

A Strategic Implementation Roadmap for Re-envisioning MEDCO's Role in Fostering Economic Growth:

Meeting Maryland's Evolving Needs for Strategic, Sustainable and Inclusive Growth

Prepared by TEconomy Partners LLC
for the Maryland Economic Development Corporation

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Executive Summary

The Maryland Economic Development Corporation (MEDCO) was created by the Maryland General Assembly in 1984 as a not-for-profit development corporation to maximize new economic opportunities for the State's businesses, communities, and residents.¹ With a track record of more than 250 new development projects involving \$4.8 billion in total in financing over 38 years, MEDCO has dedicated itself to meeting the property development and financing needs of industry, non-profits, universities, and State and local government agencies – typically filling the needs for which the private sector has shown no significant interest or development capability.

While MEDCO's activities often don't make news headlines, MEDCO's involvement in economic development projects serves as a critical complement and support to the activities of development stakeholders that are expanding new economic opportunities and raising Maryland's quality of life. With today's economy being driven by transformative technology innovations, the need for MEDCO is more relevant than ever.

MEDCO is supported by a highly qualified professional staff and a roster of expert consultants. MEDCO's structure as a non-profit corporation allows it to work in a timely and efficient manner. With a governance structure set out in legislation, MEDCO operates with high standards of accountability, including a gubernatorially appointed board that approves all project activities, annual audited financial statements made public each year, and periodic State program reviews. In addition, MEDCO has developed a strong reputation in the financial community for well-designed projects that

MEDCO's capabilities have evolved over time to assist companies, nonprofits, universities, and government agencies (clients), and include:

- Helping clients finance projects by issuing conduit bonds, which allow borrowers to borrow the bond proceeds
- Serving as development manager for projects involving real estate development, planning and project delivery
- Serving as asset manager of projects
- Helping local authorities by issuing Tax-Increment-Financing and Special Tax District bonds to finance infrastructure improvements in the context of transit-oriented development and sustainable communities
- Procuring expert consulting services to guide project development, using any combination of State, federal, local, and MEDCO funds.

qualify for investment-grade bond ratings. Many of MEDCO's conduit financing projects are referred to MEDCO from bond counsel who are engaged by the private borrower or financial professionals.

What makes MEDCO's strong record of accomplishment, wide range of capabilities, and strong reputation in the private sector so remarkable is that it was *achieved without direct*

¹ 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.

State funding support for its operations. As an independent public corporation created by the State of Maryland, MEDCO generates its own revenues from two main sources: fees it charges to issue bonds and management fees it charges for development services, development management, asset management, and occasionally project consulting.

Changes in Maryland's economic needs and opportunities over the past decades suggest that MEDCO has the potential for greater impact provided it adopts a more intentional and focused strategy by aligning its business strategy and operations with the priorities found across Maryland's State and local economic development efforts. These economic development priorities include:

- **Targeting traded-sector industry cluster development** – such as the nine business sectors identified by the Maryland Economic Development Commission and currently cultivated by the strategic industries group within the Maryland Department of Commerce (plus tourism, also served by a special desk at Commerce)
- **Supporting 21st century placemaking to attract talent and innovation** – such as the innovation districts taking shape across Maryland, including the well-known bioparks in Baltimore City, the Discovery District in College Park, and less well-known initiatives, such as the Aerotech Innovation District in Southern Maryland and the Innovation Park at Frostburg State University.
- **Addressing needs for inclusive and equitable growth** – following priorities set out in economic-development strategies in a number of individual counties statewide, several tri-county planning commissions, and Baltimore City

To guide MEDCO's next steps, the MEDCO Board launched a strategic planning process to determine how MEDCO can best support a more inclusive and high-performing economy for Maryland and its regions. To provide an expert and independent assessment to inform this strategic implementation plan for MEDCO to take a more focused role in supporting economic development, the MEDCO Board engaged TEconomy Partners, LLC. (TEconomy).

TEconomy's strategic assessment finds that over time, MEDCO's activities have become diffused across the broad financing needs of a very wide range of industry clients, non-profits, universities,

and government agencies. This evolution was driven by the intersection of MEDCO's need to generate its own fee revenues, and the unmet financing requirements of non-profits, government agencies, and universities, which need an intermediary that allows them to tap the market for tax-exempt bond financing. As a result of its evolution into a broad financing agency, MEDCO has moved away from a tight focus on economic development projects in Maryland.

TEconomy finds that there is ample opportunity for MEDCO to develop a pipeline of projects across Maryland that takes advantage of its unique capabilities while addressing the highest economic development priorities of State government. To embrace a targeted economic development strategy without neglecting the broad financing capability that MEDCO provides for nonprofit, university, and government sectors, MEDCO will require an enhanced business model that encompasses these operating principles:

- **Add new organizational capacities** that allow MEDCO to focus on development of a pipeline of high-impact projects.
- **Focus on economic development outcomes**, especially for projects that require extensive staff time for planning and development.
- **Continue providing its services to other sectors** such as nonprofit, university, and government, to the extent that fee revenues exceed costs.

Finally, to sustain its operations as a proactive, results-oriented financing agency well matched to Maryland's needs in economic development and other public purposes, TEconomy recommends MEDCO adopt an action plan with the following components:

- **Develop criteria to determine economic-development value of proposed projects** and apply these criteria to each project in the pipeline
- **Establish a new organizational function for outreach, engagement, and technical assistance** charged with integrating MEDCO into deal flow in strategic sectors, and equip it with a budget for competitive micro grants designed to identify the best projects from Maryland's five regions

- **Institute additional best practices to support the transformation** such as setting appropriate fees to fully recover staff costs and to align with normal market practices

The goal of MEDCO's new strategic enhanced business model is to prepare MEDCO to proactively meet Maryland's economic development priorities and to generate tangible results in growing the State's targeted industry clusters, supporting innovation and smart placemaking, and realizing more inclusive and equitable economic development. Going forward, it will be important to measure MEDCO's efforts based on both its organizational performance and on the outcomes MEDCO generates in concert with the State's economic-development priorities. MEDCO's next chapter will build upon its positive track record of successful development capabilities and financings over the past 38 years to further establish MEDCO as a pro-active, results-oriented organization that meets Maryland's strategic economic priorities.

Why MEDCO Matters

The need for MEDCO arose during a transformative era when Maryland's economy was confronting a period of technological change and restructuring as long-standing industrial plants closed throughout the State, leaving workers dislocated and properties vacant. MEDCO's creation in 1984 was triggered by the closing of Fairchild Industries' main aircraft manufacturing plant in Hagerstown in 1983. This Fairchild plant had employed more than 1,000 workers, and its closure brought an end to a major industrial pillar dating back to 1929, representing a significant economic dislocation and heralding a new era of deindustrialization that would challenge the State as many of Maryland's long-standing industrial plants closed over the following decades. Despite the major losses to Maryland's economy, this era of restructuring and the rising need for modernization and economic diversification posed opportunities for economic growth and productive employment in the State.

As the needs and potential for economic modernization and development arose, the General Assembly identified that Maryland's government lacked direct property development capability needed for its economic development purposes. As a solution the General Assembly created MEDCO as a State public not-for-profit development corporation with the legal authority to acquire and hold disused industrial property and other potentially viable economic development projects that would serve the public interest, such as the Fairchild plant, and manage their redevelopment for modern purposes, especially in economically distressed areas of the State. The work of MEDCO is intended to complement and collaborate with state and local stakeholders in supporting projects that create new employment opportunities.

The need for MEDCO arose at a time when Maryland was entering a new era of economic transformation.

The General Assembly identified that Maryland lacked and needed a direct property development capability for economic development purposes.

In particular, Maryland's economy was confronting a period of technological change and restructuring that while posing promising opportunities for economic growth and productive employment also created significant needs to address dislocations and to support modernization and economic diversification.





MEDCO's capabilities have evolved over time to include the assistance of private sector entities, nonprofits, State universities, and State government agencies. MEDCO's tools include:

- Issuing tax exempt or taxable bonds on a conduit basis on behalf of certain private sector entities.
- Issuing tax exempt or taxable bonds for projects owned by MEDCO (usually a leasehold interest) to assist other government partners, including owning and managing student housing on State campuses, owning and leasing government buildings to other government partners and owning and managing public parking garages.
- Issuing tax exempt or taxable bonds for projects owned by MEDCO for economic development, including hotels and conference centers.
- Issuing bonds to finance infrastructure improvements in the context of transit-oriented development and Sustainable Communities.
- Serving as development manager for real estate development projects.
- Serving as asset manager for certain owned projects.
- Procuring expert consulting services to guide project development, using any combination of State, federal and MEDCO funds.

In today's fast-paced, global economy that is driven by knowledge and technological innovations, it is crucial for

Maryland's economy to keep pace, and the need for MEDCO is more relevant than ever!

A 38-Year Record of Accomplishments

With a track record of 252 new development projects involving \$4.8 billion of financing, MEDCO has dedicated the past 38 years to meeting the needs for property development by industry, non-profits, universities, and State and local government agencies – needs *for which the private sector has shown no significant interest or development capability.*

In addition to its financing of new development projects, MEDCO has also provided refinancing of debt at lower interest rates for 68 economic development and other public purpose projects, which put these projects on a stronger economic footing. Much of this refinancing activity is for debt from previously issued MEDCO bonds, but in some cases it also involves projects with tax-exempt debt originally financed by others. Altogether, MEDCO has issued \$2.6 billion in bonds for refinancing.

While MEDCO's proven record of success typically does not make the news headlines, its economic development efforts serve a key role in supporting State and local economic

MEDCO has a 38-year track record of supporting more than 250 new development projects involving \$4.8 billion of financing, plus meeting the refinancing needs of 68 of these projects involving \$2.6 billion.



development activities. The breadth of MEDCO's efforts makes an important contribution to keeping Maryland a competitive and high-quality place to work and live. MEDCO does this by serving individual business needs, with financing support for 86 individual company facility and equipment needs over the years, as well as by advancing large-scale infrastructure projects, supporting business parks, and enabling key facilities for non-profits, educational institutions, government agencies, and health and social services providers.

