



CANNABIS LICENSING AND ENFORCEMENT COMMISSION
Malden Police Department Community Room, 800 Eastern Avenue, Malden, MA
Wednesday, June 26, 2019 at 5 PM

Committee Members in Attendance		
√	Ron Hogan, Chair	Finance
√	Kevin Molis	Chief of Police
√	Nelson Miller	Bldg. Commissioner
√	Diana Jeong	Mayor's Appt.
√	Jenelle DeVits	Council Appt.
√	Kathleen Manning Hall	Clerk <i>Non-voting mem.</i>

Also in attendance: Ward 1 Councillor Peg Crowe, Malden resident Warren Lynch.

MINUTES

- 1. Roll Call of Committee members.** Meeting was called to order at 5 PM and there was a quorum sufficient to conduct business.
- 2. CLEC Applicant Presentations and Interviews.**

(1) 5-6 PM: Interview of DMS Trinity, Inc.
Proposed location: 36 Charles Street, Malden

Representing DMS Trinity:

- Roberto DiMarco, Attorney for Foster, Walker & DiMarco, providing legal services.
- Mary Susan Blout, Stoneham resident with Malden ties. Will be operations Manager of facility. Has a finance background, worked in Boston media (WGBH) 25+ years. Led WGBH project video for Ferryway School. 14 years of experience managing staff, personnel, Human Resources and has worked with unions.
- Daniel Mailhot, Security Professional – owns New England Security Protective Services Agency located in Malden; previously worked for CVS, Brooks Pharmacy, DEA.
- Steven Byrne, shareholder, Real Estate Developer, Victim of Boston Marathon bombings, has PTSD.
- Jean Casale, Registered Pharmacist, sat on the board of Sage Cannabis which is now Sira Naturals.
- Evan Dolber, Consultant of Operations, lifetime Malden resident. Director of Operations of 2 facilities. Opened one in Quincy, Cambridge and Somerville.
- *Not present:* Angelina Ventouris.
- *Not Present:* Dylan Handy, member of LGBTQ Community. Marketing and social media specialist.

Location:

- Proposed location is 36 Charles Street - property abuts the Bike Path. Is 78 feet away from closest residence.
- Will have a “mantrap” at the door, lower level of building to prevent entrance to building without being properly identified. Customers will enter at the rear of the building through the parking lot. ID will be checked, and at second set of doors will have ID scanned. Will be met by a bud tender for assistance. Customers will not be allowed to touch product but may see and smell. Once selected, bud tender will retrieve product from vault which will be accompanied by educational pamphlets. Upon payment, customer will receive product and will be escorted to the door.
- The plan is to serve 18 customers at one time in 15-minute increments. Anticipate 40 cars per hour at peak time - roughly 400 customers per week.
- Will have two points of sale.
- All product stored in vault at end of each day.
- Currently there is one tenant on the second floor – an auto body business. Third floor is vacant. Per Malden ordinance, Cannabis use must be the principal use of the building - they will need to obtain a variance as it stands now. Landlord may not lease to another business without permission.
- Parking – proposed plan of 15-17 spots. They are proposing that staff park offsite at CBD garage. Working on easements with neighbors for parking. They are anticipating that customers will arrive by Uber, MBTA, Bike Path, and on foot.
- They will consider themselves a “neighborhood business.”

Buildout Costs:

- Anticipate that \$800,000 will 100% get business off the ground, including buildout. Have \$500,000 in liquid funds.

Security Plan:

- Will have 24-hour security measures. Electronic monitoring of premises - one of the best for covert and pharmaceutical thefts. Footage remains offsite in the cloud. Zoom cameras will monitor location live at offsite security site.
- On the ground security regularly staffed by Mr. Mailhot’s company.
- Security System: Tokenworks – ID reader machine detects fake I.D.’s and will alert to looping customers.
- Will keep track of a customer list of those who purchased product. Retains information for up to three years.
- Secure delivery security system.

Ownership:

- This will be a woman-owned business - Mary Susan Blout, will have 58% ownership. The shareholders also maintain other businesses. Team is made up of friends who wanted to work together. Mary is looking for a job change, has reduced full-time hours at WGBH.
- Lowest investment is \$100,000 per person. LLC has been amended to reflect current shareholder investment – they will get this to us.
- Parties have since come to an extensive agreement and they will get this to us.

Supplier:

- Bostica, Lynn, MA provided a letter of intent.
- Mr. Ed DeSouza, also in attendance, may be a supplier.

Employees:

- 20-25, fulltime and part-time. Looking forward to hiring women, minorities, people with disabilities, veterans and LGBTQ community. Will prioritize that Malden residents - goal is to hire 60-70% Malden residents.
- Will hire retired Malden Police personnel for security.
- Extensive training for staff before they begin.

