



MARYLAND CANNABIS SITE REPORT

SUBMITTED BY THE MARYLAND ECONOMIC DEVELOPMENT CORPORATION

December 29, 2023

FINAL VERSION



7 St. Paul Street, Suite 940 Baltimore, MD 21202
Phone: (410) 625-0051 | Fax (410) 625-1848

December 29, 2023

**The Honorable Wes Moore
State House
100 State Circle
Annapolis, Maryland 21401**

**The Honorable Bill Ferguson
President
Senate of Maryland
State House, H-107
Annapolis Maryland 21401**

**The Honorable Adrienne A. Jones
Speaker
Maryland House of Delegates
State House, H-101
Annapolis Maryland 21401**

Re: Report required by SB 516/Ch. 255(13), 2023 and HB 556/Ch. 254(13), 2023 (MSAR # 14735)

Ladies and Gentlemen:

Please find enclosed the Maryland Economic Development Corporation's site report pertaining to the Cannabis Reform legislation.

Please feel free to contact me if you have any questions. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tom Sadowski', written over a horizontal line.

J. Thomas Sadowski
Executive Director

cc: Sarah Albert, Department of Legislative Services (5 copies)

LEGISLATIVE PURPOSE

The Maryland Economic Development Corporation (MEDCO) operates under the provisions of Title 10, Subtitle 1 of the Economic Development Article of the Annotated Code of Maryland.

MEDCO's legislative purposes are to relieve unemployment in the State; encourage an increase of business activity and commerce and a balanced economy; help retain and attract business activity and commerce; promote economic development; and promote the health, safety, right of gainful employment, and welfare of residents of Maryland.

The General Assembly intends that MEDCO operate and exercise its corporate powers in all areas of the State to: assist governmental units and State and local economic development agencies in order to contribute to the expansion, modernization, and retention of existing enterprises in the State, as well as attract new business to the State; cooperate with workforce investment boards, private industry councils, representatives of labor, and governmental units in maximizing new economic opportunities for residents of the State; and accomplish at least one of its legislative purposes and complement existing State marketing and financial assistance programs by owning projects, leasing projects to other persons, or lending the proceeds of bonds to other persons to finance the cost of acquiring or improving projects.

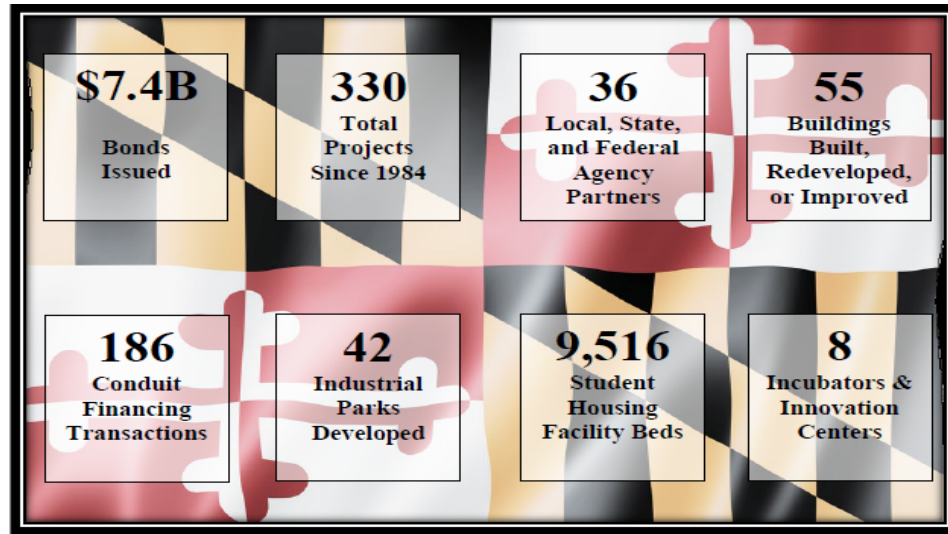
CORPORATE OVERVIEW

MEDCO is staffed with 15 full-time employees and several part-time consultants. MEDCO regularly meets with public/private economic development partners, residents, businesses, and prospective new businesses to address their needs for advisory services, construction, financing, real estate, and project development assistance. A significant portion of MEDCO's responsibilities include providing project management, compliance, and oversight services. MEDCO monitors its projects' compliance with the respective financing documents to ensure that current financial statements and other compliance documents are available, required benchmarks are achieved, and appropriate insurance requirements are met. MEDCO also collects and reviews financials of MEDCO-owned projects.

MEDCO structures its bond financing on a non-recourse basis. Repayment of MEDCO issued bonds is limited to the revenues and resources of the applicable project; neither MEDCO nor the State of Maryland or any of its agencies is responsible for the repayment of MEDCO issued bonds.

Additional information regarding MEDCO's services, projects, annual audited financials, current projects, Board Members, and Board Meeting Schedule can be found at our website.

MEDCO BY THE NUMBERS



**Data inclusive of all projects from 1984 to June 30, 2023*

BOARD OF DIRECTORS AND OFFICERS

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The Honorable J. Paul Wiedefeld (*Ex-Officio*)

Secretary, MD Department of Transportation

The Honorable Kevin A. Anderson (*Ex-Officio*)

Secretary, MD Department of Commerce

J. Thomas Sadowski

Executive Director and Secretary

LEGISLATION BACKGROUND

In response to voter approval of adult-use cannabis legalization (Question 4 on the 2022 ballot), the Maryland General Assembly passed House Bill 556 and Senate Bill 516, which develop a framework for Adult-Use Cannabis Sales. First and foremost, the legislation authorizes Marylanders over 21 years of age to purchase cannabis products legally from a licensed dispensary. Existing medical cannabis dispensaries were able to sell to adult consumers commencing on July 1, 2023, provided they chose to convert their licenses. Additionally, the legislation authorizes the Maryland Cannabis Administration to issue additional grower, processor, and dispensary licenses, as well as new incubator licenses, over two licensing rounds.

MEDCO'S ROLE

As set forth in SB 516/Ch. 255(13), 2023 and HB 556/Ch. 254(13), 2023 (MSAR # 14735), the Maryland Economic Development Corporation is required to identify in each of the following locations a site for proposed use as incubator space:

(1) Caroline County, Cecil County, Dorchester County, Kent County, Queen Anne's County, Somerset County, Talbot County, Wicomico County, or Worcester County;

(2) Allegany County, Garrett County, or Washington County;

(3) Baltimore City or a beltway community located in Anne Arundel County or Baltimore County; and

(4) a beltway community located in Montgomery County or Prince George's County

The site identifications shall include:

(1) the proposed locations for incubator spaces identified

(2) the square footage of the identified locations; and

(3) the estimated costs for construction or renovation of the proposed location to prepare it for use as an incubator space

In evaluating sites for proposed use as incubator spaces, the Maryland Economic Development Corporation shall consider, in addition to other appropriate criteria, the suitability of converting to incubator space obsolete or underutilized commercial and retail properties such as enclosed malls, big box stores, and warehouse spaces.