Examples of MEDCO's unheralded role fostering economic opportunities and broader development projects include a wide range of significant efforts to spur development across regions in Maryland:

- **Upgrading the Seagirt Marine Terminal** – MEDCO facilitated the financing that enabled the Port of Baltimore to modernize and stay competitive after the widening of the Panama Canal. This included nearly \$250 million of financing for upgrading of berths and cranes at this containerized cargo-handling facility operated by Ports America Chesapeake, LLC, pursuant to a public-private partnership agreement with the Maryland Port Administration. Today, Seagirt has earned a reputation as one of the nation's most productive terminals utilizing advanced technologies and cargo-handling equipment and systems with a progressive labor-management approach to ensure high quality operations.
- **New BWI Cargo Facilities** – Working closely with the Maryland Aviation Administration, MEDCO financed new cargo warehouses operated by the private sector operator, AFCO, that have enabled the growth of BWI as a distribution hub.
- **Infrastructure improvements enabling the Port Covington development** – MEDCO issued \$140 million in bonding for roads, landscaping, and other public infrastructure improvements in a "tax increment financing district" at Port Covington in Baltimore. These TIF bonds will be serviced by increased property tax revenues generated by this mixed-use project anchored by one of Maryland's major homegrown companies, Under Armour. The infrastructure financed by MEDCO will unlock 1.1 million square feet of new residences, offices, retail, parking, and 10 acres of public space for this extraordinary placemaking effort
- **Owings Mills** – MEDCO issued TIF bonds to build a 2,089-space parking garage at the Owings Mills Metro Centre, a transit-oriented development project that includes office space, retail space, residential units, educational facilities, and a metro station to downtown Baltimore.
- **Barton Farms Business Park in Allegany County** – In close collaboration with Allegany County and with support from the Maryland Department of Commerce, MEDCO arranged financing for land acquisition,

permitting, utility installation, and site preparation at the 145-acre Barton Farms Business Park. Industrial parks are hard to facilitate in Allegany County because of the mountainous terrain, and (at least at the time) insufficient utilities like sewerage. MEDCO's involvement was crucial in establishing the infrastructure and site development needed to create this industrial park that Allegany County identified as critical for job creation. This site now houses a 250,000 square-foot assembly facility owned by one of the county's most significant employers, American Woodmark Corporation, the third largest manufacturer of kitchen and bath cabinets in the U.S.

- **Patuxent Business Park in Calvert County** – With Maryland Department of Commerce funding, MEDCO acquired and undertook site improvements to help advance the 92-acre Patuxent Business Park, Southern Maryland's first comprehensively planned business campus. Over the years MEDCO has sold units of the business park to different private companies. MEDCO still owns some of the units and continues to market them to potential buyers. The Patuxent Business Park It is now home to Dominion Cover Point LNG facilities, and a "flex" building is being planned by a commercial developer.
- **National Cybersecurity Center of Excellence** – MEDCO developed and helped operate the original Maryland Technology Development Center at the Shady Grove Life Sciences Park in Rockville, with support from Maryland Department of Commerce, back in 2009. This incubator facility was repurposed in 2015 to become the home for the new National Cybersecurity Center of Excellence. This public-private partnership, led by the National Institute of Standards and Technology and Montgomery County, now serves as a national resource for integrating commercially available technologies to build practical cybersecurity solutions for industry. It leverages Montgomery County's close proximity to federal government facilities, high-class academic institutions with top computer science and cybersecurity programs, growing base of cybersecurity companies and access to a highly-educated workforce. MEDCO continues to manage the facility and coordinate capital improvements and repairs.
- **Bowie State University Entrepreneurship Living Learning Center** – A new mixed-use development at Bowie State University represents the value that MEDCO

can bring to repositioning key university activities. Over the years, MEDCO has assisted a total of nine higher educational institutions with a variety of student housing and other ancillary property development needs. The Entrepreneurship Living Learning Community (ELLC) stands out since it connects this premiere public HBCU (Historically Black College and University) to the community. With housing for 500+ students, retail space, and resources for entrepreneurs, the ELLC is a real-world innovation hub that encourages creative collaboration and entrepreneurial thinking. The ELLC also anchors an exciting new proposed development for a 98-acre mixed-use, transit-oriented village around the MARC Station adjacent to the Bowie Campus. This project will provide a model for transit-oriented development and industry-university collaborations at campuses statewide.

- **Maryland Public Health Laboratory** – MEDCO financed and constructed a new modern 235,000 square foot public health laboratory for the Maryland Department of Health. This facility serves as the central laboratory helping Maryland confront serious community threats such as emerging and reemerging infectious diseases, growing antimicrobial drug resistance, contaminated and overburdened water supplies, and foodborne pathogens associated with new and imported food products. The laboratory has played a critical role in our State's ability to test and respond to the COVID pandemic and is also part of our national response network for biological defense and antibiotic resistance. It also serves as an institutional "anchor" spurring further high-value development in the growing innovation district surrounding the Johns Hopkins University Medical Campus in East Baltimore.

As shown by just these few example projects, MEDCO's significant capabilities in financing and property development have far-reaching positive implications for meeting the financing and development needs of industry, State agencies, local governments, universities, and nonprofits. The power of a broad-based financing agency is something that our peer and competitor states fully understand. As the former Mayor of Lawrence, Massachusetts and new President of MassDevelopment – a peer organization serving the Commonwealth of Massachusetts – explains: "I have witnessed incredible work [and] ... immense power of this agency to uplift businesses and organizations and their families, neighborhoods, communities, and regions."²

MEDCO’s Evolution as a “Solution Provider” for Broad Project Financing Needs in Maryland

The history of MEDCO is one of continuing evolution, as the Maryland General Assembly granted MEDCO new authorities and charged it with additional duties over time (see Figure 1 below).

The need for an organization like MEDCO first arose with the closing in 1983 of Fairchild’s main aircraft manufacturing plant in Hagerstown. This plant had employed more than 1,000 workers. Its closing brought an end to a major corporate presence dating back to 1929, and represented a significant economic dislocation, heralding a new era of deindustrialization challenges. As a consequence of this event, the General Assembly identified the need for a public not-for-profit corporation that had legal authority to acquire and hold disused industrial property like the Fairchild plant and then manage its redevelopment for modern purposes, especially in economically distressed areas of the State.

MEDCO’s legislative mandate was broadened in 2001 to encompass property development throughout Maryland in any way that maximized new economic opportunities and met specific legislative purposes (see text box). The most recent enhancement of MEDCO’s legislative powers came in 2009 when the General Assembly authorized MEDCO to issue bonds backed by tax-increment financing (TIF) and special taxing districts to advance transit-oriented development and Sustainable Communities.

MEDCO LEGISLATIVE PURPOSES

- Relieve unemployment in the State
- Encourage the increase of business activity and a balanced economy in the State
- Help retain and attract business activity and commerce in the State
- Promote economic development
- Promote the health, safety, right of gainful employment, and welfare of residents of the State

As MEDCO’s legislative mandate expanded over time, the organizational capabilities of MEDCO also continued to evolve. One of MEDCO’s key capabilities has been its ability to finance projects through “conduit financing” deals by which qualifying borrowers in the private or nonprofit sectors can access the tax-exempt or taxable bond markets to borrow funds to pay for facilities, fit-out, or equipment acquisition. Nearly all conduit financing for nonprofit, university, and government clients is conducted in the tax-exempt bond market, while conduit bonds for business expansion may be either tax-exempt or taxable depending on the size and nature of the business and allocation of private activity volume “cap” allocated to MEDCO by the Secretary of Commerce.

MEDCO also issues and borrows for itself in the tax-exempt bond market to finance projects it will own itself and lease back to other entities, typically government entities. In either case – whether the financing is conducted as a conduit for a third-party borrower or for MEDCO’s own account – each

Figure 1: MEDCO’s Historical Roots





bond issuance is structured on a project-by-project basis with repayment limited to the revenues and resources of that specific project. In either case, this is technically known as non-recourse project financing; neither MEDCO at the corporate level nor the State of Maryland or any of its agencies is responsible for the repayment of MEDCO issued non-recourse bonds.

MEDCO's capabilities go far beyond non-recourse project bond financing. Over the years, MEDCO has developed its capabilities to offer turnkey development services involving an active role in development management for a client and/or asset management for properties which MEDCO owns itself on behalf of a client. MEDCO has been the development manager of 59 projects, many of them involving high complex facilities, such as life sciences buildings for the Maryland Public Health Lab and Human Genome Sciences. It has also been the asset manager of 37 projects, including for student housing and garages.

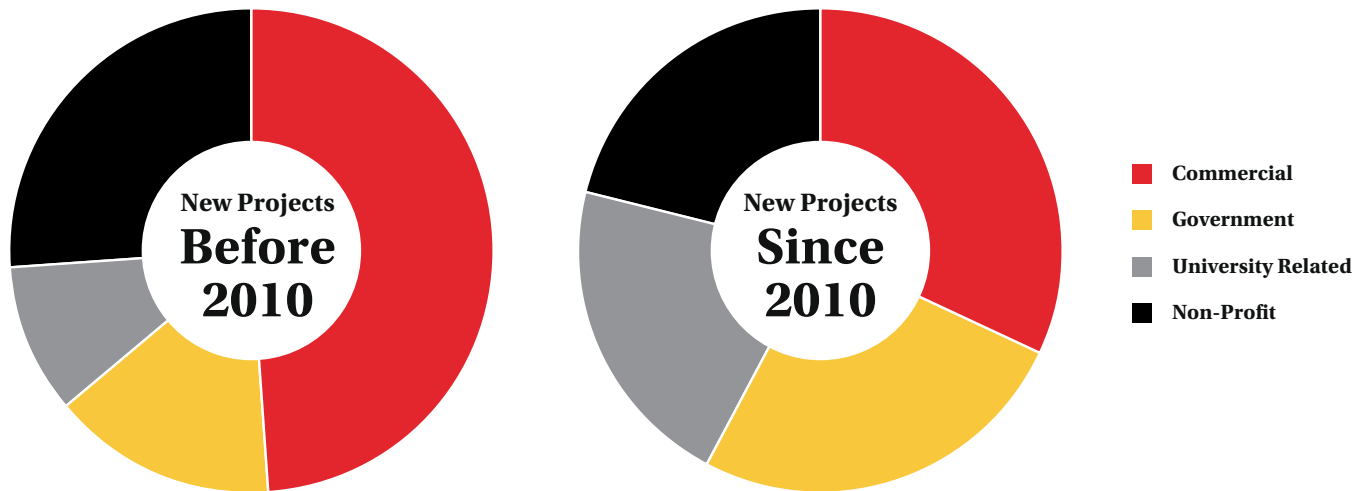
These capabilities together constitute MEDCO's high value as a "solution provider" to a wide range of stakeholders across businesses, State agencies, local governments, universities, and non-profits. Because of its structure as a non-profit corporation, MEDCO is able to work in a timely and efficient manner, supported by a highly qualified professional staff and a roster of expert consultants. Plus, with a governance structure set out in legislation, MEDCO also operates to high standards

of accountability. A gubernatorially appointed board approves all project activities; MEDCO publishes complete audited financial statements annually; and MEDCO is subject to periodic State program reviews. As a consequence, MEDCO has developed a strong reputation in the financial community for well-designed projects that often qualify for investment-grade bond ratings. Many financing projects are referred to MEDCO via the borrower's bond counsel.

