SESSION 2

Your Growing Business

Getting the Licenses You Need to Profit in the Cannabis Industry

April 10, 2019
WELCOME
MAINE CANNABIS INDUSTRY
PART 1
Erik Gundersen - Director, Maine’s Office of Marijuana Policy

PART 2
Jacques Santucci - CEO, Strimo

PART 3
Kristin Collins - Municipal Law and Finance, Preti Flaherty

PART 4
Q&A
Erik Gundersen
Director
Maine’s Office of Marijuana Policy
Jacques Santucci
CEO
Strimo
industry standard for cannabis business optimization

System of engagement that empowers informed decisions.

Strimo.net
How to ...

How cannabis entrepreneurs can ...

• navigate a **complex** regulatory framework to
• establish a **sound foundation** for their businesses and
• **maintain** compliance going forward
• be **successful** in their endeavor
The cannabis industry evolution

**Booming Industry**
Cannabis Industry is the fastest growing industry and poised to surpass many prominent industries.

**From Immature To Commodity**
New comers on the market, going from activist-based players to business-oriented marketers.

**Industry evolution leading to need for better business performance**

**Falling Prices Reduced Margins**
Higher competition in states like Oregon and market acceptance leading to reduced prices and lower margins.

**Changes in corporate and Investment profile**
Changes in corporate leadership and investment profile leading to demand for better financial management, profitability and data analysis. Existing “Seed-to-Sale” system cannot offer these tools.
Market tools

- **Track-And-Sale** system: web-based application used for businesses to remain compliant with regulators. *States* requires operators to report data. No business management purpose or use for the day-to-day growth of the company. Ex: Metrc or LeafData.

- **Seed-To-Sale Tracking** systems: inventory control systems used to track the cultivation, processing, and sales of cannabis to patients. Focus on **point-of-sale** and inventory system with limited capabilities. No business analysis or accounting management tools.

- **Business Management** systems: *performance-oriented platform* to scale their growth, mitigate the risk, manage compliance and optimize their operations. Combines different aspects of their business process including cultivation, manufacturing, costing, accounting and dispensary management. It is the next steps from a Seed-to-Sale system. Data-driven *analytics*, dashboards and reporting tools.
Current System Process

Need for
• Improved Data Collection and Analysis
• Real Time Cost Tracking
System of engagement

Performance management platform, providing data collection and analysis tools

- COMPLIANCE
  - Banking
  - Regulatory

- MANUFACTURING
  - Inventory Costing
  - 3rd Party API Connector

- CASH MANAGEMENT
  - Sales Recording
  - Control

- ACCOUNTING
  - Financials
  - Tax Prep/Audit
  - Analytics & Forecasting
System Landscape

- Point of Sale
  - weedmaps
  - Leafly
  - metrc
  - leaflink

- Tracking
  - BIOTRACKTHC
  - MJ FREEWAY
  - GROW FLOW
  - LEAF LOGIX

- Costing
  - 365 Cannabis
  - VIRIDIAN SCIENCES

- Reporting
  - KIND
  - Quickbooks

- Accounting
  - Strimo
Focus on the Business Side

- Importance of Vision, Goals and strong Business Model
- Strong business operations and process
- Closely monitoring financials and analysis, ahead of market
- Key Metrics
- Navigating a constantly expanding product line
Thank You!

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Pursuant to the home rule authority granted under the Constitution of Maine, Article VIII, Part Second and Title 30-A, section 3001, a municipality may regulate registered caregivers, registered caregiver retail stores operating pursuant to section 2423-A, subsection 2, paragraph P, registered dispensaries, marijuana testing facilities and manufacturing facilities. [2017, c. 452, §18 (NEW).]

A municipality may not:

[2017, c. 452, §18 (NEW).]

1. **Registered caregivers.** Prohibit or limit the number of registered caregivers;
2. **Stores, dispensaries, testing and manufacturing facilities.** Prohibit registered caregiver retail stores, registered dispensaries, marijuana testing facilities and manufacturing facilities that are operating with municipal approval in the municipality prior to the effective date of this section; or

3. **Municipal authorization needed.** Authorize registered caregiver retail stores, registered dispensaries, marijuana testing facilities and manufacturing facilities that are not operating on the effective date of this section to operate in the municipality unless the municipal legislative body, as defined in Title 30-A, section 2001, subsection 9, has voted to adopt or amend an ordinance or approve a warrant article allowing registered caregiver retail stores, registered dispensaries, marijuana testing facilities or manufacturing facilities, as applicable, to operate within the municipality.
In accordance with the applicable provisions of this subchapter and pursuant to the home rule authority granted under the Constitution of Maine, Article VIII, Part Second and Title 30-A, section 3001, a municipality may regulate marijuana establishments within the municipality, including, but not limited to, adoption of the following types of regulations and restrictions. [2017, c. 409, Pt. A, §6 (NEW).]

