



MEMORANDUM

TO: Cannabis Regulatory Commission Board
FROM: Jeff Brown, Executive Director
SUBJECT: Ayr Wellness NJ, LLC ATC Renewal
DATE: [SEPTEMBER 8, 2023](#)

BACKGROUND:

On Monday, January 23, 2023, all Alternative Treatment Centers that were approved for expansion to Adult Use by the New Jersey Cannabis Regulatory Commission (“NJ-CRC”) at the April 11, 2022, meeting and the May 24, 2022, meeting, were provided with a certification letter and directions for submission of their applications for renewal of each of their Adult Use licenses, including Ayr Wellness NJ, LLC. On Friday, February 17, 2023, the NJ-CRC held a call with the New Jersey Cannabis Trade Association to address any outstanding questions regarding the renewal period. On Friday, March 10, 2023, all Alternative Treatment Centers that were approved for expansion to Adult Use by the NJ-CRC at the April 11, 2022, meeting and the May 24, 2022, meeting were informed that the deadline for submission of all renewals was Friday, March 17, 2023. A follow-up e-mail to a final reminder was provided to those same Alternative Treatment Centers on Friday, March 17, 2023. This renewal pertains to the Woodbridge Class 1 Cultivator license. While Ayr Wellness NJ, LLC was approved for expansion of their Woodbridge Cultivation facility at the May 24, 2022, meeting, the facility did not begin operations in the adult use space until October 12, 2022, due to conditions placed on the Resolution accepting the certifications. Therefore, the renewal date for the Woodbridge Cultivation facility is October 11, 2023.

AUTHORITY:

N.J.A.C. 17:30-9.4(m): An expanded ATC issued cannabis business licenses pursuant to N.J.A.C. 17:30-7.1 shall be authorized to use the premises for all activities under the Act and the Jake Honig Compassionate Use Medical Cannabis Act, P.L. 2009, c. 307 (N.J.S.A. 24:6I-1 et seq.), without being required to establish or maintain any physical barriers or separations between operations related to the medical use of cannabis and operations related to personal use of cannabis items...

...3. Not fewer than 90 days prior to the date on which the expanded ATC's cannabis business license is set to expire after its first year of operations, in order to renew its cannabis business license pursuant to N.J.A.C. 17:30-7.16, an expanded ATC shall:



- i. Certify to the Commission as to the continued material accuracy of the expanded ATC's previously approved ATC license application and its compliance with the provisions of the Act regarding its operations concerning cannabis or cannabis items; and
- ii. Submit a new written approval from the municipality in which the expanded ATC is located, approving the continued operations as a cannabis business.

LICENSES UP FOR RENEWAL:

Ayr Wellness, NJ, LLC was approved for the following license at the May 24, 2022, public meeting:

License Approved	Location
Class 1 Cultivator	950 U.S. Highway 1, Woodbridge, New Jersey

COMPLETENESS REVIEW: N.J.A.C. 17:30-9.4(b) establishes the necessary submissions that an ATC must provide to the Commission in order to be considered for renewal of each issued Adult Use license for engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items. The chart below outlines the required documents for submission to the NJ-CRC for ATC expansion license renewal and whether the documents were received by the CRC.

DOCUMENTATION SUBMISSION	RECEIVED (Y/N)
Certification as to the continued material accuracy of the expanded ATC's previously approved ATC license application and its compliance with the provisions of the Act regarding its operations concerning cannabis and cannabis items.	Y
Updated written approval from the municipalities in which the expanded ATC is located, approving the continued operations as a cannabis business.	Y

IN-DEPTH REVIEW:

In the initial certification submission requesting expansion to the Adult Use market, the applicant certified that it would institute the following processes to ensure patient access:

- 1. Designation of patient only parking spaces near the entrance of each dispensary location and ability for patient-only curbside transactions;



2. Implementation of “expeditors” at all dispensary locations to aid in the coordination of traffic flow in and out of the facility;
3. Medical only hours of operation Monday through Saturday 9 am – 10 am and 8 pm – 9 pm, as well as Sunday 11 am – 12 pm and 6 – 7 pm;
4. “Medical only” check-in lines and point-of-sale systems;
5. Enable the LeafLogix seed to sale system to automatically prioritize medical patients in queues for order fulfillment and purchase;
6. Online order prioritization for medical patients;
7. Curbside order prioritization for medical patients

In its renewal application, the applicant has stated that it continues to utilize those procedures, and the Office of Compliance and Investigations can confirm that the applicant has adhered to the standards established in its initial expansion certification. Ayr Wellness NJ, LLC has not received any notices of violation since expanding to adult use. Moreover, no issues have been raised specific to this applicant or in the industry at large regarding sufficient supply.