What makes MEDCO's strong record of accomplishment, wide range of capabilities, and strong reputation in the private sector so remarkable is that it was ***achieved without direct State funding support for its operations.*** As an independent public corporation created by the State of Maryland, MEDCO generates its own revenues from two main sources: fees it charges to issue conduit bonds, and management fees it charges for development services, asset management, and occasionally project consulting.

This fee-based revenue model has led to a third evolution: over time MEDCO's activities have become diffused across the broad financing needs of a very wide range of clients across industry, non-profits, universities, and government agencies. This evolution was driven by the intersection of MEDCO's need to generate its own revenues and the unmet financing requirements of non-profits, government agencies and universities, which need an intermediary that allows them to tap the market for tax-exempt bond financing.

Figure 2: Evolution of MEDCO into a Broad Financing Agency, as Reflected by the Mix of Clients for New Project Activities Before and Since 2010



A byproduct of this evolution into a broad financing agency is that it has moved MEDCO away from a tight focus on economic development projects in Maryland. Much of MEDCO’s conduit bond financing for individual company projects took place before 2010, involving 104 projects and \$635 million in financing. This is especially true of financing for properties or industrial equipment to be used by a single company, which nearly all took place before 2010. Since 2010, MEDCO has taken on 12 industry projects, many of which are larger infrastructure developments projects such as at the Seagirt Marine Terminal at the Port of Baltimore, BWI, and Port Covington, with \$553 million in funding total funding for these projects.

Whether for an individual company, non-profit, or government agency, single-use facility projects have been MEDCO’s largest total project activity over time. However, prior to 2010 MEDCO’s single-use facility projects primarily benefited commercial entities (71 out of 116 new single-use projects), whereas since 2010, new single-use facility projects are close to being evenly split between commercial (4), government (4), and non-profit (3) clients.

Overall, MEDCO’s project activity since 2010 demonstrates a more balanced portfolio of new project developments across different client groups, as depicted in Figure 2.

Looking to the Future: A More Intentional and Strategic Focus on Activities to Support Economic Diversification, Innovation Partnerships, and Economic Infrastructure

MEDCO’s evolution into a broad-based financing agency that serves a wide range of clients resulted from MEDCO’s need to generate revenues and the opportunity to address needs of clients that serve the public interest and raise the quality of life in Maryland, consistent with MEDCO’s legislative purposes. However, the MEDCO Board would like to see MEDCO return to a tighter focus on economic development projects that align with Maryland’s economic-development priorities and support private-sector job creation as it did earlier in its history. In fact, changes in Maryland’s economic needs and opportunities over the past decades suggest that MEDCO can now have even greater impact provided it adopts a more intentional and focused strategy.

To guide this next evolution of MEDCO, the Board launched a strategic planning process to determine how MEDCO can best support a more inclusive and high-performing economy for Maryland and its regions. In order to provide an expert and independent assessment to inform this strategic

implementation plan for MEDCO to take a more focused role in supporting economic development, the MEDCO Board engaged TEconomy Partners, LLC. (TEconomy). TEconomy is a comprehensive technology-based economic development consulting group whose principals have a 25-year track record at the forefront of modern economic development practice, developing and advising many of the nation's most successful economic development efforts, such as Ohio Third Frontier, Arizona Biosciences Roadmap, Cummings Research Park, Cortex, and the Georgia Research Alliance. TEconomy brings a particular strength in understanding the dimensions of technology-related space drivers found across industry, universities, medical centers, and non-profit research organizations, and in identifying targets of opportunity that link core areas of research activity with advanced industry development. While national in focus, TEconomy also has been active in Maryland. This includes strategic planning for Maryland Bio2020, Aberdeen Proving Ground, Frederick County, Prince George's County, JHU Science + Technology Park, UMB incubator initiatives and Excel Maryland.

TEconomy's strategic assessment comprises three components depicted in Figure 3:

- A forward-looking market positioning scan to identify the principal ways MEDCO can play a more focused role in supporting Maryland's economic development priorities and needs, taking into special consideration potentially unmet needs that MEDCO is uniquely equipped to support.
- A benchmarking exercise to identify best practices among leading development authorities in other states that focus on 21st Century issues of economic diversification, innovation partnerships, and infrastructure development.
- A situational assessment based on reviewing trends in MEDCO's project activities and interviewing MEDCO Board, staff, and other key stakeholders in the economic-development community to identify how MEDCO can be reshaped to play a larger role in inclusive, sustainable, and innovation-led economic development activities.

Figure 3: Strategic Implementation Planning Approach



Opportunities for MEDCO to Target Maryland’s Highest Economic Development Priorities

At the time of MEDCO’s conception in the 1980’s, Maryland was already recognized for its strong base of university and federal research activities. Since then, Maryland has solidified its position as a leading State for innovation and advanced industry development, building upon its research assets and establishing them as leading “industries for the future”, harnessing both the digital and biological revolutions of the late 20th Century.

Today, Maryland stands out as one of the nation’s leading states in advanced industries that are characterized by its deep involvement with technology research and development (R&D), and by its extensive use of STEM (science, technology, engineering, and math) workers.³ Maryland ranks 7th in the nation in its level of private sector industry specialization in advanced industries, with a 19% higher employment concentration than the national average. Most impressively, Maryland stands out with strong industry specializations in three areas of advanced industry development – aerospace & defense, information technology and life sciences.

As Maryland has emerged as a leading state in innovation and advanced industry development, it has also been at the cutting edge of best practices in economic development. ***Understanding these changes in State government and the overall environment will be critical for MEDCO as it seeks to build and sustain a pipeline of economic-development projects that align more strategically with the State’s economic development priorities.***

The cutting-edge best practices already employed in Maryland include:

- **Targeting traded-sector industry cluster development**
- **Supporting 21st century placemaking to attract talent and innovation**
- **Addressing needs for inclusive and equitable growth**



³ The Brookings Institution. *America’s Advanced Industries: What They Are, Where They Are, And Why They Matter*. Brookings Advanced Industries Project, February 2015.

Targeting Traded Sector Industry Cluster Development

Industry cluster development has emerged as the most critical way to focus economic development activities at the state and regional levels. The idea that state and regional development is driven by industry clusters of geographically localized concentrations of firms in related sectors that do business with each other and have common needs for trained workers, infrastructure and technology goes back in the economic literature to the writings of Alfred Marshall in the late 19th and early 20th centuries.⁴ But industry cluster development as a best practice for economic development has only taken hold in the past two decades. As The Brookings Institution explains:

“A basic tenet of good economic development practice is that interventions should be organized around addressing the shared needs of groups of firms [...] Industry clusters – groups of firms that gain a competitive advantage through local proximity and interdependence – offer a compelling framework for local and state leaders to analyze and support their economies [that] grow and decline based on their ability to specialize in high-value industries and then evolve those specializations over time.”⁵

But not all industries drive economic development in a state. Those industries driving economic growth are referred to as traded sector or economic base industries because they serve customers and markets that go beyond local residents and businesses and, as a result, generate income from sources outside of the state or substitute for products and services that would otherwise be imported into Maryland.⁶ Maryland’s traded sector industries tend to include manufacturing industries producing products sold outside of Maryland, distribution industries helping to move goods produced in Maryland, insurance and finance industries offering services to customers nationwide, and information technology industries providing software, data services, and other information services to markets outside of Maryland. Often economic base industries serve a mix of markets and customers both in-state and out-of-state.



The Maryland Economic Development Commission (MEDC), part of the Maryland Department of Commerce, has identified a set of traded sector industry drivers for Maryland that reach across the state, including:

- Aerospace Aeronautics, Unmanned Aerial Systems & Other Defense Manufacturing
- Agriculture and Resource Based Industries
- Life Sciences
- Businesses with U.S. or regional headquarters in Maryland
- Distribution, Warehousing, Transportation, and Logistics
- Environmental Technology, Renewable Energy, and Energy Production
- Financial Services
- Information Technology, Telecommunications, and Cybersecurity
- Manufacturing: Food & Beverage; Polymers; Precision Manufacturing; Printing & Packaging; Wood Products

Additionally, Tourism can be added to Maryland’s targeted industry activities, and is supported by a dedicated Office within Maryland’s Department of Commerce.

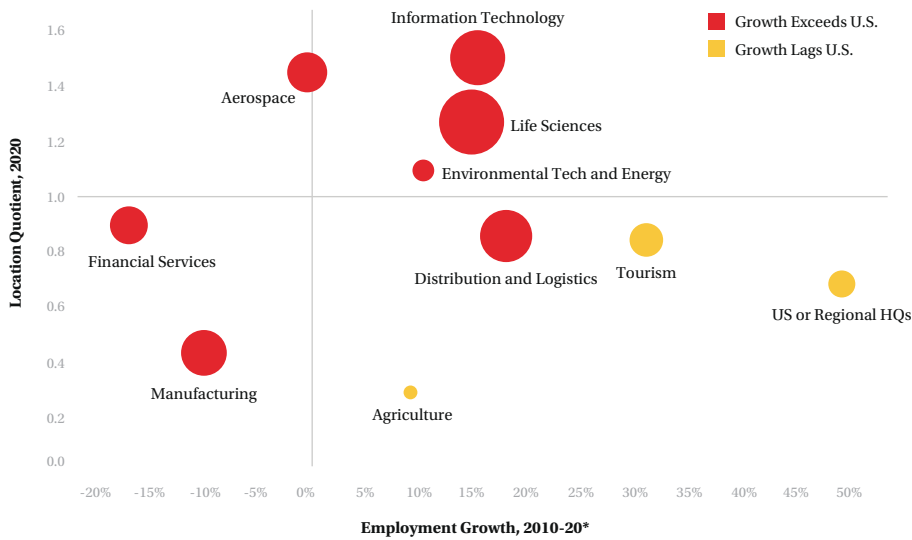
TEconomy analyzed the economic performance of these targeted traded sector industry clusters over the last decade. The good news is that Maryland is growing in most of its targeted traded industry clusters, and a number stand out in being specialized and growing, including Information Technology, Life Sciences, and Environmental Tech & Energy. However, Maryland is not keeping pace with national employment gains, especially for its larger industry clusters, as shown in Figures 4 and 5 below.

⁴ For a discussion of industry cluster theory, see National Research Council’s report on Best Practices in State and Regional Innovation Initiatives, pages 31–34.

