,461	(2,964,433)
Foodservice and Drinking Places-722	85,850,644	206,260,948	(120,410,304)	300,114,178	413,638,029	(113,523,851)	595,726,515	572,055,777	23,670,738
Drinking Places -Alcoholic Beverages-7224	2,973,885	8,559,245	(5,585,360)	10,716,746	12,767,582	(2,050,835)	21,418,832	16,316,453	5,102,378
Full-Service Restaurants-722511	41,387,230	80,753,811	(39,366,582)	145,046,499	180,066,223	(35,019,724)	288,078,345	232,862,968	55,215,377
Limited-Service Eating Places-722513	35,193,314	105,239,765	(70,046,451)	122,466,707	194,505,292	(72,038,585)	242,824,114	288,528,142	(45,704,028)
Cafeterias, Grill- Buffets, and Buffets-722514	897,017	0	897,017	3,121,494	0	3,121,494	6,188,925	0	6,188,925
Snack and Nonalcoholic Beverage Bars-722515	5,399,198	11,708,127	(6,308,929)	18,762,732	26,298,932	(7,536,200)	37,216,299	34,348,214	2,868,085

Source: Environics Analytics, Urban Partners

By comparison, stores within the 3-Mile Radius trade area sell more than **\$2.4 billion** worth of retail goods annually, while that trade area's population spends approximately **\$1.4 billion** on retail goods annually. This retail spending includes:

- \$300.1 million in Eating and Drinking Establishments,
- \$274.9 million in Food and Beverage Stores,
- \$257.8 million in General Merchandise Stores,
- \$141.6 million in Building Material and Garden Stores,
- \$121.7 million in Health and Personal Care Stores,
- \$90.1 million in Clothing and Accessories Stores,
- \$45.7 million in Miscellaneous Store Retailers,
- \$41.1 million in Auto Parts Stores,
- \$38.4 million in Furniture and Home Furnishings Stores,
- \$26.7 million in Sporting Goods, Hobby, and Book Stores, and
- \$25.8 million in Electronics and Appliance Stores.

Finally, stores within the 4-Mile Radius trade area sell more than **\$3.1 billion** worth of retail goods annually, while that trade area's population spends approximately **\$2.7 billion** on retail goods annually. This retail spending includes:

- \$595.7 million in Eating and Drinking Establishments,
- \$550.0 million in Food and Beverage Stores,
- \$506.9 million in General Merchandise Stores,
- \$279.6 million in Building Material and Garden Stores,
- \$238.3 million in Health and Personal Care Stores,
- \$175.1 million in Clothing and Accessories Stores,
- \$89.8 million in Miscellaneous Store Retailers,
- \$77.4 million in Auto Parts Stores,
- \$74.6 million in Furniture and Home Furnishings Stores,
- \$51.3 million in Sporting Goods, Hobby, and Book Stores, and
- \$50.5 million in Electronics and Appliance Stores.

Downtown Employee and Visitor Retail Base

As identified in the Employment Trends analysis above, total employment in the Market Study Area was estimated at more than 5,000 in 2022. Retail purchasing patterns by downtown workers vary substantially among industries. Office workers, for instance, purchase substantial amounts of retail goods and services near their workplaces; the largest of these purchases is lunch, but they also make significant purchases of convenience and shopping goods items and expend substantial sums on after-work eating and drinking. The purchasing patterns of retail workers are diverse, but at lower expenditure levels due to lower earnings. Finally, restaurant employees typically spend substantially less on near-work

retailing due to the availability of prepared food at their worksites and because they often work shifts when fewer retail establishments are open. However, these employee purchases all supplement the patronage of local residents and add significantly to the overall spending at downtown establishments, further increasing their demand.

Similarly, visitors to Hagerstown and environs contribute to the downtown economy when they patronize businesses as part of their visit. These patrons can include guests attending arts and cultural events and venues, area Civil War sites, recreational sites such as trails, and both the new Field House and Meritus Stadium, among other attractions. According to the Hagerstown/Washington County Convention and Visitors Bureau, these destinations drew more than 5 million visitors to the region in 2024, with Downtown Hagerstown at its center. As with employees, visitors spend substantial amounts on retail goods and services, particularly on eating and drinking before, during, and after their visit.

Retail Market Potential

The comparison of retail supply and demand for the trade areas reveals the retail surplus or gap/potential for additional retail stores in each category. The supply of retailing in the 1.5-Mile Trade Area exceeds demand by more than \$949 million, indicating that the immediate area is significantly oversupplied for its population, and the customer base comes from beyond this 1.5-mile ring for most retail goods and services. However, for select miscellaneous retail categories, there is some limited demand that could serve local downtown residents.

