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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 Bloominus, Inc., proposing a marijuana retailer at 1136 Beacon Street**

EXECUTIVE SUMMARY

Bloominus, Inc. (henceforth "Bloominus") is proposing to become a co-located registered medical marijuana dispensary (RMD) and recreational marijuana retailer at 1136 Beacon Street, in Newton Four Corners. Members of the management team met with the Host Community Agreement (HCA) Advisory Group on May 30, 2019.

The applicant includes a minority-led management team experienced in small business development, retail, technology, security, and the marijuana industry. The site presents transportation and safety challenges for the high turnover nature of the use. The site currently has dedicated parking, but it is shared with several of the abutting retail and restaurant uses. The applicant failed to provide detailed plans for site improvements, transportation management, community relations, sustainability and equity. For these reasons, and those discussed in more detail below, the HCA Advisory Group does not recommend moving forward with a Host Community Agreement for Bloominus Inc.'s RMD/marijuana retailer at 1136 Beacon Street.



1136 Beacon Street

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.*

Bloominus proposes a perimeter alarm on all building entry and exit points and perimeter windows. Any failure in the surveillance system will be immediately reported to a designated employee. The facility will also contain a duress alarm and the ability to remain operational during a power outage. Bloominus will provide the Newton Police Department with direct access to security cameras. Video cameras shall be installed in all locations containing marijuana, at all points of entry and exit (including windows), and in any parking lot for which there is sufficient lighting for such recording. The cameras shall be positioned to allow for the clear identification of anyone attempting to enter the establishment. All video cameras will be available for immediate viewing by the CCC upon request, and will be retained for 90 calendar days, or as is needed to secure crucial details in an ongoing criminal investigation. Video cameras will also monitor marijuana storage areas, including safes and vaults, and will allow for the exporting of still images and the authentication of said images. Other features of Bloominus' security system include a back-up alarm system, the ability to immediately produce a clear, color still photo of a recorded encounter, and protections against theft of the security and recording equipment.

The perimeter of the facility and the parking area will be sufficiently lit to improve the quality of video recorded content and to minimize the possibility of diversion. Deliveries will be made through a secure receiving area and there will be procedures in place to identify any discrepancies in weight or inventory of product delivered. All staff will be trained in anti-diversion measures.

Bruce Dean is identified as head of Security. Mr. Dean does not have any direct experience in providing security or services for marijuana purposes. He does, however, have experience in security and compliance relating to facility design, standard operating procedures, training, and human resources management. Bruce has experience in formulating training, safety, investigative and securitization of state-of-the-art management protocols and implementation of standard operating procedures to that end.

The security plan presented appears sufficient to protect the safety of customers and

employees and to prevent crime and diversion. Bloominus has not specified the number of security officers who will be onsite during store hours, and has also not identified staff to patrol the parking area.

- 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.*

Bloominus has announced plans to provide assistance with local substance abuse prevention programming, including Newton PATH, the local opioid crisis mitigation working group in the city. Bloominus has not identified any specific community engagement initiatives targeted at improving public health outcomes in Newton.

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

Bloominus will hold the state-mandated community outreach meeting and has indicated they are open to working with the Newton community to address any concerns they may have with the marijuana retail establishment. However, they have not identified anyone with community relations experience as part of the management team and the application contains few details on their community outreach plans.

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

The Bloominus management team has experience in the marijuana retail industry, as well as experience with technology, security, cultivation, and starting small businesses. Bloominus’ managerial team includes leaders in the commercialization of marijuana on a national scale, namely Mr. Barnette.

Chief Operating Officer Corey Barnette is the founder and CEO of District Growers, LLC, a licensed full-service grower and producer of cannabis, cannabis concentrates, and cannabis-infused products. Mr. Barnette is also the owner of Metropolitan Wellness Center, a licensed full-service dispensary in Washington, D.C. Mr. Barnette has overseen design and build cannabis projects throughout the country, varying in size from 10,000-135,000 square feet. He has overseen recruiting, human resources, training, and ongoing supervision of operations.

Mark DeAngelis, Chief Executive Officer at Bloominus, was President and CEO of Data Associates (which merged with Smart Source) in Waltham for over 25 years, where he was responsible for operations, sales, and business development. He currently serves as Senior Vice President for New Business Development for Smart Source, LLC.

Joe St. Martin, the Chief Financial Officer, has served as COO and CFO of two of the largest independently-owned print and promotional product distributors in the United States, InfoGraphix and Data Associates, Inc., both located in metropolitan Boston. Mr. St. Martin currently serves as a senior advisor for Turner Brothers LLC, a concrete-construction contractor, and also is a Massachusetts-licensed Certified Public Accountant.

The management team also includes G. Malik Burnett, a physician in preventative medicine at Johns Hopkins School of Public Health, Cat Stramer, Design & Brand Manager, and Bruce Dean, Chief Security Officer. The Bloominus management team includes minority partners with marijuana and retail experience as well as a strong entrepreneurial and technology background. However, the Bloominus team lacks experience in community relations.

