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## **HOST COMMUNITY AGREEMENT ADVISORY GROUP RECOMMENDATION**

DATE: August 30, 2019

TO: Mayor Ruthanne Fuller

FROM: Host Community Agreement Advisory Group

SUBJECT: **Host Community Agreement Recommendation for MedMen, proposing a marijuana retailer at 232 Boylston Street**

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### **EXECUTIVE SUMMARY**

MME Newton Retail, LLC (d/b/a MedMen), is proposing to become a recreational marijuana retailer at 232 Boylston Street (Route 9) in Chestnut Hill. Members of the management team met with the Host Community Agreement (HCA) Advisory Group on May 2, 2019.

MedMen has a management team with experience in regulatory compliance, retail, quality assurance, and cultivation. The proposed site is located within a commercial strip, outside of a village center, and has sufficient parking nearby. The applicant has presented well thought out plans for operations, security, traffic and parking assessment, and social equity. The applicant has appropriate public health, community relations, and sustainability philosophies and the company will provide economic value to the city. For these reasons, and those



**232 Boylston Street**

described in more detail below, the HCA Advisory Group recommends moving forward with a provisional Host Community Agreement for MedMen's marijuana retailer at 232 Boylston St. and moving the applicant forward to the City Council's and state's rigorous review processes.

CRITERIA FOR CONSIDERATION:

- I. Security – *Whether there is a sufficient commitment to public safety and a sufficient plan for controlling access to areas with marijuana and preventing sales to underage populations, and other similar factors.*

MedMen will provide security both inside and outside of the facility to ensure the safety of customers and employees and to prevent crime and diversion. Security will be provided through technology, cameras, on-site security personnel, and remote monitoring. MedMen will have two designated site security officers on-site during all hours of operation as well as a 24/7 remote Global Security Operations Center, which is staffed by security professionals and monitors on-site cameras, opening and closing procedures, incident reporting, and deliveries. All personnel will be trained extensively by MedMen. The perimeter security design has accounted for lighting, security camera views/angles, physical barriers, contracted security guard deployment, electronic access control points, emergency egress, and intrusion detection. Safes and secure rooms will protect currency and merchandise from burglary and fire.

MedMen has taken steps to prevent diversion and nuisance and has a comprehensive waste disposal policy for systematically collecting and properly destroying all marijuana and materials that contain marijuana.

Rob Esparza is listed as the head of Security. Mr. Esparza has served in security and law enforcement for over 17 years, including with the Los Angeles Police Department (LAPD), Fox Broadcasting Company, and Andrews International Airforce Base. His corporate security experience includes investigations, physical security, and risk and threat assessments for Apple Inc., Sony Pictures Entertainment, and 21<sup>st</sup> Century Fox. Mr. Esparza is also an advisor on the board of the Nevada Impaired Driving Prevention Task Force.

The proposed security plan appears well thought out to both protect customers and employees and prevent diversion, while helping MedMen be a good neighbor.

The Advisory Group recommends that if the applicant moves forward, they continue to work closely with the Newton Police Department, and they provide the police with direct access to their security cameras.

- II. Public Health – *Whether there is a commitment to help monitor and mitigate health impacts to the neighborhood and to Newton's youth and adult populations, assistance with local substance abuse prevention programming, and other similar factors.*

MedMen has stated they are committed to working with the Newton Health and Human Services Department to monitor and mitigate health impacts to the City including, but not limited to: ensuring that labeling of all marijuana products complies with state and local requirements; assisting with and providing resources for substance abuse education and

prevention programming; and providing supplemental information to company-produced materials for customers regarding safe consumption, transportation and storage of marijuana products. MedMen also has a detailed description of their childproofing efforts and warning labels on product packaging available in their application.

III. Community Relations – *What are the plans for community outreach and addressing community concerns, experience with the Newton community, and other similar factors.*

MedMen’s application demonstrates a history of direct community investment, significant employment of residents, and a “meaningful social equity pipeline” for marginalized communities as part of its demonstrated commitment to fostering positive community relations at its other locations. In addition to the state-mandated community meeting, the applicant will provide a 24/7 contact number so any issues can be reported and resolved, will commit to join local business, civic and neighborhood safety associations, and will provide sponsorship of community events. MedMen has started to engage the surrounding business owners and tenants and has committed to continuing to do so.

MedMen also has a national volunteer program where all employees volunteer quarterly with local organizations. Don Williams, Regional Director of Government Affairs, will serve as the community point of contact until a local employee can be hired as the community liaison. Mr. Williams develops MedMen’s public relations and government affairs strategies for the Midwest region.

The Advisory Group recommends that the applicant continue to pursue community outreach efforts above and beyond the required community meeting, and that they continue to engage surrounding business and residential neighbors.