The 6-Mile Trade Area contains significantly more commercial centers with retailers (including the area's malls and big box centers) and population than the 1.5-Mile Trade Area. Within this 6-mile radius, total retail supply still exceeds demand by a significant \$1.1 billion surplus. Almost all retail categories remain oversupplied at this distance from the downtown. With the region's primary concentration of retail located within this area, it is logical that customers from beyond this radius would come to Hagerstown for their shopping needs beyond daily items.

Within the 12-Mile Trade Area, the store supply does not increase substantially for many retail categories since the mostly rural outer portions of the geography don't contain many retail establishments. The population, however, grows significantly. As a result, while there is still a surplus of \$388 million, it is considerably less than in the other two smaller trade areas. Key retail categories within that 12-mile radius, particularly food-related, experience a significant opportunity gap that could be filled in Downtown Hagerstown with additional businesses. Combined with demand from the employee and visitor retail base, appropriate opportunities include:

- The potential to further exploit the significant number of downtown employees and visitors and supplement the current restaurant offerings with additional **food and dining establishments**; and
- Selected **miscellaneous retailing** to serve downtown residents.

Food/Dining Hub

Within the 12-Mile Trade Area, a significant opportunity exists for a variety of restaurants and establishments offering various foods. The downtown is already a regional culinary destination with such long-standing restaurants as Schmankerl Stube and Rhubarb House as well several newcomers that are creating a buzz. Adding establishments with diverse cuisine could further strengthen Downtown Hagerstown as a food and dining hub. These opportunities include:

- **Full-Service Restaurants.** Significant opportunity exists for full-service restaurants within the 12-Mile Trade Area. Over 200,000 SF of such space could be supported by the \$55.2 million gap. Downtown Hagerstown could capture a significant portion of that demand.
- **Bars/Drinking Places.** With a gap of \$5.1 million, bars, particularly ones offering live music and entertainment, could be supported totaling up to 18,000 SF of space.
- **Coffee Shop/Ice Cream Shop.** A gap of \$2.9 million in the Snack and Nonalcoholic Beverage Bars category could support an additional coffee shop and ice cream shop totaling up to 9,000 SF of store space that could supplement the popular Cannon Coffee.
- **Specialty/Fresh Food Store.** The retail data suggests that \$6.5 million in specialty food stores expenditures are leaking from the 12-Mile Trade Area annually. This category includes stores that sell fresh fruits, vegetables, and meats. The leakage can support 22,000 SF of fresh food store space that could complement nearby Cameron's Seafood, a regional destination.

Miscellaneous Retailing

There are limited gaps in supply within the 1.5-Mile Trade Area in some miscellaneous retail categories that could serve the Downtown Hagerstown population, as well as residents from outside the downtown area and visitors, including:

- **Home Furnishing Store.** An opportunity exists for a small home furnishing stores in in Downtown Hagerstown. The \$0.5 million gap translates to approximately 2,000 SF in store space.
- **Pet Store.** A \$0.7 million gap in retail supply exists for pet stores. This leakage can support a 3,000 SF store.

- **Art Dealer.** The data indicates that \$0.9 million in expenditures on art are leaving the Trade Area annually. This leakage can support 2,000 SF of gallery space that could complement the theme of the Arts and Entertainment District. This opportunity grows to 13,000 SF of space at the 12-Mile Trade Area. Art dealers could appeal to visitors as well as area residents.

While such retailers could potentially locate anywhere within the Trade Area—including near other retail concentrations such as the Valley Mall—these opportunities are appropriate for a revitalizing Downtown Hagerstown. In general, they would be smaller store types that could occupy any vacant storefronts of downtown commercial buildings.

7. HOTEL MARKET ANALYSIS

The hotel market analysis area for a potential Downtown Hagerstown hotel focuses on an area that extends approximately four miles from Downtown. There are currently no hotels in the Downtown Study Area, but there are 21 properties located between one and three and one-half miles of Downtown. Six of these properties are considered “Economy” and three are classified as “Independent.” These were excluded from the analysis. The remaining 12 hotels are predominantly considered “Upper Midscale” (Holiday Inn Express, Hampton Inn, Comfort Inn & Suites, Fairfield Inn, etc.), but three are considered “Upscale” (Courtyard, Springhill Suites, Homewood Suites) and two are considered “Midscale” (Quality Inn, Sleep Inn). Most of these hotels are located either at exits of Interstate 81 or along the Dual Highway (U.S. 40) as it approaches Downtown Hagerstown from the east from Interstate 70.

