

# Catonsville Armory Cannabis Incubator Project



## OVERVIEW

The establishment of a cannabis incubator space is authorized in [§36-406 of the Alc. Bev. & Cannabis Article](#).

The Maryland Cannabis Administration (MCA) is authorized to work with the Maryland Economic Development Corporation (MEDCO) to acquire and construct the first cannabis incubator facility. The day-to-day operations of this facility will be run by a non-profit entity selected through an RFP process by the Department of General Services (DGS).

MEDCO submitted a [report](#) on potential sites to the Maryland General Assembly on December 29, 2023, as part of their due diligence. MEDCO solicited 15 of Maryland's jurisdictions for potential locations. They reached out to all sites, but not all sites responded. MEDCO completed research regarding the needs of the site for cultivation, retail, and processing capabilities, as well as reviewed DGS's clearinghouse for other sites already owned by the State.

Baltimore County did not respond to initial outreach, which resulted in the Catonsville Armory being left off of MEDCO's potential site list. However, because the Armory was a state-owned property with secure vaults centralized in Maryland and needed the least amount of renovations, it quickly became the most viable location for this project.

## Background Information

### What is a cannabis incubator space?

A cannabis incubator space is a licensed facility where micro licensees will be trained on how to operate a successful business. These facilities provide secured storage and shared equipment to help new social equity cannabis businesses enter the market.

### How does this differ from a regular incubator space?

Incubator spaces for fledgling businesses can take many forms—they can be attached to academic or scientific institutions and can provide technical or scientific support. Others can take the form of social incubators where a business would gain mentorship and workforce development. This space will likely be a hybrid with a component centered around these specific businesses.

### Will cannabis be sold in this space?

No, cannabis will not be sold on-site to the public. This facility's sole purpose is to train new, small-business owners on how to run a successful business.

### Where is the site, and why was it chosen?

The incubator space is located at the MG William J. Witte Armory, 130 Mellor Ave, Catonsville, MD 21228. The Catonsville Armory was not among the original 37 sites listed in MEDCO's 2023 report. However, the site was later identified based on state ownership, existing infrastructure (commercial kitchen and secure vaults), and cost-efficiency for rapid deployment. Other sites presented challenges in acquisition, remediation, or build-out costs. This also reduces certain renovation needs, allowing funds to be better directed toward program development.

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## Is this the first incubator of its kind?

Yes. This is the first state-run cannabis incubator in the nation exclusively serving social equity licensees and micro-businesses.

## Who is eligible to use this space?

### Will the public have access to the space?

The public will not have access to the space. Access is restricted to those people registered, badged, and approved by the Maryland Cannabis Administration (MCA).

## Will cannabis be grown on site?

This space is not well-suited for growing operations. Growing operations would need places to house growing plants and would require the use of specialized equipment like lighting. Growers also have a longer life cycle to operate, whereas micro-processors and micro-dispensaries have a faster turnaround time on products and a smaller footprint for building their businesses.

## Will there be cannabis odors that impact the neighborhood?

The odors that are usually associated with cannabis come from growing/cultivation or use of the product, neither of which will be permitted on this site.

As an added precaution, odor mitigation systems will be built into the facility design. These include industrial air filtration, sealed rooms, and HVAC controls, consistent with MCA environmental regulations. Most importantly, no cannabis will be grown on site.

## How will licensees be selected to use the space?

Selection criteria and program regulations will be finalized and adopted by MCA. There may be lotteries or application processes to ensure fair access for qualifying micro licensees.

## What services will the incubator spaces offer?

**Micro-dispensaries:** Use the facility to securely store products prior to delivery.

**Microprocessors:** Access shared commercial kitchens and equipment to process cannabis biomass into final products (e.g., vapes, edibles).

Shared use of commercial kitchens, storage vaults, and secured space; Regulatory compliance support; Security infrastructure (surveillance, badging, alarms); Access to workforce development and business support programming; Transition pathways to move businesses into independent operations

**Other programming** that cannot be fleshed out until closer to construction completion—such as workforce development opportunities with [MCA's in-house Workforce Development Program](#).

## What are the roles of MEDCO, DGS, and MCA in the project?

MEDCO (Maryland Economic Development Corporation) is legislatively required to acquire and build out the first incubator.

DGS (Department of General Services) will assume ownership after construction and will issue an RFP to select a nonprofit day-to-day operator.

MCA provides subject matter expertise for compliance and technical guidance.

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## Who will manage the incubator and be responsible for its operations once the space is built out?