Sales Projections: First two years: \$11-17M. Gross revenue \$3M.

Giving Back to the Community: Group has extensive community involvement, with LGBTQ groups, and participate in multicultural activities in the City of Boston. Members interact regularly with Aids Action, City Mission, and will have agreements with them re: community impact Jean Casale, Pharmacist will provide education/handouts that will meet all criteria of CCC. Will have regular educational outreach and will provide educational pamphlets with all purchases. They will utilize Malden businesses – have joined the Chamber of Commerce. They had a conversation with MOA and plan to reach out to Malden groups to give back to the community.

Follow up as soon as possible and get Malden CLEC information as to:

1. Shareholder investment information
2. LLC Agreement

(2) 6-7 PM: Center Harvest Corp. Proposed location: 65 Commercial Street, Malden

Representing Center Harvest Corp.:

- Peter Gizzi, President Center Harvest Corp., Malden native, attorney.
- Thomas Mourmouras, Operates Cannabis Dispensaries in Maine, is a business and tax consultant, has consulted on tax and compliance. Operates cannabis cultivation, extraction, and retail in Maine. This will be the third business he owns.
- Scott Jenkins, security expert, provides security to other cannabis operations for three years. Is Owner and General Manager of ACT Protective Services. Provides security services to cannabis facilities. Will be a third-party vendor for security.

Location:

- Commercial Street, busy street, near Malden Station, accessible to car traffic, foot traffic.
- 25 parking spaces. The parking lot needs to be reconvened as current spots are not up to code.
- Interior will be spacious and “boutique like.” Want customers to have a great experience.
- They are going to utilize whole building. 6,250 square footage on first floor. Most of space on second floor is dead space. May add a conference/education space for the benefit of the community.
- Showed a parking plan drafted by an engineer with 33 spaces.
- Don’t comply to buffer zones as they are within 250 feet to the Macdonald Stadium football field. Peter assumed the RR tracks are an impenetrable barrier, which is not the case. They will take the appropriate steps to rectify.

Buildout Costs:

- Robert DeLuca will buy and own the property and will finance buildout. Entity will create formal lease agreement with Mr. DeLuca.
- Anticipate buildout will be \$700,000. Have ability to obtain more funding if necessary.
- Will do any required environmental testing at the site.

Security Plan:

- If large crowd, customers will register outside in the parking lot. Will limit number of customers allowed into the building at one time.
- Customers will be buzzed into retail area.
- Five point of sale locations. Three online point of sale online stations.
- Storage vault is out of access to public, two doors in back where deliveries are made. Controlled environment for bud tenders to leave shifts.
- Unarmed, trained security on the ground at all times.

Ownership:

- Robert DeLuca, owner and financial backer, not as involved.
- Tom Mourmouras will control the business.
- Peter Gizzi will be point of contact for the City and is responsible for daily operations.
- Peter, Tom and Bob have ownership. Haven't completely worked out control and shares.
- CLEC wants a better understanding of the ownership interests.

Supplier:

- Have tentative agreements with Revolutionary Clinics and Bask. Would like procurement to go to smaller scale businesses in the area.

Employees:

- Teams of 8-10 employees per shift in the beginning. Peter and Tom will do the hiring.
- Potentially 30 employees. Hope to hire 25-30% from Malden. Will focus on diversity, veterans.

Sales Projections: Unsure, but they assume they will be profitable with the average price of \$80 per customer. Depends on market saturation.

Giving Back to the Community: Want to do as much as they can for the community. Have not yet determined what Malden organizations they will donate to, perhaps YMCA, and fighting addiction causes. Want to be very involved in the community.

Follow up as soon as possible and get Malden CLEC information:

1. Clarifying business ownership structure
2. Exact source of funding
3. Lease Agreement with Mr. DeLuca
3. Other Uses of Building
4. Parking Plan, including exact number of spaces.

3. **New Business:** Last week Joseph Giannino of Keltic Green emailed Jenelle DeVits requesting a time to speak or meet with her to follow up on the interview of Keltic Green and CLEC. Jenelle advised him to contact Kathleen with specifics so that she can share it with the group. Jenelle has not heard back from him.

4. **Review and approval of June 19, 2019 Minutes.** Motion by Chief Molis to approve the Minutes of June 19, 2019, seconded by Jenelle DeVits and approved unanimously.
5. **Next meeting:** Wednesday, July 24, 2019 for the purpose of conducting additional candidate interviews.

Motion to adjourn at 7 PM by Nelson Miller and seconded by Diana Jeong. All in favor, meeting adjourned.