On or before January 1, 2024, the Maryland Economic Development Corporation shall submit a report on the identified sites and the qualifying criteria required by this section to the Governor and the General Assembly.

DEFINITIONS

It was important to understand certain definitions to help communicate what the State is looking for in terms of identifying site locations and gathering budgeting information and other qualifying criteria. MEDCO also communicated with the Maryland Cannabis Administration to clarify anything that was left unsaid in the legislation.

Incubator Space Licensees – The Maryland Cannabis Administration (MCA) may issue incubator space licenses authorizing a nonprofit entity to operate a licensed premises in which micro licensees may operate a cannabis business. An incubator space licensee is authorized to operate a facility within which a micro license may operate. Of note, the MCA completed a license application round on December 12th, 2023.

**Micro Licenses - The Cannabis Reform Act (Chapters 254/255 of 2023) created a new class of micro licenses. These licenses are intended to be smaller operations, and have associated with them reduced application and licensing fees. Micro-licenses are intended to be a pathway for smaller business operations, and are afforded the opportunity to convert to standard licenses. These licenses follow the same framework as other cannabis licenses across three tiers: Grower, Processor, and Dispensary, outlined below.*

Micro Grower – Grower licenses are authorized to cultivate or package cannabis for the purposes of distributing to other licensed entities. Micro growers are not authorized to operate more than 10,000 square feet of indoor canopy space (Canopy defined below).

**For the purpose of measuring canopy, one square foot of indoor canopy space is equal to four square feet of outdoor canopy. This means that an outdoor plot of land may serve as an incubator for the purposes of micro-growers, providing it was subdivided into plots not to exceed 40,000 square feet of canopy.*

Micro Processor – Processor licenses are authorized to transform cannabis into another product or extract. Micro processors are limited not to process more than 1,000 pounds of cannabis per year.

**Incubator spaces are explicitly authorized to purchase equipment that may be shared across the incubator space. This may be most likely used for micro processors to share commercial kitchen equipment or other processing machinery.*

Micro Dispensary – To operate a delivery service that sells cannabis or cannabis products without a physical storefront if the licensee employs less than 10 employees.

**Given that Micro Dispensaries are prohibited from operating a physical storefront, the Maryland Cannabis Administration advises that incubators may be used as regional secure storage facilities for micro dispensaries to ensure the safety and security of these license types while enhancing their efficiency in delivery operations.*

Canopy – The total square footage of space used by a cannabis licensee for the production of flowering cannabis plants. Canopy includes each layer of flowering cannabis plants grown on any rack or shelving. Canopy does **not** include square footage used for: (I) mother stock; (II) propagation; (III) immature or nonflowering plants; (IV) processing; (V) drying; (VI) curing; (VII) trimming; (VIII) storage; (IX) offices; (X) hallways; (XI) pathways; (XII) work areas; or (XIII) other administrative and nonproduction uses.

****Additional provisions pertaining to the Maryland Incubator Program are found in Alcoholic Beverages and Cannabis Article Sec. 36-406, Annotated Code of Maryland. Additionally, Alcoholic Beverages and Cannabis Article Sec. 36-401(E)(3), Annotated Code of Maryland prohibits an individual who holds an incubator space license from ownership or control over any other cannabis license.***

METHODOLOGY

MEDCO has long-standing relationships with our County partners, therefore reaching out to the respective local Economic Development Offices was a crucial step in our process. MEDCO notified our County partners and provided a timeline very early on that gave four months for each entity to do their due diligence in submitting proposed sites to MEDCO. All major milestones are depicted below, with the understanding that MEDCO fielded numerous questions and concerns over email and phone.

Milestone	Date
Call County Partners to Explain Bill and Deliverable	5/26/23
Email Notification to County Partners	6/1/23
Email Distributed with Site Collection Questions with Answers	6/12/23
Deadline Reminder Email to County Partners	8/28/23
Deadline to Receive Sites from County Partners	10/1/23
Email County Partners on Sites in Final Report	Week of 12/4/23
Submit Report to Governor’s Office	On or before 1/1/24

Within the initial email notification that went out on June 1, 2023, to the County partners, an intake form was attached to capture sites that could potentially be converted for proposed use as incubator space. Within the body of the email, MEDCO reiterated language in the legislation, that consideration should be given to the possible conversion of underutilized commercial and retail properties, such as enclosed malls, big box stores, and warehouse spaces. MEDCO requested that County partners utilize the intake form to input a maximum of ten sites with corresponding estimated budgets, if they had any such information on hand or had the bandwidth to provide anything up front.

While the County partners were collecting their site data, MEDCO began reaching out to those within Maryland who had past performance in constructing, designing, and engineering these types of facilities. After meeting with consultants and explaining the scope of the task, MEDCO was able to gather budgeting data that could be applied to every site submission that would more than satisfy our requirement in the legislation. The way in which MEDCO can position the budget

information in a broad manner allows the opportunity for our office and the Administration to work closely together to conduct further due diligence and site work on any locations of interest.

MEDCO received a few questions during the collection process. Together with the Maryland Cannabis Administration, MEDCO was able to answer the following questions that pertained to collecting sites from the County partners.

Question: Clarification on "Canopy" definition - does each *layer* of flowering plants count toward the canopy square footage? For instance, would a stack of ten 100 sq ft platforms of flowering plants count as a 1,000 sq ft?

Answer: Yes - while each layer of flowering canopy counts towards the purposes of authorized canopy, an incubator could use additional square footage for the benefit of non-canopy operations, e.g. propagation, immature plants, drying, or curing.

Question: Are all qualified sites available for purchase or may they be leased? Does Maryland want to own these sites?

Answer: Alcoholic Beverages & Cannabis Article, Sec. 36-406. states that MEDCO, in consultation with the Administration, acquire the space, and after completion, for ownership of the space to be transferred to the Department of General Services.

Question: Do the various elements have to be in different sites? Does an incubator space need to accommodate just one micro license type, or all three?

Answer: An incubator space could ultimately be developed to be best suited for one, two, or all three of the above micro license types. e.g. a large outdoor plot of land subdivided for micro growers could also contain indoor secure storage for the benefit of micro dispensaries.

Question: Who pays for the construction or refurbishment? By transfer of ownership, do you mean a fee simple purchase? How does this work for the private owner of an identified facility?

Answer: Purchase, construction, refurbishment, and other necessary build out of the State's Incubator will ultimately be funded by the State.

Question: Can a site be submitted that already is being used for growing/processing? Or an active dispensary?

Answer: An owner of an incubator space license may not hold any ownership or controlling interest in other license types.