⁵ The Brookings Institution, Rethinking Cluster Initiatives, July 2018

⁶ Industries that are not economic base industries typically focus on meeting the local needs of Maryland’s families and businesses and do not bring new income into the state – these are often referred to as “sheltered” industries. Examples of sheltered industries include restaurants, retail stores, dry cleaners, and State and local government services. While these sheltered industries are critical to the quality of life in Maryland, they rely on purchases from local residents and businesses as their primary market, and so benefit from a growing economy.

Figure 4: Economic Performance of Maryland's Targeted Industry Clusters



Interpreting this Graphic:

The size of the bubbles reflects the number of jobs

The vertical axis measures level of industry concentration compared to the nation, with 1 being equal to the nation. Typically, a value above 1.2 indicates the industry is specialized.

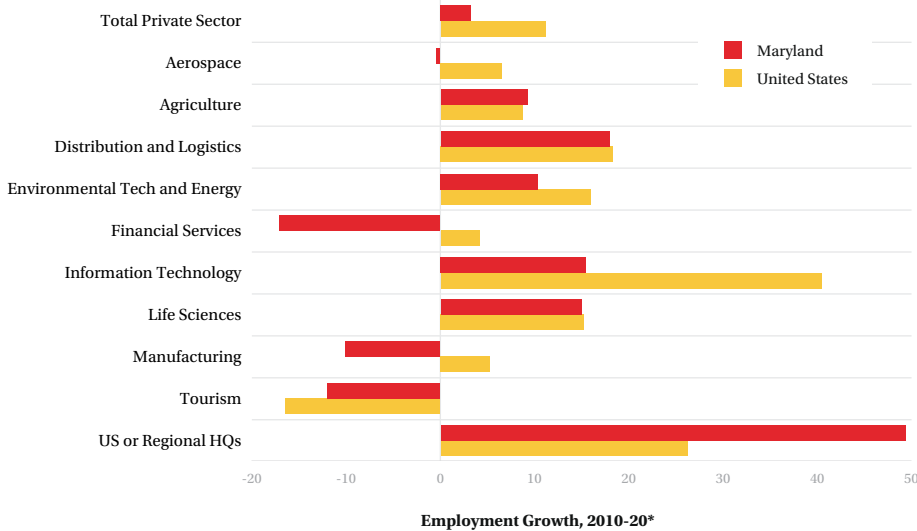
The horizontal axis is the job growth from 2010-2020

The industry clusters that stand out as current strengths in specialization and growth are IT, Life Sciences, and Environmental Tech & Energy. In addition, Aerospace & Defense is highly specialized but flat in growth

The industry clusters that are emerging with growth but not yet specialized are Agriculture, Distribution, Tourism, and U.S. or Regional Headquarters.

Two industry clusters in decline and not specialized are Financial Services and Manufacturing

Figure 5: Comparison of Industry Cluster Job Growth Rates, Maryland vs. U.S., 2010-2020



Interpreting this Graphic:

Maryland lags far behind U.S. private sector growth as well as in most of the targeted industry clusters

Two industry clusters in decline and not specialized are Financial Services and Manufacturing

Only Agriculture, Tourism and U.S. or Regional Headquarters outpaced national growth from 2010-2020

Financial Services and Manufacturing (non-Life Sciences, Aerospace) declined in Maryland while growing nationally - so diverged significantly from national trends

Source: TEconomy analysis of Emsi Employment data based on Quarterly Census of Employment and Wages

*For Tourism, given sharp decline due to Covid, the employment change is from 2010-2019

By not keeping pace with national growth its targeted industry clusters, Maryland is losing market share and risks putting its highly specialized industries at a competitive disadvantage. In addition, Maryland’s emerging targeted clusters may not reach the levels of concentration required to attract talent and business investment to the state. TEconomy’s analysis suggests there is an opportunity for MEDCO to step up its efforts to identify specific development projects involving facilities and infrastructure to meet the needs of the targeted industry clusters.

To help identify these needs and potential projects, TEconomy spoke with the numerous economic development stakeholders, including industry specialists at the Maryland Department of Commerce and regional economic development leaders. The insights gathered suggest the potential for a robust pipeline of economic development projects associated with leading areas of Maryland’s targeted industry clusters (see Figure 6).

Supporting 21st Century Placemaking to Attract Talent and Innovation

The 21st Century has seen transformative changes in real-estate development affecting how we choose to live, work and play. A growing development focus is on “placemaking” – creating high-value, mixed-use neighborhoods whether in a large, vibrant urban center or a more suburban or small rural town location. The attributes of placemaking include good public transit and walkability; a diversity of arts, culture, educational, and other amenities; and a strong sense of place and community. As the International Downtown Association explains:

“During the last three decades, city centers have been adding arts, culture, dining, education, medical, and research institutions, along with hospitality, leisure, and sports venues. Simultaneously, there has been a dramatic

Figure 6: Insights from Economic Development Stakeholders on Leading Industry Clusters

	Defense & Aerospace	Cybersecurity & IT	Life Sciences	Energy, Envir & Agbio	Advanced Manufacturing
Strategic Needs & Opportunities	<ul style="list-style-type: none"> Leveraging strong R&D activities at military installations for industry and academic partnerships and collaborations SBIR support Strong military focus in MD on UAS and Unmanned Ground Vehicles 	<ul style="list-style-type: none"> Talent generation across K-16 and incumbent workforce upskilling New startup formation and scale-up Emergence of Quantum Computing 	<ul style="list-style-type: none"> For Biopharma, growing demand for biomanufacturing with significant workforce needs Emergence of Medtech & Digital Health 	<ul style="list-style-type: none"> Multiple technology niches emerging: <ul style="list-style-type: none"> • Aquaculture • Off-Shore Wind Energy • Battery Technologies • Small Modular Nuclear Reactors 	<ul style="list-style-type: none"> Manufacturing 4.0 acceleration Supply chain for Off-Shore Wind Energy
Examples of Potential Project Activities for MEDCO	<ul style="list-style-type: none"> • ARL Collaboration Spaces @ Adelphi & APG • Synthetic Industrial Biomfg Prototyping Facility at APG • EV Charging Stations at multiple military installations • Indian Head Contained Burn Plant • St. Mary’s Aerotech Innovation District 	<ul style="list-style-type: none"> • Cyber-ranges • multiple industry use cases • multiple educational levels (K-12, post-secondary, & incumbent workforce) 	<ul style="list-style-type: none"> • Targeted wet lab space – especially Baltimore City • New training facilities for biomfg technician training 	<ul style="list-style-type: none"> • Inlet at Ocean City for Off-Shore Wind Energy Operations and Maintenance • Infrastructure for Conversion of Coal Fired Power Plants 	<ul style="list-style-type: none"> • Maryland Manufacturing 4.0 Tech Demonstration & Training Lab for SMEs • Tradepoint Atlantic build-out
Leading Regions (specialized or emerging strength)	<ul style="list-style-type: none"> • Central • Southern 	<ul style="list-style-type: none"> • Capital • Central 	<ul style="list-style-type: none"> • Capital • Central 	<ul style="list-style-type: none"> • Central (Energy + Ag) • Eastern (Energy + Ag) • Capital (Ag) • Southern (Ag) 	<ul style="list-style-type: none"> • Eastern • Western

and sustained increase in residents, living both within business districts and adjacent neighborhoods.”⁷

From an economic-development perspective, two forces are driving this emphasis on placemaking: geographic requirements to compete in a global economy and smart growth needed to build strong and Sustainable Communities.

From a geographic perspective, an interesting paradox is at work where the more globally integrated and dependent the U.S. economy has become the more local conditions matter. The presence of the right mix of assets in research and development, education, entrepreneurial know-how and culture, workforce skills, capital availability, and face-to-face social networks are crucial for economic success. Innovation districts are emerging around anchors such as universities, medical centers, and large firms creating dense hubs of mixed-use developments where innovation, entrepreneurship, creativity, and placemaking intersect. A 2014 Brookings Institution’s report, *The Rise of Innovation Districts: A New Geography of Innovation in America*, first documented this transformation, explaining:

“For the past 50 years, the landscape of innovation has been dominated by places like Silicon Valley—suburban corridors of spatially isolated corporate campuses, accessible only by car, with little emphasis on the quality of life or on integrating work, housing, and recreation. A new complementary urban model is now emerging, giving rise to what we and others are calling “Innovation Districts.” These districts, by our definition, are geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators. They are also physically compact, transit-accessible, and technically wired and offer mixed use housing, office, and retail.”⁸

A 2019 update by the Global Institute of Innovation Districts reports that more than 100 Innovation Districts are emerging around the world, with a significant share adjacent to strong research institutions – universities, hospitals, and other research institutes– reflecting the high level of translational

research under way in areas such as life sciences, engineering, and computer science.⁹

The other force driving the rise of mixed use placemaking is the demand for smart growth to help protect our health and natural environment and make our communities more attractive, economically stronger, and more socially diverse. Maryland has been a leader in this movement with the passage of the Sustainable Communities Act of 2010, which established a shared geographic designation to promote efficient use of scarce State resources based on local sustainability and revitalization strategies. The Sustainable Communities program consolidated geographically targeted resources for historic preservation, housing, and economic development under a single designation, placing special emphasis on infrastructure improvements, multimodal transportation, and development that strengthens existing communities.

Both the Capital Region¹⁰ and Central Region¹¹ have existing innovation hubs and districts that have expansion needs. Other regions are growing new innovation district developments, typically around key anchor universities and federal laboratories (see text box for examples of existing and emerging innovation districts). MEDCO is therefore primed to play a key role in the development of innovation districts or other mixed-use place-making projects across Maryland.

As noted above, MEDCO’s legislative authority was amended in 2009 to support these developments by providing MEDCO authority to issue bonds to finance a wider range of public improvements beyond traditional public infrastructure like roads or utilities. In the case of transit-oriented development or Sustainable Communities, MEDCO is now authorized to arrange TIF financing for improvements that include historic preservation or rehabilitation; environmental remediation; demolition and site preparation; parking lots, facilities or structures of any type, public or private; highways; schools; and affordable or mixed-income housing. MEDCO needs to conduct more proactive outreach in collaboration with Maryland’s Departments of Planning, Transportation, and Housing & Community Development to engage these localities qualifying as Sustainable Communities and transit-oriented developments.

7 International Downtown Association, *Downtown Rebirth: Documenting the Live-Work Dynamic In 21st Century U.S. Cities*, prepared by the Philadelphia Center City District, 2013, page 5.

8 <http://www.brookings.edu/events/2014/06/09-innovation-districts>.

