



City of Somerville

OFFICE OF STRATEGIC PLANNING & COMMUNITY DEVELOPMENT

City Hall 3rd Floor, 93 Highland Avenue, Somerville MA 02143

TO: Acting Mayor McLaughlin
FROM: Charlotte Leis, MAC Liaison
DATE: October 8, 2020
RE: Update on second round of HCA applications

The Marijuana Advisory Committee (MAC) has reviewed 10 applications that were submitted between April and June 2019, including 4 applications that were deferred to the second round in the last recommendation. The MAC's thoughts on their initial review of each application are below. The MAC decided that they did not want to interview four entities, due to the reasons indicated below, and placed three of those 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 a Host Community Agreement are welcome to strengthen their application and reapply.

The MAC recommends that The Harvest Collaborative, Sira Naturals, Liberty (Holistic Industries), Green Soul Organics, Revolutionary Clinics, and Advessa be offered an HCA.

The MAC was not interested in moving forward with the following:

Omicann II, Inc. 51 Holland St. The MAC felt that it would be irresponsible to recommend offering an HCA to an applicant that would be unable to receive zoning approval for the proposed location. The property is in the Neighborhood Residence district which prohibits all cannabis uses.

Verdant Reparative, 561-567 McGrath Highway. The MAC had the following concerns: the current floor plan needs to be substantially redesigned to comply with zoning and those changes may cause ripple effects for customer flow, capacity, security, and other aspects of the application that the MAC considers. In addition, the surrounding area is not pedestrian-friendly so customers will likely drive, but the site does not appear to have enough on-site parking to support that.

The MAC put the following on a waiting list:

Ball Square Prime, 151 Boston Avenue. The MAC had the following concerns: the potential for product diversion based on the floor plan, and the accuracy and completeness of the application.

Teele Square Harvest, 1123 Broadway. The MAC had the following concerns: it is not clear who on the team has experience in the cannabis industry, where the product will be sourced from and how it will be securely delivered given the site constraints, and how the site could be made ADA accessible.

The MAC interviewed the following:

Eight entities were offered interviews, which took place virtually during a three-week period between September 10, 2020 and October 2, 2020. A recap of each interview, its score for each category, and its aggregate score is indicated below. The MAC recommends that the six entities that scored higher than 12 out of 15 points be offered Host Community Agreements. Those six entities are The Harvest Collaborative, Sira Naturals, Liberty (Holistic Industries), Green Soul Organics, Revolutionary Clinics, and Advesa.

These entities scored more than 12 points:

The Harvest Collaborative, 255 Elm St, total score 14.5:

The Harvest Collaborative is equally owned and controlled by The Harvest Club and the Somerville Cannabiz Collaborative. The Somerville Cannabiz Collaborative is currently run by Alex Coon, a Somerville resident, and anticipates soliciting investments from Somerville residents more broadly once they receive an HCA. The Harvest Club is a consulting firm that partners with other businesses in the cannabis industry; they have already received an HCA from Littleton for a cultivation facility. The Harvest Collaborative anticipates having significant and widespread Somerville community involvement and control over operations due to the financial structure of the company.

Location: 4.5

- The property is in the Commercial Core 4 district on a Pedestrian Street and is within the 0.25mi Transit Area. It is taking over a vacant ground-floor commercial space and has plenty of space to provide the required 4ft-deep storefront display.
- The location is in the heart of Davis Square, almost directly across the street from Sira Naturals. The MAC is mindful of the risk of saturating Davis Square with recreational dispensaries that take away traditional retail spaces.

Physical Space: 5

- The floor plan provides plenty of waiting space which lets customers avoid queuing on the sidewalk and makes securing the space easier. In addition to the sales floor, there is a community room off the entry vestibule that they anticipate using for educational and other community events.
- There is a loading zone directly in front of the store on Elm St that will allow for easy delivery access.

Operations/Community Involvement: 5

- The MAC appreciates the idea of being funded by individuals in Somerville community and feels that it shows a clear commitment to being part of the neighborhood and city. However, the MAC is slightly skeptical that the community investment plan will be as successful as hoped, and no clear back-up plan was presented.
- The MAC was impressed by their commitment to having at least 50% of the staff be Somerville residents or come from disproportionately impacted groups.
- The storefront and sales floor will have local art displays; members of the application team appear to already have ties to the Somerville arts

community, which makes the MAC confident that the art will rotate regularly rather than becoming stagnant.

Sira Naturals, 240 Elm St, total score 14.5:

Sira Naturals is an existing medical dispensary seeking to add recreational retail. The company is owned by Ayr Strategies, a Canadian multi-state operator, but is managed and operated by a local Board of Directors; only one person owns a greater than 10% share in the business. They are a vertically integrated company with a cultivation facility in Milford; when necessary, they also purchase products from other companies. During the previous round of interview in June 2019 the MAC had unanswered questions about the ownership structure that prevented the MAC from recommending an HCA; those questions have been answered.

