



Gary Christenson, Mayor

CANNABIS LICENSING AND ENFORCEMENT COMMISSION
Senior Center Auditorium, 7 Washington Street, Malden, MA
Wednesday, September 4, 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: Councillor Ryan O'Malley, Attorney Chris Fallon, resident Warren Lynch; several applicants and/or their representatives.

MINUTES

- 1. Roll Call of Committee Members:** Meeting began at 5 PM and there was a quorum sufficient to conduct business.
- 2. Review and approval of August 28, 2019 Minutes.** *Motion by Nelson Miller to table Minutes of August 28th to allow more time for preparation and circulation to members. Seconded by Diana Jeong, all in favor, Motion passed unanimously.*
- 3. Discussion of deliberation process.**
 - The August 28 meeting was a discussion on factors to consider for applicants and how they should be weighed in a transparent manner. This process is an approval process, not a denial process.
 - A scoring system was decided against by the CLEC and each member will use their best judgment and the factors outlines in the ordinance to determine which candidates are most prepared to move forward.
 - Suggestion was made to go candidate by candidate and have dialog and discussion about each candidate with everything on the record as to why we decided who to move forward.
 - Discussion ensued suggesting possible "next process" scenarios:
 - Moving forward that the CLEC meet once per month, to discuss any rolling meeting applicants.

- CLEC could approve a certain number now and wait until applicants complete the process and open their business before moving forward to next round of candidates.
- Possibility of offering another submission date in a few months to enable more candidates to apply and give them more time to file applications as applicants struggled to get information together for their applications in the first round.
- CLEC to consider how fast to get to the number of four applicants - as one is economic empowerment.
- Procedurally, if a motion is put forward, it will then have to be seconded to move forward, then dialog and then a vote. If a candidate does not get a second, the person who puts the person forward may discuss the merits of that candidate.

4. Deliberations of applicants for Cannabis licenses.

- a. *Motion by Nelson Miller to move candidate Misty Mountain Shop (323 Commercial Street) forward.* Nelson believes they made a clear and concise presentation, provided proof of funding, met the criteria of Malden’s ordinance, favors the management style, likes the Commercial Street location which proximity is assessible to cities and towns who did not permit Cannabis. Favors the proposed layout and parking options. *Motion was seconded by Diana Jeong.* Jenelle DeVits has concerns:
 - i. The Gunthers (Operational Directors) will operate from Florida.
 - ii. Consultant John Napoli of CannAssist and supplier *In Good Health* (main supplier) has entered into an agreement to sell its supplier to a Nevada based firm so they will be losing control of those. They did not disclose this during the interview despite being in the middle of the process.
 - iii. They will hire a social worker, but not a pharmacologist which would be more favorable.
 - iv. Do not have an executed lease agreement.
 - v. Erik Gath holds a 90% interest, there is no provision to remove him if there is an issue. The Operating Agreement has no fraud removal provisions.
 - vi. Concerned with traffic flow on busy Medford and Commercial streets.

Nelson withdrew his Motion pending Kathleen to reach out to them to determine:

- Clarity on Eric Gath’s financials and clarification on his 90% ownership.
- Information about consultant John Napoli selling his business, ownership changing.

- b. *Motion by Jenelle DeVits to move candidate MassMedicum (616 Broadway) forward.* Jenelle believes that this group is the most experienced of all applicants. They will have their own supply chain and Dr. Kurnick is an expert on Cannabis and its use. They are passionate about education and giving back to the community; they operate in MA already and know the industry. They have four directors on the board and are a for profit business. Have a binding letter of

intent with the landlord. Will have an onsite pharmacologist, have a quality of product and can do their own extracting. They will have appointment-only sales initially to stem traffic flow and will have a parking attendant on site. *Seconded by Diana Jeong.* Nelson Miller, Ron Hogan and Chief Molis voiced concerns:

- i. Location is in close proximity to four other applicants which could be a detriment. May have to consider all four before moving this one forward.
- ii. Customer parking on Bayrd Street will be problematic for residents.
- iii. Their business model shows they align more with medical marijuana industry.
- iv. They are also right down the street from a medical establishment over the line in Melrose.
- v. They have convertible notes. May need more information on ownership of the company.

Jenelle suggested moving them forward to the community meeting phase to see what they can offer the neighborhood in terms of parking and discussion ensued that CLEC should only put forward candidates with a strong likelihood of succeeding. *Roll call vote on the Motion to move candidate MassMedicum:* Ron Hogan-Yes; Nelson Miller-No; Kevin Molis-Yes; Jenelle DeVits-Yes; Diana Jeong-Yes. *Motion to move Mass Medicum Forward passes.*

c. Brief discussion on other candidates:

- i. The Frosty Nug has had landlord issues. Their location would not be the principal use of the building which cannot be cured with a variance.
- ii. DMS Trinity is a woman owned, ethnic diversity, Malden resident, local owner. Have been in discussions with landlord – has a principal use issue.
- iii. Craft Cultivation – discussion of allowing them to move forward with cultivation and manufacturing but not retail.

d. *Motion by Chief Kevin Molis to move candidate Standard Naturals (7 Linehurst Road) forward.* He felt they take delivery of a regulated product seriously, own the land, had a good rendering, sought out experts in the field with a good track record. Location is well-suited and convenient for customers. *Seconded by Nelson Miller.* Discussion ensued amongst members who agree on the location, good reputation of the company, and will attract more than Malden residents as they are located on Route 1. Sierra Naturals who has one-year consulting agreement will be their supplier is being acquired by Cannabis Strategies, international firm. They don't have an executed contract with a supplier. *Roll call vote on the Motion to move candidate Standard Naturals forward to the next step:* Ron Hogan-Yes; Nelson Miller-yes; Kevin Molis-yes; Diana Jeong-yes; Jenelle DeVits-abstained. *Motion passes.*

e. *Motion by Jenelle DeVits to move candidate DMS Trinity (36 Charles Street) forward.* This is a woman owned, local company with a smaller supplier, a local

business. A Malden person will be the security expert; will have a pharmacist on board. *No second on the Motion; Motion fails.* Concerns of CLEC:

- i. This would not be their principal use and does not meet ordinance requirements.
- ii. CLEC never received proof of funds and clarification on financials.
- iii. Open issues on parking and entrance changes.

f. Motion by Jenelle DeVits to move Craft Cultivation (1130 Eastern Ave.) forward for cultivation and manufacturing licenses only. She believes they will renovate the building and as cultivation and manufacturing licenses are not limited, why not give them a chance. Motion seconded by Nelson Miller. CLEC members agreed that this group did not have a good presentation, had an incomplete application, but liked Jamie Crumb's expertise on manufacturing. Parking and traffic will not be an issue. Jenelle DeVits withdrew her Motion.

Further dialog as to retail application and cultivation and manufacturing to discuss process moving forward since no limits on cultivation and manufacturing. Kathleen will notify applicants who have been approved to move onto the next step.

5. New Business. No new business.

6. Next meeting: Wednesday, September 11th at the Malden Police Department.

Motion to adjourn at 7:30 PM by Nelson Miller and seconded by Jenelle DeVits. All in favor, meeting adjourned.