9 Julie Wagner, Bruce Katz and Tom Osha, “The Evolution of Innovation Districts,” The Global Institute on Innovation Districts, 2019

10 Capital Region of Maryland includes the following counties: Frederick, Montgomery and Prince George’s

11 Central Region of Maryland includes the following counties: Anne Arundel, Baltimore City, Baltimore, Carroll, Cecil, Harford, and Howard

Examples Of Existing and Emerging Innovation Districts in Maryland

BioPark at University of Maryland Baltimore helps to anchor a broad innovation district on Baltimore's Westside. The 14-acre BioPark on the west side of campus is planned to reach nearly 2 million square feet of lab and office space in 12 buildings plus garage parking and landscaped parks at final build-out. Currently, 470,000 square feet in two-multi-tenant buildings, one 638-space parking garage, the State of Maryland's new Forensic Medical Center, the Maryland Proton Treatment Center, and the rehabbed Lion Brothers Building are completed. Development of a third multi-tenant commercial building complex is planned that will add more than 600,000 square feet is in development.

bwtech@UMBC serves as a hub for a growing innovation district for the BWI community anchored by the University of Maryland Baltimore County and features two campuses. Its North campus is a five building, 41-acre university-affiliated business park, with over 350,000 square feet of Class A office and laboratory space designed for technology companies and research institutions that currently houses over 55 tenants. The Cyber Incubator, as well as the Northrop Grumman Cync Program, is located within bwtech@UMBC North campus. The bwtech@UMBC South campus is a nationally recognized life science and technology business incubation and accelerator program that is home to over 35 early-stage bioscience and technology companies.

Discovery District at the University of Maryland College Park is becoming the center of academic, research and economic achievement for the DC Beltway. This mixed-use, transit-oriented development serves to link university researchers, students and staff with private sector companies and creates a new innovation hub within the Capital Region with easy access to Washington, DC.

Frostburg State University Innovation Park is a 60-acre site that is adjacent to campus and close to MEDCO's Edgewood Commons student housing project. Two properties are already built out – a privately owned 60,000 square-foot Class A office building, and a 6,000 square-foot university-owned building being converted into a Center for Applied Research and Innovation. A newly formed Research Foundation of Frostburg University is intended to serve as non-profit development entity for the Innovation Park and other purposes.

Science + Technology Park at Johns Hopkins anchors a mixed-use redevelopment of 88 acres adjacent to the Johns Hopkins University medical campus and hospital in East Baltimore. Centered on the new 5.5-acre Eager Park, this effort includes new commercial lab and office space, retail, for-sale and rental housing, and a new K-8 public school.

Shady Grove Life Sciences Research Park is Maryland's longest standing research park and the epicenter of Maryland's biotechnology industry, situated in a mixed-use suburban location. It is home to the unique educational complex known as the Universities at Shady Grove (USG), which offers nearly 80 undergraduate and graduate degree programs from nine Maryland public universities on one convenient campus in Montgomery County. A new expanded masterplan calls for a 4,360-acre mix of government, research, residential and retail development in the next three decades.

Southern Maryland Aerotech Innovation District includes the St. Mary's County Regional Airport, existing facilities for the University System of Maryland at Southern Maryland, and recent additions including the new SMART building, the University of Maryland Unmanned Aerial System Test Site, the TechPort business accelerator, a variety of specialized aviation and aeronautic companies, the adjacent Wildewood Professional and Technology Park, retail areas, and the industrial area along Airport View Drive – all leveraging the presence of Naval Air Station Patuxent River.

Viva White Oak is planned to be a 300-acre community with 7 million sf of commercial development and 5,000 residential units. In addition to its proximity to FDA headquarters, Viva White Oak is also adjacent to the planned future site of the relocated Washington Adventist Hospital. The community will have alliances with major local, state, national and international research universities and institutions to collaborate on academic and lab research efforts.

Addressing Needs for Inclusive and Equitable Growth

Maryland confronts important needs around inclusive and equitable growth—across both racial groups and geographic areas—that call for increased infrastructure to support career pathways, upskilling, and investments in under-served communities. It is imperative that Maryland’s leading innovative industries, especially targeted traded clusters like Aerospace & Defense, Life Sciences, Information Technology and Environmental Technology & Energy, are inclusive and offer pathways for equitable growth across race and under-represented groups.

As a state with a majority-minority population, Maryland needs to prioritize creating large-scale initiatives that ensure inclusive and equitable growth around its innovation-led economic drivers. These needs are quite significant – despite Maryland’s diverse population, on average, there are strong disparities between Maryland’s white and non-white populations when it comes to income, education, and occupation. Results from the U.S. Census’ American Community Survey from 2019 found that:

- **Per Capita Income:** The per capita income for the State’s White population is \$51,076, compared to the State’s Black population at \$33,843 and the State’s Hispanic and Latino population at \$26,250.
- **Educational attainment:** 45.5% of the State’s White population 25 years or older attained a Bachelor’s degree or higher compared to 30.8% for the State’s Black population, and 22% for the State’s Hispanic or Latino population.
- **Occupation:** 53.1% of the State’s White population 16 years and over are employed in management, business, science, and arts occupations compared to 41.1% for Black population and 24.9% for the Hispanic or Latino population.

These persistent gaps suggest the need to address the opportunity gap in upskilling of Maryland’s existing Black and Hispanic/Latino workforce along with increased opportunities for entrepreneurship and business ownership, so that they can more fully participate in Maryland’s overall economic prosperity.

There is significant opportunity for MEDCO to become a solution provider for projects across Maryland that embrace inclusive and equitable growth. TEconomy has reviewed many publicly available economic development strategic plans published by individual counties and tri-county regional councils across the state for any references they make to issues of diversity, equity, and inclusion (DEI). In some cases, county offices, commissions, or authorities point to programs they already have under way; in others, planners identify barriers to be overcome in achieving DEI goals. In some unknown number of these cases, county and local DEI priorities may lead to projects that could benefit from up-front financing of the kind that MEDCO can arrange or participate in. Following is a summary of the major DEI issues that emerge from study of these plans.

In several of the State’s low-density, mainly rural counties across the Eastern, Western, and Southern regions of Maryland¹², access to affordable broadband coverage emerges clearly as a strategic issue that planners see as standing in the way of economic diversification and social equity. In some rural counties (e.g., Kent and Queen Anne’s) that see themselves as tourism-dependent, one finds an additional focus on access to affordable housing as an issue that is holding back economic development. While MEDCO’s authority does not extend to residential housing, these aspirations are often expressed in the context of a desire for smart, sustainable, mixed-use communities, which could provide an opening for MEDCO to participate in TIF financing or in improving water, sewer, or transportation infrastructure whose inadequacy or obsolescence may be constraining smart growth. Additional examples in these more-rural regions include:

- Charles County (Southern) has launched a “Disparity Study” of county contracting. Disparities uncovered may eventually provide MEDCO opportunities to support revolving loan funds, surety bonding, or other forms of financial assistance that could allow minority-owned businesses to better compete for public contracts.
- St. Mary’s County (Southern) has identified the diverse student base at St. Mary’s College of Maryland (10% African American, 27% persons of color, according to

¹² These regions of Maryland are defined as follows: The Eastern region of Maryland includes counties of Caroline, Dorchester, Kent, Queen Anne’s, Somerset, Talbot, Wicomico and Worcester; The Southern region of Maryland includes counties of Calvert, Charles and St. Mary’s; and the Western region of Maryland includes the counties of Allegany, Garrett and Washington.

college statistics) as a target of economic opportunity, which could eventually lead to creating specialized housing and community engagement facilities that MEDCO can help in financing.

Counties in the more populous Central and Capital regions generally have a more direct approach to DEI issues. For example:

- Anne Arundel County (Central) has created an Inclusive Ventures accelerator program to target rapid growth among small businesses and especially those owned by women, minorities, and veteran entrepreneurs. While the program is virtual, it may eventually require physical facilities. Frederick County (Capital) has created a very similar EmPOWER program to support, teach, and connect business owners from under-represented communities. As these businesses scale-up, MEDCO can assist with follow-on facility and equipment financing.
- Baltimore City has centered its latest Comprehensive Economic Development Strategy (CEDS) around “inclusive prosperity” – an “urban economy that is based on diversity, inclusion, and resiliency.” In this document, Baltimore City joins some of the rural counties in identifying as barriers to economic growth a lack of digital equity in broadband access and failure of outdated infrastructure. Among the key recommendations of the CEDS is to advance placemaking developments citywide, including not just Port Covington and the bioparks in West and East Baltimore (both of which will require more commercial wet lab space) but also a Black Arts and Entertainment District and eight active Main Street districts citywide, which it calls “middle neighborhoods” with predominantly Black populations and business ownership.
- Harford County (Central) is explicitly targeting local food production – including community gardens but also larger community-focused agricultural enterprises – as part of an overall equity goal of universal access to healthy foods. More broadly, the county’s plan targets development of industries that offer the greatest opportunities for wages and advancement for residents of diverse educational level. MEDCO can help in financing food packaging and warehousing facilities as well as specialized workforce skill training facilities in collaboration with community colleges and local employers.
- Montgomery County (Capital) identifies racial equity and social justice as one of four pillars of its economic development plan, which implies a commitment to ensure equitable access by minority-owned businesses to the innovation ecosystem in conjunction with unifying its system of business incubators. This may provide renewed opportunities for MEDCO to become involved. Additionally, the county identifies the facilities at the Universities at Shady Grove as key to creating DEI-centered lifelong learning pathways for county residents.
- Prince George’s County (Capital) has prioritized an intentional emphasis on inclusive growth as well as broader based placemaking to stabilize and upgrade neighborhoods in its 2022 Economic Development Strategic Action Plan, recently endorsed by the County Planning Board and soon-to-be presented for County Council approval. While Prince George’s County is considered the nation’s leading majority-minority County, there remain significant racial disparities with respect to education and workforce development, innovation and entrepreneurship and placemaking. MEDCO can assist with the facility and equipment needs for facilities to provide workforce skill training and scaling up minority-owned businesses, as well as larger scale placemaking efforts being advanced by Prince George’s County.

At the State level, an exciting new initiative is being advanced to establish a \$500 million 10-year Maryland Equitech Growth Fund to provide a dedicated investment approach for inclusive and equitable advanced industry growth in Maryland. The Maryland General Assembly provided funding for a study to consider the establishment of this Fund to the Maryland Technology Development Corporation (TEDCO) in collaboration with MEDCO, the Maryland Small Business Development Financing Authority, industry, university and representative community groups.