SUBMISSIONS

MEDCO received 37 sites spread out among six counties across the state of Maryland. 34 sites represent buildings, and three sites represent raw land. Every site that was submitted to MEDCO is included in the report. Most of the submissions lie in at least one specialized zoning area and have electrical service currently on site. The criteria that seem most pertinent to capture in this “pre-development” phase, based upon MEDCO’s history of redevelopment are as follows:

1. County or City Name	2. Site Name
3. Site Address	4. Property Type (see below for more detail)
5. Square Footage	6. Onsite Parking Present at Site?
7. Loading Docks Present at Site?	8. Commercial Kitchen Present at Site?
9. Electrical Service Present at Site?	10. Specialized Zone(s) (see below for more detail)
11. Congressional District	12. Legislative District
13. Current Property Zone Code	

Property type was classified in one of the following options in a drop-down menu where County partners could select the correct classification.

1. Office
2. Retail
3. Industrial
4. Mixed Use
5. Land
6. Hotel/Hospitality

The specialized zoning areas that were captured encompassed one of the following and are explicitly listed within the qualifying criteria within each identified site: Opportunity Zone, MDP Priority Funding Area (PFA), Foreign Trade Zone, HUBZone, Enterprise Zone, None.

Opportunity Zone - An economically distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Selected localities qualify as Opportunity Zones if they are a low-income census tract with an individual poverty rate of at least 20 percent and median family income no greater than 80 percent of the area median.¹

MDP Priority Funding Area (PFA) - Existing communities and places where local governments want State investment to support future growth. Priority Funding Areas capitalize on the influence of State expenditures on economic growth and development. Funding for projects in municipalities, other existing communities, industrial areas, and planned growth areas designated by counties receive priority State funding over other projects.²

¹ <https://dhcd.maryland.gov/Pages/OZ/OZ-FAQ.aspx>

² <https://planning.maryland.gov/Pages/OurProducts/pfamap.aspx>

Foreign Trade Zone - Located in or near a U.S. Customs port of entry, where foreign and domestic merchandise is generally considered to be inter-national commerce. Foreign or domestic merchandise may enter this enclave without a formal customs entry or the payment of custom duties or government excise taxes.³

HUBZone - The HUBZone program fuels small business growth in historically underutilized business zones with a goal of awarding at least 3% of federal contract dollars to HUBZone-certified companies each year. The program helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities.⁴

Enterprise Zone - Areas in which state and local governments offer tax credits and assistance to encourage the expansion of existing businesses and attraction of new business activity and jobs. Businesses located in Focus Areas may also qualify for personal property tax credits on new investment in personal property and enhanced income tax credit for creating new jobs.⁵

It is important to note in the next section of the report which lists the identified sites, many County partners were able to fill out the entire intake form for each site, while a few sites included “Unknown” data that is marked for information that could not be captured. The County partners supplied the acquisition numbers for each site, either through the intake form or through a property report. If the Administration selects a location of interest with the acquisition number labeled as “Unknown” MEDCO can perform follow up to gain insight as to why the number could not be captured in the report. MEDCO understands the process of purchasing a building and can work with the State to gather two to three appraisals to justify a sales price if the State wishes to purchase one or multiple sites.

We also received budget information for two sites, however the budgetary information we collected from our consultants can be applied to every site to give a good indication of the estimated costs for construction or renovation of one or multiple proposed locations to prepare it for use as an incubator space.

While current property zoning information is included with each identified site, we anticipate that zoning classifications might need to be added or altered. MEDCO is committed to working alongside the Administration and our County partners to perform follow on due diligence and site work on any locations of interest.

³ <https://business.maryland.gov/resources/global-expansion-for-maryland-business>

⁴ <https://www.sba.gov/federal-contracting/contracting-assistance-programs/hubzone-program>

⁵ <https://commerce.maryland.gov/fund/programs-for-businesses/enterprise-zone-tax-credit>

IDENTIFIED BUILDINGS AND QUALIFYING CRITERIA

Note: The following locations are not presented in any particular or specifically prioritized order

(1) Caroline County, Cecil County, Dorchester County, Kent County, Queen Anne's County, Somerset County, Talbot County, Wicomico County, or Worcester County;

Somerset County

Site Name: Carvell Hall **Site Address:** 4251 Crisfield Highway, Crisfield, MD 21817

Property Type: Industrial **Square Footage:** 70,321

Onsite Parking Present at Site? Yes **Loading Docks Present at Site?** Yes

Commercial Kitchen Present at Site? Yes **Electrical Service Present at Site?** Yes

Specialized Zones(s)? Opportunity Zone, MDP Priority Funding Area (PFA), HUBZone, Enterprise Zone

Congressional District: 1 **Legislative District:** 38 **Zone Code:** I-1

Notes: Somerset County collaborated with their own consultant to provide the below numbers.

Estimated Capital Costs		Notes
Site Name	Carvel Hall	The existing structure will house at least 30 approx. 1k sq ft flower rooms (single stack) and supporting drying/curing/secure storage/distribution infrastructure. Existing structure could also co-locate Micro Processor Incubator, plus another eight acres of already barbed wire fenced expansion area (presently contemplated for solar array).
Acquisition	TBD- Available for purchase or lease	
Design	\$495,000	
Construction	\$6,988,000	
Equipment	\$1,944,050	
Total	\$9,427,050	

Dorchester County

Site Name: Eastern Shore Innovation Center

Site Address: 104 Tech Drive Park, Cambridge MD 21613

Property Type: Office **Square Footage:** 3,200

Onsite Parking Present at Site? Yes **Loading Docks Present at Site?** No

Commercial Kitchen Present at Site? No **Electrical Service Present at Site?** Yes

Specialized Zones(s)? HUBZone

Congressional District: 1 **Legislative District:** 37 **Zone Code:** B

Notes: The building is in a Tech Park partially funded by the EDA prohibiting marijuana. The building is currently used as a hemp lab to test and make products. The site could easily be converted to a micro grower or micro processor facility if an exception is made.

Dorchester County**Site Name:** CULTA Campus**Site Address:** 10 Washington St, Cambridge MD 21613**Property Type:** Industrial**Square Footage:** 57,362**Onsite Parking Present at Site?** Yes**Loading Docks Present at Site?** Yes**Commercial Kitchen Present at Site?** Yes**Electrical Service Present at Site?** Yes**Specialized Zones(s)?** Opportunity Zone, MDP Priority Funding Area (PFA), Enterprise Zone**Congressional District:** 1**Legislative District:** 37A**Zone Code:** X

Notes: CULTA is considering an expansion of their indoor capacity into the original Philips Seafood Company warehouse that resides on their campus. Initial plans have already been approved by the City of Cambridge, permitted, and budgeted. CULTA also has six acres of outdoor expansion opportunities with the corresponding downstream drying, trimming, and packing capacity. Complete breakdown is not included in the report but was submitted to MEDCO.

