

# City of Newton, Massachusetts

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Director

## HOST COMMUNITY AGREEMENT ADVISORY GROUP RECOMMENDATION

DATE: November 10, 2020

TO: Mayor Ruthanne Fuller

FROM: Host Community Agreement Advisory Group

SUBJECT: Host Community Agreement Recommendation

Pharmacannis Massachusetts Inc., d/b/a Verilife, 131 Rumford Avenue

## **Executive Summary**

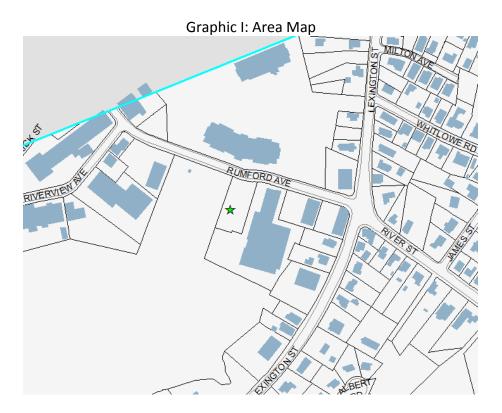
Pharmacannis Massachusetts Inc., d/b/a Verilife (the "Applicant") is seeking a Host Community Agreement to establish a Marijuana Retailer at 131 Rumford Avenue (the "Site"). The Site is a vacant parcel located within the Business Use 2 (the "BU-2)" zoning district in Auburndale. The Applicant will require a special permit from the City Council to establish the Marijuana Retailer on site. The Host Community Agreement Advisory Group (the "Advisory Group") met with the Applicant on September 22, 2020.

The Applicant operates fourteen (14) medical and retail marijuana locations across several

states, including two locations in Massachusetts. Given this breadth of experience, the Advisory Group believes the Applicant can operate a Marijuana Retailer responsibly in Newton. The Site is located in an area with a mix of uses, and the Applicant will construct a building on a vacant parcel. Detailed below are the specific criteria reviewed as part of the Advisory Group's due diligence function.



**131 Rumford Avenue** 



#### CRITERIA FOR CONSIDERATION:

 Security – Whether there is a sufficient commitment to public safety and a sufficient plan for controlling access to areas with marijuana and preventing sales to underage populations, and other similar factors.

The Applicant currently operates fourteen (14) medical and retail marijuana locations in six states, including two locations in Massachusetts (Wareham and Shrewsbury). As such, the Applicant has experience working with security professionals across a broad spectrum of jurisdictions and will apply that experience to Newton. The Applicant will implement a well-rounded security plan which involves cameras, technology, lighting, and 24-7 contact information of the regional or general manager will be provided to the Newton Police Department, the State Police, and all abutters within 100 feet of the Site.

The Advisory Group believes the security plan is sufficient and believes that the Applicant is capable of operating a secure marijuana retail on site, given its experience in the industry.



II. <u>Public Health</u> – Whether there is a commitment to help monitor and mitigate health impacts to the neighborhood and to Newton's youth and adult populations, assistance with local substance abuse prevention programming, and other similar factors.

The Applicant states that their customers' well-being is the center of their approach. All employees will be on the look-out for signs of substance abuse. Although the Applicant is only seeking a Host Community Agreement for retail marijuana, the Applicant will host regular seminars on medical marijuana topics, including product selection for various symptoms and conditions, benefits and drawbacks of marijuana use, and substance abuse prevention and awareness. The Applicant will work with the City's Health and Human Services (the "HHS") Department to create these educational materials, and display information created by the City regarding substance abuse prevention.

The Advisory Group is supportive of the Applicant's willingness to work with the HHS Department and suggests the Applicant work with Newton's Prevention, Awareness, Treatment and Hope ("PATH") multi-disciplinary working group to confronting the opioid crisis and substance abuse disorder

III. <u>Community Relations</u> – What are the plans for community outreach and addressing community concerns, experience with the Newton community, and other similar factors.

The Applicant states they are committed to creating relationships with the communities in which they operate and finding ways to give back either in the form of donations to local organizations and/or community service. The Applicant will make a minimal annual contribution of \$10,000 to Roxbury Community College's CultivatED program which is a jails-to-jobs program for those who were disproportionately affected by marijuana prohibition. The Applicant will also join local business, civic, and neighborhood groups and have a staff member attend such meetings.

The Applicant has direct experience working with public stakeholders in the cannabis industry in Massachusetts. The Advisory Group recommends that the Applicant engage with the Auburndale community, particularly residential and commercial abutters as soon as practical. The Applicant should also engage with members of the Waltham community given the Site's proximity to the City boundary.