Location: 4.5

- The property is within the Mid Rise 4 district on a Pedestrian Street and is within the 0.25mi Transit Area. The store is in the basement which allows it to benefit from being in Davis Square without taking over a ground-floor storefront.
- The MAC does not anticipate any issues to arise from adding recreational sales to the existing medical operation.

Physical Space: 5

- The store is large enough to handle the dual operation; there will be separate lines for medical and recreational sales. The recreational sales line can hold approx. 20 people spaced 6' apart.
- They are currently running a safe operation that is clean and organized.

Operations/Community Involvement: 5

- They have a good and ongoing relationship with CAAS (Community Action Agency of Somerville), including annual donations that help fund the housing support and advocacy work that CAAS does in Somerville. They also support and fund other programs aimed at lowering barriers for Economic Empowerment Applicants in the industry, including for those with CORI records.

Liberty (Holistic Industries), 304 Somerville Ave, total score 14.25:

Liberty is an existing medical dispensary seeking to add recreational retail. Liberty is owned by Holistic Industries, a multi-state medical cannabis operator; only the Holistic CEO owns more than a 10% share in Liberty. They are vertically integrated with a cultivation facility in Monson which would provide products to the collocated stores in both Somerville and Easthampton; they also have relationships with other producers from whom they could purchase product if needed.

Location: 4.75

- The property is in the Mid Rise 5 district on a Pedestrian Street. The MAC does not anticipate any issues to arise from adding recreational sales to the existing medical operation.

Physical Space: 4.75

- The sales area is relatively small but is set up in such a way that it is easy to divide the space between medical and recreational sales. They have a screened off-street parking area that can be used for queuing outside the store and out of the public right-of-way.

- They are currently running a safe operation that is clean and organized.

Operations/Community Involvement: 4.75

- The company operates in multiple communities and has tailored their community relations approach to be specific to local needs. They have a “Cannabis Can Wait” program with colleges and universities and have developed relationships with Somerville organizations that focus on a variety of issues.

Green Soul Organics, 23 Holland St, total score 13.75:

Green Soul Organics (GSO) is a CCC-certified EEA headed by Taba Moses, a Cambridge native. In addition to retail stores, GSO has an HCA for a cultivation facility in Fitchburg. In 2019 the GSO team created the community-focused Green Soul Foundation (GS Foundation); run by Richard Harding, another Cambridge native who has a stake in GSO, the GS Foundation has already begun working with non-profits and advocacy groups in the Somerville area and in other states on various social justice projects.

Location: 4.5

- The property is in the Mid Rise 4 district on a Pedestrian Street and is within the 0.25mi Transit Area. The store is on the ground floor of a new 3-story mixed use building.
- This location is on the other end of Davis Square from the two of the other applications reviewed in this round; the MAC is mindful of the risk of saturating Davis Square with recreational dispensaries that take away traditional retail spaces.
- Customers will enter from Holland St, while employees and deliveries will enter from Winter St. The second entrance on Winter St reduces the likelihood of delivery activities conflicting with other street users.

Physical Space: 4.5

- The space is large enough to have a waiting room separate from the sales floor. The waiting room will allow for a compliant storefront per zoning and for a secure entrance/exit.

Operations/Community Involvement: 4.75

- The GS Foundation is already established and working with local community partners, despite GSO not yet having any retail stores open to fund the Foundation. The MAC feels that this shows the team’s depth of commitment to the social justice aspects of their application.

Revolutionary Clinics, 67 Broadway, total score 13.5:

Revolutionary Clinics is an existing medical dispensary seeking to add recreational retail. The company is owned by a large group of small shareholders; only one person owns a greater than 10% share in the business. They are a vertically integrated company with a growing/manufacturing facility in Fitchburg; they sell their own products both at their medical/retail locations and wholesale to other retailers. During the previous round of interview in June 2019 the MAC had unanswered questions about the ownership and management team that prevented the MAC from recommending an HCA; those questions have been answered.

Location: 5

- The property is within the Mid Rise 4 district on a Pedestrian Street and is within the 0.5mi Transit Area. In addition to being near the Sullivan Square T-

stop, the location has a dedicated parking lot making it accessible to both people who use public transit and drive.

- The MAC does not anticipate any issues to arise from adding recreational sales to the existing medical.

Physical Space: 5

- The recreational sales floor will be in the renovated garage at the rear, while the medical will remain in the main structure; the two sales floors will have separate entrances but share back-of-house facilities. Their ability to serve medical patients will not be impacted by the addition of recreational sales.
- They are currently running a safe operation that is clean and organized.

