



Diane N. Tradd
Assistant City Manager/DPD Director

R. Eric Slagle
Director of Development Services

David Fuller
Building Commissioner

TO: Eileen Donoghue, City Manager *EMD*
FROM: R. Eric Slagle, Director of Development Services
DATE: March 5, 2020
RE: Motion by C. Elliott - Req. City Mgr. Provide Annual Report From Patriot Care Regarding Operation Of Their Facility.

This memorandum addresses the requests from Councilor Elliott for a copy of the annual report from Patriot Care regarding the operation of their facility. Attached please find a copy of that report. Please note that the requirement for an annual report was a part of Patriot Care's Host Community Agreement for adult-use, recreational marijuana, and since Patriot Care only began operations in March of 2019, this is their first report.

ES

03/05/2020

Patriot Care Corp
2019 Annual Report – City of Lowell
January 30, 2020

- **Total number of full-time and part-time employees on staff (year-end 2019)**
 - Dispensary – 13 full-time and 23 part-time
 - Cultivation/Manufacturing – 49 full-time and 19 part-time
 - Total Staff All Facilities – 62 full-time and 42 part-time

- **Total salary amount for 2019 for all employees in Lowell facilities**
 - Cultivation/Manufacturing - \$2,866,542.32
 - Dispensary - \$732,228.78

- **Total Adult-Use gross revenue for Lowell dispensary for 2019**
 - \$11,491,344.64

- **Total Community Impact Fee paid to the City in prior calendar year – 2019**
 - \$344,740.34 (includes \$126,918.30 accrued for percentage of Adult-use revenues in Q4 2019 but to be paid in January 2020)
 - In addition to the above, paid \$6,250 in March 2019 under prior Host Community Agreement with the City

- **Anticipated community impact fee for the next calendar year – 2020**
 - Approximately \$425,000 - \$450,000

- **Report on local hiring**
 - Facility Activities: As stated in Host Community Agreement, Owner expected to hire an additional 4 full-time staff for its facility in Lowell along with another 6 part-time employees above the current total staffing level of 22 employees at the Facility
 - Dispensary: 2019 Actual - Hired 15 additional employees in 2019 (all part-time). This is net of any resignations or terminations.
 - Cultivation: 2019 Actual - Hired 4 additional employees in 2019 (all full-time). This is net of any resignations or terminations.

 - Owner is committed to hiring local, qualified employees. To the extent permissible by law, subject to other equity provisions, Owner shall give a hiring preference to qualified City residents
 - 33.3% of dispensary staff is comprised of Lowell residents (38% of full-time and 30% of part-time)

- 29% of cultivation staff is comprised of Lowell residents (20% of full-time and 53% of part-time)
- Report on percentages of local businesses engaged/hired and other such contributions to the local economy – 2019 Total Direct Payments: \$693,397.54. Does not include indirect payments and support of local businesses and restaurants by our employees.
 - City of Lowell: \$558,174.04 (includes property taxes, police details, sewer/water, \$217,822.04 of Community Impact Fee paid in 2019 and \$6,250 in March 2019 for payment under prior host community agreement)
 - Courtyard by Marriott: \$46,872.00
 - Veterans of Foreign Wars: \$37,600.00
 - Viewpoint CRM: \$31,156.90
 - Lowell Janitorial Supply: \$11,205.94
 - Mahoney Oil Company: \$3,433.66
 - Desmarais Associates: \$1,560.00
 - Food Grease Trappers: \$1,050.00
 - Lowell Fleet Towing: \$950.00
 - UMASS Lowell: \$490.00
 - Dylan and Pete's Ice Cream: \$475.00
 - Lowell Chamber of Commerce: \$430.00

Patriot Care Corp
 City of Lowell Host Community Fee Analysis
 2019

	1/31/19	2/28/19	3/31/19	4/30/19	5/31/19	6/30/19	7/31/19	8/31/19	9/30/19	10/31/19	11/30/19	12/31/19	YTD
Adult Use Revenue	-	-	5,113.79	9,889.60	10,390.68	7,618.05	15,325.78	8,776.14	9,940.23	793.94	1,038.11	266.40	69,252.72
Accessories - Adult Use	-	-	43,870.00	138,820.00	148,780.00	101,429.40	123,541.60	128,640.80	106,489.60	116,439.80	172,970.00	179,075.20	1,262,374.40
Edibles - Adult Use	-	-	239,107.00	322,981.00	375,963.60	633,907.40	695,149.90	717,958.40	833,100.80	1,034,859.40	1,131,097.20	1,147,833.80	7,041,358.40
Flower - Adult Use	-	-	203,395.00	420,579.00	450,405.00	366,691.00	464,808.00	445,327.01	322,998.00	141,141.61	161,361.00	141,725.50	3,118,358.12
Concentrates - Adult Use	0.00	0.00	491,585.79	691,769.60	945,539.28	1,109,575.85	1,209,825.18	1,300,902.35	1,272,536.63	1,295,234.75	1,466,474.31	1,486,900.90	11,491,344.64
Total Adult Use Revenue	0.00	0.00	1,474,757.58	2,675,530.90	29,566.18	33,287.28	36,264.76	39,027.07	58,176.10	38,857.04	432,954.23	44,657.03	344,740.34
% of sales	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Host Community Fee	-	-	14,747.57	26,753.09	29,566.18	33,287.28	36,264.76	39,027.07	58,176.10	38,857.04	432,954.23	44,657.03	344,740.34

(104,354.11) Less: Payment - 7/24/2019
 (113,467.93) Less: Payment - 10/10/19
 126,918.30 Balance due January 2020