In the past ten years, two new hotels have entered the market—the 105-room Home2Suites in 2019 and the 96-room Fairfield Inn in 2022. Two older properties transitioned from chain-designated to independent status and are now considered less competitive. At the current time, this pool of 12 properties includes 1,178 rooms. However, an additional 100 rooms will be added in Spring 2026 when the now under-construction Tru by Hilton comes online.

Using STR Global as the source, we obtained data on these 12 hotel properties. In total, hotel room demand in the Downtown Hagerstown area for this quality accommodation grew from 259,786 room-nights in 2017 to 309,126 in 2023, a total growth of 19% in the six years (see Table 29).

Table 29: Downtown Hagerstown Area Hotel Performance

Year	Supply (Room Nights)	Demand (Room Nights)	Occupancy (%)	Average Room Rate
2017	352,251	259,786	73.8%	\$96.53
2018	355,875	260,212	73.1%	\$100.89
2019	381,600	262,240	68.7%	\$103.57
2020	388,344	183,619	47.3%	\$92.65
2021	394,200	276,018	70.0%	\$106.17
2022	420,600	308,681	73.4%	\$116.76
2023	429,240	309,126	72.0%	\$122.89
2024	429,362	295,591	68.8%	\$129.13
2025 (7 mo.)	249,736	171,262	68.6%	\$131.01

Source: STR Global, Urban Partners

Room supply grew as well during this period from 352,251 room-nights in 2017 to 429,240 in 2023, a total growth of 22%. As noted above, the growth in supply during this period involved two properties opening in 2019 and 2022. There has been some slippage in demand during

the past 18 months, mostly concentrated in the off-peak winter months. Summer period demand has remained strong—July 2025 occupancy was 79.9%. This analysis period includes the 2020 Covid pandemic year, when overall occupancy dropped to 47.3%. In general, however, occupancy has been strong in the 69% to 74% range. During this period, room rates have grown 34%—rising from \$96.53 in 2017 to \$129.13 in 2024. This exceeded overall inflation during this period of 28%.

Room demand is generally even during the Monday through Saturday period, with Sundays significantly weaker. Demand is seasonal: occupancy during April through October, 2024, averaged 74.9%, versus 60.3% for November through March.

Hotel Market Potential

From 2017 to 2023, the annual growth in demand was 8,200 room-nights per year. The additional supply from the introduction of the higher quality Fairfield and Home2Suites was fully absorbed with occupancy remaining above 72% in 2022 and 2023. This suggests that improved quality of supply triggered at least some positive incremental demand response.

If we assume that an annual average room-night increment in demand in the 5,000 to 8,000 range continues for several years and that 65% is a healthy average occupancy rate, then we can conclude that the new Tru by Hilton can be absorbed in the market by the end of 2026 and that the Hagerstown area can absorb 60-100 new hotel rooms every two-three years, beginning in 2027 or 2028. This demand could potentially be accommodated in a downtown hotel.

Figure 18: Examples of Boutique-Style Downtown Hotels with Corporate Brands



Source: Marriott, Hilton

8. OFFICE MARKET ANALYSIS

To identify the potential for new office/commercial space in Downtown Hagerstown, Urban Partners examined office market conditions in and around the Market Study Area. We researched the variety of multi-tenant office space available in the area to understand the types of units, amenities, and rents being commanded as an indication of what could be expected for comparable space in a new office building. As of August 2025, we found 11 buildings offering office space that is available for rent (see Table 30).

Table 30: Office Space Available for Rent in the Downtown Study Area, 8/2025

Address	Class	Year Built	Max Available SF	Gross Leasable SF	Listed Rent (\$/SF/YR)	Lease Type	% Building Vacant
100 Summit Ave.	B	1979	58,832	58,832	N/A	TBD	100.0%
24 Jonathan St.	C	1898	12,300	13,300	N/A	NNN	92.5%
20 W. Washington St.	C	1900	11,005	34,220	N/A	NNN	32.2%
100 W. Franklin St.	C	1932	7,450	33,816	\$20.00	NNN	22.0%
5 Public Square	C	1920	5,664	42,000	N/A	NNN	13.5%
10 Public Square	B	1982	3,567	5,317	\$12.00	NNN	67.1%
33 W. Franklin St.	B	1930	1,434	19,831	\$20.00	Full Service Gross	7.2%
2 S Potomac St.	B	1928	1,089	10,576	N/A	TBD	10.3%
223 N. Prospect St.	B	1900	1,000	43,788	N/A	Full Service Gross	2.3%
21 S. Potomac St.	A	N/A	988	27,998	\$30.36	Full Service	3.5%
119 King St.	C	1903	185	2,754	\$25.95	Full Service	6.7%

Source: Google, Loopnet.com

The downtown office building with the most amount of available office space among the listings is 100 Summit Avenue, the former Herald Mail building. This 59,000 SF Class B building is 100% vacant and available in its entirety. Rent is currently not advertised and the lease type is to be determined. It is a multi-use office building with several potential uses. Several mixed-use redevelopment concepts have been identified for the property, including restaurant, retail, condos, apartments, conference center, and hotel. The location is ideal, situated on the same block as Meritus Park and across the street from the new Hub City Garage. The site is also being considered for a new courthouse.