Estimated Capital Costs		Notes
Site Name	CULTA Incubator	CULTA incubator would co-locate on CUTLA's campus in existing 38,500 sq ft building with an addition, bringing total space to 57,362 sqft of cultivation, processing lab, drying, trimming, packing, and shipping. CULTA has the option to add six acres of outdoor in the future.
Acquisition	Available for lease	
Design	\$1,500,000	
Construction	\$22,849,860	
Equipment	\$4,042,719	
Total	\$28,392,579	

(2) *Allegany County, Garrett County, or Washington County;*

Garrett County

Site Name: First United Operations Center

Site Address: 12892 Garrett Highway Oakland, MD 21550

Property Type: Office

Square Footage: 30,000

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? Yes

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? Opportunity Zone, MDP Priority Funding Area (PFA), HUBZone,

Congressional District: 6

Legislative District: 1A

Zone Code: TC

Notes: Agriculture & manufacturing use will require special exception; there is a drive-up banking branch that encompasses an additional 0.82 acre and an additional 1,991 sf located on the property, which will remain open.

Acquisition: \$3,500,000

Garrett County

Site Name: GCC Technologies Building

Site Address: 65 Enterprise Drive Oakland, MD 21550

Property Type: Office

Square Footage: 30,000

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? Yes

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? Opportunity Zone, MDP Priority Funding Area (PFA), HUBZone,

Enterprise Zone

Congressional District: 6

Legislative District: 1A

Zone Code: No Zoning

Acquisition: \$3,500,000

Garrett County

Site Name: MBP Spec Building Property

Site Address: 46 Business Park Drive Accident, MD 21520

Property Type: Office

Square Footage: 20,000

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? Yes

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? MDP Priority Funding Area (PFA), HUBZone

Congressional District: 6

Legislative District: 1A

Zone Code: No Zoning

Notes: Site is believed to be partially funded by the EDA prohibiting marijuana.

Acquisition: \$2,500,000

Garrett County

Site Name: Hill Top Fruit Market Property

Site Address: 12579 National Pike Grantsville, MD 21550

Property Type: Retail

Square Footage: 23,000

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? Yes

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? Opportunity Zone, HUBZone

Congressional District: 6

Legislative District: 1A

Zone Code: No Zoning

Acquisition: \$3,250,000

Garrett County**Site Name: Farmers' Market Property****Site Address:** 12679 Garrett Highway Oakland, MD 21550**Property Type:** Retail**Square Footage:** 8,400**Onsite Parking Present at Site?** Yes**Loading Docks Present at Site?** Yes**Commercial Kitchen Present at Site?** No**Electrical Service Present at Site?** Yes**Specialized Zones(s)?** Opportunity Zone, HUBZone**Congressional District:** 6**Legislative District:** 1A**Zone Code:** No Zoning**Acquisition:** \$3,000,000**Garrett County****Site Name: Rooster's Nest Property****Site Address:** 12336 National Pike Grantsville, MD 21536**Property Type:** Retail**Square Footage:** 4,217**Onsite Parking Present at Site?** Yes**Loading Docks Present at Site?** No**Commercial Kitchen Present at Site?** Yes**Electrical Service Present at Site?** Yes**Specialized Zones(s)?** Opportunity Zone, HUBZone**Congressional District:** 6**Legislative District:** 1A**Zone Code:** No Zoning**Acquisition:** \$282,000**Garrett County****Site Name: Milton Property****Site Address:** 1240 Collier Road Accident, MD 21520**Property Type:** Retail**Square Footage:** 6,450**Onsite Parking Present at Site?** Yes**Loading Docks Present at Site?** Yes**Commercial Kitchen Present at Site?** No**Electrical Service Present at Site?** Yes**Specialized Zones(s)?** HUBZone**Congressional District:** 6**Legislative District:** 1A**Zone Code:** No Zoning**Acquisition:** \$375,000**Garrett County****Site Name: Lapp Property****Site Address:** 226 Builders Way Oakland, MD 21550**Property Type:** Retail**Square Footage:** 5,000**Onsite Parking Present at Site?** Yes**Loading Docks Present at Site?** Yes**Commercial Kitchen Present at Site?** No**Electrical Service Present at Site?** Yes**Specialized Zones(s)?** Opportunity Zone, HUBZone**Congressional District:** 6**Legislative District:** 1A**Zone Code:** No Zoning**Acquisition:** \$549,900

(3) Baltimore City or a beltway community located in Anne Arundel County or Baltimore County; and

Anne Arundel County

Site Name: Route 1/BWI Area Cluster

Site Address: 6880 Baltimore Annapolis Blvd Linthicum Heights, MD 21090

Property Type: Retail

Square Footage: 5,400

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? Yes

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? MDP Priority Funding Area (PFA)

Congressional District: 3

Legislative District: 12B

Zone Code: C4

Acquisition: \$1,790,000

Anne Arundel County

Site Name: Golden Corral

Site Address: 6701 Chesapeake Center Dr Glen Burnie MD 21061

Property Type: Retail

Square Footage: 11,745

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? No

Commercial Kitchen Present at Site? Yes

Electrical Service Present at Site? Yes

Specialized Zones(s)? MDP Priority Funding Area (PFA)

Congressional District: 3

Legislative District: 12B

Zone Code: C3

Acquisition: Unknown

Anne Arundel County

Site Name: Route 1/BWI Area Industrial Cluster

Site Address: 508 Digiulian Blvd Glen Burnie MD 21061

Property Type: Industrial

Square Footage: 28,680

Onsite Parking Present at Site? No

Loading Docks Present at Site? No

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? MDP Priority Funding Area (PFA)

Congressional District: 3

Legislative District: 32

Zone Code: W-1

Acquisition: \$2,580,400

Anne Arundel County

Site Name: Route 1/BWI Area Industrial Cluster

Site Address: 701 Evelyn Ave Linthicum Heights, MD 21090

Property Type: Industrial

Square Footage: 7,625

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? Yes

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? MDP Priority Funding Area (PFA)

