

## **Select Board Minutes**

**Tuesday, June 30, 2020**

**7:00pm**

**The Select Board Regular Meeting was held virtually in accordance with the Governor's Executive Order Suspending Certain Provisions of the Open Meeting Law, G.L.c.30A. S.20.**

### **Select Board participants:**

**Chair Alice von Loesecke, Rich Maiore, Kara Minar, Stu Sklar, Lucy Wallace**

### **Town Department attendees:**

**Town Administrator Tim Bragan, Assistant Town Administrator/HR Director Marie Sobalvarro, Executive Assistant Julie Doucet**

### **Additional participants:**

**Attorney Blake Mensing from the Mensing Group (legal and business advisory firm solely dedicated to cannabis in Massachusetts), Apple Guy Flowers CEO Lucas Thayer (Harvard resident)**

Alice von Loesecke opened the meeting by explaining Apple Guy Flowers requested time with the Select Board to introduce their team and present their business plan. After the presentation there will be an opportunity for questions. No action is being taken at this meeting.

Apple Guy Flowers will need local approval by obtaining a community host agreement with the Select Board, a special permit from the Planning Board and approval from the Board of Health. In addition, they will need approval from the Cannabis Control Commission.

Attorney Mensing explained his firm specializes in legal and strategic counseling for cannabis businesses in Massachusetts. His client, Apple Guy Flowers, is proposing a Tier II Cultivation facility with 5,000 – 10,000 feet of canopy space. Mensing said cannabis production is highly regulated and can only be sold to licensed product manufacturers. All cannabis business operators, license holders and employees have required extensive background checks.

Harvard resident Lucas Thayer, 92 South Shaker Road, has been farming on his aunt's land and is interested in expanding to produce raw cannabis flower using organic methods to offer a great product not currently available in the market. Details are outlined in Apple Guy Flowers business overview. (Appendix A).

Select board member Lucy Wallace asked about visibility of the farming area from the roadway. Mensing confirmed the farming areas cannot be viewed from any public way per state regulations. He expects this to be addressed during the special permit process with the Planning Board.

Stu Sklar asked where on the property the farming area will be located. Lucas described the area to be up hill on the east side of the property. He is aware this location must meet required setbacks from the property line and wetland protection zone. Thayer confirmed he will need a small drying shed and plans to erect a temporary structure for secure storage in October.

Alice von Loesecke asked how Thayer will protect his plants without a greenhouse. Thayer has plans to use coverings for warmth during the growing season and will utilize a corrugated clear plastic rooftop for rain protection. He will require minimal lighting for security purposes and any lighting will be downcast.

Mensing noted video surveillance will be motion activated with highly sensitive infrared security monitoring. The security plan will be vetted by the Cannabis Control Commission, local police and included in the special permit process.

Rich Maiore asked for a timeline on the growing season. Thayer explained in early March or April he will begin working with the baby plants, in early May the plants will be transported outside into small greenhouse structures for each plant to offer protection when temperatures are low, in May or June trellis netting will be installed with pruning and watering continuous throughout the summer months (June, July, August). In the summer months, he expects to employ one or two employees. September is when more pruning begins and in October is when additional staff will be necessary for harvesting.

Maiore also asked about the odor that will accompany outdoor cannabis cultivation. Thayer explained the prevalent time when odor will be at its strongest is on a hot September day. He will plant other flowers that are fragrant and utilize an aerosol technique similar to a snowmaking machine. Thayer said the cannabis plant does not create a strong odor until it flowers in September. Maiore senses cannabis may become an alternate crop for New England farmers.

Wallace asked if Thayer has heard from any of his direct neighbors about his intent to operate a cannabis cultivation facility on South Shaker Road. He heard feedback at the public outreach meeting held in December which was a mix of those in favor and others with concerns. Since then he has not heard anything further. Mensing assured the board that there will be additional community outreach.

Kara Minar asked if Thayer is confident an outdoor facility can produce a uniform product. Thayer admitted you can never be 100% confident with cannabis cultivation. He is confident in his abilities to properly grow and protect the product. Mensing noted Thayer is well known and respected in the cannabis community.

Von Loesecke asked when background checks are completed. Mensing said these checks can be done concurrently on the local and state levels.