The available space with the highest advertised rent in the downtown is 21 S. Potomac Street, located in the Maryland Theater, listed at \$30.36 per square foot per year (SF/YR) for a full-service lease. With just 1,000 SF available among the building’s 28,000 SF of space, it is just 3.5% of the building’s total area and the downtown’s only advertised Class A office space. It is an open floor plan with one small private office and storage room. It is immediately adjacent to a shared conference room with direct access to this space. The lease includes discounted rates for use of the ballroom or historic auditorium, if desired.

As Table 30 above indicates, there are several other office buildings in the Market Study Area with available space (see Figure 19). Sizes range from just 185 SF to more than 12,000 SF with listed rents ranging from \$12.00 to \$25.95 for a variety of lease types, including triple net (where tenant pays all utilities, taxes and insurance), and full service. Class types include B and C. Vacancy rates range from less than 2% to 93%. Typical amenities include conference rooms, kitchenettes, nearby garage parking, on-site retail, and proximity to Meritus Park and other downtown attractions.

Figure 19: Buildings with Office Space Available for Rent in the Market Study Area



Herald Mail Building – 100 Summit Avenue

Baldwin Building – 24 Jonathan Street

Grand Piano Building – 20 W. Washington Street

The Franklin Building – 100 W. Franklin Street



Professional Arts Building – 5 Public Square



10 Public Square



Franklin Plaza – 33 W. Franklin Street



2 S. Potomac Street



Westview Center – 223 N. Prospect Street



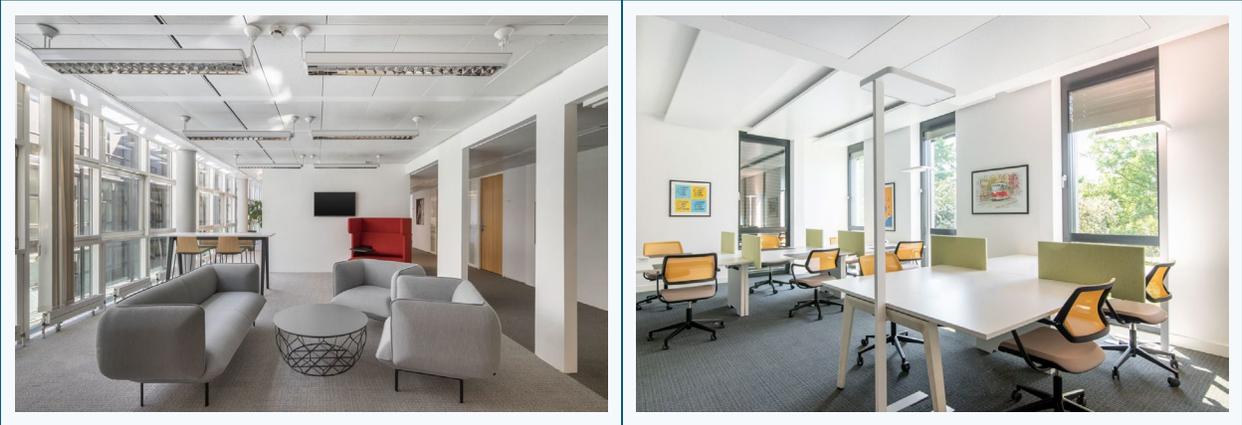
Maryland Theater Office Space – 21 S. Potomac St.

Source: Loopnet.com

In addition to traditional office space, the Market Study Area also has three co-working spaces—HQ, Urban Works, and AEON Virtual Office. HQ, is located at 33 W. Franklin Street

at Franklin Plaza (see Figure 20). HQ offers private, fully furnished and equipped offices for one person or an entire company. Options range from custom office spaces to temporary office spaces and day offices. Flexible co-working spaces are also offered with reserved dedicated desks or drop-in “hot desks” available in real time. Meeting rooms come with the latest technology and a support team for troubleshooting. HQ also offers a virtual office option, providing a real office address with mail forwarding and call answering services. Membership includes wireless internet, use of printer/scanner, and use of common lounge areas.

