



City of Somerville

OFFICE OF STRATEGIC PLANNING & COMMUNITY DEVELOPMENT

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

12TO: Mayor Curtatone
FROM: Charlotte Leis, MAC Liaison
DATE: March 31, 2021
RE: Update on fourth round of HCA applications and regarding next steps

The Marijuana Advisory Committee (MAC) reviewed one application that was deferred to the fourth round in the last recommendation. The MAC is not recommending any applications for Host Community Agreements (HCAs) at this time. The MAC's thoughts on their review of this application are below along with a general update regarding the review process and next steps.

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.

Fourth round of HCA applications

One entity, Teele Square Harvest, was interviewed as part of this round. Teele Square Harvest had been offered an interview as part of the previous round but had been forced to cancel at the last minute due to unforeseen circumstances; the MAC deferred their interview to this round. The MAC has utilized the same score cut-off of 12.5 points as used in Round 3.

In developing this recommendation, the MAC considered not only the score of the individual application, but also the wider context of cannabis retail locations that have received HCAs in the past. As noted in previous recommendations, 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. The MAC has issued updated scoring criteria to reflect these considerations.

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

Teele Square Harvest, 1123 Broadway, total score 12:

Teele Square Harvest is co-owned by Buddah Lama (80%) and Manuel Reynoso (20%), both Somerville residents. In previous rounds the MAC had questions regarding site security, including product delivery, and the team's lack of experience in the cannabis industry, among other items; the team has since addressed the MAC's concerns regarding. The team has brought on a general manager and a security consultant who each have multiple years of

experience in the cannabis industry. They will source product from either Sira Naturals or another licensed vendor in the state.

Location: 4.25

- The property is in the Mid Rise 4 district on a Pedestrian Street. While it is not adjacent to a T Station, it is served by multiple bus routes. Teele Square is one of the main squares in the city, and does not currently have any cannabis retailers.
- While Teele Square is a distinct commercial node from Davis Square, the four cannabis retailer in Davis Square are all within or just over half a mile from this location.

Physical Space: 4

- The interior layout is generally satisfactory but will need to be modified to comply with zoning requirements for storefronts. The area dedicated to back-of-house operations may also need to be expanded, which would further reduce the sales floor area.
- Deliveries are proposed to occur from a rear alley allowing products to be delivered directly into a secure area.

Operations/Community Involvement: 3.75

- Mr. Reynoso owns a construction business which would be used for this project. He has experience hiring Somerville residents, and the team has satisfactory hiring practices. It is not clear what Mr. Lama does.
- Both Mr. Lama and Mr. Reynoso live in Somerville, but beyond being residents they did not identify any specific plans for community engagement.

General update

This is the MAC's fourth recommendation, and the last one which addresses applications received during the surge of interest in 2019, when the HCA application first became available in Somerville. Each of the MAC's past three recommendations addressed between 10 and 15 applications, for a total of 31 (now 32) individual applications. At this time, the MAC has issued a recommendation on every application that has been received.

In the past year the stream of applications has slowed: only 3 applications were received in 2020, compared to the 29 received in 2019. In response to this changing dynamic, the MAC's recommendations moving forwards are expected to address fewer applications and be issued more frequently. Deadlines for each round will occur the first Friday of every month and, assuming an application is received for a given month, the MAC anticipates that their recommendation will be issued within four to six weeks.

The MAC has also updated its scoring criteria to account for the HCAs that have already been granted, and the experience gained over the past two years. While it is possible that some teams who have been granted HCAs will meet roadblocks later on and ultimately not open, the MAC is operating under the assumption that every team issued an HCA will also receive the necessary licensing and zoning approvals and will begin operations in a timely manner. Therefore, the MAC will consider the proximity of a new applicant to existing HCAs when considering the suitability of a proposed location. As stated in the third and fourth found interviews, the MAC has already begun to incorporate these considerations into their review.

The MAC has also separated the current category of "Operations/Community Involvement" into two distinct categories of "Operations/Industry Knowledge" and "Community Impact." Just as location and physical space are entwined but distinct considerations, so too are an applicant's day-to-day operations and their broader plans for engaging with their neighborhood and the wider Somerville community.