



CITY OF SOMERVILLE, MASSACHUSETTS
MAYOR'S OFFICE OF STRATEGIC PLANNING & COMMUNITY DEVELOPMENT
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MAYOR

GEORGE J. PROAKIS, AICP
EXECUTIVE DIRECTOR

TO: Acting Mayor Ballantyne
FROM: Alex Mello, MAC Liaison
DATE: September 18, 2019
RE: Update on first round of HCA applications

The Marijuana Advisory Committee (MAC) has reviewed all 15 applications that were submitted by the April 5th deadline. The MAC's thoughts on their initial review of each application are below. The MAC decided that they did not want to interview five entities, due to the reasons indicated below, and placed two entities on their wait list. An email was sent to each applicant explaining why the MAC decided not to offer an interview or placed them on the wait list. Entities not offered an interview were invited to strengthen their application and reapply. The two entities that were placed on their wait list will be reconsidered as part of the next round of review.

The MAC recommends that Union Leaf (only for their option A scenario, which includes a three-story redevelopment project), Northeast Select Harvest Corp. (NESH), and East Coast Remedies be offered an HCA. . Despite Revolutionary Clinics and Sira Naturals both receiving the same score (11), the MAC had concerns about the uncertainty of their ownership structure and will invite each entity back for a second interview as part of the next round of review.

The MAC was not interested in interviewing the following:

Advesa, 688 Broadway: The MAC determined that the application seemed to lack local ties to the community and the application indicated a weak EEA connection.

Alchemy League, 62 Bow Street and 265 Washington Street: The answers to each question were too vague. The MAC was not convinced that there was a solid plan in place to execute the proposed operation. There was no information on the 62 Bow Street location on how a marijuana retailer would function there or what it would look like.

Kathmandu Culture, 434 McGrath Highway: The MAC determined that the proposed location was not adequate. The MAC also determined the application was incomplete.

Davis Square Cannabis Group, 393 Highland Avenue: The MAC determined that the proposed location would inhibit future development on a key site in Davis Square that has potential for a significant transit oriented development.

Exact Lux, 28 Fitchburg Street: The MAC determined that the application was severely incomplete.

The MAC put the following on a waiting list:

Teele Square Harvest, 1123 Broadway: The MAC had the following concerns: the site does not have any parking and does not have close proximity to rail transit, there was no identifiable method of securing inventory, and there was no mention that identification would be checked at the entry. However, the MAC thought that the sustainability practices were a positive aspect of the application.

Ball Square Prime, 151 Boston Avenue: The MAC was concerned that there was no ownership stake for the EEA eligible partners. The Applicant also stated they would be cultivating their crops in Somerville but there is no application for a cultivator.

The MAC interviewed the following:

Seven entities were offered in-person interviews, which took place at City Hall during a two-week period between June 5, 2019 and June 13, 2019. A recap of each interview, its score for each category, and its aggregate score is indicated below. The MAC recommends that Union Leaf (only for their option A scenario, which includes a three-story redevelopment project), Northeast Select Harvest Corp. (NESH), and East Coast Remedies be offered a HCA.

Union Leaf, 71 Union Square, total score 13.5:

Union Leaf is an organization that is 95% owned by Laxmi Pradhan, a Somerville resident that emigrated here from Nepal and has been a successful business owner working in regulated industries. Mr. Pradhan has partnered with Gregory Santos who has experience owning a medical marijuana retailer in Maine. The group also contained an experienced product management to help with their educational efforts, a community engagement specialist that has experience working for the UN World Bank, and a security consultant. Union Leaf proposed two scenarios for utilizing the site: utilizing the existing one-story structure and the option of demolishing the existing structure and constructing a new, three-story commercial building.

Location: 5

- The MAC liked the idea of incorporating the proposed retailer into a three-story redevelopment scenario. The MAC does not support the single-story scenario.
- The location in the heart of Union Square is appropriate and has good transit access via bus lines and the future Green Line Station in Union Square, would be very walkable, and has nearby bicycle infrastructure (bicycle lanes and bicycle sharing stations nearby).

Physical Space: 4.5

- The physical layout of the proposal lacks a queuing area but that shouldn't be a problem as the retailer intends on operating on an appointment-only basis. The MAC would recommend to the SPGA and Licensing Commission that there be no queueing onto public ways.

Operations/Community Involvement: 4

- Operationally, they seem to have the experts in place to run a successful and secure business.
- The group has been engaged with the surrounding neighborhood and other merchants in Union Square.
- The main partner immigrated here and has been a longtime Somerville resident and successful business owner.

NESH, 378-380 Highland Avenue, total score 12.5:

North East Select Harvest (NESH) is 51% owned by Robert Gregory, a Somerville resident and business owner in the restaurant industry. He has partnered with Jamie Crumb, who has experience operating medical marijuana retailers in Maine and Maria Cacciola, who has experience as an executive in the commercial banking/lending industry. Mr. Crumb is one of the leading experts in marijuana extracts and knows how to run retail operations very well. NESH has also engaged with a security firm with experience in the Massachusetts marijuana industry. The proposal will occupy the storefront between Tenoch Mexican Grill and Op Greek Yeeros.