Each of these State and local actions open possible participation by MEDCO. Indeed, MEDCO has already started working together with non-profit educational providers to start providing or enhancing facilities to meet the needs of Maryland’s marginalized communities for STEM education, career pathways, and upskilling. One such project was in support of the Living Classrooms Foundation, Inc., in Baltimore City, where MEDCO facilitated financing for new facilities and improvements to support LCF’s charter school, job training, and maritime program. Another example is for the Maryland Center for

Construction, Education and Innovation in Baltimore County, where MEDCO provided a grant for initial operating funds and a loan to launch activities for this 501(c)(3) entity comprising a collaboration of the construction industry, Towson University, K-12 education and Maryland government agencies to support workforce, education and training needs. As a final example, MEDCO recently committed to providing grant support to Maryland Cyber Workforce Solutions, contingent on the project receiving funds from the U.S. Economic Development Administration's Build Back Better Regional Challenge, which requires significant focus on inclusion to under-served populations as part of growing targeted industry clusters. Maryland Cyber Workforce Solutions, one of 60 finalists out of 500 national applicants for up to \$50 million from the Build Back Better Regional Challenge, plan to establish cyber range hub centers across the state with strong educational programming targeted to underserved K-12 students and upskilling existing under-represented workforce.

Building a Pipeline of Potential Projects for MEDCO Support of Maryland's Highest Economic Development Priorities

Maryland's steady support of targeted-industry cluster development, placemaking for innovation and smart development, and inclusive and equitable growth all suggest significant opportunities to augment and redirect MEDCO's "solution provider" capability in support of the State's modern economic-development priorities. This is further affirmed by TEconomy's consideration of the emerging pipeline of potential high-priority economic development projects.

Working together with MEDCO leadership, TEconomy identified a broad range of projects "in development" by various stakeholders in the economic-development community. Our goal was to learn more about these projects, the range of activities being advanced, the likely resources available, any expected key gaps, and overall project viability. MEDCO now



faces a wide range of opportunities to support economic diversification, innovation partnerships and infrastructure. These opportunities are found across many of the State's targeted industry clusters, and they touch on the need for placemaking with inclusive and equitable growth in a way that leverages MEDCO's capabilities in finance, property development, and asset management.

The challenge MEDCO faces with respect to strategic economic development projects is that it lacks the organizational capacity for outreach, engagement, and technical assistance to advance this potential pipeline of economic development projects. As MEDCO evolved into a broad financing agency, it has relied on more word-of-mouth marketing with many of its project referrals coming directly from bond counsel and organizations with specific, well-defined projects. While this current marketing approach has value in supporting MEDCO's need for consistent revenue generation in the short term, ***MEDCO may be missing out on addressing impactful economic development projects that meet Maryland's highest priority needs.***

Such strategic economic development projects that address the State's highest priority needs often require much more intensive collaboration and discussions with a broad array of stakeholders and technical assistance to determine the proper way to structure property development. It can take years for an individual economic development project to reach fruition, and therefore a more patient, long-term focus on sustaining and serving a broad pipeline of potential projects is required.

EXAMPLES OF POTENTIAL DEVELOPMENT PROJECTS

4 MLK at UMB BioPark

- **Opportunity:** Advance the innovation community at UMB BioPark, as it doubles in size, by attracting the well-known Cambridge Innovation Center with flexible wet labs
- **Industry Targets:** Life Sciences
- **Innovation & Smart Placemaking:** Yes
- **Inclusive and Equitable Growth:** Yes, will house workforce training programs targeted to upskilling and K-12 STEM education. Additionally, UMB BioPark has a strong track record of promoting Black, Indigenous and People of Color (BIPOC) workforce development and businesses, and more broad community engagement

AquaCon Salmon Farm

- **Opportunity:** Large scale \$300 million indoor salmon farm in Caroline County that will create about 150 jobs to harvest 3 million fish a year using “green” aquaculture technology advanced at University of Maryland’s Institute of Marine and Environmental Technology, with a continued industry-university research partnership.
- **Industry Targets:** Agriculture and Resource-based Industry
- **Innovation & Smart Placemaking:** No
- **Inclusive and Equitable Growth:** Opportunity to hire and upskill workers at a variety of skill levels.

Aerotech Innovation District

- **Opportunity:** An emerging innovation district for Southern Maryland that includes the St Mary’s County Regional Airport, the University of Maryland at Southern Maryland with the addition of the new SMART building, the University of Maryland Unmanned Aerial System Test Site, the TechPort business accelerator, a variety of specialized aviation and aeronautic companies as well as the adjacent Wildewood Professional and Technology Park, retail areas, and the industrial area along Airport View Drive.
- **Industry Targets:** Aerospace & Defense/Unmanned Aerial Systems Development
- **Innovation & Smart Placemaking:** Yes
- **Inclusive and Equitable Growth:** Opportunity to directly link UMSM students to job opportunities and advance K-12 STEM activities

Army Research Lab Collaborations

- **Opportunity:** Deepen collaborations with industry and universities with leading federal research lab including with K-12 STEM activities
- **Industry Targets:** Information Technology; Autonomous Systems; Energy
- **Innovation & Smart Placemaking:** Yes
- **Inclusive and Equitable Growth:** Opportunity to directly link UMSM students to job opportunities and advance K-12 STEM activities

Bowie State MARC Station

- **Opportunity:** New Transit-Oriented District with close connections with HBCU university to expand industry collaborations
- **Industry Targets:** Information Technology
- **Innovation & Smart Placemaking:** Yes
- **Inclusive and Equitable Growth:** Anchored by the recent MEDCO-assisted Entrepreneurship Living Learning Community (ELLC) of Bowie State University, which not only is advancing student entrepreneurial efforts, but houses other entrepreneurial resources for BIPOC businesses. Potential link of Bowie State University students with companies involving internship and jobs upon graduation.

Frostburg State University Innovation Park

- **Opportunity:** Support the continued development of a 60-acre university-affiliated research park as a signature regional innovation driver led by a newly formed Research Foundation
- **Industry Targets:** Information Technology; Life Sciences; Environmental Tech and Energy
- **Innovation & Smart Placemaking:** Yes
- **Inclusive and Equitable Growth:** Already home to BIPOC businesses and offers the opportunity to support formation and growth of additional BIPOC businesses, along with internship activities.

A New Strategic Approach for MEDCO to Address Maryland's Economic Development Priorities and Opportunities

The evolution of MEDCO as an organization and the unfolding economic priorities for Maryland raise two critical strategic questions for MEDCO starting now:

- **Strategic Question #1: *Should MEDCO place priority on addressing strategic economic development opportunities that meet the principles of targeted industry cluster development, placemaking for innovation and smart development and inclusive and equitable growth?***
- **Strategic Question #2: *Should MEDCO embrace its history of being a broad financing authority supporting the project development needs of industry, non-profits, universities, and government?***

TEconomy's analysis suggests that it is both feasible and important to affirmatively answer "YES" to both strategic questions.

The considerable opportunities evident in targeted industry cluster development, placemaking for innovation and smart development, and inclusive and equitable growth all suggest that the time is ideal for MEDCO to dedicate a significant share of its effort to support the priorities of Maryland's economic-development stakeholders, as it did earlier in its history.

TEconomy's analysis suggests both the feasibility and importance of embracing the forward-looking goal set out in MEDCO's 2022 Annual Report to the General Assembly to:

- **"Ignite new, sustainable, and inclusive economic development activity and related job creation that leverages Maryland's core public/private assets and helps foster talent development efforts to meet present and emerging employer demands."**

However, there is also considerable value to MEDCO in remaining able to serve the broad financing needs of Maryland's non-profits, universities, and government agencies by enabling them to access the tax-exempt bond market and/or by structuring leaseback and other arrangements that serve the public interest and raise the quality of life in Maryland. From an organizational perspective, the broad financing agency efforts are also important to ensure consistent revenue generation to support MEDCO's overall activities including those that consume staff resources early in their life cycles.

There is precedent for transforming MEDCO into a broad financing agency that also prioritizes meeting Maryland's economic development needs. Perhaps the leading benchmark example from across the nation is that of the Massachusetts Development Finance Agency, commonly referred to as MassDevelopment. MassDevelopment has many similarities to MEDCO, including:

- MassDevelopment is a quasi-public corporation that is not the state's lead economic development agency, but supports, complements, and collaborates with several state agencies. Its mission is to serve as a broad financing agency to "stimulate economic growth, increase employment, eradicate blight, raise prosperity and build communities."

- MassDevelopment possesses similar bonding authority for property development to that of MEDCO, along with offering broader property development services to be a full-service solution-provider.
- MassDevelopment has no ongoing budget support from the state for its operations.

Where MassDevelopment goes beyond MEDCO is that it represents an explicit consolidation of three broad functions: the state’s health and educational facilities authority, the state’s industrial financing agency, and the state land bank. From time to time, the state legislature makes targeted appropriations to MassDev (both capital and operating funds) in support of priority economic development activities such as the recruitment of GE to Boston’s Seaport district; military bond capital projects; placemaking projects such as Fort Devens and coworking spaces in mid-sized “Gateway” cities across Massachusetts; and broader range of programs for emerging technologies, advanced manufacturing, and export promotion and finance.

The Need for an Enhanced Business Model for MEDCO’s Transformation

In order for MEDCO to transform itself into a broad financing agency that also prioritizes meeting Maryland’s economic-development opportunities, it needs is a new business model. To date, MEDCO has not clearly articulated what it does and what its priorities are across different project activities over its evolution into becoming a broad financing agency. By establishing more clarity about its roles, activities and clients, MEDCO can strategically orient itself to ensure that economic development projects are a priority while continuing to fulfill its ongoing mission of enabling tax-exempt financing for public-purpose projects that are not strictly related to economic-development priorities.

A more complete and strategic way to understand MEDCO is by considering its roles, project activities and clients as they have evolved over time and need to be augmented going forward:

Current MEDCO Roles: MEDCO performs several key roles for various client types and underlying activities. Excluding its role procuring consultants to conduct studies for public agencies, MEDCO’s major roles include:



- **Conduit bond issuer** through which eligible borrowers use MEDCO’s bond issuing authority to obtain access to the tax-exempt or taxable bond market to finance the costs of land acquisition, building construction, or equipment purchase.
- **Project-based owner and issuer** to finance construction and build-out of public facilities for which MEDCO will serve as the leasehold owner of record, and for which MEDCO will collect lease payments or other project revenues to pay the expenses of the project and the debt serve on the bonds. MEDCO’s liability is limited to the pledged assets and revenues.
- **Development manager** responsible for meeting client needs in real estate development, planning and project delivery that may be intended for ownership by a third party, by a public agency, or by MEDCO itself.
- **Asset manager** of certain MEDCO-owned properties, including meeting tenant needs and contracting with a day-to-day property manager for routine maintenance and operations.

