



City of Somerville

OFFICE OF STRATEGIC PLANNING & COMMUNITY DEVELOPMENT

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

TO: Mayor Curtatone
FROM: Charlotte Leis, MAC Liaison
DATE: March 1, 2021
RE: Update on third round of HCA applications

The Marijuana Advisory Committee (MAC) has reviewed 11 applications that were submitted between April 2019 and October 2020, including 2 applications that were deferred to the third 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 three entities, due to the reasons indicated below. An email was sent to each applicant explaining why the MAC decided not to offer an interview. Entities not offered a Host Community Agreement are welcome to strengthen their application and reapply.

The MAC recommends that Botanica, Core Empowerment, and Nuestra be offered an HCA.

The MAC would like to remind the Mayor and the public that this is the first step in a multi-step process. Once granted an HCA, each applicant must go through separate state and local review and licensing process. The local Somerville process provides multiple opportunities for public input on specific applications during the applicant's required public hearings and meetings before the Licensing Commission and the Planning Board. The Licensing Commission and Planning Board are independent bodies and are not required to issue approvals simply because an applicant has received an HCA.

At this time the MAC does not recommend moving forward with the following:

Ball Square Prime, 151 Boston Avenue: The MAC previously placed this application on the wait list to provide an opportunity for the applicant to submit additional information to address the MAC's concerns. The applicant did not provide any additional information within the required timeframe. The MAC continued to have concerns regarding the potential for product diversion based on the design of the floor plan and the accuracy and completeness of the application.

Wellman Farm, 583 Somerville Avenue: The MAC determined that the proposed location was not adequate. Additionally, the applicant provided no information regarding the internal layout of the space or how a marijuana retailer would function there.

doobie., 30 Alston Street: 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 use. The delivery operator establishment type approved by the Cannabis Control Commission in late 2020 is not permitted by the zoning ordinance at this time.

The MAC will interview the following as part of the next round:

Teele Square Harvest, 1123 Broadway: The MAC scheduled an interview with the applicant as part of this round, but unforeseen circumstances forced the interview to be cancelled at the last minute. The MAC will reschedule the interview with this applicant during the next round.

The MAC interview process:

Seven entities were interviewed, which took place virtually during a two-week period between January 29, 2021 and February 12, 2021. A recap of each interview, its score for each category, and its aggregate score is indicated below. The MAC recommends that the three entities that scored higher than 12.5 out of 15 points be offered Host Community Agreements. These entities are Botanica, Core Empowerment, and Nuestra.

In developing this recommendation, the MAC has considered not only the scores of individual applications, but also the wider context of cannabis retail locations that have received HCAs in the past. As noted in the Round 2 Recommendation, the MAC is cognizant of the potential negative impacts of too many cannabis retail stores clustering in one area. Commercial areas are healthier when they have a diverse range of uses, and the MAC does not want to undercut this diversity. In general, the MAC would recommend that retail cannabis locations be distributed throughout the City, rather than concentrated in only a handful of areas. See the map attached at the end of this recommendation showing the existing distribution of HCAs granted and HCAs requested as part of this round.

These entities scored more than 12.5 points and are recommended for HCAs at this time:

Botanica, 620 Broadway, total score 13:

Botanica was previously reviewed as part of Round 1 and scored 9 out of 15 points; they were not offered an HCA, and reapplied. The company's ownership has not changed since Round 1 -- Denise O'Donovan (Somerville resident) owns 49%, Brenda DeAngelis (Somerville resident) owns 2%, and Michael O'Donovan owns 47% -- but they have modified other portions of their application. The site is proposed to be redeveloped as a multi-story building with no parking, and they have brought on a COO with experience in the cannabis industry.

Location: 4.5

- The property is in the Commercial Core 5 district and is within the 0.25mi Transit Area. This would be the second HCA within the Ball Square neighborhood.
- The proposal includes redeveloping the existing gas station into a commercial building with no parking. Zoning permits three to five story buildings in this district; the MAC would prefer to see a five-story building.

Physical Space: 4.25

- There is a designated off-street loading zone with a door to access a secure area in the building. Due to the heavy traffic on Broadway, the MAC would prefer to see the van reverse into the loading zone, rather than reverse into oncoming traffic.
- The sales floor is ~4,000sf and appears to provide sufficient room for customers to avoid queuing on public sidewalks.

Operations/Community Involvement: 4.25

- Ms. O'Donovan and Ms. DeAngelis are already involved in Somerville as residents, and both are married to individuals who are also involved in the City. Both have children in the Somerville school system, and so are personally committed to having a positive impact on the community.