A nonprofit will be selected by the Department of General Services through their request for approval (RFP) process—utilized for all state procurement projects—to manage high-level programming and workforce development in consultation with the MCA. The nonprofit will select a day-to-day manager handling cannabis compliance, tenant coordination, and operations. This process is one executed by the State on a variety of projects, and the nonprofit chosen from the RFP process will have had to go through rigorous application and approval based on their merits.

The MCA will maintain regulatory compliance of the site, including ensuring that build-out requirements are met; security is provided during and after construction; and that compliance regulations are enforced to the same degree as they are for other cannabis licensees across the State. The MCA will also be establishing a programmatic structure at the facility alongside agency partners.

## What is the cost and funding source?

The incubator project was initially funded by \$2 million in GO Bonds in the 2023 Capital Budget. It was subsequently deauthorized in the 2026 Capital Budget because the Treasurer's Office determined that GO Bonds could not be utilized for cannabis-related activities. It was subsequently replaced in the 2026 Operating Budget; the MCA was allocated \$2 million in PAYGO Funds as a deficiency. Further, \$5 million was realigned from the Department of General Services' Capital program to MCA's operating budget as general funds. The total estimated cost of the incubator project is \$7 million.

## How will the MCA/MEDCO preserve the historical value of the Armory?

Construction and renovation of the facility must preserve the historical exterior and interior design of the facility. MEDCO is aware of the historical aspects of the site and is well versed in the maintenance and restoration of historical sites from previous projects.

## Will there be security at the incubator space?

Facilities must comply with MCA regulations, including but not limited to:

- 24-hour surveillance;
- Alarm systems;
- Badge-restricted entry; and
- Secured vault storage for cannabis products.

## Will the neighborhood be put at risk with the incubator?

This facility **will not** be advertised as cannabis-related to the community and, like most of our growing and processing facilities, will not have signage indicating its use. No sales of cannabis will be happening on site; cannabis odor is not expected to be present; and at no time will there be access to secure cannabis areas inside the facility by the general public/ unauthorized users. All cannabis storage will occur in reinforced vaults with 24/7 surveillance, access-controlled areas, and strict adherence to Maryland Cannabis Administration (MCA) security regulations. The part of the facility designated for cannabis will not be open to the public. Security planning is a top priority, and protocols will align with those used in compliance with secure, regulated cannabis facilities.

## Does the incubator location violate zoning laws or the intent of those laws?

While Maryland law prohibits dispensaries within 500 feet of sensitive uses like schools or playgrounds (HB0805, effective June 1, 2024), this facility is not a dispensary and will not engage in any direct-to-consumer cannabis sales. The community's concerns about proximity to a school are taken seriously, and state partners are working to ensure rigorous safety and community protections.

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## What about increased traffic and congestion near Mellor Avenue?

Traffic is a valid concern, especially near Catonsville Elementary and High School. However, the incubator is not a retail location and there will be no customer traffic—only staff and licensee operations. Most business operations will occur during standard working hours, and delivery traffic is expected to be minimal and scheduled.

## How will businesses transition out of the incubator?

As businesses mature, the operator will assist them in moving to their own locations. This 'graduation model' ensures new licensees can enter their incubator space over time.

## Is this program permanent?

The initial program will be evaluated for scalability and effectiveness. If successful, similar incubators could be developed across Maryland, especially in communities with underutilized property.

## Does the State have an estimate of the number of licensees interested in utilizing the space?

The maximum number of social equity micro businesses from the first round that could utilize this space would be roughly 60. This will give us an idea of how long each licensee needs to utilize the space to matriculate and how many we can have in the space at any given time. With future licensing rounds, more social equity licensees will be able to cycle through.

## Is this a good use of taxpayer dollars during a tight budget cycle?

This project not only supports the Governor's goals of making the State attractive to small minority and women owned businesses, but these initiatives help startups by providing essential resources like office space, mentorship, and funding opportunities, with a focus on driving economic growth and job creation.

Adding new businesses will, in turn, add new job opportunities, which will further bolster the State's economy. As new cannabis businesses come online and begin selling products, including the expansion of cannabis delivery services to adult-use consumers, the State will see an influx of cannabis sales tax revenue at the new rate of 12%.

## Why hasn't the State reached out to the community regarding this project?

Over the past two years, the State has conducted a number of stakeholder briefings and community meetings regarding this project. More specifically, the State has briefed and engaged with local elected officials, state legislators, business, and community organizations. The State has also presented at a Catonsville community meeting regarding the proposed project. The State looks forward to additional opportunities to engage the Catonsville community regarding this proposed project.

Public input meetings will begin in summer 2025, ahead of construction. Community members will have the opportunity to:

- Ask questions and raise concerns
- Review site plans and program details
- Offer feedback on programming and local impacts