IV. <u>Experience</u> – What are the professional experiences and qualifications of the management team and other similar factors.

Mr. Brett Novey serves as Chief Executive Officer and has more than 18 years of experience in finance, business development, and operations. Mr. Novey was the Global Head of Financial Planning and Analysis for FCG Holdings before joining Pharmacannis. Mr. Novey serves on the board of the Metropolitan Battered Women's Network.

Mr. Bill McMenamy serves as the Chief Revenue Officer and is responsible for all revenue-related activates for Pharmacannis. Mr. McMenamy previously worked with US Fitness Holdings and was the Vice President and General Manager of Gap, Inc., Greater China. Mr. McMenamy also helped grow Five Below into a nationwide brand.

Ms. Shelley Stormo is a Regional Manager and Executive Director of Verilife Massachusetts. Ms. Stormo is a licensed Marriage and Family Therapist with 15 years of experience working with non-profit, community-based programs treating substance abuse and mental health problems.

The Advisory Group believes the Applicant has a strong operating, business development, and retail team but its members lack hands-on community engagement experience. The Advisory Group suggests that the Applicant identify that team member(s) and make them available to the community, in both Newton and Waltham.

V. <u>Sustainability</u> – What are the proposed sustainable and renewable energy practices, and other similar factors.

The Applicant has stated their approach to environmental sustainability includes minimizing their carbon footprint, reducing energy usage, monitoring their environmental impact, and monitoring their resource needs. The Applicant will consider energy-efficient mechanical systems and will also encourage employees to identify and recommend green products during operations. The Applicant will seek to achieve Leadership in Energy and Environmental Design ("LEED") certification for the building.

The Advisory Group supports the Applicant seeking and achieving LEED certification. Additionally, the Advisory Group suggests the Applicant consider installing photovoltaic panels on the roof of the new building, given the City has a solar installation on the adjacent property.



VI. <u>Equity</u> – What are the qualifications of the Applicant under state Economic Empowerment and/or Social Equity programs.

The Applicant does not qualify as an economic empowerment applicant by the Cannabis Control Commission. However, the Applicant states that they have established a Social Responsibility and Community Impact Program that sets forth a number of goals and initiatives aimed to incorporate equity practices into all facets of the operation. The program includes, but is not limited to workforce recruitment and development, community and patient outreach, cannabis research and development and social and restorative justice. Implementing this program in the Shrewsbury location has resulted in a staff that is 30 percent minority and 55 percent female.

VII. <u>Economic Value</u> – What is the amount of additional economic value the business would bring to Newton, e.g., new jobs, additional local tax revenue, increased property value, commitment to diverse and local hiring, commitment to use of local businesses for construction, supplies, product, and other business needs, openness to long-term community impact fees, and other similar factors.

The Applicant intends to create up to 25 full-time positions. The City will receive 3 percent of the total annual sales of marijuana and marijuana products sold on site as the local option tax, in addition to any community impact fee the City may impose. Additionally, the Applicant will construct a one-story commercial building which would provide one-time permit fees.

VIII. <u>Context</u> – Whether the proposed facility is not clearly inappropriate in terms of location, operations as well as transportation, traffic and parking, with those final decisions reserved for the City Council during the Special Permit process.

The Site is located on Rumford Avenue in the BU-2 zoning district in Auburndale. A Host Community Agreement was previously granted for a different operator at this Site, although the application was later withdrawn. The area consists of a mix of uses from commercial uses in the immediate area, and residential uses beyond to the south, east, and north. The Site contains approximately 20,443 square feet and is vacant; the lot was created via an Approval Not Required Plan as part of the special permit approval for the self-storage facility on the adjacent parcel to the east. The Site is not located within any buffer of an existing marijuana retailer per the City of Newton Zoning Ordinance, but a Host-Community Agreement was granted to a proposed marijuana research facility to the west at 241 Riverview Avenue.



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The Applicant is proposing to construct a one-story building containing 4,992 square feet. The Site is accessed via a 26-foot wide drive aisle shared with the lot immediately to the east, the structure will be served by 25 parking stalls—If the Applicant progresses to a special permit petition, the access to and the circulation within the Site will be examined in greater detail.

### **RECOMMENDATION:**

The Applicant has significant experience working in the cannabis industry, including two locations in Massachusetts. As such, the Advisory Group believes the Applicant can operate a secure, responsible Marijuana Retailer. Additionally, given the Applicant's experience and management team, the Advisory Group believes they can supplement their experience in areas where they are not as strong, such as community relations and equity. The Site is located in an area with a mix of uses and does not present any immediate transportation concerns. Based on this preliminary analysis, the Advisory Group recommends moving forward with a provisional host community agreement with the Applicant.