Location: 4

- The parking on site was a nice feature of this location.
- The applicant has the option to lease spaces across the street in the Highland Commons parking lot, which the MAC thinks is unnecessary. Issues were also raised about pedestrian safety.
- The location of this site benefits from being located closely to bus lines, bicycle infrastructure, and the Red Line.

Physical Space: 4

- The MAC did identify a security concern regarding the lack of cameras in the loading and unloading area in the rear.
- The team includes an experienced and knowledgeable cannabis partner from Maine.
- Provided clear example of community education and partnership goals.

Operations/Community Involvement: 4.5

- The team currently has ties to the community with a long-time resident who owns a successful restaurant that is involved in many different community organizations.

East Coast Remedies, 76-82 Central Street, total score 11.5:

East Coast Remedies (ECR) is 51% owned by Gladys Vega and is a woman, immigrated, and economic empowerment owned business. Ms. Vega is the Executive Director of The Chelsea Collaborative. She has lived in Chelsea for over 41 years and has experienced the impacts of drug crimes, abuse, and arrests have had in her family. She has dedicated her life's work to help combat socio-economic challenges in her community. Her proposal will occupy four small storefronts on the Central Street side of the site. Ms. Vega has partnered with an experienced medical marijuana operator in Maine and a security firm with experience in the Massachusetts marijuana industry.

Location: 3.5

- The site has access to two parking lots but the MAC does not believe the one across Highland Avenue would be ideal to use because of the potential for traffic conflicts between pedestrian and vehicles.

Physical Space: 3.5

- The storefront is not very deep and the MAC has concerns that customers will queue onto the sidewalk, would recommend to the SPGA and Licensing Commission that there be no queueing onto public ways.
- The physical space has too many doors. The MAC encouraged the applicant to reduce the number of doors to non-operative windows.
- Delivers loading/unloading from the parking lot on the side is a benefit.
- There would need to be security improvements especially near the loading/unloading area.

Operations/Community Involvement: 4.5

- The leader is a very dynamic woman who has dedicated her life to social service. Lost family members to the opioid epidemic and really expressed an interest in educating customers and the community.
- The MAC was concerned about her lack of experience running a business but believes the other partners on the team have the experience to make this a successful operation.
- Provided description of various community partnerships and educational efforts.

Revolutionary Clinics, 67 Broadway, total score 11:

Revolutionary Clinics is a medical marijuana retailer that is currently operating at 67 Broadway. The employees and executives are all based in Massachusetts. They are vertically integrated company currently growing their product in Fitchburg and make deliveries two times a week and have wholesale contracts with other retailers. To date, the City has not had heard of any major incidents at this location. Due to the apparent changes in ownership and operations, the MAC is not in a position to recommend a HCA until the issues of clarifying ownership and the management team are addressed. The MAC will welcome the Applicant back for a second interview as part of the next round of review.

Location: 5

- The site has good access for bikes, pedestrian, vehicles, and public transportation.
- Their site appears to be clean.

Physical Space: 4

- The proposal to add recreational marijuana to their business will include the renovation of the garage. The MAC believes that will create just enough space to sell both medical and recreational products.

Operations/Community Involvement: 2

- They have been running a good business so far; however, they have been late on some payments that they agreed to make per their medical covenant with the City.
- The founders of the Cardiac Arrhythmia Syndromes Foundation (CAS) Foundation and original owners of Revolutionary Clinics were very instrumental in the medical permitting process. The CAS Foundation is a non-profit organization whose mission is to promote awareness of the risk of sudden cardiac arrest (SCA) and to reduce its incidences by providing opportunities for adolescent athletes and young Americans to be screened. They now seem to have limited involvement within the present day operations of Revolutionary Clinics. The MAC is unclear if an ownership transfer has occurred, which may require a new HCA for the registered marijuana dispensary. The Application states that “the CAS Foundation (a domestic non-profit) was the company that became Revolutionary Clinics (a domestic business corporation)”. The founders of the CAS Foundation and original owners of Revolutionary Clinics were not present at the interview. The MAC is concerned about their limited role in the daily operations of Revolutionary Clinics.

Sira Naturals, 240 Elm Street, total score 11:

Sira Naturals is a medical marijuana retailer that is currently operating at 240 Elm Street, below the B Fresh grocery store. Sira is a vertically integrated company currently growing their product in Milford. Sira has been active in the local marijuana industry by sponsoring public service announcements and an incubator program to help entrepreneurs take their product ideas to market. To date, the City has not had heard of any major incidents at this location. Due to the apparent changes in ownership and operations, the MAC is not in a position to recommend a HCA until the issues of clarifying ownership and the management team are addressed. The MAC will welcome the Applicant back for a second interview as part of the next round of review.