IV. Experience – *What are the professional experiences and qualifications of the management team and other similar factors.*

MedMen operates in 12 states with 21 retail operations and over 1,200 employees, including a corporate staff of 400. The company has a 32-person in-house legal, compliance and licensing team with backgrounds in marijuana as well as traditionally regulated industries such as finance, consumer packaged goods and pharmaceuticals. MedMen’s application states that to date no facility has incurred any material compliance violation. MedMen is publicly traded on the Canadian Securities Exchange. All new employees would undergo a 10-day training program.

Adam Bierman, Chief Executive Office and Owner of MedMen, has been a cannabis industry veteran since 2010, when he and Mr. Modlin founded MedMen as a medical dispensary. Andrew Modlin, President and co-owner of MedMen, is a visual artist by training and oversees all operational aspects of MedMen.

Michael Kramer is the Chief Financial Officer and has over 30 years of retail finance and accounting experience including operational and financial roles as CFO of Apple Retail,

Forever 21, and Abercrombie & Fitch, and as COO of J.C. Penney. David Chiovetti is the Senior Vice President of Retail Operations and was a senior executive at Lucky Brand Jeans, True Religion Jeans, and Guess.

Morgan Sokol is the Senior Vice President of Government Affairs and manages MedMen's outreach and relationships with government entities, trade organizations and communities. Previously Ms. Sokol worked for the Los Angeles Family Housing Corporation, the Los Angeles Unified School District, the Los Angeles County Commission on Human Relations, Teach for America and the ACLU. Don Williams, Regional Director of Government Affairs, has previously worked as the Director of Global Government and Public Affairs for McDonald's Corporation and as National Training Manager for the U.S. Training, Learning, and Development. Additional members of the management team include Clarence Foster, Senior VP of Human Resources and Eduard Linetskiy, VP of Compliance. Mr. Foster has 25 years of experience including senior leadership roles at Nissan, Yamaha, L'Oreal, and ExxonMobil. Mr. Linetskiy oversees all compliance functions and has entered into 16 different local jurisdictions during his time at MedMen. Prior to MedMen, Mr. Linetskiy was the compliance director for a global investment bank and also worked at MetLife and the New York Stock Exchange.

V. Sustainability – *What are the proposed sustainable and renewable energy practices, and other similar factors.*

The Applicant is committed to creating a retail space that is energy efficient, with a decreased carbon footprint and LEED Silver certification. MedMen's interior design relies heavily on natural materials, LED lights, and low-flow toilets. MedMen is dedicated to working with local recycling services and using natural, non-toxic cleaning products to help protect the health of the company's employees, customers, and environment in perpetuity. Boylston Street is proximate to MBTA bus lines and the Green Line alike, allowing for the possibility of low-impact transportation practices.

MedMen's commitment to LEED Silver certification is a strong commitment to sustainability, and the Advisory Group recommends that MedMen continue to explore ways to improve sustainability in employee and customer transportation practices.

VI. Equity – *What are the qualifications of the Applicant under state Economic Empowerment and/or Social Equity programs.*

While not themselves an Economic Empowerment or Social Equity applicant, MedMen has partnered with Green Soul Organics, LLC, a certified priority Economic Empowerment applicant with the Massachusetts Cannabis Control Commission, on all of its proposed dispensaries in the Greater Boston area. As part of this partnership, MedMen has committed to donating 0.5% of its Boston-area revenue to the GSO Foundation with an upfront advance of \$1 million to jumpstart the foundation, in addition to working with the foundation on an ongoing basis to gather additional local support. MedMen will also be partnering with GSO on implementing a written curriculum for social equity applicants to learn how to best prepare for and win merit-based competitive licenses. MedMen has

also created policies and initiatives to encourage diversity and to positively impact communities that have been disproportionately impacted by federal and state drug policies. MedMen’s policies include commitment to employing a workforce consisting of at least 30% “diversity employees,” with a best practice goal of 50%. MedMen has stated that currently 58% of employees are minorities and 29% of leadership positions are held by women. MedMen has also committed to creating and using a list of local, diverse suppliers and ancillary services and has sponsored job fairs and CORI Sealing clinics.

