



CANNABIS LICENSING AND ENFORCEMENT COMMISSION
Malden Police Department Community Room, 800 Eastern Avenue, Malden, MA
Wednesday, July 24, 2019 at 5 PM

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

Also in attendance: Ward 1 Councillor Peg Crowe, Ward 8 Councillor Jadeane Sica, Malden resident Warren Lynch.

MINUTES

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

(1) 5-6 PM: Interview of Misty Mountain Shop
Proposed location: 323 Commercial Street, Malden

Representing Misty Mountain Shop:

- Erik Gath, Owner; Lives in Chelmsford, Mechanical Engineering degree. In 2014 met Garden Remedies owners, designed their buildout. Has designed 20+ retail and cultivation facilities. Family member owns 323 Commercial Street. Not pursuing any other licenses.
- Tim Gunther, Operational Director. Owns Cannabis compliance firm. Has helped many other firms go through the process.
- Abbigail Gunther, Operational Director, wife of Tim. Has law enforcement background.
- Danielle LoPilato, Education and Community Outreach, Social Worker. Advocates for patients for alternative treatments. Is a cousin to Erik Gath.
- Jonathan Napoli, Retail Consultant. Helps operate Cannabis Dispensary *In Good Health* in Brockton, open since 2015. Knows the business well. Will train all employees and will sign a consulting agreement with Misty Mountain Shop for several years.
- Karen Hawkes, Director of Safety and Training; retired Police Officer, had a stroke that ended her police career. Security professional in the Cannabis business for more than 5 years. Trains and advises staff.

Location:

- 323 Commercial Street (Mattuchio Building). Plan to tear down back third of building to create more parking. Will repave entire driveway.
- Will have a covered and uncovered outdoor parking area - designed a one-way drive-through area to utilize some of the extra space in the building. Will have 49 spaces for parking.
- 3,876 SF retail, 1,705 SF offices, 7,288 total SF.
- Traffic on Commercial and Medford is often gridlocked. Will allocate resources for traffic management. Will get a traffic study. Will have multiple police details when they first open.
- Location is in close proximity to a childcare facility. They have reached out to ABCD, will meet with Director of the facility.

Buildout Costs:

- \$1,000,000 raised through two investors. All cash equity.
- \$400,000 for build out and parking lot; offices are currently built; Will provide a facelift to the building, including adding new siding.
- Have consulted with BK Architects who provided the estimate. Mattuchio Construction provided the estimate for construction work
- Current tenant Mattuchio will relocate out of the building.
- Have \$200,000 for inventory.
- Have \$400,000 for wages, salaries, etc.

Customer Experience:

- There will be 8 point of sale stations, maybe 20 eventually.
- There will be three options for customers: (1) Upon entering main vestibule, will be greeted by customer service representative, meet with Danielle to review options, see a menu. (2) If customer knows exactly what they want, they can order, and (3) they may place an order online and upon entry to the store may proceed directly to the express checkout. All must go through security measures upon entering facility.

Security Plan:

- They have consulted with Astronaut Security Technologies. Entire perimeter of parking lot will have surveillance cameras and infra-red lighting.
- Video cameras will be installed at every point of entry and exit.
- Foliage and bushes will be maintained so no one can hide in them.
- Cameras can be maintained at all times by smart phone, computers, etc. They will remotely watch monitors for compliance.
- There will be a sally port for delivery of product; only authorized staff will know delivery times and dates. Will be fully staffed.
- Individuals must have secured Level 3 access to enter door into rest of the building.
- Customers ID'd and IDs scanned. Customers are registered, and company will know how many times customer has been there in past - this will discourage looping. No sales to those impaired.
- Will work closely with MPD. Will utilize a program that is used in health care and law enforcement.
- Will foster safety and responsibility for staff and customers.
- Secured display cases throughout the store will not contain real product.

- Cash management – only money touched is when change is given back. All money goes directly into a safe immediately. No counting cash. There will be onsite and remote auditing.

Ownership: Erik Gath – 90%; shareholders are prepared to contribute more. Abigail Gunther 10% owner. Ivy Mae LLC provided \$500,000 capital; Shannon McInnis provided \$500,000.

Supplier: *In Good Health* in Brockton will be a supplier along with other suppliers they have reached out to.

Employees: 30 full time employees. Minimum 1/3 goal employees will be from Malden. Diversity a priority.

Sales Projections: Anticipate 134,000 customers per year which will generate \$13.4M per year; \$1.12M per month; 400 customers per day; 40 per hour.

Giving Back to the Community:

- Eager to get involved with the community through community service and fundraising events. Want to put on fun and exciting events.
- Educational pamphlets and substance abuse info will be provided to all customers.
- Will use retail space for educational purposes for the community.
- They work with “Cannamake a Difference” non-profit entity that will enable them to make donations to community organizations.

**(2) 6-7 PM: MassMedicum Corp.
Proposed location: 616 Broadway, Malden**

Representing MassMedicum Corp.