Core Empowerment, 288 Broadway, total score 13:

Core Empowerment previously applied as part of Round 1 but was not recommended for an HCA; they appear to have taken the MAC's comments and concerns seriously and have strengthened their application. The team includes April Arrastate (55% ownership), Tomas Gonzalez (12%), and Peri Higgins (10%) and is close to opening their first retail location in Jamaica Plains.

Location: 4.25

- The property is in the Mid Rise 5 district on a Pedestrian Street and is within the 0.5mi Transit Area. The location is a mile away from the closest cannabis retailer.
- Loading will be from a dead-end alley at the rear of the building directly into a secure area. It will take special attention to ensure that this is secure and does not negatively impact residential neighbors.
- Parking in this area is tough (and will become harder once the Star Market lot is redeveloped) but businesses have managed to deal with that challenge in the past. The team expressed a desire to help reactivate the Star Market site.

Physical Space: 4.25

- The floor plan allows for queueing on the sales floor and for a one-way flow of traffic. There will be mantraps at both the entrance and exit.
- As currently designed, the security room is facing Broadway; zoning requires visibility into storefronts, which may require reorganizing the floor plan to an extent.

Operations/Community Involvement: 4.5

- The team has presented a commitment to diversity not only in their leadership team, but also in their financial backing: approximately 80% of investors are local and/or of Black, African American, Hispanic, or Latino descent.
- The team appears to have fostered a good relationship with their Hyde Park neighbors in Jamaica Plains and are working to create that relationship in Winter Hill. The MAC is confident that the team will show the same commitment in Somerville as they have in Boston.

Nuestra, 518-524 Somerville Avenue, total score 12.75:

Nuestra is owned by Herban Legends, LLC (51%) which is a CCC-certified EEA owned by Renata Caines and Ivelise Rivera, and Mikaz, LLC (49%) which is owned by Jonathan and Tara Tucker. Ms. Caines (Chief Engagement Officer) and Ms. Rivera (CEO) are longtime Boston residents who are engaged in a variety of community groups. Mr. Tucker (COO) is a Boston native who has experience investing in socially impactful industries.

Location: 4

- The property is in the Mid Rise 4 district on a Pedestrian Street. It is partway between Union and Porter Squares with good bus service to each.

Physical Space: 4.75

- The space is large enough to accommodate the use without being cramped.
- There is access through the rear door that can be used for deliveries.

Operations/Community Involvement: 4

- Ms. Riveria and Ms. Caines are a mother-daughter team and will be in charge of normal operations and community relations. They have compiled a team of consultants/employees who have experience in the cannabis industry to complement their experience in community engagement.
- The team did not express a clear connection to the Somerville community, but Ms. Caines and Ms. Rivera appear to be authentically and deeply connected to their existing communities. The MAC believes that if granted an HCA, the team will work to develop meaningful connections in Somerville.

These entities scored fewer than 12.5 points and are not recommended for HCAs at this time:

Davis Square Cannabis Group, 393 Highland Avenue, total score 12.25:

Davis Square Cannabis Group is owned by Steve McCloud (50.3%; Somerville resident) and Dewitt Parsons (49.7%). Their proposal includes a three-phase plan that will allow them to begin operating while working to redevelop the building that currently contains Walgreens. MariMed (a multi-state operator with three retail locations in Massachusetts) is consulting with the team and will provide relevant industry experience.

Location: 3.5

- The property is in both the Commercial Core 4 and the Mid Rise 4 districts on a Pedestrian Street and is within the 0.25mi Transit Area. The location is well-situated close to an MBTA station with off-street parking available on- and off-site. This proposal will result in the redevelopment of an existing one-story building into a new conforming building.
- If granted, this would be the fifth HCA for a retail cannabis location within 0.25mi of Davis Square. The MAC feels that adding a fifth location to this area is not conducive to maintaining a healthy mixture of commercial uses within the square.

Physical Space: 5

- Floor plans for the two interim locations were provided – one for the first phase at 393 Highland Ave, and one for the second phase at 389 Highland Ave. No floor plan for their final/permanent location was included.
- The existing one-story building is approximately 20,000sf will be divided into a 10,000sf “waiting area” that may have stalls rented out to other businesses and a 10,000sf retail dispensary. The cannabis retail portion will be at the rear of the building. The Zoning Ordinance permits cannabis retail sales uses to occupy a maximum of 10,000sf of floor area.
- The space has a large parking lot at the side and rear of the building, which will allow for easy delivery of product.