Congressional District: 3

Legislative District: 12B

Zone Code: W1

Acquisition: Unknown

Anne Arundel County**Site Name: Route 2 Corridor Industrial Cluster****Site Address: 7529 Perryman Ct Curtis Bay MD 21226****Property Type: Industrial****Square Footage: 25,120****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? Yes****Commercial Kitchen Present at Site? No****Electrical Service Present at Site? Yes****Specialized Zones(s)? MDP Priority Funding Area PFA****Congressional District: 3****Legislative District: 31****Zone Code: W2****Acquisition: \$4,500,000****Anne Arundel County****Site Name: Route 2 Corridor Industrial Cluster****Site Address: 725 Pittman Rd Curtis Bay MD 21226****Property Type: Industrial****Square Footage: 177,825****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? Yes****Commercial Kitchen Present at Site? No****Electrical Service Present at Site? Yes****Specialized Zones(s)? MDP Priority Funding Area (PFA)****Congressional District: 3****Legislative District: 31****Zone Code: A****Acquisition: Unknown****Anne Arundel County****Site Name: 6918 Ritchie Hwy****Site Address: 6918 Ritchie Highway Glen Burnie, MD 21061****Property Type: Retail****Square Footage: 5,650****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? No****Commercial Kitchen Present at Site? No****Electrical Service Present at Site? Yes****Specialized Zones(s)? MDP Priority Funding Area (PFA)****Congressional District: 3****Legislative District: 12B****Zone Code: C3****Acquisition: Unknown****Anne Arundel County****Site Name: 6101 Robinwood Rd****Site Address: 6101 Robinwood Rd Baltimore, MD 21225****Property Type: Industrial****Square Footage: 35,000****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? Yes****Commercial Kitchen Present at Site? No****Electrical Service Present at Site? Yes****Specialized Zones(s)? MDP Priority Funding Area (PFA), Enterprise Zone****Congressional District: 3****Legislative District: 12B****Zone Code: W-2****Acquisition: Unknown**

Anne Arundel County

Site Name: 6161 Robinwood Rd

Site Address: 6161 Robinwood Rd Baltimore, MD 21225

Property Type: Retail

Square Footage: 51,000

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? Yes

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? MDP Priority Funding Area (PFA), Enterprise Zone

Congressional District: 3

Legislative District: 12B

Zone Code: W-2

Acquisition: Unknown

(4) a beltway community located in Montgomery County or Prince George's County

Montgomery County

Site Name: The Metropolitan

Site Address: 4801 Edgemoore Ln Bethesda MD 20814

Property Type: Office

Square Footage: 20,000

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? Yes

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? None

Congressional District: 8

Legislative District: 16

Zone Code: CR

Acquisition: Unknown

Montgomery County

Site Name: SunTrust Bank

Site Address: 7500 Wisconsin Avenue Bethesda MD 20814

Property Type: Retail

Square Footage: 17,945

Onsite Parking Present at Site? No

Loading Docks Present at Site? No

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? None

Congressional District: 8

Legislative District: 16

Zone Code: CR

Acquisition: Unknown

Montgomery County

Site Name: 26100 Woodfield Road

Site Address: 26100 Woodfield Road, Damascus MD 20877

Property Type: Industrial

Square Footage: 39,329

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? Yes

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? Unknown

Congressional District: 8

Legislative District: 16

Zone Code: CRT

Acquisition: \$4,300,000

Montgomery County

Site Name: 8123-8125 Wisconsin Ave

Site Address: 8123-8125 Wisconsin Avenue Bethesda MD 20877

Property Type: Retail

Square Footage: 4,004

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? No

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? Unknown

Congressional District: 8

Legislative District: 16

Zone Code: CR

Acquisition: Unknown

Montgomery County**Site Name: Olney Antiques Village****Site Address: 16650 Georgia Ave Olney MD 20832****Property Type: Retail****Square Footage: 6,000****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? No****Commercial Kitchen Present at Site? No****Electrical Service Present at Site? Yes****Specialized Zones(s)? Unknown****Congressional District: 8****Legislative District: 16****Zone Code: R-200****Acquisition: Unknown****Montgomery County****Site Name: 12725 Twinbrook Pkwy****Site Address: 12725 Twinbrook Pkwy Rockville MD 20852****Property Type: Industrial****Square Footage: 58,880****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? Yes****Commercial Kitchen Present at Site? No****Electrical Service Present at Site? Yes****Specialized Zones(s)? Unknown****Congressional District: 8****Legislative District: 16****Zone Code: CR, I-1****Acquisition: Unknown****Montgomery County****Site Name: 515 Dover Road****Site Address: 515 Dover Road, Rockville MD 20850****Property Type: Industrial****Square Footage: 95,000****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? No****Commercial Kitchen Present at Site? No****Electrical Service Present at Site? Yes****Specialized Zones(s)? Unknown****Congressional District: 8****Legislative District: 16****Zone Code: I-2****Acquisition: Unknown****Prince George's County****Site Name: Merchants Building****Site Address: 2801 52nd Ave Hyattsville MD 20781****Property Type: Industrial****Square Footage: 29,325****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? Yes****Commercial Kitchen Present at Site? No****Electrical Service Present at Site? Yes****Specialized Zones(s)? Enterprise Zone****Congressional District: 4****Legislative District: 47****Zoning Code: IH****Acquisition: \$4,500,000**

Prince George's County**Site Name: Sunrise Shopping Center****Site Address: 5400-5486 St. Barnabas Rd Oxon Hill, MD 20745****Property Type: Retail****Square Footage: 1,200-6,800****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? No****Commercial Kitchen Present at Site? No****Electrical Service Present at Site? Yes****Specialized Zones(s)? MDP Priority Funding Area (PFA)****Congressional District: 4****Legislative District: 25****Zoning Code: CGO****Note: Vacant retail site****Acquisition: \$3,500,000****Prince George's County****Site Name: Beechley Square Business Center****Site Address: 4500-4512 Beech Rd – B Temple Hills, MD 20748****Property Type: Industrial****Square Footage: 3,950****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? Yes****Commercial Kitchen Present at Site? No****Electrical Service Present at Site? Yes****Specialized Zones(s)? MDP Priority Funding Area (PFA)****Congressional District: 4****Legislative District: 25****Zoning Code: IE****Notes: Four other tenants in parallel spaces. Two of four leases will expire in Aug 2025 and Sept 2026.****Acquisition: \$7,400,000****Prince George's County****Site Name: Coventry Plaza Shopping Center****Site Address: 6410 Coventry Way Clinton, MD 20735****Property Type: Retail****Square Footage: 8,350****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? Yes****Commercial Kitchen Present at Site? Yes****Electrical Service Present at Site? Yes****Specialized Zones(s)? Enterprise Zone****Congressional District: 4****Legislative District: 25****Zoning Code: CGO****Notes: Vacant restaurant site****Acquisition: \$17,100,000****Prince George's County****Site Name: Collington Plaza Shopping Center****Site Address: 3400 Crain Hwy Bowie, MD 20716****Property Type: Retail****Square Footage: 2,816****Onsite Parking Present at Site? Yes****Loading Docks Present at Site? No****Commercial Kitchen Present at Site? No****Electrical Service Present at Site? Yes****Specialized Zones(s)? None****Congressional District: 5****Legislative District: 23****Zoning Code: CGO****Notes: Vacant bank site****Acquisition: \$30,500,000**

Prince George's County

Site Name: East Gate Industrial Park Warehouse

Site Address: 3554 Bladensburg Rd Brentwood, MD 20722

Property Type: Industrial

Square Footage: 31,697

Onsite Parking Present at Site? Yes

Loading Docks Present at Site? Yes

Commercial Kitchen Present at Site? No

Electrical Service Present at Site? Yes

Specialized Zones(s)? MDP Priority Funding Area (PFA)

