

T Enteado

From: C Sabo
Sent: Tuesday, January 30, 2024 1:26 PM
To: George Dick;Giacomo Antonicello
Cc: T Enteado;Erin Seer;N Roach;pmiller;Frank Corrado
Subject: Fw: EXTERNALWest Cape May Cultivation/Manufacturing
Attachments: email final.tif; Letter- Request for Ordinance Amendment and Support WCM.docx; Excerpt From NJ Regulations Regarding Outdoor Cultivation.docx; O- Cultivation Revision WCM 1.12.24.docx; Draft Resolution of Support- WCM Cultivation 01.12.24.docx; WCM- Presentation 1.12.23.pdf

All- attached for your consideration is a proposal from Shore House Canna to cultivate/manufacture marijuana on the Rea's farm. Carol and Diane are interested in leasing the land to them to allow them pursue this endeavor. This would broaden the Rea's future farming endeavors and is absolutely consistent with the master plan. As you read the materials you will see there are some amendments to our current ordinance which would be required. As suggested, I would like to also include limiting the number of retail cannabis dispensaries in West Cape May (2, 1?). This would depend on the status and viability of the already existing license applicant. Please review and we can discuss at our next work session. I will be inviting the principals to attend. Thank you all.

From: David Christian <dave@shorehousecanna.com>
Sent: Friday, January 12, 2024 11:30 AM
To: C Sabo <csabo@westcapemay.us>
Cc: Tom Nuscis <tom@shorehousecanna.com>; Nicole Melchiorre <nicole@shorehousecanna.com>
Subject: EXTERNALWest Cape May Cultivation/Manufacturing

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Afternoon Mayor Sabo-
We are attaching some documents for your review regarding our pursuit of Cultivation and Manufacturing in West Cape May:
1. Letter Requesting Amendment of Ordinance No. 603-21
2. Excerpt from NJ Cannabis Regulations regarding Outdoor Cultivation
3. Proposed Amended Ordinance
4. Proposed Resolution of Support
5. Overview of Proposed Use

These documents are meant for purposes of continuing the discussion. Please call me with any questions or concerns. Thank you for your assistance!

Best,

Dave

Dave Christian
Cell: 215-828-6057

Shore House Canna
124 Sunset Boulevard
West Cape May, NJ 08204



January 11, 2024

Borough of West Cape May
732 Broadway
West Cape May, NJ 08204
ATT: Honorable Mayor Carol Sabo

Request for Ordinance Amendment and Municipal Support

Dear Borough of West Cape May,

We are writing you today to request a modification of West Cape May Ordinance Number Ordinance No. 603-21. We are in the process of submitting our application to the State of New Jersey to expand our license to incorporate a cultivation & manufacturing component located at Rea's Farm here in West Cape May. Shorehouse Canna, LLC has entered discussions to lease 5 acres of land from Leslie C Rea's Farm, Inc. for the purpose of a regulated outdoor cultivation of cannabis and light manufacturing in compliance with municipal and state regulations.

Our selected location, at Rea's Farm, has a long history of farming on Cape Island. It is our hope that you will amend your Ordinance, to include outdoor cultivation, as allowed by the State of New Jersey NJAC 17:30-10.3 (excerpt attached). This modification will allow cultivation in its most natural and environmentally friendly form which is consistent with this farm's legacy as well as the Master Plan. Our proposed location is within R-4 & R-5 zoning which is compliant with your local Ordinance Number Ordinance No. 603-21. The proposed location does not encroach on any churches, schools or public parks.

Our plan is to plant one crop per year, approximately 1 acre of outdoor cannabis canopy. Shorehouse will install a hoop house to germinate its seeds. We will install an irrigation well on the property to water the plants. We will install security measures and a perimeter fence around the field which are compliant with Borough and State requirements and also aesthetically pleasing and consistent with the farm's heritage. We will utilize water conservation technologies including precision drip line irrigation and recyclable plastic mulch to reduce our water demand by at least 70%. We will farm using organic practices, consistent with NJAC 2:78, which includes OMRI Certified organic inputs, such as nitrogen, to fertilize the crop.