Operations/Community Involvement: 3.75

- Mr. McCloud and Mr. Parsons are already involved in the Davis Square business community as manager and owner, respectively, of Downtown Wine & Spirits. They are already invested in and have relationships with the community.
- The team did not have any specific answers about how they are involved in Somerville outside of the existing business relationships.

Kush Grove (KG) Collective, 142 Cross Street, total score 12:

KG Collective is co-owned by Michael Pires (71% ownership), Marcus Johnson-Smith (18%), Sarita Capobianco (10%), and Jennifer Souza (1%) and is certified as an EEA by the CCC. The team already operates two smoke shops under this brand in Boston and Cambridge that are located within existing medical dispensaries. This is one of three proposed locations, along with Cambridge and Boston, where they are actively pursuing retail cannabis facilities.

Location: 3.5

- The property is in the Mid Rise 3 district and is within the 0.25mi Transit Area. While it is transit accessible, it is surrounded by a residential neighborhood, and would be the only retail store (cannabis or otherwise) in the immediate vicinity.
- Parking and loading may be challenging due to the location on a corner and the residential nature of surrounding streets. Employees will have dedicated off-street parking in a nearby lot owned by one of the team members and will be given transit passes.
- Loading and unloading of product appears likely to be on Cross Street, which may be challenging.

Physical Space: 3.75

- The proposed floor plan allows for a one-way flow of traffic with some room on the sales floor for queueing. The floor plan will need to be modified to comply with zoning, as the windows must be transparent.

Operations/Community Involvement: 4.75

- The team is composed of experienced businesspeople and have shown a clear commitment to developing the Kush Grove brand prior to recreational cannabis being legal.
- The team has relationships with local organizations (including the Gosder Cherilus Foundation and Shortstop Transitional Housing) that have deep roots in the local community. They discussed their desire to build more bridges between the Somerville and Cambridge communities.

Kathmandu Culture, 379 Somerville Avenue, total score 12:

Kathmandu Culture previously applied as part of Round 1 but was not recommended for an HCA; they have since changed locations. Binoj Pradhan (51%) is a Somerville resident and long-time business owner and Jamie Crumb (10%) is the CEO of six cannabis businesses in Maine. As Mr. Pradhan was born in Nepal, they hope to incorporate the connection between cannabis and Nepal into their educational plans.

Location: 3.75

- The property is in the Mid Rise 5 district on a Pedestrian Street and is within the 0.5mi Transit Area. It is taking the location over from the Thunder Road

Music Club; Kathmandu Culture also plans to do business as “Thunder Road.”

- Parking in the area can be challenging, but it is sufficiently close to transit. There are two other cannabis retail stores in the Union Square area, but it is not overly close to either.

Physical Space: 4.25

- The retail store will take over the entirety of the first floor. The security plans were not especially detailed, but the security consultant has experience complying with the CCC regulations at other locations in the state.
- The basement floor plans seem to be designed with a future social consumption establishment in mind. Social consumption establishments are not permitted by state law at this time; should that change, a social consumption establishment would require a separate review by the City.

Operations/Community Involvement: 4

- Mr. Pradhan is a longtime Somerville resident, and is involved with the Somerville Welcome Project. However, the team does not appear to have a deep commitment to this venture as seen in other teams.
- The team did not have a strong answer regarding their efforts for community education on drug-related topics or their involvement with the City’s Health and Human Services efforts in that area.

Tree Market, 500 Medford Street, total score 12:

Tree Market is owned equally by Eli Volynsky, Daniel Razore, Shamsun Naher (Somerville resident), and Rinku Shah (Somerville resident), with the first three also equally sharing control of the business. Mr. Volynsky and Mr. Razore also have provisional licenses for recreational retail stores in Taunton and Lynn. Ms. Naher and Ms. Shah have operated the existing liquor store at this location for over a decade.

Location: 4.25

- The property is in the Mid Rise 4 district on a Pedestrian Street and is within the 0.5mi Transit Area. The location is in Magoun Square, and not far from transit.
- A liquor store has existed at the site for years and has received deliveries from the loading zone in front of the business with no issues.

