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TO: Eileen Donoghue, City Manager *EMD*

FROM: R. Eric Slagle, Director of Development Services

DATE: August 20, 2020

RE: Motion by C. Drinkwater - Req. City Mgr. Provide A Report On The Number Of Applicants For Marijuana Cultivation Or Retail Licenses That Were Certified Economic Empowerment Applicants Or Social Equity Program Participants; As Well As Any Other Considerations Made During The Review Process With Regard To Social Equity.

As the Council is aware, the City in December of 2019 authorized the negotiation of Host Community Agreements (HCAs) with four entities for retail locations within the City. The businesses that currently have HCAs for retail locations, and their respective statuses, are as follows:

Patriot Care – 70 Industrial Ave. E. – Operational since 3/2019
Mayflower Medicinals - 470 Chelmsford St. #7 – Received their special permit on 6/19/2020
Full Harvest Moonz - 1201 Westford St. – In Planning Board process now
Pure Industries - 671-683 Rogers St. – In Planning Board Process now
Fresh Fields - 1148 Bridge St. – Has not yet filed with the Planning Board

Patriot Care has been open for retail sales since March of 2019. We do not anticipate that any of the remaining businesses will be open for retail until late 2020 at the earliest, more likely in 2021.

Additionally, the City has executed several agreements for marijuana cultivation and manufacturing. These entities are in various stages of licensing and build-out, and the businesses and locations are as follows:

BeWell Organic Medicine – 92 Bolt St.
Four Twenty Industries – 3 Foundry St.
Grow One, Inc. – 60 Dix St.
Grow Team Gardens – 705 Dutton St.
Patriot Care – 170 Lincoln St.
Platinum Hydrolab – 740 Dutton St.
Pure Industries – 181 Stedman St.
Wellman Farms – 26 Wellman Ave.

With respect to the social equity question regarding the applicants for the City, we were ahead of the curve with regards to our process for establishing zoning and reviewing applicants. We set up

our process prior to the finalization of the CCC regulations at the state level, and established the following criteria for review of prospective marijuana businesses:

1. Purchase or lease of a vacant or underutilized parcel;
2. Cultivation facilities within City of Lowell;
3. Commitment to expansion of cultivation/manufacturing facilities within the City of Lowell if and when expansion takes place;
4. Priority to woman-, minority-, and/or veteran-owned businesses;
5. Business plan demonstrating sufficient capital to adequately fund operation;
6. Commitment to community impact/outreach above and beyond requirements in the Host Community Agreement;
7. Commitment to meeting and exceeding the Leadership Rating Criteria laid out by the Cannabis Control Commission.

Our efforts to create social equity hinged on #4 above, where the City Manager and the administration committed to giving a preference to woman-owned, minority-owned, and veteran owned businesses. Unfortunately, at the state level, the social equity program was not up and running in any meaningful way when the City initiated its review process for the retail businesses. As such, we were reliant on our own internal priorities to create such equity. For the four retail HCAs that were offered in December of 2019, one of the businesses, Full Harvest Moonz, qualified as a woman-owned business, with the president and CEO being a woman, and the COO being a woman of color.

For the eight entities who received cultivation HCAs, we have one Social Equity applicant, Four Twenty Industries, and one woman-owned applicant, Wellman Farms, which the CCC classifies as an expedited applicant because they are a Disadvantaged Business Enterprise. Also, Grow One Inc is a woman-owned business.

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