The crop will be harvested and dried in a traditional Dry Barn which will be constructed on the leased property. The dried crop will be processed using organic practices to produce cannabis products which meet or exceed the same cultivation and manufacturing standards required to certify foods as USDA Certified Organic. The Dry Barn will also serve as a light manufacturing facility of small batch craft cannabis products which are subject to approval by the state. We will feature "Grown in West Cape May" as a marketing differentiator. The goal is to make craft quality cannabis products made locally from plants "Grown in West Cape May", to be sold in our retail store and throughout South Jersey.

We have prepared a modified Resolution for your consideration (draft attached). We are respectfully requesting the Borough consider adopting this modified Resolution, which will accommodate both styles of cultivation, indoor and outdoor as allowed by the State. We are also requesting a Resolution of Support (draft attached), which will enable us to apply for a Cultivation & Manufacturing license to the New Jersey Cannabis Regulatory Commission.

In conclusion, we believe our plan may be the ONLY opportunity for the Borough of West Cape May to participate in this emerging industry from a cultivation & manufacturing perspective. Participation means 15-20 new good paying full-time jobs, a 2% cultivation tax, a 2% manufacturing tax, and finally and most importantly, participation means helping preserve real farming on one of our community's last remaining legacy farms.

If there are any questions, we are available to address the Borough Committee at your convenience. We will be attending the Meeting on January 24th in the event any questions arise.

With Sincere Regards,

Dave Christian
COO/Growmaster
Shorehouse Canna, LLC.

Excerpt From NJ Regulations Regarding Outdoor Cultivation

17:30-10.3 Additional outdoor cultivation requirements

- a. Outdoor cultivation may be permitted, where the license holder complies with the Act and this chapter, and where approved by the municipality in which the cannabis business is located.
 - 1. Outdoor cultivation may occur in a full greenhouse with rigid walls, a partial greenhouse, a hoop house, or other non-rigid structure, or an expanse of open or cleared ground fully enclosed by a physical barrier.
- b. The outdoor grow area shall be situated to maintain the greatest achievable level of privacy and security.
- c. The property that contains an outdoor grow area and the outdoor grow area itself shall each be securely surrounded by fencing and locked gates on the entire perimeter, constructed in accordance with the Uniform Construction Code, to prevent access to the grow area by unauthorized persons.
 - 1. Fencing shall be constructed of metal chain links or another similarly secure material and shall measure at least eight feet from the ground to the top. All support posts shall be securely anchored. Fencing shall meet the requirements of the relevant municipal code provisions.
 - 2. Locks on gates shall be commercial-grade, non-residential door locks.
- d. The outdoor grow area shall be protected by a security alarm system and 24-hour video surveillance system that is continuously monitored and capable of detecting power loss, pursuant to N.J.A.C. 17:30-9.10, to ensure surveillance of the entire perimeter of the grow area and overall portions of the security fences and all gates.

**BOROUGH OF WEST CAPE MAY
COUNTY OF CAPE MAY
STATE OF NEW JERSEY**

ORDINANCE NO. _____

**AN ORDINANCE OF THE BOROUGH OF WEST CAPE MAY PERMITTING THE
OPERATION OF CERTAIN CANNABIS BUSINESSES WITHIN ITS GEOGRAPHIC
BOUNDARIES AND AMENDING THE ZONING ORDINANCE ACCORDINGLY**

WHEREAS, in 2020 New Jersey voters approved Public Question No. 1, which amended the New Jersey Constitution to allow for the legalization of a controlled form of marijuana called “cannabis” for adults at least 21 years of age; and

WHEREAS, on February 22, 2021, Governor Murphy signed into law P.L. 2021, c. 16, known as the “New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act” (the “Act”), which legalizes the recreational use of marijuana by adults 21 years of age or older, and establishes a comprehensive regulatory and licensing scheme for commercial recreational (adult use) cannabis operations, use and possession; and