Physical Space: 3.75

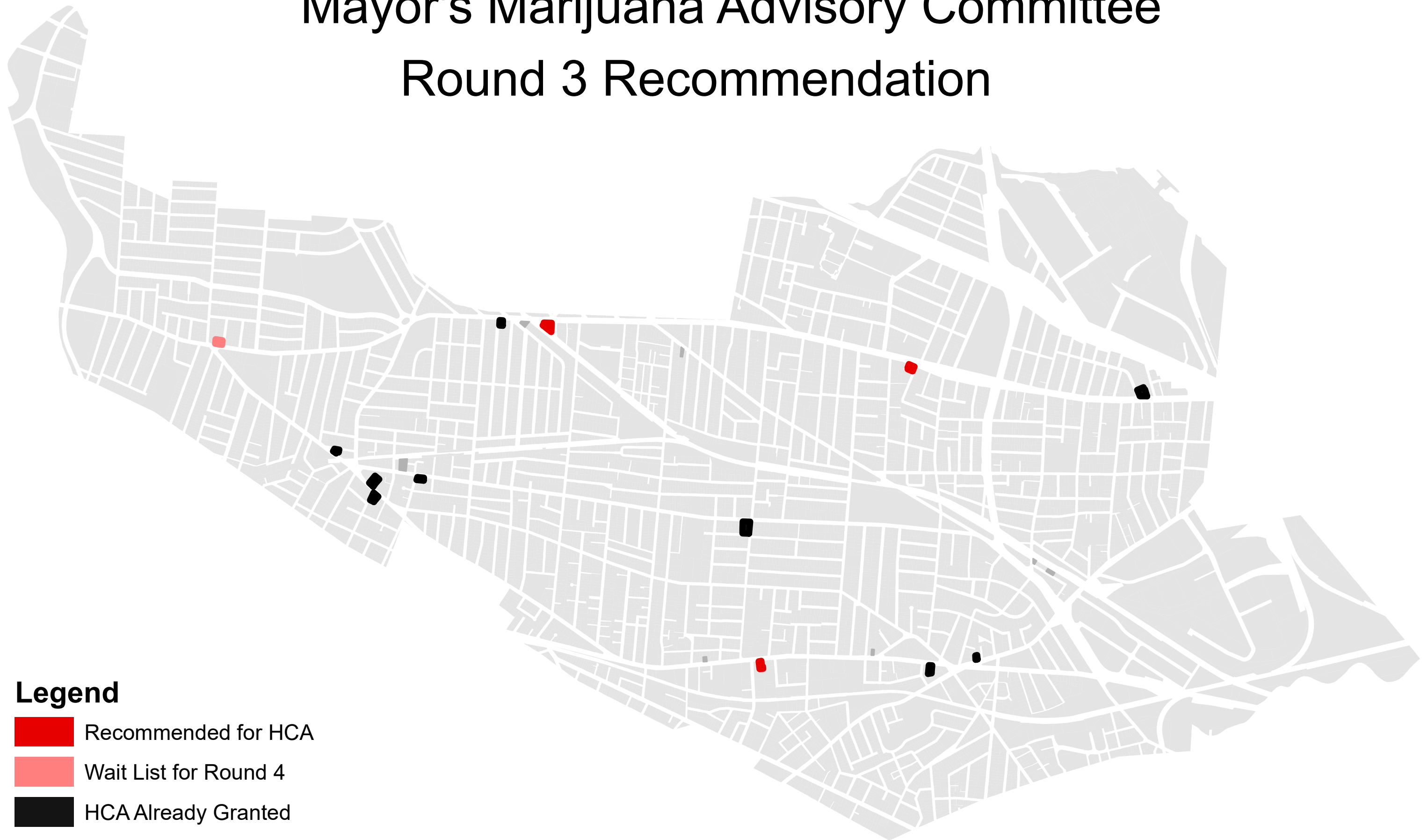
- The proposal includes 5 doors in and out of the building which may cause security challenges. There is a separate entrance for employees that could also be used for loading and unloading.
- The storefront as proposed will need to be modified to comply with zoning, as opaque windows are not permitted. The layout may be somewhat tight, but there appear to be no major issues.

Operations/Community Involvement: 4





- Ms. Naher and Ms. Shah are already established businesspeople in this neighborhood due to the liquor store. Ms. Shah is also involved with a local global women’s empowerment group, but they mentioned no other specific local groups they are currently involved with.

- The team expressed a desire to be involved with Somerville's Health and Human Services (HHS) programs in the future, but have not been deeply involved in past HHS liquor-related programs.

Mayor's Marijuana Advisory Committee Round 3 Recommendation



Legend

-  Recommended for HCA
-  Wait List for Round 4
-  HCA Already Granted
-  Not Recommended for HCA

March 1, 2021