

## State of New Jersey CANNABIS REGULATORY COMMISSION

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CHARLES BARKER, Commissioner
JEFF BROWN, Executive Director

## RESOLUTION 2021-15 APPROVAL OF APPLICATIONS FOR CULTIVATION PERMIT ENDORSEMENTS PURSUANT TO THE 2019 REQUEST FOR APPLICATIONS PROCESS

WHEREAS, P.L.2019, c.153, "Jake Honig Compassionate Use Medical Cannabis Act," ("the Act") authorizes a process for receipt of applications and issuance of permits to operate Alternative Treatment Centers ("ATCs") in the state of New Jersey; and

WHEREAS, the authority to regulate and enforce activities related to medicinal cannabis previously was vested in the New Jersey Department of Health ("the Department"), and now vests in the New Jersey Cannabis Regulatory Commission ("the Commission") pursuant to P.L. 2019, c.153; and

WHEREAS, on July 1, 2019, the Department posted a Request for Applications ("RFA" or "2019 RFA") to select entities to operate up to twenty-four (24) ATCs; and

WHEREAS, of those twenty-four (24) ATCs, up to eight (8) such centers each would be located in both the Northern and Central regions of the state, up to seven (7) such centers would be located in the Southern region of the state, and one (1) ATC would be located in a region determined at the time of the award based on patient need; and

WHEREAS, the RFA allowed for the issuance of endorsements and permits for up to fifteen (15) dispensaries, five (5) cultivation sites, and four (4) vertically integrated ATCs (which grant the holder the ability to cultivate, manufacture, and dispense medical cannabis and medical cannabis products under a single permit); and

WHEREAS, in accordance with the RFA, cultivation permit endorsement applications were due to the Department no later than August 22, 2019, at 3:00 p.m. Eastern Time; and

WHEREAS, on or about November 18, 2019, and pursuant to the RFA, the Department conducted a completeness review and determined that certain applications for cultivation endorsements were disqualified due to submission of incomplete or otherwise deficient applications; and

WHEREAS, consistent with N.J.A.C. 8:64-6.2 and 6.4 (now N.J.A.C. 17:30A-6.2 and 6.4), disqualified applicants were given 45 calendar days to appeal their Final Agency Decisions in the Superior Court of New Jersey, Appellate Division (the "Court"); and

- WHEREAS, seventeen (17) disqualified applicants appealed their Final Agency Decisions and several applicants filed motions for a stay; and
- WHEREAS, on December 23, 2019, the Court issued a stay of all proceedings related to the July 2019 RFA and on January 14, 2020, clarified the scope of the stay to include all administrative proceedings regarding the RFA, including scoring of applications; and
- WHEREAS, on February 18, 2021, the Court issued a decision in the appeals and affirmed the Department's Final Agency Decisions in all but one case and dissolved the stays in place, allowing the RFA to proceed; and
- WHEREAS, following the Court's decision, scoring resumed under the oversight of the Department after a refresher training was held for the scoring committee on February 23, 2021; and
- WHEREAS, on April 12, 2021, the Commission enacted Resolution 2021-2, thereby assuming regulatory oversight authority from the Department for all medical cannabis activities, including the July 2019 RFA; and
- WHEREAS, the Commission is statutorily charged with ensuring that a sufficient number of ATCs are operational to meet the needs of patients enrolled in New Jersey's medicinal cannabis program; and
- WHEREAS, patient enrollment has continued to expand in the two years since the 2019 RFA was posted and is projected to expand in the future; and
- WHEREAS, the Commission anticipates a limitation on the availability of medical cannabis and medical cannabis products with the launch of adult personal-use cannabis sales in the future; and
- WHEREAS, the Commission has a considerable number of qualified applicants that have waited two (2) years to help serve New Jersey's medicinal market; and
- WHEREAS, increasing the number of awards for cultivation permit endorsements from five (5) to ten (10) would increase supply of medical cannabis and medical cannabis products and would help meet some of the needs of the increased patient enrollment; and
- WHEREAS, the full scores for cultivation applications have been compiled, reviewed, and audited by Commission staff; and
- WHEREAS, the following list of cultivation permit endorsement applicants have provided a complete application and, based on criteria established by the Commission consistent with the language of the 2019 RFA, are the fifteen (15) highest scoring applicants:

Control #	Applicant Name	Region	Canopy Size (Sq. Ft.)	Total Score(s)
19-0145	Hillview Med Inc.	North	30,000	273.67
19-0154	CYOUR NJ LLC	North	30,000	269.67
19-0164	Green Medicine NJ LLC	Central	30,000	268.00
19-0023	Bloom Medicinals of PA, LLC	South	30,000	260.67
19-0058	GCSS Management LLC	North	20,000	257.33
19-0030	NJ Nectar Ventures LLC	Central	20,000	251.67
19-0057	ZY Labs LLC	Central	20,000	251.33
19-0192	Garden State Releaf, LLC	South	30,000	249.67
19-0172	The NAR Group Inc.	Central	20,000	241.00
19-0194	Unity Alternative Therapy of NJ LLC	North	30,000	240.33
19-0149	Herbiculture NJ Inc.	Central	20,000	235.00
19-0182	Ethereal Green, LLC	South	20,000	234.00
19-0176	Noble Valley Harvest Company	Central	5,000	231.00
19-0089	Marzy Designs LLC	Central	20,000	228.00
19-0156	KARE LLC	South	20,000	225.67

## **NOW, THEREFORE, BE IT RESOLVED** by the New Jersey Cannabis Regulatory Commission that:

- 1. Pursuant to the terms of the 2019 RFA and following the cultivation award methodology outlined by Executive Director Jeff Brown in the attached Recommendation Memorandum, and contingent on compliance with the Post-Award Accountability Standards in the Recommendation Memorandum, the following applications for an ATC cultivation permit endorsement are hereby APPROVED:
  - a. The two highest scoring 30,000 square feet cultivation applications:

Control #	Applicant Name	Region	Canopy Size	Total Score
19-0145	Hillview Med, Inc.	North	30,000	273.67
19-0154	CYOUR NJ LLC	North	30,000	269.67

b. The two highest scoring 20,000 square feet cultivation applications:

Control#	Applicant Name	Region	Canopy Size	Total Score
19-0058	GCSS Management LLC	North	20,000	257.33
19-0030	NJ Nectar Ventures LLC	Central	20,000	251.67

c. The highest scoring 5,000 square feet cultivation application:

Control#	Applicant Name	Region	Canopy Size	Total Score
19-0176	Noble Valley Harvest Company	Central	5,000	231.00

d. The next five highest scoring applications that have not been previously selected for a proposed award, such that, among the total 10 selected applicants, there are at

least two cultivators selected from the Northern Region, two selected from the Central Region, and at least one selected from the Southern Region:

Control #	Applicant Name	Region	Canopy Size	Total Score
19-0164	Green Medicine NJ LLC	Central	30,000	268.00
19-0023	Bloom Medicinals of PA, LLC	South	30,000	260.67
19-0057	ZY Labs LLC	Central	20,000	251.33
19-0192	Garden State Releaf, LLC	South	30,000	249.67
19-0172	The NAR Group Inc.	Central	20,000	241.00

- 2. All other submitted applications for a cultivation endorsement that are not otherwise disqualified are hereby **DENIED**. Executive Director Jeff Brown is hereby delegated the authority to act on all applications that have been disqualified from the 2019 RFA process.
- 3. Any applicant with questions regarding the 2019 RFA process and methodology, and any unsuccessful applicant that wishes to file a grievance with the Commission, may do so by submitting their question or grievance in writing to <a href="mailto:crc.licensing@crc.nj.gov">crc.nj.gov</a> by 5:00 p.m. Eastern Time on Tuesday, October 19, 2021. Multiple questions/grievances can be submitted together but must be numbered. Responses to submissions deemed relevant to the 2019 RFA process and methodology will be provided within 30 days by 5:00 p.m. Eastern Time on Thursday, November 18, 2021. The question and grievance period should only be used for the purpose of addressing questions and complaints related to the 2019 RFA process and methodology. All other questions should be submitted through the Commission website and will be answered in the regular course of business.

Submitted by;

Dianna Houenou, Chair

## **CERTIFICATION**

I hereby certify that the foregoing is a true copy of the Resolution adopted by the Cannabis Regulatory Commission at its meeting held on the 15 day of (X+0) be R, 2021.

Erin Hogan, Executive Assistant

Vote on the Approval of This Resolution	Motion	Second	Yes	No	Abstain	Absent
Commissioner Barker				X		
Commissioner Del Cid-Kosso		X	X			
Commissioner Delgado			X			
Chairwoman Houenou			X			
Commissioner Nash	X		X			