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## **Crop talk**

## Despite regulatory uncertainty, contractors, engineers seize opportunities in pot business

**By Thomas A. Barstow** Contributing writer

A few years back, pioneers in a new industry out West came knocking at the door of Michael E. Greenblatt, an entrepreneur who owns and operates a specialized flooring company in Lancaster County.

They needed a flooring system that would be durable but also provide protections in a lab-like, plant-growing atmosphere where quality control is critical. The potential client was tapping into the new marijuana markets that were opening up as laws were being liberalized in states like Oregon, California and Colorado.

"We do a lot of work in the pharmaceutical industry," said Greenblatt, who has been running Surface Technology Inc. since 1988.

Drug labs require controlled environments, and his epoxy-like pourable flooring and wall systems inhibit mold



Roland King, with Surface Technology Inc., spreads urethane mortar onto the floor of a food processing facility. King is a 20-years employee of the Manheim Township-based industrial flooring contractor. PHOTO/AMY SPANGLER growth, control light reflection and resist exposure to chemicals. "They came to us because we do that type of work."

Three years ago, that background opened him to a job in Colorado, a few years before Pennsylvania would pass its medical marijuana law in April 2016. The state law has been building steam in the past year, with nine of 12 processors/growers approved by the state as of press time. Early in 2018, the state also approved its first dispensary, Keystone Canna Remedies in Bethlehem,

Northampton County.

Greenblatt, who earned a business and economics degree from West Virginia University in 1981, saw a niche that he hopes to exploit. A section of his website at www.epoxyfloorcoating.com is called "Cannabis Grow Facility Floor Systems," where the company touts its ability to use its expertise to help protect crops grown in a lab environment but also increase yield.

For example, lighting is critical, Greenblatt said. A reflective floor will help plants grow, while one that is durable and non-slip will aid cleaning and protect workers.

His floor and wall projects can cost anywhere from about \$50,000 up to \$300,000, depending on the scope. Depending on the scale of the project, that works out to roughly \$5 to \$8 per square foot.

In addition to a project in Colorado, his company has done several jobs in Maryland, where the nascent cannabis industry is ahead of Pennsylvania. He said he has several contracts lined up in Pennsylvania but didn't disclose details because the projects haven't started yet.

The possibilities for job growth and sales economy-wide are tremendous, he said. He owns a flooring company that is tapping into the potential, so many other businesses and industries also could benefit.

But some companies are reluctant to tout their services too loudly because the federal government still considers marijuana illegal, which is going to inhibit business growth.

"My personal feeling about it is that right now it is exploding, but in many different directions," Greenblatt said. "It is disjointed from a regulatory point of view. It's still illegal on the federal level."

Once those barriers are removed, he said, he would expect large national companies to get more involved, but right now there are great opportunities for smaller companies.



Michael Greenblatt is the founder of Surface Technology Inc., a Lancaster County industrial flooring contractor, marking its 30th year in business this year. PHOTO/AMY SPANGLER

The day after Greenblatt made those comments, U.S. attorney general Jeff Sessions rescinded a series of Obamaera rules that directed the federal government not to interfere with states that have adopted decriminalization laws. On Jan. 1, California was the latest state to legalize recreational use of the drug. Pennsylvania Gov. Tom Wolf later responded that the state's medical marijuana laws will continue on course.

Andrew Shakely, president of Nutec Group in York County, said the possibilities will be limited until issues are settled on the federal level. The architectural-and-engineering design firm is doing five designs in Florida. It has worked for one company in Pennsylvania that so far hasn't gotten state approval and has several projects in Maryland.

"It is attracting a good bit of attention," Shakely said. "The market could really explode."

Like Greenblatt and Surface Technology, Nutec recognized that it offered design and engineering experience that would meet the standards for growing medical marijuana.

"One of the things you have to deal with is contaminate isolation," Shakely said. "HVAC systems have to be able to handle high dehumidification and cooling loads."

The process to get involved isn't always easy. A Lancaster County construction company, Paul Risk Construction, recognized the opportunities and helped put together bid packets for several processor/grower facilities in the state's first permitting round.

Donald J. "DJ" Risk, company president, said none of those sites eventually was approved by the state. A second wave of permitting will double the number of processors/growers, so there will be more opportunities for his company's services in the future.

His company is the contractor for a facility in Mount Joy that will be used for research by Temple University's Lewis Katz School of Medicine. The company also has bid on several projects in Maryland.

Risk isn't concerned about wavering on the federal level and still sees immense potential for an industry that didn't exist legally just a few years ago.

"Realistically, the ball is already rolling," Risk said. "At the end of the day, the need is there, the medicine works and it can help a lot of people, so I think it will move forward."