The renewal application for a **Class 1 Cultivator** license located at 950 U.S. Highway 1, Woodbridge, New Jersey was verified by Staff to have been submitted on or about March 17, 2023. As part of this renewal application, and pursuant to the process imposed by the NJ-CRC, the following documentation was provided:

1. The executed Adult Use Cannabis License Renewal Certification
2. A letter of support from John E. McCormac, Mayor of Woodbridge, outlining the Township’s support of Ayr Wellness, NJ, LLC and the valuable relationship the business has maintained with the Township.
3. A letter executed by Kristin Fitzpatrick, Senior Director for Operational Compliance, certifying that Ayr Wellness, NJ, LLC continues to meet all applicable conditions regarding its expansion to Adult Use.

RECOMMENDATION:

Staff recommends renewal of the Woodbridge Class 5 Retail license for Ayr Wellness, NJ, LLC. The applicant has submitted all the requisite information and documentation to support its application for renewal and has satisfied the requirements of N.J.A.C. 17:30-9.4(m). All submitted documentation has been provided to and reviewed by staff of the Office of Compliance and Investigations as well as the Director.

License	Location	Recommendation
Class 1 Cultivator	950 U.S. Highway 1, Woodbridge, New Jersey	Approve

APPENDIX

N.J. Stat. Ann. § 24:6I-46a.(3)(a)(ii), (iii), and (iv)

(ii) For each alternative treatment center deemed to have licenses pursuant to subsubparagraph (i) of this subparagraph, the commission shall not require the submission of an application for licensure, as the application requirement is deemed satisfied by the alternative treatment center's previously approved permit application that was submitted to the Department of Health or to the commission pursuant to section 7 of P.L.2009, c. 307 (C.24:6I-7), but the alternative treatment center shall not begin to operate as any class of cannabis establishment distributor, or delivery service until the alternative treatment center has submitted a written approval for a proposed cannabis establishment distributor, or delivery service from the municipality in which the proposed establishment distributor, or delivery service is to be located, which approval is based on a determination that the proposed establishment distributor, or delivery service complies with the municipality's restrictions on the number of establishments distributor, or delivery services, as well as the location, manner, and times of operation of establishments or distributors enacted pursuant to section 31 of P.L.2021, c. 16 (C.24:6I-45). The commission shall thereafter only issue the initial license to the alternative treatment center for a cannabis establishment of the appropriate class, or for a cannabis distributor or delivery service, once the commission certifies that it has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients in accordance with subsubparagraph (iii) of this subparagraph. The commission shall begin accepting municipal approvals from alternative treatment centers beginning on the date of adoption of the commission's initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of P.L.2021, c. 16 (C.24:6I-34).

(iii) An alternative treatment center with approval from a municipality pursuant to subsubparagraph (ii) of this subparagraph shall not engage in activities related to the growing, manufacturing, wholesaling, transporting or delivering of cannabis or cannabis items until it has certified to the commission that that it has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, and the commission has accepted the alternative treatment center's certification, which acceptance is conditioned on the commission's review of the alternative treatment center as set forth in subsubparagraph (iv) of this subparagraph. Upon acceptance of the certification, the commission shall issue the initial license to the alternative treatment center for a cannabis establishment of the appropriate class or for a cannabis distributor or delivery service.

Notwithstanding the date determined by the commission pursuant to paragraph (2) of subsection d. of section 6 of P.L.2021, c. 16 (C.24:6I-34) to be the first date on which cannabis retailers issued licenses and conditional licenses begin retail sales of personal use cannabis items, an alternate treatment center, if approved by the commission to operate as a cannabis retailer, may begin to engage in the retail sale of cannabis items on any date after the date that the commission adopts its initial rules and regulations pursuant to subparagraph (a) of paragraph (1) of subsection d. of section 6 of that act (C.24:6I-34), so long as it has certified to the commission that it has sufficient

quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, and the commission has accepted the alternative treatment center's certification, which acceptance is conditioned on the commission's review of the alternative treatment center as set forth in subparagraph (iv) of this subparagraph. Upon acceptance of the certification, the commission shall issue the initial cannabis retailer license to the alternative treatment center for engaging in the retail sale of cannabis items.