Mensing explained the licensing process which begins once an application is submitted to the Cannabis Control Commission. After initial review, the commission will send a request for information back to the applicant. This request will address any questions about what has been submitted. Once a notice of completion is issued the 90 day statutory review process begins. During this time, they would meet on the local level to finalize necessary approvals and full background and Cori checks would be underway.

Minar was curious about guidelines for towns to deny a request. Mensing said most of the local approval guidelines are within the local bylaws. Compliance with the Cannabis Control Commission regulations provides an extra level of obligations. Mensing reiterated all local standards and state compliance must be met before a license to operate is granted.

#### Public questions

Anonymous: What keeps this product from reaching the local individual market with direct sales vs. wholesale sales? Mensing answered this is not allowed with this type of operation. Licensee would have license revoked.

Resident Mark Mikitarian: If a permit is granted with conditions, and the permit holder isn't in compliance with the permit, which Town (and/or State) entities have enforcement authority to bring the operation into compliance? Mensing answered the local granting authority handles enforcement. If the state is alerted to any issues they can revoke the license.

Attorney Scott D. Carman of Krems, Jackowitz & Carman, representing a group of neighbors: What is the approximate timeline of when you will seek your first approval to your last approval, and what is the order in which you will seek approvals? Mensing described the process beginning with a community host agreement and any impact fee decided upon. Community outreach meeting is required and the agreement must be in place prior to submission to the state. They would plan to submit to the state the day after both are in place. He admitted the state process is slow and can take anywhere from four to eighteen months.

Anonymous: Can you briefly describe your plans for how you will be preparing the hugelkultur beds prior to planting? Thayer will utilize soil pots reminiscent of growbags. They will be lined bags with burnt logs on top and use of an animal manure blend from Maine. He will also use worm castings.

Meg Bagdonas: How will the product be kept separate from CSA agricultural items and from patrons who come to the property to pick up shares? What keeps them from wandering and how are the activities kept from comingling? Likewise workers from either enterprise? Mensing answered the state requires physical and administrative separation.

Mark Mikitarian: Who reviews the background checks for prospective employees? Is the employer who makes the hiring decisions the one who is the determinant of what in the background check is a disqualifier for hiring? Does the state have guidelines for this, particular to the cannabis industry? Mensing answered the facility operator chooses the employees but the state is the gate keeper of who can work in the cannabis industry.

Karen Morris: With respect to the smell mitigation, other than "nice smelling plants" what else if anything do you intend to do regarding smell mitigation? Other than the nice smelling plants such as hyacinth and mint, an expiration odor control misting technology which oscillates and sprays a mist of organic materials. Thayer reiterated September is the month when odor may become an issue.

Anonymous: According to the Town of Harvard Bylaw 125-21D, a marijuana cultivator needs to seek a special permit from the Planning Board. Where does that fit into your permitting process? Mensing said they will apply with the Planning Board as soon as they have a better sense of when a Community Host Agreement is forthcoming. Both the Select Board and Planning Board process may happen simultaneously.

Stephen Morris: Will the town and committee's get to examine the full filing that you make to the CCC as well as your standard operating procedures? Mensing said all information being submitted is public record. The security plan will be reviewed with the Police Chief.

The Select Board thanked Mensing and Thayer for their thorough presentation.

The meeting was adjourned at 8:20pm.



## BUSINESS OVERVIEW

## **Executive Summary**

Apple Guy Flowers (AGF) is a proposed outdoor cannabis farm in Massachusetts. AGF will operate as a Tier II Cultivation facility, licensed by the Massachusetts Cannabis Control Commission. This license type will allow AGF to cultivate 5,000-10,000 square feet of canopy space.

AGF will produce raw cannabis flower, grown using organic methods and natural sunlight. AGF's cultivation methods and attention to detail will allow for the creation of material that is of higher quality than large scale outdoor cultivation facilities but produced at a lower cost than energy-intensive indoor cultivation. This material will then be sold to a licensed product manufacturer, to be turned into cannabis concentrates that are co-branded as a collaboration between AGF and the manufacturer.

AGF's organic, outdoor methods will allow Massachusetts cannabis consumers a sustainable, craft alternative to the products currently available in the market while also competing with prices found on the illicit market.

## **Company Background and Overview**

### Company Description

Apple Guy Flowers LLC is a Massachusetts based company aimed at normalizing local cannabis agriculture with high quality, affordable products.