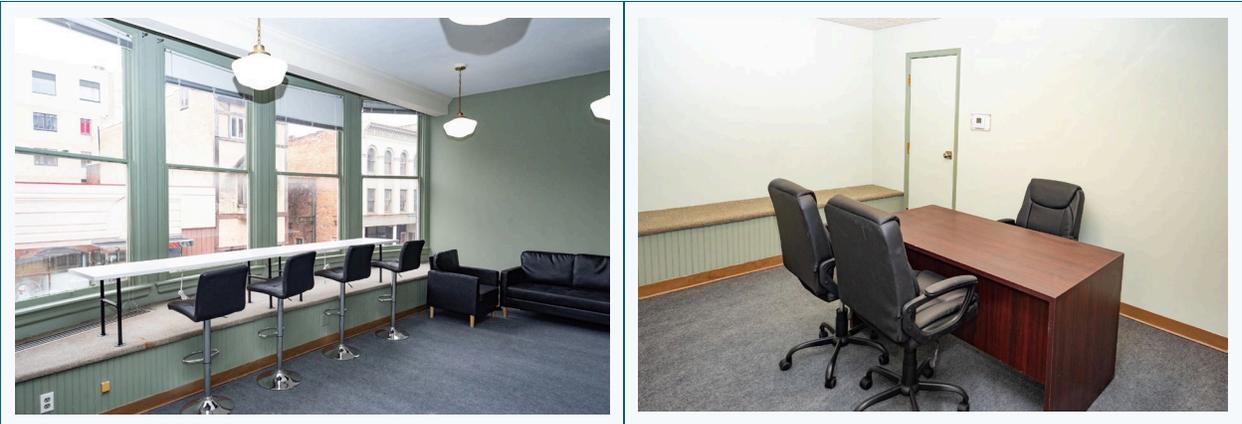
Figure 20: Examples of HQ Coworking Spaces



Source: HQ

Urban Works is another co-working space in the Downtown Study Area, located at 6 W. Washington Street (see Figure 21). Through various memberships, Urban Works offers office space for rent by the day, week, or longer. Basic membership includes furnished space, vending machines, and restroom access. Storage, receptionist services, and meeting rooms with high-tech AV equipment are available with upgraded memberships.

Figure 21: Examples of Spaces at Urban Works



Source: Urban Works

The other co-working facility, more of a virtual office called AEON Virtual Office, is located at 5 Public Square (see Figure 22). As a virtual office, AEON offers a real business mailing address, virtual mailbox, mail forwarding, printing services, public notary, and package pick-up. In addition, AEON allows private day office space to be rented temporarily with no long-term commitments. Private meeting room space can be booked as well by the hour or day.

Figure 22: Examples of Spaces in the AEON



Source: AEON Virtual Office

Office Market Potential

Our research of the commercial/office market indicates that among the advertised spaces for rent in the Market Study Area, there are a significant number of smaller office space footprints currently available for rent as of August 2025, ranging from 185 SF to 12,300 SF. These spaces are listed for rents ranging from \$12.00 to \$30.00 per SF in a variety of office settings, including larger historic/renovated commercial buildings as well as former homes-turned-office buildings. Most are categorized as Class B and C. It appears that the supply of smaller mid-quality office space is therefore adequate for its demand. This space could appeal to the professionals affiliated with city and county governments and courts, particularly attorneys. At the same time, Downtown Hagerstown is home to two co-working spaces that offer several short- and long-term office space options from daily to monthly or yearly. As the two sites continue to grow in membership, it appears that demand is not quite sufficient to support a third co-working location in the downtown.

On the other hand, there are currently limited opportunities for a business in need of a floorplate larger than 12,000 square feet that's move-in ready or a total building size of more than 30,000 square feet to accommodate a large company or agency that's move-in ready. Furthermore, no available space of that size meets Class A or higher-quality standards. This scale of office development would require a committed user. To attract this larger dedicated tenant, Downtown needs to offer a well-situated site that could accommodate a building of

this magnitude. The site then needs to be heavily marketed to prospective companies potentially seeking new Class A build-to-suit space.

9. ENTERTAINMENT MARKET ANALYSIS

Urban Partners examined opportunities to expand the region’s entertainment-oriented uses within Downtown Hagerstown that could appeal to students, local families, and visitors to the region while complementing the existing attractions of the Arts & Entertainment District. Potential uses examined include a small movie theater and bowling alley.

