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HOST COMMUNITY AGREEMENT ADVISORY GROUP RECOMMENDATION

DATE: April 29, 2019

TO: Mayor Ruthanne Fuller

FROM: Host Community Agreement Advisory Group

SUBJECT: **Host Community Agreement Recommendation for CNA Stores, Inc., proposing a marijuana retailer at 747 Beacon Street**

EXECUTIVE SUMMARY

CNA Stores, Inc. is proposing to become a recreational marijuana retailer at 747 Beacon Street, in Newton Centre. Members of the management team met with the Host Community Agreement (HCA) Advisory Group on April 11, 2019.

The applicant is a service disabled veteran-led company with a management team experienced in small business development, technology, security, and government relations. The team does not contain any individuals with experience in the marijuana or retail industry or community relations. The site presents substantial transportation and safety challenges for the high turnover nature of the use. The site does not currently have dedicated parking. The applicant has an agreement to lease the parking stalls located behind 208 Sumner Street. This parking area, currently utilized primarily by employees of surrounding businesses, is accessed via a narrow, relatively steep drive which leads to a parking area with difficult maneuverability. Pedestrian access is also difficult from the parking area to the site due to the poor visibility of the driveway and the auto repair use located between the parking area and the proposed site. For these reasons, and those discussed in more detail below, the HCA Advisory Group does not recommend moving forward with a Host Community Agreement for CNA's marijuana retailer at 747 Beacon Street.



CRITERIA FOR CONSIDERATION:

- I. 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.*

CNA proposes surveillance cameras and one onsite uniformed security officer during all hours of operation. CNA will provide the Newton Police Department with direct to security cameras. There will be three levels of security within the building. Level 1 will be accessible to the general public and will have one entrance through which all customers must enter where they will be monitored by cameras and will show valid photo identification to the receptionist. The receptionist will utilize photo ID verification scanners. Employees will have photo ID badges, which provide specific levels of access. Employees will enter through an employee entrance with a card reader. Outside vendors, contractors, and customers will be escorted at all times by a dispensary agent authorized to enter the areas to view the product on display. Level 2 areas will be secured with a card access-controlled door and will require photo ID badges. Level 3 areas are equipped with dual authentication card readers and are limited only to those who require access as part of their job description and responsibilities. All areas are monitored by CCTV cameras.

The exterior areas will also be monitored by cameras and will cover all entrances and exits. No cameras are currently shown in the parking area, however, the applicant agreed to add cameras either on poles or on top of adjacent buildings to monitor the parking area. The perimeter of the facility and the parking area will also be sufficiently lit. Deliveries will be made through a secure receiving area and there will be procedures in place to identify any discrepancies in weight or inventory of product delivered. All staff will be trained in anti-diversion measures.

Michael Allen is identified as the Chief of Security. Mr. Allen is the founder of Armstrong Security, LLC and currently provides security services to both New Hampshire and Massachusetts companies in the licensed marijuana markets. Mr. Allen is a military and FBI veteran and is a certified instructor in Crime Prevention Through Environmental Design. He was also previously Chief of Police for the City of Rochester.

The security plan presented appears sufficient to protect the safety of customers and employees and to prevent crime and diversion. However, locating the parking facility not directly adjacent to the building presents security challenges. CNA has stated there will be

one security officer onsite, who will be located inside the facility, and has not identified staff to patrol the parking area. The delivery location has also not been located. The applicant would need permission from the adjacent building to utilize their parking area and access the rear door. The alley to the west of the building appears to be primarily used by the auto service use to the rear, often leaving it inaccessible due to cars parked there.

- II. Public Health – *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 proposed partnering with the Newton PATH Program and agreed to provide brochures on addiction and substance abuse created by the Newton Health and Human Services Department in stores. The applicant also volunteered to provide links to this information on the website. CNA is currently working on funding a study to understand the impacts of retail marijuana stores on the surrounding community. They are also speaking with Newton Wellesley Hospital regarding supporting an opioid center. CNA also intends to make annual donations to the Gavin Foundation, a non-profit providing substance abuse, prevention, and treatment programs.

- III. Community Relations – *What are the plans for community outreach and addressing community concerns, experience with the Newton community, and other similar factors.*

CNA will hold the state-mandated community outreach meeting and has indicated they are open to regular meetings with the neighborhood. The applicant has also stated staff will participate in 100 volunteer hours per year. In meeting with the Advisory Group, the applicant indicated they are committed to community outreach. However, they have not identified anyone with community relations experience as part of the management team and the application contains few details on their community outreach plans.

- IV. Experience – *What are the professional experiences and qualifications of the management team and other similar factors.*

The CNA management team has military and law enforcement experience, as well as experience with technology, lobbying and government relations, and starting small businesses. CNA has HCAs at two other locations in Massachusetts. However, the management team lacks direct experience in the marijuana industry.

Robert DiFazio, a service-disabled veteran and CEO, is a 15-year resident of Newton and

veteran of the United States Navy Nuclear Power Program. Mr. DiFazio has built two companies focused on data center services and solutions. Mr. DiFazio also has experience in commercial property development. He has a Masters certificate from the Cannabis Training University. He has also pursued charitable endeavors including LUNGSTRONG and the Pan-Mass Challenge. Billie Haggard, Chief Operations Officer, is also a veteran of the United States Navy Nuclear Power Program. Mr. Haggard has served as Senior Vice President and Director of Corporate Performance at companies focused on data center solutions. Joseph Giannino, Public Relations, brings to Government Relations, LLC three decades of service in local and state legislative and executive levels of government. Prior to founding Government Relations, LLC, Mr. Giannino spent years in private lobbying practice. Mr. Giannino also served as Legislative Director for former Massachusetts Governor Mitt Romney and served two terms as City Councilor-at-large in Revere, Massachusetts.

