

## **Minutes of October 4, 2018 Special Meeting of the City of Chelsea Licensing Commission.**

**Location: Chelsea City Hall (Council Conference Room, 500 Broadway, Chelsea, MA 02150)**

Meeting opened at 6:07 p.m. by Mark Rossi (Chair)

Commission Members present: Mark Rossi (Chair), Vice Chair Jim Guido, Michael McAteer, and Jazmin Valentin

Also Present: Capt. Keith Houghton and Officer Nicole McLaughlin on behalf of the Chelsea Police Department, Cheryl Watson Fisher and Strephon Treadway on behalf of the Chelsea Law Department.

### **Request to Stay Enforcement of Prohibition on Sale of 100 ml Bottles of Spirits**

City Solicitor Cheryl Watson Fisher updated the Commission on the status of the appeal by nine Section 15 licensees of the decision of the Commission to prohibit the sale of 100 ml bottles of spirits in Chelsea. The Alcoholic Beverages Control Commission has aggressively scheduled the hearing on the appeal for November 1, 2018. A primary witness for the City, Captain Houghton will not be available on that date. The City's outside counsel has requested agreement from counsel for the appellant liquor stores for a continuance. In response counsel for the stores repeated his request for a stay. Captain Houghton's testimony is vital to the City's case, and a continuance for his availability will be more likely with the agreement of the store owners.

Guido made a motion to approve a stay of enforcement of the prohibition on the sale of 100 ml bottles of spirits until the ABCC issues its decision. Rossi seconded. Chair Rossi-yes. Guido-yes. McAteer-yes. Valentin-yes.

### **Request to Stay: 180 Broadway Liquor, Inc. d/b/a Chelsea Liquor Mart**

Attorney Carolyn Conway appeared on behalf of 180 Broadway Liquor, Inc. along with Manager Bijal Patel and requested that the Licensing Commission stay its 1-day suspension of the licensee's license scheduled for the next day, October 5 until the ABCC ruled on the decision of the Licensing Commission. She argued that by the time of the December 6 hearing date, the harm to her client would already be done depriving him of a meaningful appeal. Attorney Conway and Patel further represented that a review of the video of the day in question raised substantial doubts about the fact of the case. They offered to share the video with the Police Department and the Commission.

Assistant City Solicitor summarized the evidence presented at the hearing for Chair Rossi who had not been present. Guido suggested suspending the 1-day suspension for a year with the condition that the licensee provide the video and TIPS certificates of all of his employees as well as continue to abide by Commonwealth liquor laws and the regulations of the Commission. After consulting with her client, Attorney Conway agreed to withdraw her client's appeal in exchange for a 9-month suspension of the 1-day suspension under the proposed conditions.

Chair Rossi made a motion to settle the appeal of the 1-day suspension by suspending it for nine months with the condition that the licensee provide the video he described as well as TIPS certifications for his employees and that he continue to cooperate with the police and abide by liquor laws and regulations. Guido seconded. Chair Rossi-yes. Guido-yes. McAteer-yes. Valentin-yes.

### **Proposed Regulations for Cannabis Establishments**

City Solicitor Cheryl Watson Fisher summarized the state of cannabis regulation in Chelsea. Before 2017, Massachusetts had authorized the cultivation, production, and sale of marijuana products on a medical-only basis. The passage of Question 4 on the 2016 ballot changed this. The ballot question and two subsequent statutes created a new state agency, the Cannabis Control Commission, to regulate a new recreational cannabis industry and also authorized local authorities to “impose reasonable safeguards on the operation of marijuana establishments, provided that they are not unreasonable impractical and are not in conflict with” state law.

The Chelsea City Council has adopted a zoning ordinance providing for cultivation and manufacturing by special permit in the Industrial Zone and for retail and medical treatment by special permit in the Industrial, Shopping Center, and Business Highway Zones. The Council’s Zoning Ordinance also limits retail sales to 9 a.m. to 9 p.m. in the City. The Council has accepted the local 3% sales tax on retail cannabis. The City Council has also limited retail marijuana establishments to four in the City. Finally, the Council has authorized the Licensing Commission to establish a local licensing procedure for marijuana establishments. Fisher presented the Licensing Commission with proposed regulations.