Movie Theater

As part of the cultural/entertainment market analysis, we examined the potential for a movie theater in Downtown Hagerstown. Within the 12-Mile Trade Area used for the retail analysis, there are three movie theaters (see Table 31). The largest is Regal Valley Mall with 16 screens. Warehouse Cinemas in Leitersburg has 10 screens, while the historic Waynesboro Theatre in Waynesboro, PA has one screen. Together these theaters have a total of 27 screens.

Table 31: Movie Theaters Located Within 12 Miles of Downtown Hagerstown

Name	Address	Location	# of Screens	Distance (Mi.)
Regal Valley Mall	17301 Valley Mall Road	Hagerstown	16	3
Warehouse Cinemas	20145 Leitersburg Pike	Leitersburg	10	4
Waynesboro Theatre	75 W. Main Street	Waynesboro	1	11

Source: Google Maps, Theater Websites

Based on data from the Cinema Foundation, there were approximately 39,000 movie screens in the United States in 2022, down from more than 41,000 in 2019. Based on the 2022 U.S. population, this amounts to a standard of approximately 1 movie screen per 8,500 people. According to the U.S. Census Bureau, population within the 12-Mile Trade Area was 188,258 in 2020. Under the screen per capita standard, the Trade Area would provide sufficient demand to support approximately 22 screens, five less than its current supply of 27, creating a slight oversupply.

Figure 23: Movie Theaters Located Within 12 Miles of Downtown Hagerstown



Source: Google, Theater Websites

Movie Theater Potential

Based on this analysis, it appears that the greater Hagerstown region is currently overserved by movie facilities. However, a small and unique theater could still potentially be a complementary use in Downtown Hagerstown, specifically a single cinema that could supplement other entertainment and cultural activities taking place in the Arts & Entertainment District. Several concepts exist for this type of movie theater, including a "micro cinema", a movie tavern, and a non-profit community-based theater.

The first is a "micro cinema". This term refers to a small theater operating on a limited budget that shows independent art house-type films. An example is Cinema 16:9 that was located at the Lansdowne Theater in Lansdowne, PA. While the Lansdowne continued a long process of fundraising and rehabilitation to recently reopen as a live performance theater, Cinema 16:9 occupied a storefront portion of the Theater and operated three micro cinemas (10, 40, and 60 seats).

Another potential model for an alternative movie theater in Downtown Hagerstown is a movie tavern, an in-theater dining concept that combines "dinner and a movie." It offers wait service and allows guests to eat and drink before, after, or during a movie being viewed. National brands for this type of concept exist, including Movie Tavern and AMC's Fork and Screen. These models tend to locate in areas with larger populations. However, a small independently-owned version run by a local entrepreneur could be a good fit for Downtown Hagerstown.

A non-profit community-based movie theater model is another option. Renew Theaters, Inc. is a non-profit organization that operates four historic theaters in the Philadelphia area, each located in traditional downtowns. Each theater is a separate 501(c)(3) tax-exempt corporation and has its own local Board of Directors and separate finances. The Waynesboro Theater is a similar model.

Bowling Center

As part of the entertainment market analysis, we also examined the potential for a small bowling center in Downtown Hagerstown. Within Downtown Hagerstown's 12-Mile Trade Area, there are two bowling centers (see Table 32). Southside Bowl on Virginia Avenue has 18 lanes while Seven Ten on Leitersburg Pike has ten, for a total of 28 lanes.

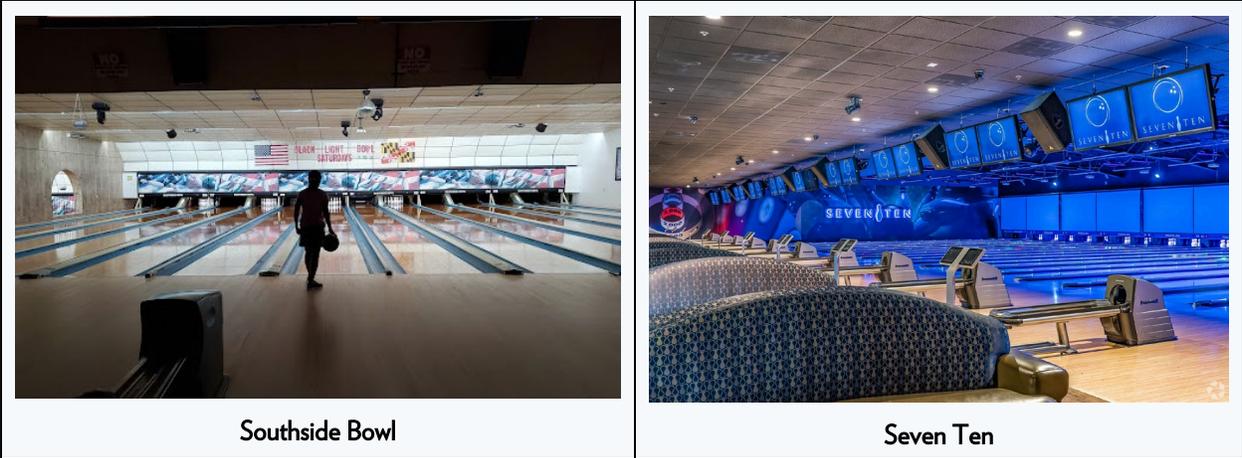
Table 32: Bowling Centers Located Within 12 Miles of Downtown Hagerstown