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

Bloominus has designed its own proprietary growing system designed to eliminate the use of soil or an aggregate medium. This makes the cultivation of Bloominus' products a zero-waste system that is replenished only after evaporation and cleaning. Bloominus also intends on exploring energy efficiency and natural lighting opportunities in its establishment on Beacon Street, including renewable energy generation and electricity demand management.

The applicant fails to mention transportation concerns in its sustainability narrative, despite the proximity of both MBTA train and bus lines to the site that would make it eligible for targeting of transportation demand management programs.

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

Bloominus does not qualify for the state Economic Empowerment or Social Equity programs. Their equity statement is brief, vague, and lacking on details. They claim to be a “diverse organization at every level,” and the management team does include minority

members, yet they have put forth little information about how they would intentionally pursue diversity in hiring and how they would positively impact communities and areas of disproportionate impact.

- 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.*

The proposed store would employ 17-20 employees. Bloominus would contribute 3% of gross revenues to the City in sales taxes, in addition to a community impact fee of an additional 3%. Bloominus has not indicated a projected tax revenue estimate to be paid to the City in the coming years, nor has it committed to prioritizing local contractors, service workers, and other employees to the full extent permissible by law. It has made a statement encouraging minorities, women, and other historically disenfranchised groups to seek employment at its establishment.

- 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 is located at 1136 Beacon Street, in the Four Corners area. The site is located more than a half mile from the nearest marijuana use, an approved Registered Medical Marijuana Dispensary (RMD) and marijuana retailer at 24-26 Elliot Street. The site is also more than 500 feet from any public or private k-12 school.

The 9,500 square foot parcel is in the Business 2 (BU2) zone in a commercial strip along the south side of Beacon Street and is also accessible via Beaconwood Road to the east. The abutting properties along Beacon Street are largely commercial and retail buildings, although there are at least 16 private residences located within 300 feet of the proposed RMD. Most of said residences are located to the south of the property on Beaconwood Road and connecting side streets. There are also some residential properties on the north side of Beacon Street opposite the proposed site.

The existing building is a stand-alone one-story, approximately 3,300 square-foot, building, constructed circa 1950. The building contains two retail spaces and the proposed space was most recently occupied by Edible Arrangements. Within the building, 1,600

square feet would be dedicated to the marijuana use, and the remaining space would be dedicated to Ravioli's, the pizza restaurant located at 1134 Beacon Street. The building has front and rear doors and customers would be required to enter through the front door. It is unclear where deliveries would occur or how they would access the building. The applicant would need an easement from the adjacent building for the proposed additional parking and maneuverability to be practicable on the site.

The proposed parking area is accessed via both Beacon Street and Beaconwood Road. The proposed plan shows three parking stalls in the front of the building and twelve stalls in the rear. The stalls would all be shared with the adjacent restaurant and two of the spaces are within an easement. The front parking area, adjacent to Beacon Street, is connected to the parking for the adjacent commercial strip. There is a loading area at the rear of the site shown on the plans, however it is unclear where the trash for both the marijuana retailer and the restaurant will be located. Information regarding the typical parking demands of the adjacent restaurant were not included. Substantial striping for pedestrians and parking for cyclists are both currently unavailable on the site. Parking would be for customers only and employees would be required to park offsite or take public transportation. The applicant stated they would be open to exploring off-site parking or running a van to the Newton Highlands MBTA station. No landscaping is shown on the plans and it is unclear if the trees and landscaping at the rear of the site between the parking facility and adjacent residence would be removed to facilitate the parking. The parking facility is easily visible from the street and from the building, but the site is constrained and lacks adequate space to provide safe, secure loading and trash areas. It is unclear if the proposed parking would be adequate given the lack of information regarding the current parking demands and utilization. The site is also connected both at the front and rear to parking for the adjacent commercial strip which has several high intensity, high turnover uses. The site is proximate to both MBTA bus lines and train lines. The applicant did not present details for where employees might park or transportation demand management measures that may be utilized to discourage driving.

RECOMMENDATION:

Bloominus presented a commitment to diversity at the management level and includes a COO with experience in the marijuana industry. However, they did not present sufficient detail to show how they will meet the established criteria. The team lacks experience in community relations and has not presented a plan for engaging the community or for committing to diversity in hiring or for how they will positively impact communities and

areas of disproportionate impact. The proposed site presents transportation and circulation challenges as the parking area is shared and lacks adequate space for secure loading and trash. The parking is shared with an adjacent restaurant and it is unclear if the number of stalls is adequate. The parking at both the front and rear of the building is also connected to the adjacent commercial uses which include uses with high parking demands.

The Advisory Group has significant concerns regarding the lack of proposed details, lack of commitment to community relations, sustainability, and equity and the adequacy and security of the parking facilities and the buffers from adjacent residential uses. Therefore, the HCA Advisory Group does not recommend moving forward with a host community agreement for Bloominus at 1136 Beacon Street.