Operations/Community Involvement: 3.5

- They donate to and have a good relationship with East Somerville Main Streets. It is not clear to what extent they are involved in the community beyond financially supporting some local non-profits. The MAC was impressed by the higher-than-typical starting wage, but that alone is not community involvement.
- During the last round of interviews the MAC noted that they had been late on some payments that they agreed to make per their medical covenant with the City; since the last interview, they have been prompt in fulfilling those commitments.

Advesa, 690 Broadway, total score 12.75:

Advesa is co-owned by Jessica Pelletier (51%) and Tony Verzura (39%); they have been certified by the CCC as an EEA both as a group and individually. Ms. Pelletier and Mr. Verzura each have a decade of experience working in the cannabis industry as a consultant/advocate and in cultivation/product development, respectively. They are joined by Shanel Lindsay and Michael Latulippe who are both cannabis activists and entrepreneurs, including being on the CCC Advisory Board. The team has also received an HCA in Millis for manufacturing.

Location: 4.75

- The property is in the Mid Rise 4 district on a Pedestrian Street and is within the 0.25mi Transit Area. It will be across the street from the Ball Square T station and so will be easily accessible by consumers who walk, bike, or take transit.

Physical Space: 4.5

- The space is large enough to have a waiting room separate from the sales floor. The waiting room will allow for a compliant storefront per zoning and for a secure entrance/exit.
- There is a back entrance that can be used for secure pick-ups and delivery.

Operations/Community Involvement: 3.5

- The team has plenty of business experience in the cannabis industry to run a successful operation, but they do not have a strong connection to Somerville. While the monetary donations to local organizations the team mentioned are welcome, donations alone do not create the sort of community connection and involvement that the MAC prefers to see.

These entities scored fewer than 12 points:

Vedi Somerville, 219 Highland Ave, total score 11:

Vedi Somerville is 51% owned by Paula Francois, a Somerville resident and the CCO/CFO, and 49% owned by Jigar Patel, the CEO and Operations Manager. Ms. Francois grew up in Somerville and has an MBA and a background working in health care. Mr. Patel has personal experience in and mentors from the MA medical cannabis industry; he also owns Vedi Naturals in Marlborough which has received a provisional retail license from the CCC.

Location: 3

- The property is in the Mid Rise 3 district on a Pedestrian Street and is within the 0.25mi Transit Area. As there is no dedicated parking at the site, it is expected that customers will be walking or biking rather than driving.
- The intersection of Highland Ave and Lowell St is not ideal for secure loading and unloading; the business has no dedicated parking space to use for deliveries, although there is an on-street loading zone directly in front of the building on Highland Ave. Deliveries will either happen through the main entrance door on Highland Ave, or through the hallway on the side of the building that is shared with the residential units on the property and leads directly into the inventory room. Both delivery options have potential challenges.

Physical Space: 3.75

- The space has separate doors for customers to enter and exit through, allowing a one-way flow through the space.
- The location is small and has limited capacity for customers; being appointment-only would avoid the possibility of customers queuing on the sidewalk, as the waiting room can hold a maximum of 2-3 customers at once.

Operations/Community Involvement: 4.25

- The two co-owners appear are very competent and have assembled a team of consultants and advisors who have enough experience in the cannabis industry to make this team successful.
- Employees will be required (and paid) to participate in community-service activities in the community. The MAC liked the team's plan to get involved in the Somerville arts/creative community.
- They have a goal of hiring primarily from Somerville and surrounding communities; the MAC would prefer a more Somerville-centric hiring focus.

Omnican, Inc. 503A Medford St, total score 9.75:

Omnican is co-owned by Ricardo Acevedo (51%) and Arish Halani (49%). Mr. Acevedo is a CCC-certified EE applicant who has a background in human resources and experience working with underprivileged groups in Chelsea; Mr. Halani has experience working in the financial sector and an advocate in the cannabis industry. They have brought on a team of consultants with extensive experience in the recreational and medical cannabis industries.

Location: 3.5

- The property is in the Mid Rise 4 district on a Pedestrian Street. The team anticipates it becoming an anchor business for Magoun Square, as it will take over a vacant storefront on the main street and attract customers from the surrounding areas.

- The MAC feels that the store is on an already tight street and is not especially close to transit.

Physical Space: 3.25

- The sales area is relatively small and may need to be shrunk further to comply with zoning requirements.
- They anticipate allowing walk-in customers, but there is no space to queue other than within the public right-of-way. There was no clear plan for preventing queuing on the sidewalks.

Operations/Community Involvement: 3

- Mr. Acevedo's background includes a lot of community involvement and engagement, but the team did not have clear plans for how they plan to become involved in the Somerville community beyond being a locally owned and operated business.
- The team has experience working in retail and their consultants have experience working in cannabis.