



## MEMORANDUM

**TO:** Cannabis Regulatory Commission Board

**FROM:** Jeff Brown, Executive Director

**SUBJECT:** Application of Green Thumb Industries (“GTI”) for Permitting of a Satellite Cultivation Site

**DATE:** JULY 18, 2023

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**BACKGROUND:** On January 17, 2023, an initial application was submitted requesting permission by GTI to cultivate at a satellite location. Following considerable back and forth between the New Jersey Cannabis Regulatory Commission (“NJ-CRC”) and GTI, the appropriate documents & approvals were obtained by GTI to begin buildout of its facility in Hackettstown. GTI requests approval to operate cultivation, not to exceed in total 150,000 square feet of bloom space or the square footage of canopy permitted under the largest tier in the tiered system adopted by the Commission, at its new Hackettstown facility, in addition to its currently operating Paterson cultivation facility. *See* N.J.S.A. 24:6I-7(h).

**AUTHORITY:** N.J.S.A. 24:6I-7a.(2)(h) authorizes certain Alternative Treatment Centers (“ATC”), dependent on when their permit was issued and/or when their request was submitted, to cultivate at up to two physical locations, with certain requirements. GTI was initially permitted to Operate an ATC for the purpose of cultivating and processing medicinal marijuana at their Paterson cultivation facility under the NJDOH on December 11, 2019.

The Commission is authorized under that same statute to consider and approve certain ATCs for cultivation operations at a second satellite location.

**COMPLETENESS REVIEW:** Documents provided by GTI in support of this satellite expansion request include: “Lease Agreement for the Hackettstown Facility, multiple Municipal Resolutions, Approval from Hackettstown Land Use Board, Site Plan Approval from Warren County Planning Board, Patient Access Plan, Social Impact Program, Labor Peace Agreement between GTI NJ & the UFCW, Supply Outlook and a Host Municipality Coordination Plan”. GTI also provided all site plans for their proposed facility, which have been reviewed by the NJ-CRC Compliance Officers assigned to this ATC. NJ-CRC Compliance Officers have conducted site inspections at the facility and a final site inspection and report will be completed prior to permit issuance.

Access and login credentials have been provided to the NJ-CRC for remote viewing of all surveillance cameras. Additionally, all doors will be equipped with an active security alarm card



swipe system, and the front entrance of the facility will be monitored by 3<sup>rd</sup> party security personnel. The Hackettstown facility is just under 66,000 square feet which will include eighteen total flower rooms, four vegetation rooms, and two mother rooms. This facility will be opened in two phases. Phase 1 will be approximately 16,226 square feet. Upon completion of Phase 2, total canopy space at the Hackettstown Site will increase to approximately 65,748 square feet. The total canopy space between the two cultivation sites will be 102,278 square feet, well within the 150,000 square feet of canopy space authorized by N.J.S.A. 24:6I-7(a)(2)(h). GTI currently produces approximately 452,000 units of finished products quarterly at its Paterson cultivation facility. Upon completion of Phase 1, GTI anticipates that the Hackettstown Site will produce 251,000 units of finished products quarterly, which will increase by an additional 652,000 units when at full scale, for a total of 903,000 units each quarter.

The following documents have been submitted by GTI and reviewed by the NJ-CRC as part of their overall request:

- Hackettstown Cultivation Facility Site Plans
- Hackettstown Land Development Ordinance Approval Municipal Resolution
- Expansion Justification
- Patient Access Plan
- Lease Agreement for the Hackettstown Facility
- Approval from Hackettstown Land Use Board
- Site Plan Approval from Warren County Planning Board
- Social Impact Program
- Labor Peace Agreement between GTI NJ & the UFCW
- Supply Outlook
- Host Municipality Coordination Plan

As of this writing, all Standard Operating Procedures for the satellite cultivation facility in Hackettstown have been submitted, reviewed, and deemed regulatorily compliant by GTI's Compliance Officer. All buildout documents, security parameters, and layout have also been submitted, reviewed, and deemed regulatorily compliant.

GTI's proposed Hackettstown satellite cultivation facility is equipped with 184 total cameras which are controlled and monitored by Genetec Video Surveillance. The facility houses 116 alarms, which are a combination of door contacts, glass breaks, motion detectors, panic alarms, sirens, and door management alarms, along with 87 access-control doors. The security system is currently operational.

**RECOMMENDATION:** It is the recommendation of NJ-CRC staff to approve GTI's request to operate a second cultivation site at its Hackettstown facility. GTI has provided justification for the need to expand its cultivation capacity based on the benefit of patient need, has submitted a complete application, has established site control and local approval at the Hackettstown location (105 Bilby Road, Hackettstown, New Jersey), and has satisfied the requests of the NJ-CRC Compliance Officers assigned to the ATC.

## **APPENDIX**

**N.J.S.A. 24:6I-7a.(2)(h)**

(h) An alternative treatment center that was issued a permit prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), that was issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application submitted pursuant to a request for applications published in the New Jersey Register prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), or that was issued a permit after the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.) pursuant to an application submitted prior to the effective date of P.L.2019, c.153 (C.24:6I-5.1 et al.), shall be permitted to cultivate from up to two physical locations, provided that the alternative treatment center's combined mature cannabis plant grow canopy between both locations shall not exceed 150,000 square feet of bloom space or the square footage of canopy permitted under the largest tier in the tiered system adopted by the commission pursuant to paragraph (2) of subsection b. of section 21 of P.L. 2021, c.16 (C.24:6I-38).

**N.J. Admin. Code § 17:30A-7.8**

(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. Admin. Code § 17:30A-7.10**

(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.”