An additional role MEDCO will need to take on to effectively develop and support a pipeline of economic development projects is for **Outreach, Engagement, and Technical Assistance**, as discussed in more detail below.



Current Project Activities: MEDCO undertakes a wide range of economic development and non-economic development project activities that include:

- **Economic development activities** in support of targeted industry clusters, placemaking and inclusive and equitable growth. Over MEDCO’s history, these economic development projects have included:
 - Infrastructure projects including road improvements, utilities for sites, land remediation, wastewater, energy, and other infrastructure projects
 - Garages
 - Tourism projects involving hotels, conference centers, golf courses, and other destination amenities
 - Single-use industrial facilities and equipment
 - Multi-tenant commercial facilities such as incubators, coworking spaces, specialized lab buildings, workforce training facilities, etc.
 - Industrial and research parks, as well as larger scale transit-oriented development and innovation districts

Going forward, as the demands for supporting Maryland’s economic development priorities of target industry cluster development, innovation and smart placemaking, and inclusive and equitable growth unfold, additional types of economic development projects may emerge. MEDCO needs to be prepared to address and adapt to new economic development challenges as they emerge.

- **Non-economic development activities** include student housing at post-secondary institutions, headquarter and

other facilities for government and non-profit organizations, and human and social services facilities that serve key populations such as the intellectually developmentally disabled and blind.

Clients: Currently the main way MEDCO defines the range of its project activities is by client types. Client types include:

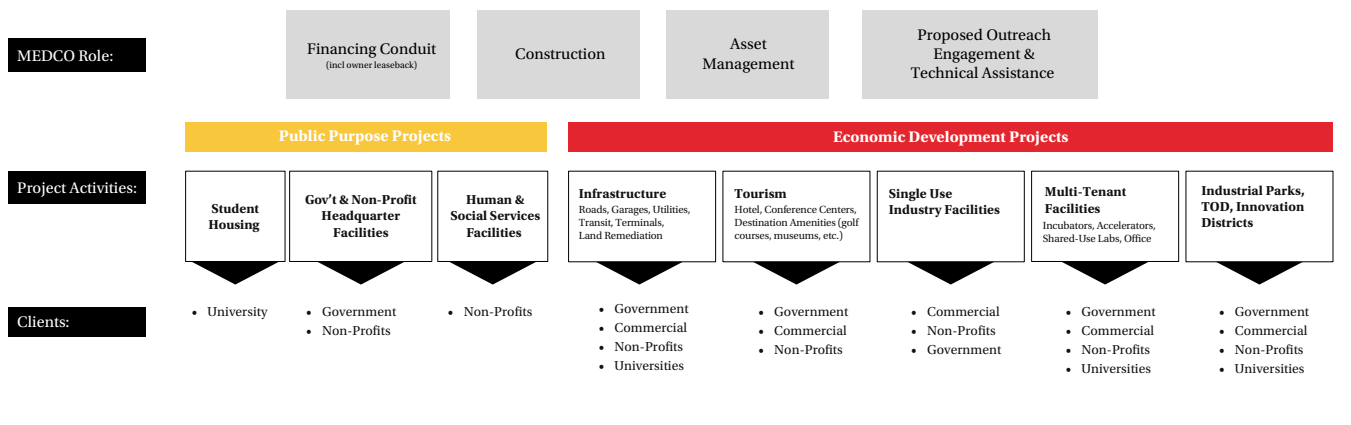
- Industry or any commercial entity
- Non-profits
- Universities
- Government agencies

However, this current classification by client type does not provide an accurate representation of what MEDCO does since it is not the client type that matters as much as the activity being supported by the client. For instance, in the case of industrial or research park projects, MEDCO’s client could be of almost any organizational type, ranging from a local government to a commercial real estate developer to a public or private university.

Figure 7 below provides a general outline of the roles, project activities, and clients MEDCO serves. This outline will become a critical means to enable MEDCO to strategically orient its activities going forward to prioritize economic development while continuing to serve as a broad financing agency

MEDCO’s enhanced business model will need to articulate how to prioritize and support outreach, engagement, and technical assistance in support of the State’s economic

Figure 7: Depiction of MEDCO Roles, Project Activities and Clients Served



development opportunities, while continuing MEDCO’s broader financing activities for non-economic development projects that generate fee revenue.

Three key operating principles should guide MEDCO going forward:

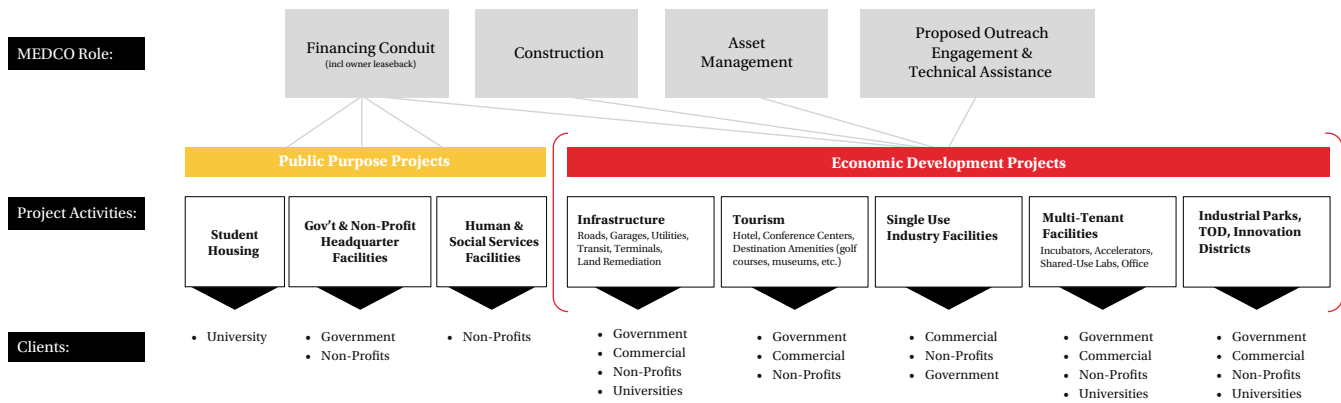
- 1. Establish new organizational capacities** that support MEDCO’s ability to develop and sustain a pipeline of economic development projects. Without this intentional focus on pipeline development, it would be too easy for MEDCO to simply accommodate the broad opportunities that regularly come from bond counsel or State and local agencies, and so the hard work of cultivating an economic development pipeline could be neglected.
- 2. Focus MEDCO’s full-service development management capabilities on economic development projects rather than general public-purpose activities.** Given the limited staffing at MEDCO that can be supported by generated fee revenue, those projects that draw heavily on MEDCO staff time – for example, for project design, development management, and asset management – should be dedicated to opportunities that are strictly in the service of priority economic development targets.
- 3. Continue to offer conduit financing services to public purpose projects of government and nonprofit clients, as well as industry borrowers,** for which the private sector has shown no significant interest or development capability, provided that fees collected by MEDCO clearly exceed the cost of deal setup, compliance monitoring, and

risk. This discipline ensures that MEDCO can continue providing this valuable service in a way that also generates fees to support MEDCO’s priority economic-development project development.

Following these three key operating principles will enable MEDCO to strengthen its focus on Maryland’s economic development opportunities while still generating fee revenue that will sustain a balanced approach to both strategic objectives.

A depiction of the proposed new strategic orientation of MEDCO in its day-to-day operations is shown in Figure 8. It shows the new orientation of the full suite of development services by MEDCO in support of economic development objectives, while continuing to allow for MEDCO’s role as a financing conduit for broader public purpose projects.

Figure 8: Depiction of New Business Model Aligning MEDCO Roles to Whether a Project Activity is for Economic Development Purposes or Broader Public Purposes



Action Plan for Implementing MEDCO’s Enhance Business Model

There are several specific actions MEDCO needs to take to implement the enhanced business model and key operating principles set out for MEDCO’s transformation into a broad financing agency that prioritizes economic-development opportunities:

- Develop a set of criteria by which staff can assess the economic development value of proposed projects as part of the standard Board approval package
- Establish an outreach, engagement, and technical assistance functions arm to generate deal flow of suitable economic-development projects
- Institute new business practices to support the organization’s transformation

Applying Criteria to Determine Economic Development Value of Proposed Projects

MEDCO should advance a set of criteria to determine whether a project falls into being an economic development project or a broad public financing project. Rather than an all-or-nothing determination, we suggest the use of criteria that can reflect the degree to which a project meets Maryland’s economic-development priorities of targeted industry cluster development, innovation, smart placemaking, or inclusive and equitable growth.

An initial suggestion of key criteria includes:

- **Does the project directly impact job creation or retention for an industry that is:**
 - Traded sector industry that generates new income for the State
 - Part of a targeted industry cluster for Maryland or its regions
- **Does the project exhibit scale beyond the direct investment for example, by leveraging additional private sector investments?** Sometimes MEDCO can directly leverage private-sector investment, such as through a project that involves a public-private partnership effort, or a project can provide indirect leverage by enabling other follow-on investments in businesses and activities located in MEDCO-supported facilities.
- **Does it advance Diversity, Equity and Inclusion?** MEDCO projects can address significant DEI objectives participation in a variety of ways, such as by enabling or improving K-12 STEM education, upskilling incumbent workers, creating construction and permanent jobs, or advancing broader wealth creation through facilities that support startup and expansion of neighborhood-based small businesses.



- **Does it advance Smart Growth involving Sustainable Communities and transit-oriented development?** Options include advancing an anchor project within a sustainable community or transit-oriented development or providing infrastructure financing to ensure future growth of all types within such a district.
- **Does it advance innovation and commercialization of university and federal lab research?** Projects of this type may facilitate commercialization of new innovations from a university or federal lab or could involve the creation of shared-use facilities that enable industry-university/federal lab collaborations.

The exception to these criteria is if the project meets the legislative purposes set out for MEDCO, even if it does not constitute an economic development project under these criteria, it should qualify for conduit bond financing. However, this type of project should not be eligible for MEDCO’s development management or asset management services. This is expected to be the case for many of the single use facility projects for nonprofits, universities, and government agencies, which typically fall outside of economic development and represent broader public purpose activities.

We recommend that MEDCO staff prepare a write-up for each project in the pipeline even before seeking Board approval for financing or other MEDCO assistance. These project write-ups can be shared and reviewed by a Subcommittee or the full MEDCO Board to determine whether a project meet the criteria for an economic-development or broad public-purpose project. An example of a “project consideration worksheet” that MEDCO staff could use to consider whether a project qualifies as an economic development project and would be eligible not just for MEDCO’s conduit bond financing assistance, but also development management and/or asset management services, is set out in Figure 9.