The Commissioners had questions about the local process. Fisher explained that a person who wanted to open a marijuana establishment in Chelsea would first meet with her and then schedule a Community Outreach meeting as required by state regulations. After hearing the comments and concerns from the public at this meeting, Fisher would then negotiate a Host Community Agreement with the applicant for review by the City Manager. The City’s certification that these steps have occurred is an early part of the application for the state license. Once they have applied with the state, an applicant must apply for its special permit and local license. The Law Department’s proposed regulations provide that the public hearing on the local application will not be scheduled until the applicant has received a provisional state license. This is intended to prevent situations where local licenses are tied up with licensees who never receive state licenses and also to streamline the process as much as is practical.

The Commissioners had questions about existing applicants. Fisher explained that there have been three Community Outreach meetings so far and many other interested parties have contacted her. The first meeting was for Jolo Can, LLC who plan to operate a cultivation, manufacturing, and retail facility at 80 Eastern Av. This applicant has executed a Host Community Agreement with the City and has filed a complete application with the CCC. The second meeting was for Western Front, LLC who intend to operate a retail store at 121 Webster

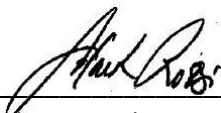
Av. Their Host Community agreement has been reached in principle but not yet executed. This applicant has a high priority under state regulations because it has been certified as an Finally, GreenStar Herbal, LLC plans to open a retail store at 200 Beacham, formerly King Arthur's. The Host Community Agreement is currently in negotiation. We have received recent interest from a potential medical marijuana operator. We had not expected this as the medical cannabis industry is expected to shrink as recreational cannabis expands. The Law Department is working on appropriate regulation form medical marijuana. Chelsea resident Michael Koeller spoke identifying himself as the potential medical application for a facility at 390 Beacham.

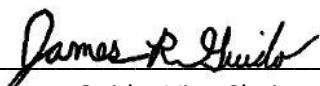
The Commission had questions regarding their role in the process. Assistant City Solicitor Treadway suggested they think of it as similar to alcohol licensing where they share jurisdiction with the state. Unlike alcohol licensing there will be two separate licenses, but licensees will need both to operate. The CCC regulations are extensive and thorough, and the Commission will not have to duplicate all of it. Part of the need for local licensure comes from a desire for local enforcement of CCC regulations in the event the state, for some reason, does not act on violations that have an impact on the community. The Licensing Commission would be able to discipline licensees in a way similar to their actions with alcohol licensees.

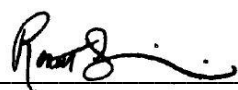
City Solicitor Fisher requested that the proposed regulations be moved to public hearing and that the proposed regulations be published online and that a period be opened to allow members of the public to submit comments. Guido moved that the regulations be moved to public hearing at the January meeting of the Commission and that the period until then be a period for public comment on the regulations. Guido further moved that the Law Department make recommendations on any proposed amendments to these regulations. Chair Rossi seconded. Chair Rossi-yes. Guido-yes. McAteer-yes. Valentin-yes.

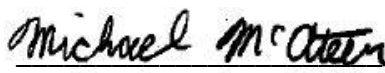
Chair Rossi moved to adjourn. Guido seconded. Chair Rossi-yes. Guido-yes. McAteer-yes. Valentin-yes.

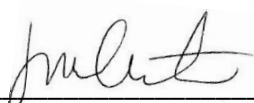
**Adoption Date: 11/1/2018**

  
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Mark Rossi, Chair

  
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James Guido, Vice Chair

  
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Roseann Bongiovanni, Member

  
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Michael McAteer, Member

  
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Jazmin Valentin, Member