The CNA management team includes deep military and government experience but lacks experience in the marijuana and retail industries. They also have not identified a dedicated community relations team member.

V. Sustainability – *What are the proposed sustainable and renewable energy practices, and other similar factors.*

The applicant stated they are exploring locating solar panels on the roof of the building. They are working with Invaleon Technologies to design and implement a solar program at each of their locations and they will purchase net metering credits from a solar facility in Plymouth, Massachusetts.

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

CNA Stores does not qualify for the state Economic Empowerment or Social Equity programs. They are a service disabled veteran-led company and they have stated they are dedicated to promoting equity in their operations for diverse populations. CNA has established goals to ensure 50% of employees are included in the diverse populations identified by the Cannabis Control Commission (minorities, women, veterans, people with disabilities, and people of all gender and sexual orientations). Mr. DiFazio also stated he hopes to hire veterans for 75% of the staff. CNA has identified, as part of their Positive Impact Plan, a goal to develop a mentoring program for individuals falling under the above-listed demographics. The mentoring program would support four individuals per year and would provide them with training from the Cannabis Training University to achieve a

Masters of Marijuana Certificate.

- VII. Economic Value – *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 proposed store would employ 10-15 employees. CNA has indicated they would contribute 3% of gross revenues to the City. CNA has also proposed a \$25,000 annual donation to local area non-profit organizations. CNA would provide opportunities for citizens of Newton and hire local vendors where feasible. The applicant is also proposing a small gallery space at the front of the store which would be used to promote local artists.

- VIII. Context – *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 proposed site is located at 747 Beacon Street, in Newton Centre. The site is located approximately 1.5 miles from the nearest marijuana use, an approved Registered Medical Marijuana Dispensary (RMD) at 24-26 Elliot Street. The site is also more than 500 feet from any public or private k-12 school.

The 3,200 square foot parcel is in the Business 2 (BU2) zone in a commercial strip along the north side of Beacon Street in Newton Centre. To the east and north of the BU2 zone are residential properties zoned Multi Residence 2 (MR2) and Single Residence 2 (SR2). To the west of the site are commercial properties zoned Business 1 (BU1) and to the south are commercial properties zoned BU2. Immediately adjacent to the site to the east is a bank and an approved youth marital arts school. To the west of the building, separated by a narrow alley, is a commercial strip containing cafés, restaurants, a pizzeria, jewelry repair, a salon and a realty office. Surface parking lines the rear of these commercial uses. The parking area directly behind the proposed building is dedicated to the adjacent bank and martial arts studio. An auto service use is located behind and to the west of the proposed facility and further to the west is the surface parking area currently dedicated to employees of nearby uses, that the applicant proposes to lease for customers.

The existing building is a stand-alone one-story, approximately 5,500 square-foot building, constructed circa 1930. The building is currently vacant and was most recently occupied by

Murray's Liquors. Within the building, 2,200 square feet would be dedicated to the marijuana retail space, 300 square feet would be dedicated to a public gallery at the front of the building, and the remaining space would be dedicated to storage and office space in the basement. The gallery space would allow for some public interaction and transparency at the front of the building, while still fully screening the marijuana retail operations. The building has front and rear doors and customers would be required to enter through the front door. It is unclear where deliveries would occur or how they would access the building.

The proposed parking area is accessed via a narrow, steep driveway from Sumner Street. There are 15 parking stalls, however they have very difficult maneuverability, particularly for high turnover, public use. The auto service use presents a hazard to pedestrians who may try to walk from the parking area, directly to the proposed store. Customers would need to walk to Sumner Street and around the buildings. There is not a dedicated sidewalk from the parking area to the street, requiring customers to walk through the driveway to Sumner Street and then around the corner onto Beacon Street in order to access the facility. While this distance is only about 500 feet, it presents safety challenges with pedestrians walking in the driveway and concerns regarding the potential for customers to take a shortcut through the parking lot, having to navigate through the auto-service use. Parking would be for customers only and employees would be required to park offsite or take public transportation. The parking area currently presents maneuverability challenges, but is primarily dedicated to employees, who are not frequently moving the vehicles and who know what to expect when parking. Given the expected high turnover nature of the proposed use, this parking facility does not appear adequate or safe for customers. The proposal would also displace the employees currently parking in this lot, who would need to secure alternate parking within Newton Centre. The parking facility also presents security challenges as it is not easily visible from the street or from the building. The site benefits from proximity to the MBTA Newton Centre Green Line Station. The applicant did not present details for where employees might park or transportation demand management measures that may be utilized to discourage driving.

RECOMMENDATION:

CNA Stores demonstrates a commitment to veterans and has stated their intent for diversity in hiring and mentoring. The applicant has also committed to regular meetings with neighbors, as necessary, and to contributing donations and volunteer hours to local charities. The team, however, lacks experience in the marijuana and retail industries and

has not identified a dedicated community relations team member. The proposed site presents transportation challenges as the parking area identified to be leased and dedicated to customers has difficult maneuverability and presents security and pedestrian safety concerns. The Advisory Group has significant concerns regarding the ability of customers to safely and efficiently park and access the building due to the constrained parking area; lack of sidewalk for pedestrians existing the parking lot; and auto service repair shop between the parking area and the building. The security plan does not identify measures that would be taken to ensure the safety of customers and prevention of crime and diversion at the parking area as it is not easily visible from the street and is not at all visible from the building. Deliveries also present a challenge and the application does not include details of how and where deliveries would access the building. Therefore, the HCA Advisory Group does not recommend moving forward with a host community agreement for CNA Stores at 747 Beacon Street.