### Mission

The mission of Apple Guy Flowers is to produce high quality, organic outdoor cannabis for extract products, to be sold at a competitive price point that helps eliminate the illicit market. AGF hopes to be a leader in proving that there is a place for small farmers in the legal Massachusetts cannabis marketplace.

### Vision

The vision of Apple Guy Flowers is to create a world where locally produced cannabis and food are normal parts of everyday life. By offering a sustainable, organic and local product to consumers, AGF hopes to build a loyal following of cannabis consumers.

### Key Goals

- Acquire all necessary state and local approvals
- Successfully harvest 50 lbs a year of cannabis flower for use as raw material for extract
- Partner with a product manufacturer to establish a brand and get products to consumers

## Situational Analysis

As a registered marijuana business, Apple Guy Flowers [AGF] will operate under the framework and guidance of the Cannabis Control Commission and Massachusetts laws and regulations. AGF will operate as an adult use Tier II Cultivation facility, which allows for up to 10,000 square feet of canopy space.

While the adult use cannabis market has developed significantly in Massachusetts since it was first legalized in 2016, demand still largely outpaces supply. Wholesale prices for a pound of flower are averaging between [\\$3000-\\$4200 as of August 2019](#), much higher than most legal marketplaces in the United States. As of January 2020, there are only two other operating outdoor cultivation facilities in Massachusetts.

## PEST

Political	Economic	Social	Technological
<ul style="list-style-type: none"><li>Regulated by the Cannabis Control Commission of Massachusetts</li><li>Municipal approvals required</li><li>State Application Fee: \$200</li><li>State license renewal Fee: \$1250</li><li>Significant changes to regulatory system possible as the market matures and federal policy changes</li></ul>	<ul style="list-style-type: none"><li>Wholesale only, Market currently limited to Massachusetts regulated cannabis businesses</li><li>High demand for raw cannabis material for extracts/edibles</li><li>Outdoor cultivation has much lower start-up/overhead costs compared to other methods</li></ul>	<ul style="list-style-type: none"><li>Consumers currently do not have access to sungrown, sustainable cannabis grown by local farmers</li><li>Cannabis advertising restricted by state; word-of-mouth and guerilla marketing important</li></ul>	<ul style="list-style-type: none"><li>Digital seed-to-sale tracking to ensure regulatory compliance</li><li>Outdoor cultivation significantly more sustainable than current indoor/greenhouse methodology</li><li>Use of social/digital media important for marketing due to restrictions on print/TV advertising</li></ul>

## SWOT

-	Helpful	Harmful
<b>Internal</b>	<b>Strengths:</b> <ul style="list-style-type: none"> <li>• Low operating costs, ability to wholesale at lower cost than most operators</li> <li>• Sustainable and local aspects of business is marketing opportunity</li> <li>• Experience with cannabis cultivation and agriculture</li> </ul>	<b>Weaknesses:</b> <ul style="list-style-type: none"> <li>• Vulnerability of outdoor cultivation model to external factors</li> <li>• Lack of capital compared to other applicants</li> <li>• Reliance on external vendors/businesses (product manufacturers, transporters)</li> </ul>
<b>External</b>	<b>Opportunities:</b> <ul style="list-style-type: none"> <li>• High demand for raw cannabis materials in current market</li> <li>• Potential for strong customer loyalty</li> <li>• Potential for future expansion as markets develop</li> </ul>	<b>Threats:</b> <ul style="list-style-type: none"> <li>• Uncertain regulatory/legal environment</li> <li>• Competing in markets with well funded, international corporations</li> <li>• Competition with illicit market</li> <li>• Potential future competition from out-of-state markets if federal law changes</li> <li>• Potential crop failure/weather impacts/contamination</li> </ul>

## Target Market

The total addressable market is current and prospective cannabis consumers who reside in or visit Massachusetts.

The service addressable market is cannabis consumers in Massachusetts who purchase cannabis derived products from licensed retailers and who are interested in cannabis that is grown sustainably by local farmers and available at a reasonable price point.