(iv) An alternative treatment center issued a license for a cannabis establishment or delivery service shall be authorized to use the same premises for all activities authorized under P.L.2021, c. 16 (C.24:6I-31 et al.) and the “Jake Honig Compassionate Use Medical Cannabis Act,” P.L.2009, c. 307 (C.24:6I-1 et al.), without being required to establish or maintain any physical barriers or separations between operations related to the medical use of cannabis and operations related to personal use of cannabis items, provided that the alternative treatment center shall be required to certify that it has sufficient quantities of medical cannabis and, if applicable, medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, as set forth in subparagraph (ii) or (iii) of this subparagraph, and only if accepted by the commission, which is a condition for licensure as a cannabis establishment of the appropriate class or as a cannabis delivery service.

In determining whether to accept, pursuant to this subparagraph, an alternative treatment center's certification that it has sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients, the commission shall assess patient enrollment, inventory, sales of medical cannabis and medical cannabis products, and any other factors determined by the commission through regulation.

As a condition of licensure following acceptance of a certification, an alternative treatment center shall meet the anticipated treatment needs of registered qualifying patients before meeting the retail requests of cannabis consumers, and the alternative treatment center shall not make operational changes that reduce access to medical cannabis for registered qualifying patients in order to operate a cannabis establishment or delivery service. If an alternative treatment center is found by the commission to not have sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of qualified patients, the commission may issue fines, limit retail or other sales, temporarily suspend the alternative treatment center's cannabis establishment, distributor, or delivery service license, or issue any other penalties determined by the commission through regulation.

17:30–7.1 Expanded alternative treatment centers

(a) Pursuant to N.J.S.A. 24:6I–46.a(e)(a)(ii), the Commission shall not require a full application pursuant to N.J.A.C. 17:30–7.10 from an alternative treatment center in order for the ATC to begin engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable.

(b) Notwithstanding (a) above, an ATC that wishes to engage in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, shall submit to the Commission:

1. A letter of intent notifying the Commission of the licenses sought by the ATC;
2. Municipal approval for each class of license sought by the ATC, which shall include:
 - i. The ordinance(s) adopted by the municipality authorizing the operation of each class of cannabis business license being sought by the ATC, or a statement explaining that there exists no municipal ordinance prohibiting the class of cannabis business license and, thus, all classes are allowed pursuant to N.J.S.A. 24:6I-45;
 - ii. An attestation by the ATC that, as a condition of licensure, it shall comply with all restrictions on the location, manner, and times of operation of cannabis businesses established by the municipality; and
 - iii. Zoning approval, a resolution from the municipality's governing body, or a letter from the highest-ranking municipal official, as applicable, that authorizes the ATC to engage in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items at the ATC's current premises;
3. A certification to the Commission that the alternative treatment center has sufficient quantities of medical cannabis and medical cannabis products available to meet the reasonably anticipated needs of registered qualifying patients;
4. A certification to the Commission that the alternative treatment center shall not make operational changes that reduce access to medical cannabis for current and newly registered qualifying patients in order to operate a cannabis establishment or delivery service. Such certification shall include a detailed plan for prioritizing and meeting the needs of registered qualifying patients;
5. A list of owners, principals, management services contractors, financial sources, and vendor-contractors associated with the proposed cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable.
 - i. Any new owners, principals, management services contractors, financial sources, or vendor-contractors may be required to comply with the provisions at N.J.A.C. 17:30-7.11, 7.12, and 7.13;
6. An attestation signed by a bona fide labor organization stating that the ATC has entered into a labor peace agreement with such bona fide labor organization; and
7. Any other information the Commission deems relevant in determining whether to accept the ATC's certifications.

(c) In determining whether to accept the ATC's certifications pursuant to (b) above, the Commission shall assess:

1. Total qualifying patient enrollment in the Statewide medical cannabis program;
2. Qualifying patient enrollment at the ATC;
3. Statewide inventory and inventory of the ATC;
4. Statewide sales of medical cannabis and medical cannabis products, and sales at the ATC;
5. The current medical cannabis canopy of the ATC;
6. The total medical cannabis canopy needed to serve the ATC's qualifying patients on an ongoing basis;
7. The total medical cannabis canopy needed to serve the total number of qualifying patients in the medical cannabis program on an ongoing basis; and
8. The operational plans and capacity of the ATC to maintain or expand medical cannabis access for qualifying patients.