Congressional District: 4

Legislative District: 47

Zoning Code: NAC

Acquisition: \$3,100,000

IDENTIFIED LAND AND QUALIFYING CRITERIA

Note: The following locations are not presented in any particular or specifically prioritized order

Garrett County**Site Name: Fedde Property****Site Address: Garrett Highway Oakland, MD 21550****Acreage: 8.46 acres****Onsite Parking Present at Site? Yes Electric Service Present at Site? Yes****Commercial Kitchen Present at Site? No Loading Docks Present at Site? No****Specialized Zones(s)? Opportunity Zone, HUBZone****Congressional District: 6 Legislative District: 1A Zone Code: TC****Notes: Agriculture & manufacturing use will require special exception****Acquisition: \$649,000****Garrett County****Site Name: Moe Property****Site Address: 892 Fourth Street Oakland, MD 21550****Acreage: 4.5 acres****Onsite Parking Present at Site? Yes Electric Service Present at Site? Yes****Commercial Kitchen Present at Site? No Loading Docks Present at Site? No****Specialized Zones(s)? Opportunity Zone, HUBZone****Congressional District: 6 Legislative District: 1A Zone Code: TC****Notes: Agriculture & manufacturing use will require special exception****Acquisition: \$399,000****Garrett County****Site Name: Kurilla Property****Site Address: 2986 Oakland Sang Run Road Oakland, MD 21550****Square Footage/Acreage: 9.6 acres/3,264 sf****Onsite Parking Present at Site? Yes Electric Service Present at Site? Yes****Commercial Kitchen Present at Site? Yes Loading Docks Present at Site? No****Specialized Zones(s)? HUBZone****Congressional District: 6 Legislative District: 1A Zone Code: No Zoning****Acquisition: \$2,800,000**

ESTIMATED COST BREAKDOWN WITH COMMENTS 1

Cannabis Comparison Projects (escalated to Dec 2023)

New Building Core and Shell	Description	Size (SF)	Cost of Work(/SF)
Site 1	Two Level Steel Structure with IMP Skin (no sitework)	95,295	\$ 92.70
Site 2	Precast Single Story (no sitework)	70,794	\$ 97.98
	Average		\$ 95.34

Cultivation Fit Out	Description	Size (SF)	Cost of Work(/SF)
Site 3	Single Stack Fit Out	39,500	\$ 297.15
Site 7	Single Stack Fit Out	72,937	\$ 267.06
	Average		\$ 282.11

Cultivation and Manufacturing Fit Out	Description	Size (SF)	Cost of Work(/SF)
Site 4	Double Stack Fit Out	198,585	\$ 288.50
Site 5	Double Stack Fit Out	156,799	\$ 310.77
Site 8	Double Stack Fit Out	70,794	\$ 268.92
	Average		\$ 289.40

Manufacturing Fit Out	Description	Size (SF)	Cost of Work(/SF)
Site 6	Extraction and Manufacturing	25,067	\$ 184.86

Cannabis Construction Costs

	Cost of Work /SF		
	Small (<10,000 SF)	Medium (10-50,000 SF)	Large (>50,000 SF)
New Building Core and Shell	\$ 104.87	\$ 100.11	\$ 95.34
Cultivation Fit Out	\$ 296.22	\$ 282.11	\$ 282.11
Manufacturing Fit Out	\$ 194.10	\$ 184.86	\$ 175.62
Contractor Markup's GC/GR/Fee/Insurance	16%	14%	12%

The consultant provided MEDCO with past cannabis projects that were successfully completed, where the eight sites depict a range of small, medium, and large projects. The second table does not include escalation, soft costs (FFE, design, utilities, etc....), site work or contingencies. The below definitions provide context for the previously completed projects and how this prior work is applicable to the identified locations within this report.

Two Level Steel Structure with IMP Skin - IMPs are mainly utilized in steel-framed constructions, relying on the framework for bracing and lateral support. Their comprehensive features render IMPs suitable for complete wall and roof systems, barring specific needs for wind girts or roof purlins. They are commonly chosen for sizable ventures encompassing commercial, industrial, institutional, and sophisticated architectural projects, even in multi-story buildings.

Precast Single Story - Pre-cast concrete, like all forms of concrete construction, boasts inherent resistance against fire, rot, termites, and mold. Specifically designed for resilience, its exterior walls possess the durability to endure even tornado-strength winds, providing a steadfast shield for occupants against the harshest weather conditions and natural calamities. As it facilitates a structured and repetitive production process, it progressively becomes more cost-effective and economically viable.

Single Stack Fit Out – A single-stack fit-out in a cannabis growing facility refers to an efficient vertical design where all essential components of the cultivation process are vertically integrated within a single structure or stack. This setup maximizes space and streamlines operations by housing various stages of cannabis cultivation in one designated area or floor.

Benefits of a Single-Stack Fit-Out:

- **Space Optimization:** Utilizes vertical space efficiently, especially in facilities with limited square footage.
- **Streamlined Workflow:** All stages of growth are within proximity, optimizing workflow and reducing the need for movement between different areas.
- **Control and Efficiency:** Centralized environmental controls and systems improve efficiency and allow for precise monitoring of each stage of growth.
- **Security and Containment:** By consolidating operations within a single area, security measures and containment protocols can be more effectively implemented.

This design is not one-size-fits-all and can vary based on the facility's size, cultivation methods, and desired output. However, it represents a strategic approach to maximizing space and operational efficiency in cannabis cultivation facilities.

Double Stack Fit Out - A double-stack fit-out in a cannabis growing facility involves the utilization of two vertically integrated levels or floors to accommodate various stages of the cultivation process. This design optimizes space vertically while allowing for segregation or specialization of different growth phases.

Benefits of a Double-Stack Fit-Out:

- **Separation of Growth Stages:** Dividing growth stages between levels can help maintain specific environmental conditions tailored to each phase of cultivation.
- **Workflow Efficiency:** Allows for a linear workflow where plants progress through different growth stages without the need for excessive movement between areas.
- **Space Optimization:** Maximizes vertical space in a facility, especially beneficial in areas with limited square footage.
- **Specialization and Customization:** Each level can be optimized with specific lighting, irrigation, and environmental controls suited for the growth phase.

Like the single-stack design, the specifics of a double-stack fit-out can vary based on the facility's size, cultivation methods, and production goals. The key lies in effectively utilizing vertical space to enhance efficiency, control, and the overall cultivation process in a cannabis growing facility.

Extraction and Manufacturing - Building a cannabis facility that includes extraction and manufacturing capabilities involves creating spaces dedicated to the extraction of valuable compounds from the cannabis plant and subsequent processing to create various cannabis-derived products.