Name	Street	Location	# of Screens	Distance (Mi.)
Southside Bowl	17325 Virginia Avenue	Hagerstown	18	3
Seven Ten	19330 Leitersburg Pike	Hagerstown	10	2

Source: Google Maps, Bowling Center Websites

According to research conducted by Statista¹, there were approximately 2,800 bowling centers with an average of 59,000 lanes operating in the United States in 2023. Based on the 2022 U.S. population, this amounts to a standard of approximately one bowling lane per 5,600 people. According to the U.S. Census Bureau, population within the 12-Mile Trade Area was 188,258 in 2020. Under the bowling lane per capita standard, this area would provide sufficient demand to support 34 lanes, six more than the current supply of 28.

Figure 24: Bowling Centers Located Within 12 Miles of Downtown Hagerstown



Source: Google, Bowling Center Websites

Research indicates that the makeup of the industry has changed during the past ten years. In general, as older centers closed, they were replaced by new and more diversified operations. The majority of newly-constructed establishments combine bowling with a range of other recreational activities—such as dining, live music, and additional entertainment features including simulated golf and axe throwing—to create family entertainment centers. Stratosphere Social is such a facility, slated to open in Hagerstown outside of Downtown in 2026. Its other location in Eldersburg has eight bowling lanes.

Bowling Center Potential

Based on this analysis, despite the additional bowling lanes that will be introduced to the market with the opening of Stratosphere Social, it appears that Downtown Hagerstown could support a small bowling center due to the existing undersupply of bowling lanes within the 12-mile radius. As with a cinema, a small bowling alley—particularly one combined with other offerings such as a restaurant, bar, and live music—could supplement the concentration of other entertainment and cultural activities taking place in the Arts & Entertainment District and provide an experience that cannot be found in a suburban location, including a venue like Stratosphere Social.

¹ Statista is a global data and business intelligence platform with an extensive collection of statistics, reports, and insights on over 80,000 topics from 22,500 sources in 170 industries.

APPENDIX 1: FULL DOWNTOWN RETAIL INVENTORY

Address	Street	Business Name	Type of Business
160	S. Potomac	Copper Kettle	Antique Stores
125	E. Baltimore	JunkWorks Antiques	Antique Stores
36	S. Potomac	Washington County Arts Council Gallery	Art Dealers
38-42	Summit	Just Lookin' Gallery	Art Dealers
223	W. Franklin	Sportsman's Den	Bars and Lounges
231	W. Franklin	Friendly Pub	Bars and Lounges
37	S. Potomac	Good Libations	Bars and Lounges
49	S. Potomac	Vibez Lounge	Bars and Lounges
54	S. Potomac	Meinelschmidt Distillery	Bars and Lounges
101	Summit	Alpine Cocktail Bar	Bars and Lounges
25	W. Church	Hub City Brewery	Bars and Lounges
158	S. Mulberry	The Corner Pub	Bars and Lounges
10	Public Square	Gardenbelle Shop	Clothing Stores
6	W. Washington	Bubby's Closet	Clothing Stores
34	E. Washington	CLD Church Boutique	Clothing Stores
200	W. Franklin	7-Star Mini Market	Convenience Stores
17	E. Franklin	Hub City Convenience Store	Convenience Stores
167	S. Potomac	Penny Mart	Convenience Stores
25	E. Antietam	Carmen's Corner Store	Convenience Stores
101	E. Washington	Penny Mart	Convenience Stores
8	S. Walnut	Horizon Corner Store	Convenience Stores
50	E. Franklin	S&K Mercadito Latino	Convenience Stores
20-22	W. Franklin	La Bodega Market	Convenience Stores
101	N. Potomac	Glorified Beauty Supply Braiding & Weaving	Cosmetics, Beauty Supply Stores
45-47	W. Franklin	Busy Bee's Beauty Supply	Cosmetics, Beauty Supply Stores
37.5	E. Baltimore	Joe Hair Beauty	Cosmetics, Beauty Supply Stores
225	E. Franklin	Dollar General	Dollar Stores/General Merchandise Stores
29	N. Cannon	Express Pharmacy	Drug Stores/Pharmacies
116	W. Franklin	Metro by T Mobile	Electronics Stores
36-40	N. Jonathan	Azad Oriental Rug Emporium	Floor Covering Stores
4	E. Franklin	Bangkok on Franklin	Full-Service Restaurants
204	E. Franklin	Sibara Catering and Global Café	Full-Service Restaurants
28	W. Franklin	Broad Axe	Full-Service Restaurants
71	W. Franklin	The Real Deal Jamaican Restaurant	Full-Service Restaurants
101-105	W. Franklin	Franklin Street Café & Grill	Full-Service Restaurants
40	N. Potomac	Rice Thai Dining	Full-Service Restaurants
28	S. Potomac	Prohibition Hub	Full-Service Restaurants
56-58	S. Potomac	Schmankerl Stube	Full-Service Restaurants
12 - 16	Public Square	Rhubarb House	Full-Service Restaurants
20-22	Public Square	The Dog House Bar and Grill	Full-Service Restaurants
10 - 12	E. Washington	Sofrito Puerto Rican Cuisine	Full-Service Restaurants
40	E. Washington	Taste of Reggae	Full-Service Restaurants