(d) The Commission shall only accept a certification from an ATC pursuant to (c) above, when an ATC has proven, by clear and convincing evidence that engaging in the cultivation, manufacturing, retailing, wholesaling, distributing, or delivery of cannabis items, as applicable, shall not impact access for registered qualifying medical cannabis patients and shall not impact the availability of medical cannabis or medical cannabis products.

(e) The Commission shall approve an expanded ATC in accordance with this subchapter where:

1. An ATC has submitted complete and accurate and verifiable information, as determined by the Commission, pursuant to (b) above;
2. The Commission accepts the ATC's certifications, pursuant to (b), (c), and (d) above; and
3. The ATC pays the conversion fee pursuant to N.J.A.C. 17:30–7.17.

(f) The Commission shall issue a written notice of its approval to an expanded ATC.

(g) After the expanded ATC has completed any necessary construction or preparation of an expanded ATC, the expanded ATC shall request an onsite assessment.

(h) The Commission shall conduct an onsite assessment of the expanded ATC and determine whether its premises, operations, and procedures are consistent with its application, and compliant with the Act and this chapter.

(i) If the Commission determines compliance, it shall issue the cannabis license(s) to the expanded ATC.

(j) The Commission may deny an expanded ATC where:

1. The Commission does not accept the ATC's certifications pursuant to (c) and (d) above;
2. The ATC does not meet the requirements of (b) above;
3. The ATC fails to provide information, documentation, and assurances as required pursuant to P.L. 2021, c. 16 (N.J.S.A. 24:6I–31 et seq.), or this subchapter, or as requested by the Commission;
4. The ATC fails to reveal any material fact pertaining to the ATC's certifications; or
5. The ATC supplies information that is untrue or misleading as to a material fact pertaining to the qualification criteria for an expanded ATC.

(k) If an expanded ATC is denied pursuant to this subchapter, the Commission shall provide the denial to the ATC in writing, which shall include:

1. Notice of the denial of the expanded ATC and the specific reason for the denial; and
2. The opportunity to request an administrative hearing within 45 days after the date of the denial.

(l) The final decision on an expanded ATC shall be considered a final agency decision, subject to judicial review by, and of which jurisdiction and venue for such review are vested in, the Appellate Division of the Superior Court pursuant to N.J.A.C. 17:30–17.9.

(m) An expanded ATC is a cannabis business and subject to all provisions of this chapter that are applicable to cannabis businesses.

17:30-9.4 Ongoing material conditions and general requirements applicable to cannabis business license holders

(a) No person or entity shall operate a cannabis business without a Commission-issued license.

(b) A cannabis business shall only be operated under the name on the license, which shall be the legal entity name as found on the New Jersey business registration of the license holder.

(c) A license holder and its owners, principals, employees, management services contractors, financial sources, and vendor-contractors shall:

1. Maintain qualification to hold a license pursuant to N.J.A.C. 17:30–7.4, as applicable;
2. Comply with the Act and this chapter; and
3. Cooperate with the Commission and its staff.

(d) Upon request of the Commission, a license applicant or license holder shall provide, for any submission to the Commission, a redacted copy that may be released to the public.

1. Redactions shall be limited to information that is likely to be found to be exempted from the definition of a public record pursuant to N.J.S.A. 47:1A-1 et seq., or the common law on public records.

(e) A license holder shall make a good faith effort to recruit and employ, or contract with, as vendor-contractors, persons who would otherwise qualify for the provisions at N.J.A.C. 17:30-6.6(a)1 or 2. A “good faith effort” means that the license applicant or license holder shall demonstrate that it took all necessary and reasonable steps to achieve employee and vendor-contractor participation by the persons who are among the qualifying groups, which by their scope, quality, quantity, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient participation from such persons.

1. Good faith efforts shall extend beyond merely interviewing candidates from qualifying groups to include documentation of follow-up and offers of employment and contracting.

2. Good faith efforts shall include sufficient written documentation of the license applicant's efforts to recruit qualifying persons, including a list of the names, addresses, and contact information of all potential employees and contractors, identifying those who qualify pursuant to N.J.A.C. 17:30-6.6(a)1 or 2, and whether they have accepted an employment or contracting offer, and the dates of contact.

3. Good faith efforts may include:

i. Coordinating meetings, including meetings in economically disadvantaged areas, at which qualifying persons could be informed of the employment and contracting opportunities;

ii. Advertising in general circulation, trade association, and minority-focused media concerning the opportunities for persons who have been affected by the criminalization of cannabis to participate in the regulated cannabis industry; and

iii. Contacting minority-, women-, and veteran-owned business organizations and educational institutions concerning the opportunities for persons who have been affected by the criminalization of cannabis to participate in the regulated cannabis industry.