- Phil Silverman, Esq. of Vicente Sederberg law firm. Firm represents Cannabis Industry exclusively.
- James T. Kurnick, M.D., Founder and Chief Executive Officer; degrees from Harvard, Tufts. Founder of biotechnology companies developing new cancer treatments and medicines. Expert on medicinal marijuana for cancer and neuro-muscular patients. Wants to provide medical grade product to patients and to those who want to use recreationally. Will provide customers regular newsletters of latest in Cannabis world. Have licenses in Amherst, Taunton and this will be the third.
- Jack Swig, General Counsel, Compliance Manager, Vice President of Corporate Development.
- Lisa Silverman, Pharmacist to assist customers; will be responsible for day-to-day operations.
- Paul Oxford, Director of Investigations, formerly of MA Department of Corrections.

Location:

- 616 Broadway – property is at the intersection of Broadway and Bayrd Street.
- Will install a fence/landscaping as a buffer for the house on Bayrd.
- Building is 2,500 square feet; will update interior for a comfortable space for customers.
- 16 parking spots with 1 handicapped space for customers. Employees will park offsite. Will have a parking attendant and a police detail initially. There is also two 2 hour on-street parking near the site. They don’t anticipate parking issues, since more dispensaries are coming on line.
- Hours of operation: Mon-Thurs 10 AM-8 PM; Fri-Sun 10 AM-9 PM.

Buildout Costs:

- \$750,000

Security Plan:

- Detailed security plans will be presented to the Police Chief. They don't want to discuss security at a public meeting, however there will be a layered design to dissuade those who shouldn't have access. There will be onsite security personnel during business hours.
- There will be a 360-degree view with cameras; every door, every window will have a camera.
- There will be an alarm system, and a backup system. There will be a generator in case of a power outage. All will be monitored 24-7.
- There will be regular audits of records.
- Their inventory system alerts to product discrepancies.
- Customer orders are fulfilled in the back of the store and come through a window to be presented to customer.
- Product delivery – they will fence in the temporary garage, so delivery vehicle may come in securely. Product goes directly into a vault. Two people monitor deliveries at all times. Anticipate 1-2 deliveries per week outside of regular business hours.
- Cash Management – they are in discussions with Century Bank; will allow debit card use.

Customer Experience:

- They will implement a 30-day appointment plan to stem the initial flow, will have customers come by appointment only.
- There will be two check-in security stations upon entering. Customers enter through a sally port.
- There is a room for patient consultation where all positives and negatives of product are explained.
- Average visit 5-15 minutes. They can serve 6 customers at a time.
- There will be 8 point of sale locations.

Ownership: Owner is Grand Cru Medicinals, which is owned solely by Dr. Kurnick. Cornerstone Bank and Progressive Treatment Solutions (PTS) have lent money to Grand Cru Medicinals. \$6M in debt outstanding.

Supplier:

- Business owns a cultivation site in Holbrook, Massachusetts. Has 20,000 square feet of space for growing product. Passes savings onto consumer. They plan to open more dispensaries. The facility has modular green rooms, same as drug companies, specifications are the same as medical profession.
- Quality of product is very high and will appeal to retail customers and medical customers. Product quality is consistent.
- They will source from other dispensaries as well.

Employees: Anticipate 12-16 with a 30% goal of hiring Malden residents, will have diversity. They will hire consultants who understand the retail end, they want someone with a medical Cannabis background.

Sales Projections: Hard to project. They are not sure that projections of other businesses are realistic.

Giving Back to the Community:

- They will sign a host community agreement with Malden and will give the City a 3% impact fee.
 - They have spoken with Bread of Life, MOA, Bayrd, Housing Families, want to help all of these organizations.
 - They will set up a community outreach board and will make a \$15,000/\$25,000 per year to a project. Want to find people disproportionately impacted and help them.
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3. New Business: Jenelle DeVits asked if the City has anything in its ordinance that mandates notice to the City for and consent rights over any change of control or change in ownership. If not, can the CLEC recommend an ordinance change to the City Council to protect the City? Jenelle has some follow-up questions regarding the ownership interests of Center Harvest Corp. Further, she recommended the following questions be issued to each of the candidates:

- a. Has any of the capital used or listed or expected to be used or invested come from any individual or entity not listed in the application either through personal promissory notes or other loans or arrangements? If so, please provide detailed information.
- b. Do any of the individuals that are listed as capital providers/sources have outstanding notes, loans or other debt arrangements owing to any individual or entity? If so, please provide detailed information.

4. Review and approval of June 26, 2019 Minutes. Motion by Diana Jeong to approve the Minutes of June 26, 2019, seconded by Jenelle DeVits and approved unanimously.

5. Next meeting: August 7, 2019 for the purpose of conducting additional candidate interviews.

Motion to adjourn at 7:25 PM by Nelson Miller and seconded by Jenelle DeVits. All in favor, meeting adjourned.