WHEREAS, the Act establishes six marketplace classes of licensed businesses, including:

- Class 1 Cannabis Cultivator license, for operators involved in growing and cultivating cannabis;
- Class 2 Cannabis Manufacturer license, for facilities involved in the manufacturing, preparation, and packaging of cannabis items;
- Class 3 Cannabis Wholesaler license, for facilities involved in obtaining and selling cannabis items for later resale by other licensees;
- Class 4 Cannabis Distributor license, for businesses involved in transporting cannabis plants in bulk from one licensed cultivator to another licensed cultivator, or cannabis items in bulk from any type of licensed cannabis business to another;
- Class 5 Cannabis Retailer license, for locations at which cannabis items and related supplies are sold to consumers; and
- Class 6 Cannabis Delivery license, for businesses providing courier services for consumer purchases that are fulfilled by a licensed cannabis retailer in order to make deliveries of the purchased items to a consumer, and which service would include the ability of a consumer to make a purchase directly through the cannabis delivery service which would be presented by the delivery service for fulfillment by a retailer and then delivered to a consumer.

WHEREAS, section 31a of the Act authorizes municipalities by ordinance to adopt regulations governing the type and number of cannabis establishments (defined in section 3 of the Act as “a cannabis cultivator, a cannabis manufacturer, a cannabis wholesaler, or a cannabis retailer”), cannabis distributors or cannabis delivery services allowed to operate within their boundaries, as well as the location manner and times operation of such establishments, distributors or delivery services, and establishing civil penalties for the violation of any such regulations; and

WHEREAS, Section 31b of the Act also stipulates, however, that any municipal regulation or prohibition must be adopted within 180 days of the effective date of the Act (*i.e.*, by August 22, 2021); and

WHEREAS, the Borough Commission of the Borough of West Cape May has determined that certain types of cannabis business should be permitted to operate in the Borough, subject to the provisions of the Act, the regulations promulgated thereunder, and the relevant ordinances of the Borough of West Cape May, including this Ordinance,

NOW THEREFORE, BE IT ORDAINED, by the Borough Commission of the Borough of West Cape May, County of Cape May, State of New Jersey, as follows:

SECTION 1. Pursuant to section 31b of the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act (P.L. 2021, c. 16), properly licensed cannabis cultivation, manufacturing, wholesaling, and distributing operations shall be permitted in the Borough’s R-2, R-4, and R-5 zoning districts, provided that all such operations have a minimum lot size of five (5) acres.

SECTION 2. Properly licensed cannabis cultivation shall be a permitted use. There will be one (1) allowed. Properly licensed cannabis manufacturing, wholesaling, or distributing operations shall be conditional uses, subject to the conditions and standards set forth below.

SECTION 3. Properly licensed combined cultivation, manufacturing, wholesaling, and/or distribution operations on a single five-acre parcel shall be a conditional use, subject to the conditions and standards set forth below.

SECTION 4. Properly licensed cannabis cultivation operations shall conform to all area and bulk standards for farm uses, including accessory uses, in the zone in which they are located.

SECTION 5. Properly licensed cannabis retail operations shall be a permitted use in the borough’s C-2 and C-3 zones.

SECTION 6. Depending on where they are located, properly licensed cannabis retail operations shall conform to all area and bulk standards of the C-2 or C-3 zones, and shall further comply with all borough regulations regarding parking, signage, flags and lighting.

SECTION 7. Properly licensed cannabis retail operations shall operate only between the hours of 8 a.m. and 10 p.m.

SECTION 8. No cannabis retail operation shall be located within 1,000 feet of a school, school playground, or church.

SECTION 9. As required by the Act, the delivery of cannabis items and related supplies by the holder of a Class 6 cannabis delivery license shall be permitted throughout the borough.