4. The cannabis business shall submit quarterly progress reports that include specifics on the good faith efforts being made to ensure the cannabis business's social equity plan as presented in its application or certification to the Commission is being achieved. The Commission may request additional information from the cannabis business to assist in making a determination on whether good faith efforts are being made.

(f) A microbusiness license holder shall employ no more than 10 employees.

(g) The maintenance of a labor peace agreement with a bona fide labor organization by a licensed cannabis business, including an expanded ATC, shall be an ongoing material condition of the cannabis business's license.

1. A microbusiness is exempted from this requirement.

(h) Where a majority of the employees of a cannabis business, including an expanded ATC, have voted to join a bona fide labor organization, failure to enter into a collective bargaining agreement within 200 days of the opening of such licensed cannabis business, may result in a referral to the National Labor Relations Board.

1. A microbusiness is exempted from this requirement.

(i) A license holder shall maintain sanitary conditions throughout the cannabis business premises.

(j) A cannabis business shall seek to prevent the escape of odors associated with cannabis over the boundary of the property. Failure to engage in such an effort may result in sanctions, including civil monetary penalties.

(k) A license holder shall implement a plan to increase sustainability in its operations, which may include, but is not limited to:

1. A waste reduction plan;
2. A water usage reduction plan;
3. Biodynamic farming;
4. A sustainable packaging plan that reduces or eliminates the use of single-use plastics and promotes the use of recyclable or environmentally friendly packaging; or
5. A plan to use renewable energy to power its operations.

(l) A visitor entering a cannabis business premises must be accompanied by an escort with a Cannabis Business Identification Card at all times, except in the consumer area of a cannabis retailer.

1. A vendor-contractor's staff shall be considered to be a visitor during any time present at a cannabis business premises, except if the person is a management services contractor or other cannabis handler that possesses a Cannabis Business Identification Card, in accordance with N.J.A.C. 17:30–8.1(a).

(m) An expanded ATC issued cannabis business licenses pursuant to N.J.A.C. 17:30–7.1 shall be authorized to use the premises for all activities under the Act and the Jake Honig Compassionate Use Medical Cannabis Act, P.L. 2009, c. 307 (N.J.S.A. 24:6I–1 et seq.), without being required to establish or maintain any physical barriers or separations between operations related to the medical use of cannabis and operations related to personal use of cannabis items.

1. As a condition of licensure, an expanded ATC shall meet the anticipated treatment needs of registered qualifying patients before meeting the retail requests of consumers, and the expanded ATC shall not make operational changes that reduce access to medical cannabis for registered qualifying patients in order to operate a cannabis business.
2. If the Commission finds an expanded ATC does not have sufficient quantities of medical cannabis or medical cannabis products available to meet the reasonably anticipated needs of qualifying patients, the Commission may issue fines, limit retail sales, temporarily suspend the expanded ATC's cannabis business licenses, or issue any other penalties included at N.J.A.C. 17:30–20.
3. Not fewer than 90 days prior to the date on which the expanded ATC's cannabis business license is set to expire after its first year of operations, in order to renew its cannabis business license pursuant to N.J.A.C. 17:30–7.16, an expanded ATC shall:
 - i. Certify to the Commission as to the continued material accuracy of the expanded ATC's previously approved ATC license application and its compliance with the provisions of the Act regarding its operations concerning cannabis or cannabis items; and
 - ii. Submit a new written approval from the municipality in which the expanded ATC is located, approving the continued operations as a cannabis business.
4. After the end of the second year of expanded ATC's licensure, the license renewal process pursuant to N.J.A.C. 17:30–7.16 shall be followed.
5. Nothing shall authorize an alternative treatment center that has not been licensed as an expanded ATC pursuant to N.J.A.C. 17:30–7.1 to:
 - i. Provide cannabis items to a person who is not a registered qualifying patient;
 - ii. Purchase or acquire cannabis items in a manner or from a source not permitted by the Jake Honig Compassionate Use Medical Cannabis Act, P.L. 2009, c. 307 (N.J.S.A. 24:6I–1 et seq.); or
 - iii. Operate on the same cannabis business premises as a cannabis business license applicant or license holder, although it is not prohibited for an unaffiliated cannabis business and ATC to be located in the same multi-tenant building or strip mall in separate, unconnected premises.