20	W. Washington	Pretzel and Pizza Creations	Full-Service Restaurants
53	W. Washington	Baile Cask and Kettle	Full-Service Restaurants
38	S. Potomac	Veve's on Potomac	Full-Service Restaurants
57	S. Potomac	Motherland Kitchen and Catering	Full-Service Restaurants
28	E. Baltimore	Hub City Vinyl	Gift, Novelty, Souvenir Stores
32	E. Washington	Balloons and Rose Creation LLC	Gift, Novelty, Souvenir Stores
9	Public Square	Create a Candle	Gift, Novelty, Souvenir Stores
52	E. Franklin	Xander's Barbershop	Hair Salons
51	E. Franklin	Hope's Hair Boutique	Hair Salons
6	W. Franklin	Hairstyles by Sandra	Hair Salons
7-11	W. Franklin	Un-B-Weavable Beauty Salon	Hair Salons
107-109	W. Franklin	Studio Styles by Santana	Hair Salons
110-112	W. Franklin	Braids by Ticia	Hair Salons
217	W. Washington	Kinky Twist	Hair Salons
22	N. Mulberry	Tailor Made	Hair Salons
100	N. Potomac	Clippers Barber Shop	Hair Salons
130	N. Potomac	Beauty Palace	Hair Salons
140	N. Potomac	Clippers Deluxe Barbershop n Salon	Hair Salons
38	E. Washington	Baker's Barber Shop	Hair Salons
200	E. Washington	New Beginnings	Hair Salons
54	S. Potomac	Cape and Blade	Hair Salons
54	S. Potomac	Journey Hair Lounge	Hair Salons
31	E. Franklin	Universal Laundry	Laundries; Dry Cleaning
151	S. Potomac	Hub Bubbles	Laundries; Dry Cleaning
21-23	N. Locust	Catrachos Restaurant	Limited-Service Restaurants
141	N. Prospect	Dominos	Limited-Service Restaurants
2	S. Potomac	Cannon Coffee	Limited-Service Restaurants
41	S. Potomac	Tribe Cold Press Juice Bar	Limited-Service Restaurants
55	W. Franklin	Island Twist Juicebar	Limited-Service Restaurants
2	W. Washington	Royal Tea Boba and Sweets	Limited-Service Restaurants
96	W. Washington	96 Royal Cream and Coffee	Limited-Service Restaurants
54-56	W. Church	Market Lot Liquors	Liquor and Beer Distributors
31-33	E. Franklin	Universal Liquors	Liquor and Beer Distributors
14	W. Franklin	Hub City Thrift	Other Used Merchandise Stores
47	E. Washington	Washington Street Pawnbrokers	Other Used Merchandise Stores
35	N. Prospect	Gold and Silver Exchange	Other Used Merchandise Stores
215	W. Church	The Hope Center Thrift Store	Other Used Merchandise Stores
67	E. Franklin	Potomac Seafood	Specialty Food Stores
222	E. Washington	Lillian's Bakehouse	Specialty Food Stores
201	E. Franklin	The Flour Alchemist	Specialty Food Stores
301	W. Franklin	Tropical Mercado Latino	Supermarkets, Grocery Stores
18	W. Franklin	Atomic Comics	Toy and Hobby Stores
1	N. Potomac	The Yarn Shop	Toy and Hobby Stores
39	N. Potomac	NeverBored Games	Toy and Hobby Stores