1. **Land use regulations.** A municipality may adopt an ordinance providing land use regulations applicable to marijuana establishments within the municipality.
2. **General authorization or limitation of marijuana establishments.** A municipality may adopt an ordinance generally authorizing the operation of some or all types of marijuana establishments within the municipality. A municipality may adopt an ordinance limiting the number of any type of marijuana establishment that may be authorized to operate within the municipality.

3. **Municipal licensing requirements.** A municipality may adopt an ordinance providing licensing requirements applicable to marijuana establishments within the municipality, which may include, but are not limited to, provisions establishing a municipal licensing fee schedule pursuant to Title 30-A, section 3702.

   Notwithstanding any other provision of law to the contrary, a municipal ordinance regulating marijuana establishments within the municipality adopted pursuant to this subchapter is not subject to the requirements or limitations of Title 7, chapter 6 or 8-F.
Local Authorization of Marijuana Establishments Within Municipalities (Summarized)

1. **Cannot apply for local authorization unless:**
   
   A. The municipality has adopted or amended an ordinance or adopted a warrant article allowing the type of marijuana establishment requested
   
   B. The person has been issued a conditional license by DAFS

2. **Minimum authorization criteria.** A municipality MAY NOT authorize the operation of a marijuana establishment if:

   A. Within 1,000 feet of the property line of a preexisting public or private school (ordinance can reduce this to 500’ but no less). (Some towns including day cares and churches)
   
   B. Applicant doesn’t establish right, title or interest in the marijuana establishment.
3. A person may not operate a marijuana establishment within a municipality unless:

A. The municipality has adopted or amended an ordinance or adopted a warrant article allowing the type of marijuana establishment

B. The person has obtained all applicable municipal approvals, permits or licenses that are required by the municipality for the operation of that type of marijuana establishment; and

C. The person has been issued by the department an active license to operate the marijuana establishment
Portland

- Zoning regulations in place; licensing still being considered
- Moratorium still in place on Caregiver Retail Stores, Grow Facilities (30+ plants), Manufacturing & Testing

South Portland

- Zoning and licensing in place for all medical and adult uses
- Licenses required for all uses but non retail caregivers
- Waiting only on state licenses
Windham

- Haven’t opted in on anything
- Just starting committee work on zoning and licensing recommendations; will be a while

Lewiston

- Licensing required for all caregivers; retail or not
- Ordinance on cultivation (none in multifamily, odor restriction, etc.)
- Haven’t opted in on adult use – no indication what will happen
The State of the Cities
Bangor | Auburn

**Bangor**
- Zoning in place for caregiver retail stores, adult use retail (same zones) and cultivation
- No licensing in place

**Auburn**
- Medical and adult use all zoned
- Licensing ordinance in place; non-retail caregivers not included
Scarborough

• Committee in place; haven’t opted in to anything yet

Saco

• Ordinance just amended 3/26/19
• License required for all growing, processing, manufacture or sale except for personal use
• No growing in home except for personal use. No retail uses allowed.
**Biddeford**

- Medical uses all allowed as conditional use; 250’ setbacks from schools and churches
- No licensing
- Not opted in for retail

**Sanford**

- All retail expressly banned
- Zoning standards in place for cultivation facilities and caregiver retail stores
**Brunswick**

- Adult use and medical marijuana allowed only in industrial zones
- Licensing for all uses including non-retail caregivers

**Augusta**

- About to adopt zoning and licensing requirements for adult use and medical marijuana uses (same zones, same licensing requirements)
- Caregivers to leave residential neighborhoods in 2 years
- Licensing to apply to non-retail caregivers as well
Westbrook

- Adult use specifically prohibited
- Only caregiver cultivation facilities (sales allowed) and dispensaries allowed
- Thorough regulations on operation/security

Waterville

- Ordinance just passed 4/2/19
- All adult and medical uses allowed and zoned; licenses also required
PART 4

Q & A

PretiFlaherty
THANK YOU FOR COMING

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