



## MEMORANDUM

**TO:** Cannabis Regulatory Commission Board

**FROM:** Jeff Brown, Executive Director

**VIA:** Office of Compliance and Investigations

**SUBJECT:** Dual Change of Location Request – GTI New Jersey, LLC Manufacturing Permit and License; Paterson to Hackettstown

**DATE:** [OCTOBER 19, 2023](#)

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**BACKGROUND:** On September 11, 2023, the Office of Compliance and Investigations (“OCI”) within the New Jersey Cannabis Regulatory Commission (“NJ-CRC”) received a request submitted by James Hearon, Counsel for GTI New Jersey, LLC (“GTI”), to change the location of their manufacturing facility from its current location in Paterson, New Jersey to its Hackettstown, New Jersey- a location that was recently approved by the Board for satellite cultivation. Submitted with the request was a letter providing rationale for the request, a signed lease as evidence of site control for the Hackettstown location, the Land Development Ordinance from Hackettstown (Ordinance No. 2021-04), approval of GTI’s application for minor site plan and conditional use approval from the Hackettstown Land Use Board, the building certificate of occupancy provided by Hackettstown, a letter of support for the medical and adult use cultivation and manufacturing for the site from the Mayor of Hackettstown, and an employee transition plan. The change of location would require amendments to both GTI’s medicinal manufacturing permit sited at the Paterson location as well as its Class 2 Manufacturer license, requiring submission of change of locations fees for each. The requisite fees were submitted and received by the NJ-CRC in the amount of \$20,000.00 total (\$10,000.00 for each amendment – adult use license and medical permit) on September 11, 2023.

### **AUTHORITY:**

#### **17:30–9.2 Changes to license applicant or license holder; approval and notice; provisional approval**

*(a) Cannabis business license holders shall submit an application for an amended license, along with the applicable fee, if any, pursuant to N.J.A.C. 17:30–7.17, for the following material changes, a change:*

*1. In ownership, which shall include:*



- i. *Addition or removal of owners or passive investors;*
  - ii. *Change in license holder entity structure, including any related mergers, acquisitions, or creation of new related entities;*
  - iii. *Change in ownership structure or ownership interest that results in a change of owner, pursuant to N.J.A.C. 17:30–9.3; and*
  - iv. *Any other changes to the ownership and financial information provided to the Commission pursuant to N.J.A.C. 17:30–7.10 and 7.13;*
2. *Of management services contractor and the terms of any management services agreement; pursuant to N.J.A.C. 17:30–6.9;*
  3. *Of financial source and the terms of a financial source agreement (FSA) pursuant to N.J.A.C. 17:30–6.10;*
  - 4. *Of location;***
  5. *Of modification of capacity, physical plant, or premises; or*
  6. *Of name of the cannabis business.*

*(b) Failure to seek approval for such material changes pursuant to (a) above may result in sanctions upon the license holder pursuant to N.J.A.C. 17:30–17, including civil penalties, or suspension or revocation of any license issued to the license holder.*

#### **17:30-7.17 Cannabis business and testing laboratory fees**

*(j) The following material change fees shall be paid by annual license holders, as applicable:*

**1. *The fee to apply for a change of location of a cannabis business premises is:***

***i. Standard cannabis business annual : \$10,000; or***

***ii. Microbusiness : \$1,000;***

**2. *The fee to apply for a change or modification of the cannabis business' capacity or physical plant is \$2,000;***

***i. This fee shall not apply to a microbusiness converting to a standard cannabis business pursuant to N.J.A.C. 17:30–7.15; and***



3. The fee to apply for the transfer of more than 50 percent of ownership interest in a license holder is \$20,000.

i. Any financial source, management services contractor, owner, or principal may be required to pay background investigation fees as part of an ownership interest transfer.

### **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.

### **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.”*

**REQUEST:** GTI is requesting the following change of location for its medicinal manufacturing permit and its adult use Class 2 Manufacturer license:

From: 2-62 Wood Avenue, Paterson, New Jersey  
To: 105 Bilby Road, Hackettstown, New Jersey

GTI requests the change to consolidate its manufacturing operations within its larger Hackettstown facility to avoid unnecessary transport costs and security risks. The Hackettstown Site is 182,788 square feet with a potential canopy space of 65,000 square feet – exceeding the Paterson site’s canopy space of 36,800. The move for manufacturing to Hackettstown would be done for efficiency purposes to limit the amount of cannabis being transported, thereby reducing safety risks and costs.

GTI is requesting consideration of this approval in advance of the final site inspection to be conducted by the NJ-CRC OCI so that it may reduce the timeline it will require to move its manufacturing equipment from Paterson to Hackettstown, which may necessitate additional inspections from the Occupational Safety and Health Administration (“OSHA”), the Department of Environmental Protection (“NJ-DEP”), and the municipality. GTI believes that with the NJ-CRC approval in hand, it will be better able to establish timelines and plans for the move and will limit the time its manufacturing operations are shut down during the move.

**RECOMMENDATION:** Staff recommends approval of this request to amend the cannabis business license and the medical permit of the above-referenced entity. NJ-CRC OCI requires submission of evidence of site control for the location, evidence of local approvals from the municipality in which the licensee/permittee will newly operate, and an employee transition plan to ensure that the entity considers the impact the move will have on its manufacturing employees. The applicant has provided the requisite information.



The fees, as established by regulation, are \$10,000.00 each – for change of location of a standard recreational business and for change of location of an alternative treatment center. A fee of \$20,000.00 in total has been submitted in advance of the consideration by the Board of the changes of location.

Following an approval by the Board, OCI staff will coordinate with GTI to ensure that no manufacturing occurs at the new Hackettstown facility until all requisite inspections take place and the official manufacturing license and permit are issued to the entity for the 105 Bilby Road, Hackettstown location. OCI staff will conduct a site inspection of the new manufacturing portion of the facility to confirm compliance with the law and regulations, prior to executing the official documents for amendment of the GTI permit and license.