Figure 9: Example of a Project Consideration Worksheet

PROJECT CONSIDERATION WORKSHEET

WHAT IS THE PRIMARY ECONOMIC-DEVELOPMENT CHARACTER OF THE PROJECT?

- Infrastructure (roads, garages, utilities, transit, terminals, environmental, site remediation, etc.)
- Tourism (hotels, conference centers, destination cultural or recreational amenities)
- Facility for use by a single industrial retention/attraction deal
- Multitenant facility (incubators, accelerators, collaboration centers, shared-use labs or offices)
- Place-making (industrial parks, innovation districts, transit-oriented development)
- Student housing
- Government or non-profit headquarters
- Community health or social-service agency facilities

CHECKLIST OF ALIGNMENT WITH MEDCO VALUES (as many as apply)

- Does the project directly support traded sector private-sector job creation?
If not, is the project strategically necessary for a broader initiative that does? How?
- Does the project advance Diversity, Equity, and Inclusion in the state's jobs base?
- Does the project advance development based on Smart Growth principles?
- Does the project support innovation/commercialization of university or government research?

DOES THE PROJECT SUPPORT A COMMERCE-TARGETED LEADING INDUSTRY CLUSTER?

<input type="checkbox"/> Aerospace	<input type="checkbox"/> Ag/natural resources	<input type="checkbox"/> Distribution/logistics
<input type="checkbox"/> Environmental tech/energy	<input type="checkbox"/> Financial services	<input type="checkbox"/> Information tech/cyber
<input type="checkbox"/> Life sciences/biomanufacturing	<input type="checkbox"/> Manufacturing (other)	<input type="checkbox"/> Tourism
<input type="checkbox"/> U.S./regional HQ operations	<input type="checkbox"/> Other <input style="width: 100px; height: 15px;" type="text"/>	<input type="checkbox"/> Non-industrial (univ/gov't/nfp)

WHAT COMMERCE REGION IS THE PROJECT BASED IN?

- Capital (Frederick, Montgomery, Prince George's)
- Central (Baltimore City, Baltimore County, Carroll, Cecil, Harford, Howard, Anne Arundel)
- Eastern (Caroline, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, Worcester)
- Southern (Calvert, Charles, St. Mary's)
- Western (Allegany, Garrett, Washington)

WHAT KIND OF SUPPORT IS NEEDED FROM MEDCO (as many as apply)?

- Conduit financing only via MEDCO access to the bond market
- Construction/turnkey development for the client but no ownership by MEDCO
- Acquisition or development for ownership by MEDCO (with or without leaseback)
 - MEDCO will also provide ongoing asset management for the owned property
- Study or other form of technical assistance procured by MEDCO on behalf of the client

ANTICIPATED FINANCING SOURCE (as many as apply if mixed funding streams)

<input type="checkbox"/> Bond sale	<input type="checkbox"/> Federal grant	<input type="checkbox"/> State grant or loan
<input type="checkbox"/> MEDCO discretionary funds		

Establishing an Outreach, Engagement and Technical Assistance Function for Economic Development Opportunities

Establishing a new corporate function for outreach, engagement, and technical assistance at MEDCO is critical for ensuring a sufficient deal flow for economic development projects. Today this activity is not a core capability of MEDCO's present staff, but instead leans on part-time efforts by MEDCO's Executive Director, who at the same time must oversee the organization's overall activities.

Key activities of this new outreach, engagement and technical assistance function mainly involve "relationship marketing" such as:

- Developing key contacts and maintaining ongoing discussions at leading State agencies and economic development entities – i.e., attend quarterly meeting of planning directors held by MD Planning Department, outreach to approved TODs, etc.
- Sponsoring semi-annual networking events with economic development stakeholders across regions, at various university and federal laboratory communities, and in specific industry clusters, to discuss needs and opportunities
- Hosting best practice workshops on specific growth opportunities– such as on cybersecurity, autonomous systems, smart development. Broad attendance will build awareness of MEDCO's capabilities and generate pipeline candidates.

MEDCO also needs the capability to provide direct technical assistance and to offer clients access to a stable of consultants who can be retained to assist on emerging projects by assessing feasibility, facilitating broad stakeholder discussions, and identifying project gaps.

To jumpstart this new outreach, engagement, and technical assistance function over the next few years, TEconomy recommends that MEDCO advance two key activities to generate a pipeline of viable projects. One jumpstart activity would be to hold a ***competitive solicitation for economic development planning matching grants*** that address industry clusters already targeted by Maryland as priorities, innovation and smart placemaking, and inclusive and equitable growth.

1. This effort would energize regional engagement with MEDCO and if sustained over several years can consolidate MEDCO's role in advancing priority economic development projects in conjunction with regional efforts. The competitive grant process would utilize the same criteria as proposed for determining economic development projects for MEDCO. It is recommended that MEDCO aim to make up to 5 matching awards of up to \$50,000 each per year, and that cash awards be combined where appropriate with technical assistance paid for by MEDCO as an in-kind contribution.
2. We also recommend identifying one or two specific statewide economic development initiatives over the next two to three years through which MEDCO can test-flight a more proactive outreach, engagement, and technical assistance function. It would be easiest to start by identifying specific initiatives in consultation with Maryland's Departments of Commerce and Transportation, both of which are represented by ex-officio slots on MEDCO's Board. For example, MEDCO could prioritize the identification, development, and financing of collaborative technology infrastructure at Maryland's many military installations, which is already the responsibility of a commission within the Commerce Department (see text box for rationale). Successes can be shared jointly with the General Assembly.

Instituting New Business Practices to Support MEDCO's Transformation

MEDCO's enhanced business model will require a reorientation of existing staffing resources, along with additional resources to fund new staff capacities, planning grants, and proactive outreach. Today, MEDCO is a lean organization with 12 staff and an operating budget of under \$3 million annually. MEDCO's entire operating budget, as explained earlier, is self-funded by MEDCO through fees from bond issuances, asset management and other development services.

TEconomy estimates MEDCO will require approximately an additional \$700,000 to \$850,000 annually to support its enhanced business model (see text box). Without direct State support, this will require MEDCO to generate approximately 10% to 25% in additional project fees to cover these costs given recent budget experience and forecasts for MEDCO in the years ahead. Over the long-term this can be accomplished by generating more project activities as MEDCO cultivates a robust pipeline of economic-development projects. In the short term, it would require putting in place a new economic-development fund from MEDCO reserves, but it also could be realized in the short term by raising the level of fees that MEDCO charges.

In setting fees, it is important that MEDCO recognize that its benefit is providing access to bond financing and other development services for projects that the private sector has shown no significant interest or development capability. MEDCO has tended to keep its fees low for broad public-purpose projects as part of being a good citizen in the public sphere. Especially for more staff-intensive development services involving development management and asset management for public agencies, MEDCO may be significantly under-recovering its staff costs, but this is hard to fully assess since MEDCO does not currently track its staff time by project.

High-Level Budgeting of Additional Resources Required for MEDCO's Enhanced Business Model

- **Staff Resources:** \$400,000 to \$500,000 for support of two additional staff positions, including a new Director level position and an operations level assistant, and consultants to assist in the outreach, engagement and technical assistance for advancing and sustaining a pipeline of projects to meet economic development priorities and opportunities
- **Planning Grants:** \$250,000 for matching planning grants
- **Outreach Events and Services:** \$50,000 to \$100,000 to cover direct marketing and development costs for workshops, quarterly meetings, and other events and outreach activities with key stakeholders

Keeping fees low constrains MEDCO's resources available for the outreach, engagement, and technical assistance services that are needed to sustain a robust economic development pipeline. Certainly, there is no justification for charging fees below staff costs incurred on projects with intensive development management and asset management services. By contrast, it would be easy to justify full cost recovery through fees because the benefits that MEDCO provides its clients are of high value, drawing on the skills and experience of a highly professional staff. TEconomy recommends that MEDCO undertake a full assessment of the level of fees it charges relative to the market as well as develop the internal management systems to track staff costs incurred on a project-by-project basis.

Creating a Pro-Active, Results Oriented Financing Agency for Maryland's Economic Development Goals and Broader Public Purpose Needs

The ultimate value in advancing a new strategic approach for MEDCO, one that incorporates its enhanced business model and specific action steps, is to proactively address Maryland's economic development priorities and to generate tangible results towards growing the State's targeted industry clusters, supporting innovation and smart placemaking, and realizing more inclusive and equitable economic development.

Throughout MEDCO's history, it has measured its success by the number of projects it has assisted, the amount of funding it has provided, and its ability to remain self-sustaining and independent. Going forward, MEDCO will need to amend the way it measures its contributions by evaluating its projects on both its organizational performance and on the outcomes and how they align with the State's economic-development priorities.

MEDCO's organizational performance should be assessed using the following metrics:

- **Total project activity** annually both in number of projects and total amount of financing provided
- **Share of project activity focused on economic development priorities** compared to broader public purposes, with a goal of maintaining at least a 50/50 split
- **Ability to be self-sufficient on an organizational level as well as on a project-by-project basis** across different types of project activities and roles that MEDCO undertakes
- **Activities associated with outreach, engagement, and technical assistance for economic development projects** - with tracking of key milestones in project development
- **Geographic diversity of project activity**
- **Project connections and goals to further inclusive and equitable growth**

The outcome measures to be used by MEDCO should capture how MEDCO is generating new investment activities and meeting the State's economic development goals for targeted industry cluster development, supporting innovation and smart placemaking, and realizing more inclusive and equitable economic development. Specific performance measures of outcomes should include:

- **Project Leverage:** Non-MEDCO funding applied directly to project activity and indirectly leveraged by the project, such as follow-on private investments in or by businesses and activities located in MEDCO supported facilities.
- **Target Industry Cluster Development:** Job creation or retention in targeted industries and other measures of success of businesses in those targeted industries.
- **Innovation and Smart Placemaking:** Follow on private investment in site development for placemaking and level of activities sustained at that placemaking site - number of businesses, number of jobs, housing development, and amenity activities.
- **Inclusive and Equitable Growth:** Record and track full community participation in project activities, including K-12 STEM education, upskilling incumbent workers, construction and ongoing jobs created by the project, and expansion and new business formation in targeted industry clusters or broader community wealth creation in local businesses involving retail and services with a strategic DEI focus.

Building on its successful 38-year development and financing track record, MEDCO is ready to re-dedicate itself to being a proactive, results-oriented organization that meets Maryland's economic priorities for targeted-industry cluster development, innovation, smart placemaking, and inclusive and equitable growth.



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