Consumers will be accessed through product manufacturers who are licensed to operate in Massachusetts. In order to maximize the unique branding opportunity for a product that is developed from locally grown sustainable cannabis in Massachusetts, the objective will be to find one or two product manufacturer businesses to develop an exclusivity agreement with to develop a line of products from cannabis provided by AGF. From there, these product manufacturers will be able to distribute these products to licensed retail stores in the state, where consumers will be able to purchase products.

As of January 23rd 2020, there are currently 23 licensed product manufacturers and 36 retailers who are operational, with dozens of additional applicants in the licensure pipeline.

## **Product**

The product will be raw cannabis material to be used to manufacture cannabis products. The particular strains to be cultivated will be chosen based on:

- ability to thrive while growing in an outdoor environment
- ability to produce a large volume of usable product per plant
- cannabinoid production
- terpene production

The cannabis will be grown using organic methods and natural sunlight. The size of the cultivation facility will allow each plant to be tended to and inspected regularly to ensure plant quality and health.

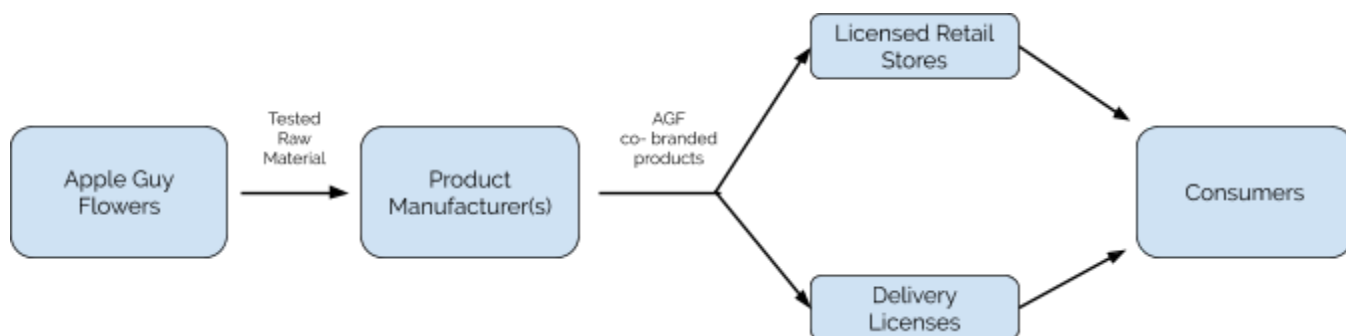
Plants will begin either as seeds or clones, depending on the strain and market availability. Plants will be planted in pots filled with organic soil that has been tested by a certified independent lab for contaminants, and placed in an area with adequate sunlight.

The planting will begin in the early spring once the risk of frost has sufficiently diminished, with harvest being completed in the fall before winter conditions set in. Weather forecasts for the site will be closely monitored for potential events that could have an adverse impact on the health of the plants, and mitigating actions to protect the plants will be taken should severe weather develop.

AGF will utilize process controls, non-chemical interventions, and homeopathic solutions to mitigate pest issues while staying regulatory compliant.

AGF will work with a licensed product manufacturer to convert the raw cannabis into products such as shatter, wax, and other forms of concentrates. An ideal product manufacturing partner will have cannabis industry experience, and will also ideally be a local business with similar values and goals as AGF.





## Promotion

- AFG will work closely with its partnered product manufacturers to promote its brand and products. The identity of all AGF co-branded products will be formed around:
- AGF's partnership with existing licensed manufacturers
- AGF's connections to the local agricultural and cannabis community
- The outdoor, natural growing environment of the product

AFG will ensure that all branding encourages responsible use of cannabis and complies with all applicable Massachusetts regulations. AFG will utilize the following channels for marketing purposes:

- Social Media
- Event Sponsorship/Tabling

AFG will utilize its team members to help staff promotional tables at public events and conventions. This will allow consumers to connect on a personal level with the actual farmers who are harvesting the materials that go into the cannabis products they consume. This will also allow staff to add value at points in the production season when on-site work is minimal, and will also help keep marketing costs low.

## Production and Operations

### Location

The cultivation location will be a small plot of farmland in northern Massachusetts, in a municipality that has not prohibited marijuana businesses from operating. The location will be selected in order to minimize startup costs and to maximize the efficiency of the cultivation operation.

### Business Partners

AFG will utilize multiple business partners.