Location: 4

- Underground location was a bonus that it doesn't take up a Davis Square storefront.
- There is plenty of space in their store and within the building for crowd control.
- The location is right in front of a transit node that makes it accessible by many bus lines and is a short walk from the Red Line.
- This section of Elm Street has a very active street presence at many hours of the day.
- The MAC is concerned about double parking and congestion creating bottle necks on the sidewalk and within the street.

Physical Space: 5

- The store is large enough to handle the dual operation.
- They are currently running a safe operation that is clean and organized.
- Space within the building for queueing.

Operations/Community Involvement: 2

- They have been involved with the community with their incubator programs and public service announcements (PSAs) that they have sponsored.
- They are currently running a good business.
- The MAC is really concerned about recent news in the press about the company being sold to a large national company based in Canada. The scenario was presented to the MAC that it is just a new partner/shareholder rather than an acquisition of the whole company. The company will continue to be managed and operated locally. However, this is still unclear and may require a new HCA for the registered marijuana dispensary.
- The MAC would like the Applicant to resubmit their application and comprehensively explain their ownership structure and future plans for adding shareholders.

Core Empowerment, 286 Broadway, total score 10.5:

Core Empowerment is an economic empowerment applicant. The founder is April Arrasate, who founded CuraLeaf (a marijuana cultivator) in Connecticut. She is an attorney and focusses a lot of her pro-bono work on education in the cannabis industry. Ninety-one percent of the company is owned by women and people of color. They are currently in the process of constructing an adult-use retailer in Jamaica Plain that is going to include a social justice museum.

Location: 3.5

- The site does not provide any parking and the MAC is not convinced that the proximity to bus lines is adequate enough. The Gilman Square Green Line Station could also be another option. In reality customers are going to park in the vacant Star Market parking lot for long as it exists.

Physical Space: 3.5

- They are planning to use their side/rear entrance for deliveries but it was unclear if deliveries will be done through a shared hall with other retailers. Will need to add cameras back there to make it more secure.
- The layout lacks a lobby area and the MAC is concerned about queueing on the sidewalk. It seems like they could alter the layout so that there is a larger lobby. The MAC would recommend to the SPGA and Licensing Commission that there be no queueing onto public ways.
- Layout of physical space did not provide space for secure storage.

Operations/Community Involvement: 3.5

- They seem really involved in the Jamaica Plain community. The MAC is concerned that this will feel more like a satellite location for them as their focus community is Jamaica Plain.
- Their budgeting of 50 hours of community education time throughout the year doesn't actually seem like much.
- They seem to have a strong network of community involvement but it is all in Jamaica Plain. However, the Somerville community was not reflected in their responses.
- The MAC would like to see more of a plan to see how they could execute some of their Jamaica Plain programming in Somerville.
- A positive is that they seem committed to hiring minority owned contractors.
- They seem to have a team of experts in place that could run a good business.
- They seem committed to help fight the opioid epidemic.
- The MAC recommends that they improve their security camera coverage in the loading/unloading area and include more Somerville specific community outreach and programming.

Botanica, 620 Broadway, total score 9.5:

Botanica is a female majority owned company that is comprised of Michael O'Donovan (resident of Medford), Denise O'Donovan (resident of Somerville), and Brenda D'Angelis (resident of Somerville). Denise and Brenda are both registered nurses and have children in the Somerville public schools and participate in athletics. Botanica is committed to direct outreach within the community. The proposed site is currently a gas station next to the Ball Square Bridge and is proposed to be redeveloped as a single story building with a parking lot. Botanica did not present partnerships with anyone that has experience in the marijuana industry regarding products, security, or education/outreach.

Location: 3.5

- Location is supported by MAC and would like to see this as part of a development scheme that is more appropriate for being right across the street from the Ball Square Green Line Station.
- There is a better urban design solution than a site plan that includes half building footprint and half parking lot.
- While a deed restriction restricts residential use on the site, it seems reasonable to consider office space or a hotel on upper stories.

Physical Space: 3

- There is room to have a queuing line within their own property but would rather there be no queueing outside at all. The MAC would recommend to the SPGA and Licensing Commission that there be no queueing onto public ways or outside the building.
- The coverage of security cameras should be improved, especially in the rear along the railroad tracks.

- On its own, the store looks really aesthetically pleasing but overall the site has poor urban design. The MAC recommends that the site plan be revised to better fit into a neighborhood center with prime rail transit access.

Operations/Community Involvement: 3

- The MAC questioned how successful this business plan could be. There seemed to be a severe lack of industry experience, which will affect how well they could educate their customers and the community.
- Two members of the group seem to be really passionate about helping fight the opioid epidemic and approaching chronic pain holistically. The fact that this group has been life-long Somerville residents and has children in the Somerville public school systems will really hold them accountable on making sure they run a good business.
- The MAC recommends that this group revisit their plan and consider including industry experts relating to cannabis, security, and education.