- VII. Economic Value – *What is the amount of additional economic value the business would bring to Newton, e.g., new jobs, additional local tax revenue, increased property value, commitment to diverse and local hiring, commitment to use of local businesses for construction, supplies, product, and other business needs, openness to long-term community impact fees, and other similar factors.*

MedMen is committed to local and diverse hiring practices that provide opportunities and access to women, veterans, the LGBTQ+ community, and those who are disproportionately impacted by the war on drugs. Additionally, MedMen will bring up to 30 salaried jobs to Newton, which it intends to source locally to the extent permitted by law, including for construction, contracting, vending, and service provider positions (in addition to daily operational positions). MedMen employees are also granted stock options in MedMen’s publicly traded company and health benefits. MedMen employees are unionized in California and New York and the applicant stated they intend to pursue unionizing locally. MedMen has indicated they will provide 3% of gross revenue to the City as a community impact fee, in addition to the 3% local sales tax option.

- VIII. Context – *Whether the proposed facility is not clearly inappropriate in terms of location, operations as well as transportation, traffic and parking, with those final decisions reserved for the City Council during the Special Permit process.*

The proposed site, at 232 Boylston Street (Route 9), is located in the village of Chestnut Hill, near the Brookline town line. The abutting properties are largely retail and office uses, including shopping areas at 200-220 Boylston St. (Chestnut Hill Square) and, across Boylston Street, the Shops at Chestnut Hill and the Street. The proposed site is immediate adjacent to Capital Grille and Chestnut Hill Square and is primarily surrounded by destination retail. There are also some nearby residential properties to the south, west, and north. The property is located in the Business 2 (BU4) zone. The site is not within the 500-foot buffer zone for any schools or childcare uses and exceeds the half-mile buffer from any existing or approved marijuana retailers or registered marijuana dispensaries.

The subject property consists of an approximately 15,000 square foot lot consisting of a free-standing, retail building as well as a paved surface used for deliveries and parking. The site is currently home to Shreve, Crump, & Low, a jewelry store, as well as a dentist, both of which would relocate. MedMen is proposing to remove the second floor inside of the building to create one double-height retail space. The basement will be used for

receiving, storage and back of house functions. Few alterations are proposed for the exterior of the building. The total floor area, including the basement, would be about 4,000 square feet.

The entrance to the building is at the rear of the building, adjacent to the parking lot. MedMen has proposed creating an accessible lift to access the main door. The site has 12 dedicated parking stalls and the Applicant has proposed some re-stripping of the stalls and relocating the accessible stalls closer to the entrance. MedMen would subsidize transit passes and require employees to park off-site. MedMen has proposed providing a shuttle to take employees to and from offsite parking/transit and has also expressed an interest in contributing to a shuttle system that would serve the surrounding businesses and residences. The proposed site already has adequate landscaping and lighting.

#### RECOMMENDATION:

The proposed marijuana retailer brings a depth and breadth of experience in the marijuana and retail industries. MedMen also has the resources to provide in house training and 24/7 security monitoring. The applicant appears committed to maintaining positive relationships with the community and neighboring businesses and residents. MedMen has also agreed to facilitate a community meeting, provide 24/7 contact information in order to immediately address any potential issues, and work with the Newton Police Department to implement its security plan. MedMen has also demonstrated commitments to equity through diversity in hiring and investing in communities of disproportionate impact. The site location also works for the proposed business in that it is along a major corridor and relatively isolated from residential neighborhoods.

While MedMen has presented an experienced team, the Advisory Group is aware of recent accusations regarding business practices and treatment of employees contained in a lawsuit brought by the former Chief Financial Officer. The Advisory Group has deep concerns with the accusations; however, the Cannabis Control Commission, rather than the City, is uniquely positioned to investigate the validity of such claims as part of its licensing process. The Cannabis Control Commission must determine suitability of an applicant as part of its licensing process and has the resources to do an in-depth investigation of all aspects of a business, including forensic financial studies. The Cannabis Control Commission explicitly reviews and considers information on criminal, civil and administrative matters. MedMen received a provisional HCA from the City of Boston in February 2019 and is already in the queue for review for licensing at the Cannabis Control Commission. MedMen has satisfied all the criteria Newton's Advisory Group considers in making a recommendation regarding Host Community Agreements. For these reasons, the Advisory Group recommends the issuance of a provisional HCA, while we simultaneously relay our concerns to the Commission. We will stay in close contact as they conduct their licensing review. If these claims are confirmed by the Cannabis Control Commission, the Advisory Group recommends the Mayor rescind the provisional HCA at

that time. MedMen must also be granted a Special Permit by the City Council for the proposed marijuana retailer. The current term for this City Council ends in December 2019 and all new major projects must be filed in early September in order to have a hearing this term. As this proposal would be considered a major project, the earliest MedMen would have a public hearing for the Special Permit request would be in January 2020.

Based on this preliminary analysis, the HCA Advisory Group recommends moving forward with a provisional host community agreement for MedMen. As part of the Special Permit process, the City Council may wish to consider these topics in more depth; in particular, the applicant and the City Council may want to see more detail for parking and transportation plans.