



CAMBRIDGE CITY COUNCIL

Quinton Zondervan Sumbul Siddiqui
City Councillor *City Councillor*

To: Paula Crane, Interim City Clerk

From: Quinton Y. Zondervan and Sumbul Siddiqui, City Councillors

Date: June 20, 2019

Subject: Memorandum Submission

Please place the attached memorandum, “Establishing the Equitable Regulation of the Cannabis Industry in the City of Cambridge” on the City Council agenda as “Communications and reports from Other City Officials” for the June 24, 2019 meeting.

Thank you.



CAMBRIDGE CITY COUNCIL

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City Councillor

Sumbul Siddiqui
City Councillor

MEMORANDUM

To: Cambridge City Council

From: Quinton Y. Zondervan and Sumbul Siddiqui, *City Councillors*

Date: June 20, 2019

Subject: Establishing the Equitable Regulation of the Cannabis Industry in the City of Cambridge

Establishing the Equitable Regulation of the Cannabis Industry in the City of Cambridge

Since the last Ordinance Committee meeting (May 9, 2019), held to discuss the proposed Cannabis Business Permitting ordinance, Councillors Zondervan and Siddiqui have individually met with the City Solicitor's office to discuss additional proposed amendments. As new draft language for the ordinance has not been made available to us thus far, we are describing these amendments conceptually for discussion and consideration at the upcoming Ordinance Committee meeting (June 27, 2019) in this memo, in the hope that the Committee can provide guidance to the City Solicitor's office so that the ordinance language can be finalized subsequent to that meeting, and can be presented to the full Council in time for final deliberation and adoption of the ordinance at the summer meeting (July 29, 2019).

Proposed Amendments to the Ordinance:

Chapter 5.50 Cannabis Business Permitting

020.a Group A Priority Applicant definition:

Add a Cambridge residency requirement to Social Equity applicants as follows:

A person, corporation, or other legal entity applying for a Cannabis Business permit pursuant to this Chapter to operate in the City who is:



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1) A Social Equity Applicant certified by the Commonwealth of Massachusetts Cannabis Control Commission (CCC), and has been a Cambridge resident for at least 2 years; or

2) a Women or Minority Owned business as certified by the Commonwealth; or

3) a Cambridge resident earning less than 50% AML in the tax year prior to application-- to be known as Group A Priority Applicants.

...

040. Permitting Preferences for Priority Applicants:

a. The City shall issue a Cannabis Business permit pursuant to this Chapter only to Priority Applicants.

b. For the first 2 years from the effective date provided in Section 10 below, the City shall issue a Cannabis Business permit to operate a Cannabis Retail Store pursuant to this Chapter only to Priority Applicants who are an Economic Empowerment Applicant.

050. Permitting Requirements:

a. In order to obtain a Cannabis Business permit pursuant to this Chapter, an applicant must certify that:

ADD the following criteria:

It will certify it is a business in good standing with no outstanding federal, state or local investigations or judgments pending against it.

If operating a Cannabis Retail Store, it will certify it will sell its products at the appropriate discount to holders of a Massachusetts Medical Marijuana Card for any qualifying Cannabis products sold in its store.

It will comply with disclosure requirements similar to Boston (attached to memorandum) including beneficial and controlling ownership, loan agreements and shelf space agreements.

Proposed Regulations:



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Based on the information disclosed in the application, the City Manager will not issue a license to an applicant if any third party has more than 50% stake (controlling interest) in the applying Cannabis Retail establishment and also has a controlling interest in any other licensed Cannabis Retail establishment in Cambridge.

The City Manager may impose other restrictions on third party control over shelf space, loans and other financial interests in Cannabis Retail establishments in Cambridge so as to ensure fairness, and to limit the amount of control any one party has over the licensed Cannabis Retail establishments in Cambridge.

Other Proposed Provisions:

Cannabis License Registry

The Community Development Department shall publish online a registry that lists all currently licensed cannabis establishments, the type(s) of licenses held by each establishment, the owner(s) name(s), and the physical address(es) of operation. The registry shall be accompanied by a map, showing the locations of all licensed establishments.

CITY OF BOSTON MARIJUANA ESTABLISHMENT

BENEFICIAL INTEREST CONTACT - Individual

Please complete a Beneficial Interest - Individual sheet for all individual(s) who have a direct or indirect beneficial interest, with or without ownership, in this license. This includes people with a financial interest and people without financial interest (i.e. board of directors for not-for-profit clubs).

An individual with direct beneficial interest is defined as someone who has interest directly in the proposed licensee. For example, if ABC Inc is the proposed licensee, all individuals with interest in ABC Inc are considered to have direct beneficial interest in ABC Inc (the proposed licensee).

An individual with indirect beneficial interest is defined as someone who has ownership in a parent level company of the proposed licensee. For example, if ABC Inc is the proposed licensee and is 100% owned by XYZ Inc, all individuals with interest in XYZ Inc are considered to have an indirect beneficial interest in ABC Inc (the proposed licensee).

