

MEMORANDUM

TO: Cannabis Regulatory Commission Board

FROM: Jeff Brown, Executive Director

SUBJECT: 2019 RFA Awardee Change of Location Requests

DATE: JULY 28, 2022

BACKGROUND: Following the 2019 Request for Applications ("RFA") process, six awardees (1 Vertically Integrated Awardee, 2 Cultivation Awardees, and 3 Dispensary Awardees) had requested approval to amend their award and change their location. The awardees provided a variety of reasons for requesting the change, including no longer having municipal approval. On May 24, 2022, the Board of Commissioners approved all six changes of location.

On May 17, 2022, an amendment application was received from Circe Therapeutics, LLC, a 2019 dispensary awardee. Circe submitted its application with a sited location in Pennsauken, New Jersey. They are proposing a new location in Collingswood, New Jersey for the reasons stated below.

On June 30, 2022, an amendment application was received from Community Wellness Center of NJ, LLC, a 2019 dispensary awardee. Community Wellness submitted its application with a sited location in Jersey City, New Jersey. They are proposing a new location in Jersey City for the reasons stated below.

On June 30, 2022, an amendment application was received Honey Grove South, Corp., a 2019 dispensary awardee. Honey Grove submitted its application with a sited location in Sicklerville, New Jersey. They are proposing a new location in Gloucester Township, New Jersey for the reasons stated below.

AUTHORITY: As Alternative Treatment Centers, these awardees are subject to the medicinal marijuana regulations set forth in N.J.A.C. 17:30A. To establish a consistent process for awardees to request changes to their applications, they have been informed that they must follow N.J.A.C. 17:30A-7.8 which is the designated subchapter for "Amendments to alternative treatment center permits".

- (a) An ATC shall submit to the Commission an application for an amended permit, together with fees, if applicable, pursuant to N.J.A.C. 17:30A–7.10, prior to any:
 - 1. Change of the alternative treatment center's location;



- 2. Change of the alternative treatment center's ownership;
- 3. Change of the alternative treatment center's name;
- 4. Change in the alternative treatment center's capacity; or
- 5. Modification of or addition to the alternative treatment center's physical plant.
- (b) The alternative treatment center shall submit the application to the permitting authority no later than 30 business days prior to the change.

Additionally, ATCs have been provided this additional guidance for submitting their request for amendments, specifically for (a)(1) "change of alternative treatment center's location":

Alternative Treatment Centers must comply with the regulatory process for amending an ATC permit set forth at N.J.A.C. 17:30A-7.8 and must submit the requisite fees set forth at N.J.A.C. 17:30A-7.10. In lieu of a formal application for an amended permit, the NJ-CRC will accept a written request outlining the reasons for the location change, submitted on the ATC's letterhead. In addition, the NJ-CRC requires either a letter of support from the municipality in which the ATC will be sited, or a Resolution if formal action has been taken by the governing body, as well as a lease/purchase agreement or letter of intent establishing site control at the new location.

The fee to apply for a change of location for an ATC is \$10,000.00.

Pursuant to the Final Agency Decision's issued following the 2019 RFA process, awardees were required to confirm both site control and local approval within twenty business days of the date of award (October 15, 2021, was the award date for vertically integrated permits, December 7, 2021, was the award date for dispensary permits). All three of the requesting awardees satisfied their obligations pursuant to the 2019 RFA process and became aware after the fact that they would need to pursue approval for a new location. All three of the requesting awardees are aware of the need to (and have submitted approval for) have a location within the same region as where they were provisionally awarded.

REQUESTS:

CIRCE THERAPEUTICS, LLC

Location in Application: Pennsauken Township (Camden County)
Proposed New Location: Collingswood Borough (Camden County)

Operations Proposed: Retail dispensary



Reason for Request:

Following receipt of the 2019 dispensary permit endorsement, Pennsauken amended its zoning limitations and determined to prohibit all cannabis businesses where the initial business was proposed to be sited in the municipality. Circe Therapeutics, LLC then found a property in Voorhees, New Jersey, but found that delays associated with development of the land would adversely impact Circe's timing to become operational at the Voorhees property. They thereafter secured site control and municipal approval for a property in Collingswood, which is located in the Southern region, as required, three miles from the original Pennsauken location, and conveniently located to I-295, Routes 30, 70, and 130 for convenient patient access.

SUBMISSION	Letter w/ Rationale:	Yes
	Municipal Approval:	Yes (Letter of Support)
	Site Control:	Yes (Lease)
	Fee:	Yes

COMMUNITY WELLNESS CENTER OF NJ LLC

Location in Application: Jersey City (Hudson County)
Proposed New Location: Jersey City (Hudson County)

Operations Proposed: Retail dispensary

Reason for Request: The landlord for the original location, for which an LOI had

been executed, has determined to demolish the building, and commence new construction. The proposed new location is only 1.5 miles from the original location and provides greater accessibility due to its location near public

transportation and major commercial corridors.

SUBMISSION	Letter w/ Rationale:	Yes
	Municipal Approval:	Yes (Letter of Support/Zoning OK)
	Site Control:	Yes (Executed Letter of Intent)
	Fee:	Yes



HONEYGROVE SOUTH CORP.

Location in Application: Sicklerville (Camden County)

Proposed New Location: Gloucester Township (Camden County)

Operations Proposed: Retail dispensary

Reason for Request: Sicklerville was no longer supportive of HoneyGrove South

Corp. operating its dispensary location in the municipality. Without local approval, HoneyGrove had to seek

accommodation elsewhere.

SUBMISSION	Letter w/ Rationale:	Yes
	Municipal Approval:	Yes (Letter of Support)
	Site Control:	Yes (Executed Letter of Intent)
	Fee:	Yes

RECOMMENDATION: Staff recommends approval of the three requests to amend Alternative Treatment Center permits. It does not appear that the newly proposed locations will have a detrimental effect on the patient population. It is in the interest of the NJ-CRC to increase the number of medicinal operators across the State, and it can do so in part by approving these requests.



APPENDIX

N.J.A.C. 17:30A-7.8 - Amendments to alternative treatment center permit

- (a) An ATC shall submit to the Commission an application for an amended permit, together with fees, if applicable, pursuant to N.J.A.C. 17:30A-7.10, prior to any:
 - 1. Change of the alternative treatment center's location;
 - **2.** Change of the alternative treatment center's ownership:
 - 3. Change of the alternative treatment center's name;
 - 4. Change in the alternative treatment center's capacity; or
 - **5.** Modification of or addition to the alternative treatment center's physical plant.
- **(b)** The alternative treatment center shall submit the application to the permitting authority no later than 30 business days prior to the change.

N.J.A.C. 17:30A-7.10 – Fees

- (a) The following fees apply:
 - 1. The annual fee for the review of a permit renewal application for an alternative treatment center is \$ 20,000;
 - 2. The fee to apply for a change of location of the alternative treatment center is \$ 10,000;
 - **3.** The fee to apply for a change of capacity or any physical modification or addition to the facility is \$ 2,000; and
 - **4.** The fee to apply for the transfer of ownership of a permit is \$20,000.
- **(b)** Fees shall be paid by certified check, money order, or any other form of payment approved by the Commission, and made payable to the "Treasurer, State of New Jersey."