### **The Mensing Group**

The mensing Group led by attorney Blake Mensing will be leading the municipality and state negotiations.

### **C3RN**

AGF is utilizing C3RN for license application and municipal approval support.

### **Transportation**

AGF will utilize a licensed marijuana transporter to move sold product to licensed product manufacturers. AGF will either utilize the transportation of the product manufacturer to accomplish, or AGF will contract with a licensed third party transporter.

### **Security**

AGF will partner with a security contractor for assistance with the design and implementation of security systems and protocols that meet the requirements of MA law and regulations.

### **Agricultural Supplies**

AGF will acquire all necessary agricultural supplies through small business vendors who are local to the area.

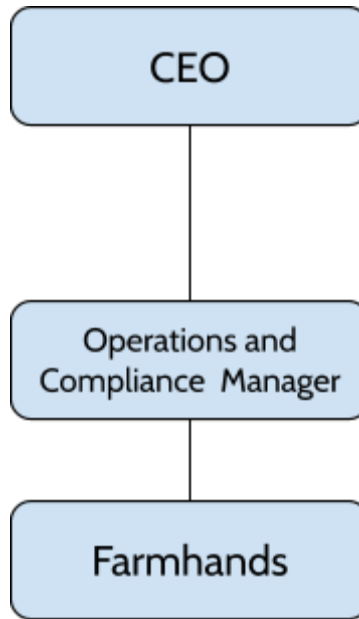
### **Accounting**

AGF will utilize a third party accountant to manage financial accounts and to perform audits.

### **Production Plan**

The growing process will usually commence in April, once the risk of frost and winter weather has significantly diminished. Temporary greenhouses will be constructed, and soil will arrive on-site and be mixed with proper nutrients. In May, clones will be planted in their pots. As the plants grow, trellising will begin to train the plants to grow in a way that maximizes the amount of sunlight and airflow the plant receives. During the early summer, sidewall trellising will be added to help support the weight of the plants as they continue to grow. Employees will carefully monitor the plants for any signs of rot or infestation, and will also prune any fan leaves that are inhibiting further growth. The sidewalls of the greenhouse will also be removed to increase air flow. In August and early September, pruning will continue, and employees will monitor for any signs of mold as wetter, cooler weather becomes more likely. As cooler weather approaches, the sidewalls of the greenhouses will be re-installed and fans will be utilized to maintain airflow. In October, the plants will be harvested and hung to dry, before being transported to a product manufacturer for processing.

### **Org Chart**



## **Risks and Mitigation Actions**

### Crop Failure

A partial or complete crop failure would have a significant impact on AGF's ability to be successful. As a result of federal prohibition, cannabis growers do not have any form of crop insurance that they can purchase to mitigate the financial impact of crop failure.

The two most common causes of crop failure are weather and pests/microbials. Weather-related crop failure can occur at any point in the grow cycle, but is most economically damaging when it occurs in the weeks leading up to harvest, when it is too late in the season to replant and the buds of the cannabis plant are fully formed.

A number of steps will be taken to mitigate the likelihood of crop failure due to weather conditions. Plants will be carefully selected based on their ability to thrive in New England's climate. At the beginning of the season, short and long term weather forecasts will be carefully considered before planting begins to ensure the risk of frost is kept to a minimum. Weather will continue to be monitored throughout the growing season, with appropriate countermeasures taken to help protect the plants and agricultural equipment against any severe weather events.

Pests and microbes can also cause crop failure. Plants will be selected for their resistance to infestation and will be maintained in such a way to increase air flow and limit moisture buildup in order to minimize potential microbial growth. Plants will be closely inspected on a daily basis to look for signs of infestations or microbial growth. Any infected plants will be immediately quarantined to prevent further spread.

### Theft

While no cannabis businesses in Massachusetts have been victimized by theft of cannabis products since the medical program was voted into law in 2012, cannabis remains a highly valuable commodity on the illicit market and would have a devastating impact on the company's financial and regulatory security. A number of steps will be taken to minimize theft, including adhering to Massachusetts security regulations at all times of operation. A security perimeter will be established around the facility, and law enforcement will be notified anytime an unauthorized person attempts to access the site. Law enforcement will also be informed of the day and time of any product transfers that will be occurring. Finally, standard operating procedures will be established and closely adhered to in order to minimize the threat of employee diversion.