Salutation	<input type="text"/>	First Name	<input type="text"/>	Middle Name	<input type="text"/>	Last Name	<input type="text"/>	Suffix	<input type="text"/>
Title:	<input type="text"/>	Social Security Number	<input type="text"/>	Date of Birth	<input type="text"/>				
Primary Phone:	<input type="text"/>	Email:	<input type="text"/>						
Mobile Phone:	<input type="text"/>	Fax Number	<input type="text"/>						
Alternative Phone:	<input type="text"/>								

Business Address

Street Number:	<input type="text"/>	Street Name:	<input type="text"/>		
City/Town:	<input type="text"/>		State:	<input type="text"/>	
Zip Code:	<input type="text"/>	Country:	<input type="text"/>		

Mailing Address

Check here if your Mailing Address is the same as your Business Address

Street Number:	<input type="text"/>	Street Name:	<input type="text"/>		
City/Town:	<input type="text"/>		State:	<input type="text"/>	
Zip Code:	<input type="text"/>	Country:	<input type="text"/>		

Types of Interest (select all that apply)

- | | | | | |
|--------------------------------------|---|--|--------------------------------------|--------------------------------|
| <input type="checkbox"/> Contractual | <input type="checkbox"/> Director | <input type="checkbox"/> Landlord | <input type="checkbox"/> LLC Manager | |
| <input type="checkbox"/> LLC Member | <input type="checkbox"/> Management Agreement | <input type="checkbox"/> Officer | | |
| <input type="checkbox"/> Partner | <input type="checkbox"/> Revenue Sharing | <input type="checkbox"/> Sole Proprietor | <input type="checkbox"/> Stockholder | <input type="checkbox"/> Other |

Citizenship / Residency Information

Are you a U.S. Citizen? Yes No Are you a Massachusetts Resident? Yes No

Criminal History

Have you ever been convicted of a state, federal, or military crime? Yes No **If yes, please provide an affidavit explaining the charges.**

CITY OF BOSTON MARIJUANA ESTABLISHMENT

BENEFICIAL INTEREST CONTACT - Individual (continued)

Ownership / Interest

Using the definition above, do you hold a direct Direct Indirect or indirect interest in the proposed licensee?

If you hold a direct beneficial interest in the proposed licensee, please list the % of interest you hold.

If you hold an indirect beneficial interest in this license, please complete the [Ownership / Interest Table](#) below.

Ownership / Interest

If you hold an indirect interest in the proposed licensee, please list the organization(s) you hold a direct interest in which, in turn, hold a direct or indirect interest in the proposed licensee. These generally include parent companies, holding companies, trusts, etc. A Beneficial Interest - Organization Form will need to be completed for each entity listed below.

Name of Beneficial Interest - Organization	FEIN

Other Beneficial Interest

List any indirect or indirect beneficial or financial interest you have in any other City of Boston marijuana establishment.

Name of License	Type of License	Premises Address

Familial Beneficial Interest

Does any member of your immediate family have ownership interest in any other City of Boston marijuana establishment? Immediate family includes parents, siblings, spouse and spouse's parents. Please list below.

Relationship to You	Premise Address	Type of Interest (choose primary function)	Percentage of Interest

Prior Disciplinary Action

Have you ever been involved directly or indirectly in a marijuana license that was subject to disciplinary action? If yes, please complete the following:

Date of Action	Name of License	State	City	Reason for suspension, revocation or cancellation

CITY OF BOSTON MARIJUANA ESTABLISHMENT APPLICATION

BENEFICIAL INTEREST - Organization

Please complete a Beneficial Interest - Organization sheet for all organization(s) who have a direct or indirect beneficial interest, with or without ownership, in this license.

Example:

ABC Inc. is applying for a marijuana license. ABC Inc. is 100% owned by XYZ Inc., which is 100% owned by 123 Inc. XYZ Inc. is considered to have a direct beneficial interest in the proposed licensee (ABC Inc.) and 123 Inc. is considered to have indirect beneficial interest in the proposed licensee (ABC Inc.). Both XYZ Inc. and 123 Inc. should complete a Beneficial Interest - Organization Form.

Entity Name:	<input type="text"/>	FEIN:	<input type="text"/>
Primary Phone:	<input type="text"/>	Fax Number:	<input type="text"/>
Alternative Phone:	<input type="text"/>	Email:	<input type="text"/>

Business Address

Street Number:	<input type="text"/>	Street Name:	<input type="text"/>
City/Town:	<input type="text"/>	State:	<input type="text"/>
Zip Code:	<input type="text"/>	Country:	<input type="text"/>

Mailing Address

Check here if your Mailing Address is the same as your Business Address

Street Number:	<input type="text"/>	Street Name:	<input type="text"/>
City/Town:	<input type="text"/>	State:	<input type="text"/>
Zip Code:	<input type="text"/>	Country:	<input type="text"/>

Publicly Traded

Is this organization publicly traded? Yes No

Ownership / Interest

Using the definition above, does this organization hold a direct or indirect interest in the proposed licensee? Direct Indirect

If this organization holds a direct beneficial interest in the proposed licensee, please list the % of interest it holds.

If you hold an indirect beneficial interest in this license, please complete the [Ownership / Interest Table](#) on the next page.

CITY OF BOSTON MARIJUANA ESTABLISHMENT APPLICATION

Ownership / Interest

If this organization holds an indirect interest in the proposed licensee, please list the organization(s) it holds a direct interest in which, in turn, hold a direct or indirect interest in the proposed licensee. These generally include parent companies, holding companies, trusts, etc. A Beneficial Interest - Organization Form will need to be completed for each entity listed below.

Name of Beneficial Interest - Organization	FEIN

Other Beneficial Interest

List any indirect or indirect beneficial or financial interest this entity has in any other City of Boston marijuana establishment(s).

Name of License	Type of License	Premises Address

Prior Disciplinary Action

Has this entity ever been involved directly or indirectly in a marijuana license that was subject to disciplinary action?
If yes, please complete the following:

Date of Action	Name of License	State	City	Reason for suspension, revocation or cancellation