



Gary Christenson, Mayor

CANNABIS LICENSING AND ENFORCEMENT COMMISSION
City Council Chamber, 215 Pleasant Street, Malden, MA
Community to watch Via Zoom Webinar
Wednesday, March 10, 2021 at 5 PM

Committee Members in Attendance

√	Jenelle DeVits, Chair	Council Appt.
√	Ron Hogan	Finance
√	Kevin Molis	Chief of Police
√	Nelson Miller	Bldg. Commissioner
√	Diana Jeong	Mayor's Appt.
√	Kathleen Manning Hall	Clerk <i>Non-voting mem.</i>

In attendance remotely: Ward 1 Councillor Peg Crowe, Ward 6 Councillor Dave Camell

MINUTES

- 1. Roll Call of Committee members.** Meeting was called to order at 5:05 PM and there was a quorum sufficient to conduct business.
- 2. CLEC Applicant Presentations and Interviews.**

(1) 5-6 PM: Interview of Lazy River Products, LLC

Proposed location: 270-280 Medford Street, Malden

Representing Lazy River Products:

- William Cassotis, President and CEO, spent 17 years building out his corporation, had a number of brick-and-mortar stores in NH, selling them transitioned him nicely for Cannabis retail.
- Mark Leal, Director of Operations – 25 years in corporate America; worked for larger networking organizations, multi-national presence in Latin South America. Will be on site full time.
- Kevin Platt, Director of Cultivation/Manufacturing (not present) has a long history of cannabis and adult use cannabis; the three partners have known each other for 40 years.
 - Lazy River was founded September 2018 for adult use retail, and then cultivation and manufacturing and now their permit includes medical use. They started with a 16,000 square foot structure and it's grown to 40,000 sq. feet. Main corporate office is located in Dracut, they have more than 20 acres of land where they cultivate. Do not seek additional cultivation locations – location can handle

Malden and a third facility, harvest weekly. Have good relationships with Town leaders. Dracut building was shown. It is not open yet – but could open any day.

Proposed Location: 270-280 Medford Street (wrong address is noted on the on their CCC application). Will take over the whole site if necessary but have not yet spoken to the landlord about utilizing the whole building. Are working with landlord to fine tune the agreements; meets all zoning and buffer requirements. 50+ parking spots. Employees will be encouraged to use public transportation. There is easy access both on and off Medford and Commercial Streets. They have not yet spoken with their Malden neighbors to see what the appetite is to move forward. Even though they will be close to another location, they feel that both businesses will not be impacted – people will have more choice. Will do a traffic study if they move forward.

Customer Experience: Will take web orders, curbside, and in store self-checkout; customers will enter a virtual cue so no need to cue at front door or parking lot. Experienced management and training programs allow for efficiency and customer experience. There is no trend for how busy each location will be – more difficult to say exactly how many but estimate 300-400 customers per day.

Security Plan:

- Building: robust networking and security network. Video runs 24 hours 7 days per week with 360 view of buildings; interior video surveillance on every door; intrusion detection, audible alarms, facility duress alarms, training
- Security control elements 21+, ID verification scanners
- Seed to sale tracking, inventory control, package labeling
- Strict compliance, background checks, employee training
- Direct communication with law enforcement, adherence to municipal guidelines; and
- Will offer an employee discount program to discourage theft.

Supplier: They will supply roughly 350-500 pounds of product per month. They have the quantity to produce for Dracut, Malden and another location. Highest quality product in MA. There are few steps to complete those parts of the Dracut building, so for now they are working with their wholesale providers and will sell both. Looking to turn up cultivation harvesting in May.

Employees: 50% will be local Malden residents; 30 at this location. Will encourage diversity in the workplace - will employ 40% minorities, women, veterans, LGBTQ, people with disabilities. In Dracut they have 34 people – 40% diverse across all categories. In Dracut 10% are Dracut residents.