Below depicts a breakdown of extraction and manufacturing considerations in building a cannabis facility:

1. **Extraction Area:** This space is specifically designed for the extraction of cannabinoids, terpenes, and other valuable compounds from the cannabis plant material. It typically includes:
 - **Extraction Equipment:** Installations like closed-loop extraction systems, ethanol or CO2 extraction machines, or hydrocarbon extraction setups. These devices are used to extract compounds from plant material.
 - **Safety Measures:** Adequate ventilation, fire safety systems, and proper containment to mitigate any risks associated with the extraction process, which may involve flammable substances.
 - **Quality Control:** Areas for testing and quality control measures to ensure the purity, potency, and safety of the extracted compounds.
2. **Manufacturing Area:** Once extracted, these compounds are used in various products, such as oils, concentrates, edibles, topicals, or tinctures. The manufacturing area includes:
 - **Processing Equipment:** Machinery for refining and processing extracted compounds into different product formats. This could involve equipment for distillation, purification, emulsification, and formulation of products.
 - **Packaging and Labeling:** Spaces designated for packaging finished products and labeling them according to regulatory requirements.
 - **Quality Assurance:** Similar to extraction, this area also requires quality control measures to ensure consistency, potency, and safety of the final products.

Considerations for Building:

1. **Regulatory Compliance:** Adherence to local regulations and standards governing the extraction, manufacturing, and packaging of cannabis products is crucial. Facilities must comply with safety, quality, and sanitation requirements.
2. **Space Design and Workflow:** Efficient layout planning to optimize the workflow, minimize cross-contamination risks, and facilitate a smooth production process from extraction to the manufacturing of various products.
3. **Safety Measures:** Implementation of proper ventilation systems, hazard containment protocols, and employee training to ensure safety during extraction processes, which often involve flammable materials.

Building a cannabis facility that incorporates extraction and manufacturing capabilities requires careful planning, compliance with regulations, and a focus on safety and quality control throughout the entire production process.

ESTIMATED COST BREAKDOWN WITH COMMENTS 2

Function Type	Facility Size		
	Small (1,000 SF – 9,000 SF)	Medium (10,000 SF – 50,000 SF)	Large (50, 000 SF +)
Cultivation Only	CIVIL: Minimal/Unknown ARCH: \$75,000 MEP: \$60,000 STRUCT: \$25,000	CIVIL: Minimal/Unknown ARCH: \$130,000 MEP: \$95,000 STRUCT: \$45,000	CIVIL: Minimal/Unknown ARCH: \$210,000 MEP: \$175,000 STRUCT: \$70,000
Processing Only	CIVIL: Minimal/Unknown ARCH: \$60,000 MEP: \$40,000 STRUCT: \$20,000	CIVIL: Minimal/Unknown ARCH: \$95,000 MEP: \$75,000 STRUCT: \$35,000	CIVIL: Minimal/Unknown ARCH: \$150,000 MEP: \$100,000 STRUCT: \$50,000
Cultivation and Processing	CIVIL: Minimal/Unknown ARCH: \$85,000 MEP: \$60,000 STRUCT: \$30,000	CIVIL: Minimal/Unknown ARCH: \$150,000 MEP: \$100,000 STRUCT: \$50,000	CIVIL: Minimal/Unknown ARCH: \$250,000 MEP: \$185,000 STRUCT: \$85,000
Definitions CIVIL – Civil Engineering MEP - Mechanical, Electrical and Plumbing ARCH – Architecture STRUCT - Structural			

All budgets shown are conceptual, approximate and are subject to change. ARCH Budget includes building survey, permit processing, construction administration. The need for Civil engineering will be determined on a case-by-case basis; some buildings will not need this at all, and others may vary depending on site conditions, existing utilities, and programmatic needs. All estimated budgets shown anticipate work to be mainly interior with minimal exterior scope. All location designs include office and training areas. Shared amenities such as break rooms, locker/shower rooms, restrooms, business center, warehouse/storage, and vault are also included. MEP budget is very preliminary and will require details of mechanical system type for more accurate pricing. Structural budget varies depending on existing structure types and conditions.

It is important to note that while integrated systems such as MEP are essential for the functionality, safety and efficiency of a building's operations, these numbers are assuming that utilities would be run to the site to accommodate usage contemplated. While the majority of the identified sites in the report had electrical present at the location, additional utility work would need to be completed to confirm whether current usage would match the intended use of the incubators.

Essential utility components to note with the creation of these facilities include but are not limited to:

1. **Mechanical:** This includes systems related to heating, ventilation, and air conditioning (HVAC). Mechanical systems provide climate control and maintain indoor air quality. The HVAC systems employed will be based on information provided by the cultivation consultant and engineer. This will enable the focus to be on essential aspects such as electrical demands, CO2 needs, air circulation, purification, and projected moisture levels anticipated in separate growing rooms.

2. **Electrical:** Electrical systems encompass the wiring, distribution, and installation of electrical components. This involves power supply, lighting, security systems, fire alarms, and any other electrical systems necessary for the building's operation.
3. **Plumbing:** Plumbing systems deal with the installation of pipes, fixtures, and fittings for water supply, drainage, sewage, and other fluid-based needs within the building. This includes systems for clean water supply, wastewater management, and sometimes gas supply. Plumbing in a cannabis facility plays a multifaceted role in ensuring proper irrigation, nutrient delivery, waste management, climate regulation, and maintaining a clean and healthy environment essential for successful cannabis cultivation.

ESTIMATED COST BREAKDOWN WITH COMMENTS 3

Facility Type	Facility Size		
	Small – 5,000 SF	Medium – 30,000 SF	Large – 100,000 SF
Cultivation Only	Cost of Work per sq/ft		
Lighting		\$ 50	
Mechanical Systems		\$ 50 – 150	
Controls		\$ 4 – 16	
Electrical Systems		\$ 40	
Grow Equipment		\$ 15	
Fertigation Equipment		\$ 80,000 per system	
Security System		\$ 10 – 15	
Estimated Total	\$689,750	\$4,855,000	\$19,495,000
Processing Only	Cost of Work per sq/ft		
Lighting		\$ 15	
Mechanical Systems		\$ 20 – 60	
Controls		\$ 4 – 8	
Electrical Systems		\$ 20	
Processing Equipment	Cost ranges significantly based on process		
Security System		\$ 10 - 15	
Estimated Total	\$323,750	\$2,167,500	\$8,275,000
Cultivation and Processing	Cost of Work per sq/ft		
Lighting		\$ 32.50	
Mechanical Systems		\$ 35 – 105	
Controls		\$ 4 – 12	
Electrical Systems		\$ 30	
Grow Equipment		\$ 15	
Fertigation Equipment		\$ 80,000 per system	
Processing Equipment	Cost ranges significantly based on process		
Security System		\$ 10 - 15	
Estimated Total	\$566,250	\$3,089,500	\$12,310,000

The consultant provided MEDCO with a breakdown of estimated costs associated with certain equipment that is necessary for each facility type. The consultant communicated a few crucial notes:

- Grow/processing area is estimated to be 65% of total building square footage in a given project.
- Controls get more complex as mechanical systems get more complex.
- Heating, ventilating and air conditioning (HVAC) systems range from water source heat pumps variable refrigerant flow to air cooled and water-cooled chilled water systems. Processing facility equipment can range widely to require limited HVAC equipment to very specialized HVAC equipment.