Giving Back to the Community: “Give Back, Grow, Succeed” is their motto. Will provide the community impact fee of 3%; charitable donation requirements will be met, will provide annual reports to CLEC, vehicles will be registered in Malden, will make best efforts to use as many local vendors as possible. Will support local educational programs on public health and drug abuse prevention. Have relationships with Merrimack Valley Food Bank, Dracut Scholarship Fund, Dracut Food Pantry, Clean River Project. Have not spoken with any Malden non-profits about partnering with them but selected a Chelsea one for purposes of the application. Want to make an impact in Malden.

Delivery licenses 2 will be made available in a couple of years out – not something that is happening yet – it lowers the barrier of entry for others to get into the business. Will be reserved for social equity applicants only.

(2) 6-7 PM: Benevolent Botanicals LLC **Proposed location: 926 Eastern Avenue, Malden**

Representing Benevolent Botanicals:

- Warren Lynch, CEO of Benevolent Botanicals; 11 years in Malden involved in community since 2016; was homeless through his teens and most of his friends got addicted to heroin – cannabis saved his life. His mother relied on cannabis during cancer treatments; Started Our Revolution with his partner, member of Malden Democratic City Committee; co-Founded Metropolitan Pictures.
- Stee McMorris, Founder and Chief Operations Officer; 9 years in Malden, degree in neuroscience; filmmaker; disability advocate; co-founder of Our Revolution Malden; has connective tissue disorders – cannabis has been a critical pain management tool.
- Scott Matalon, Investor & Retail Operations Consultant, founder Stingray Body Arts; Metropolitan Pictures Co-Founder, Metro VR Studios, acquired by a publicly traded company.
- Michael Clebnik, Business & Security Consultant, Investor, founder of several businesses; full supporters of Warren and Stee.

Proposed Location: 926 Eastern Avenue. Retail area will be in middle part of building; extensive setback from road; 28 parking spots; two blocks from Police Station; fences separate building from residences, 6,200 square feet. No structural renovations needed at this time; building is perfect except that electrical, plumbing and air filtration need to be updated.

Buildout Costs: Start-up costs with all three licenses about will cost about \$2.1M, covers electrical, HVAC and plumbing costs.

Financials: Currently have \$100,000 from family and friends. But have since secured more funding and Mr. Clebnik will be helping to raise money.

Security Plan: Have leading security systems; 24 hours cameras on cannabis and entire exterior of property; all employees must be card carrying agents which requires training and background checks; seed to sale tracking; robust transportation security; regular audits of inventory; new security and fire alarm systems to be installed.

Customer Experience: Vertically integrated dispensary; will provide great shopping experience with a focus on customer service and education; demand is higher than supply, low quality product is saturated on the market. Emphasis on excellent product; bud tenders on duty at all times; retail hours may be different from manufacturing/cultivating. Expect steady customers throughout the day - no big rushes approximately 300-400 per day.

Expertise: Mike is good at retail; cultivation – Warren’s sister has a long track record and Ed DeSousa in Newburyport is working with them on cultivation. Someone else is working with them on vapes.

Ownership: 51% ownership for social equity component. Looking to put together convertible debt instrument which will have a carry forward of a small piece of equity. Financially threading the needle carefully.

Supplier: The better quality product will ensure customer loyalty. Will utilize small family business boutiques for the first few months until cultivation gets going.

Employees: Committed to hiring 80% of workforce people of color, Malden residents, LGBTQ, Veterans from disproportionately impacted community. Hoping to have 30 employees.

Giving Back to the Community will provide information in many languages.

3. **Review and Approval of February 15, 2021 Minutes.** *Motion by Ron Hogan to approve the February 15 minutes; seconded by Chief Molis. All in favor, Motion passes unanimously.*
4. **New Business.** No new business.
5. **Next meeting:** March 31, 2021 for the purpose of conducting additional candidate interviews.

Motion to adjourn at 8 PM by Nelson Miller and seconded by Jenelle DeVits. All in favor, meeting adjourned.