CONTINGENCY PLANNING

It is important to note that all budgets shown that are not representative of a previously completed project are approximate and subject to change. MEDCO expects that a 10% design contingency be added to construction costs, and a 10% contingency be added overall to any finalized budget(s) to cover unexpected costs that may arise. These contingencies may cover anything from incomplete designs, construction project delays, substitute subcontractors, price increases, supply chain issues, and any other number of unexpected costs. Contingency planning is used as a best practice in construction and allows for flexibility and effective responses to change order and unforeseen risks.

A NOTE ON LEED BUILDINGS IN MARYLAND

State of Maryland laws require use of green building technologies when constructing or renovating State of Maryland-owned buildings that meet specific criteria. All new and renovated State of Maryland (State) facilities larger than 7,500 gross square feet which are fully funded by the State, kindergarten through 12th grade (K -12) public schools and new community college buildings are required to comply with the Maryland High Performance Green Building Program. A High Performance Building is one which achieves either a Silver rating or better under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system, a two Green Globes rating or better under the Green Building Initiative's Green Globes rating system, or which complies with the Maryland Green Building Council's supplement to the International Green Construction Code (IgCC) enacted in November 2014.⁶ Where legislation references the ownership of an incubator being transferred to the Department of General Services after redevelopment has occurred, MEDCO recognizes the significant impact these certifications bring to communities and acknowledges the requirement for any future development projects.

COMMITMENT TO DIVERSITY, EQUITY, AND INCLUSION

MEDCO acknowledges our role in facilitating an equitable environment in the cannabis industry within the State of Maryland. We continue to implement our statutory purpose of promoting economic development in the State by purchasing supplies and services from entities with operations in the State. With most of our projects funded privately, MEDCO complies in practice with applicable minority business enterprise requirements for projects that involve governmental funding sources.

MEDCO strongly encourages and supports the initiative of partnering with minority, small, woman, and disadvantaged business enterprises. Furthermore, the diversity, equity, and inclusion activity is not limited to our direct business engagement. MEDCO helps facilitate this activity through third-party engagements which includes significant MBE, SBE, WBE, and DBE participation. Thus, MEDCO actively promotes an equitable and inclusive environment for all

⁶ <https://dgs.maryland.gov/Documents/GreenBuilding/regulations/HighPerformanceGreenBuildingProgram.pdf>

businesses in Maryland and surrounding areas. We aim to continue this practice as we hope to work with the Administration and others to convert select sites to incubators.

NEXT STEPS

Part of the General Assembly intention is for MEDCO to assist governmental units and local economic development agencies in the expanding, modernizing, and retaining enterprises in Maryland as well as attracting new businesses to Maryland.

The Maryland Annotated Code, Economic Development Article, Sections 10-101 through 10-132 provide that the purpose of MEDCO is accomplish at least one of the following legislative purposes: (1) relieve unemployment in Maryland; (2) encourage the increase of business activity, commerce, and a balanced economy in Maryland; (3) help retain and attract business activity and commerce in Maryland; (4) promote economic development; (5) promote the health, safety, right of gainful employment, and welfare of residents of the State.

This legislation fits well within MEDCO's purview. MEDCO is ready to assist the Administration in establishing a phased implementation plan and project delivery post-site selection. MEDCO can assist the Administration with certain due diligence, scheduling, general feasibility, and analytical real estate efforts that will coincide with the nature of this redevelopment effort. MEDCO has a history of completing large-scale projects in a timely manner regardless of our role, and we are confident we can assist the Administration in creating and maintaining a reasonable timeline as we move along with this process.

MEDCO is proud to submit this report and ready to collaborate with our partners to build facilities that not only foster innovation and collaboration, but also promote equitable economies in the State of Maryland.

SAMPLE BUILDINGS WITH ESTIMATED BUDGET EXAMPLES BY SQUARE FOOTAGE

Given the list of identified sites and budgeting information, we can begin to derive certain capital costs that are associated with a site with certain square footage. This report concludes with the following table that depicts these estimated cost breakdowns. The information provided is merely for example purposes only and is in no way a representation of any specific previously identified site presented by MEDCO. Acquisition numbers are not included as these are sample fictional buildings. Budgeting information was derived from charts and information provided from the consultants engaged by MEDCO. All budgets shown are conceptual, approximate and are subject to change as there may have been duplicate information provided by the consultants as they submitted their budgeting information.

FUNCTION	FACILITY SIZE		
	Small – 5,000 SF	Medium – 30,000 SF	Large – 100,000 SF
Cultivation Only	CIVIL:	CIVIL:	CIVIL:
	Minimal/Unknown	Minimal/Unknown	Minimal/Unknown
	ARCH: \$75,000	ARCH: \$130,000	ARCH: \$210,000
	MEP: \$60,000	MEP: \$95,000	MEP: \$175,000
	STRUCT: \$25,000	STRUCT: \$45,000	STRUCT: \$70,000
	CONST: \$1,480,000	CONST: \$8,460,000	CONST: \$28,200,000
	EQUIP: \$689,750	EQUIP: \$4,855,000	EQUIP: \$19,495,000
Processing Only	CIVIL:	CIVIL:	CIVIL:
	Minimal/Unknown	Minimal/Unknown	Minimal/Unknown
	ARCH: \$60,000	ARCH: \$95,000	ARCH: \$150,000
	MEP: \$40,000	MEP: \$75,000	MEP: \$100,000
	STRUCT: \$20,000	STRUCT: \$35,000	STRUCT: \$50,000
	CONST: \$970,000	CONST: \$5,520,000	CONST: \$17,500,000
	EQUIP: \$323,750	EQUIP: \$2,167,500	EQUIP: \$8,275,000
Cultivation and Processing	CIVIL:	CIVIL:	CIVIL:
	Minimal/Unknown	Minimal/Unknown	Minimal/Unknown
	ARCH: \$85,000	ARCH: \$150,000	ARCH: \$250,000
	MEP: \$60,000	MEP: \$100,000	MEP: \$185,000
	STRUCT: \$30,000	STRUCT: \$50,000	STRUCT: \$85,000
	CONST: \$2,450,000	CONST: \$13,980,000	CONST: \$45,700,000
	EQUIP: \$566,250	EQUIP: \$3,089,500	EQUIP: \$12,310,000