SECTION 10. The following Sections of the West Cape May Zoning Code are hereby amended as follows:

1. Section 27-29, governing conditional uses, is amended to add the following:

(c). Properly licensed cannabis cultivation, manufacturing, wholesaling and/or distributing operations, subject to the following conditions:

a. The facility shall meet all of the requirements for licensure by the New Jersey Cannabis Regulatory Commission and/or the New Jersey Department of Health.

b. Fencing: All cultivation areas and structures must be enclosed by fencing at least seven feet high. All structures utilized for any manufacturing, wholesaling, storage or distribution of cannabis shall be enclosed by a fence at least seven feet high.

c. Enclosed building: All manufacturing, storage and distribution activities shall take place within enclosed building or structures. The facility shall be the sole occupant of its building.

d. Security: All structures shall be designed, using safety and security barriers, to prevent the unlawful and unauthorized entry into the structures as prescribed by State law.

1. There shall be controlled access to the site, with 24/7 on-site video monitoring of the exterior and interior of the facility, which video shall be retained and stored for the period prescribed by State law, but in no case shall such video be retained and stored for less than 30 days.

2. Plans and reports depicting or describing access and security details information concerning the facility shall be deemed and protected as confidential security documents, exempt from disclosure as public records.

e. There shall be no direct sales to the public from the property. Nothing herein shall permit the retail sale of cannabis or marijuana products, the dispensing of cannabis or marijuana product, or the direct point sale or distribution of marijuana products except to other cannabis businesses licensed by the State.

f. Noise: Cannabis cultivation and manufacturing facilities shall operate in compliance with state and local noise laws and regulations, except in emergency situations requiring the use of a backup generator.

g. Odor: ~~Indoor~~ ~~cannabis~~ cultivation and manufacturing operations shall utilize available technology to filter and recirculate air, so that odors are not discernable by a reasonable person beyond the property line.

h. Location: One thousand (1,000) linear feet measured from the lot line of any school, church, or park to the nearest portion of the building containing a cannabis use. The subsequent approval of a school or any other facility in proximity to the cannabis use shall not render any existing cannabis business a nonconforming use.

i. Emergency power: Cannabis cultivation and manufacturing operations shall have a backup generator, capable of maintaining, at a minimum, all electronic security systems in the event of a power failure.

j. Signs: Cannabis cultivation and manufacturing facilities shall only be permitted to have one sign, in compliance with sign requirements for the zone.

k. Lighting: No light generated by any cannabis cultivation and manufacturing activities shall result in measurable light changes at the nearest property boundary to each structure.

l. Consumption: No cannabis or cannabis product shall be smoked, eaten or otherwise consumed on the premises of any cannabis cultivation or manufacturing facility.

(d). If a cannabis cultivation facility is combined with a cannabis manufacturing, wholesaling or distributing operation, it shall be located on a parcel of no less than five acres and shall comply with all conditions set forth in subsection (c), above.

2. Section 27-16.1, governing permitted uses in the C-2 district, is amended to add the following:

(n). Properly licensed cannabis retail establishments. In addition, such establishments will meet the following standards:

i. There will be 24/7 on-site video monitoring of the facility. The video shall be maintained for the period prescribed by state law, but in no case less than 30 days.

ii. On-premises cannabis consumption areas are prohibited.

iii. Compliance with all area and bulk standards in the zone.

iv. Compliance with all state statutory and regulatory requirements.

3. Section 27-17.1, governing permitted uses in the C-3 district, is amended to add the following:

(k). Properly licensed cannabis retail establishments. In addition, such establishments will meet the following standards:

- i. There will be 24/7 on-site video monitoring of the facility. The video shall be maintained for the period prescribed by state law, but in no case less than 30 days.
- ii. On-premises cannabis consumption areas are prohibited.
- iii. Compliance with all area and bulk standards in the zone.
- iv. Compliance with all state statutory and regulatory requirements.

4. Section 27-11.1, governing permitted uses in the R-2 district, is amended to add the following:

(g). Properly licensed cannabis cultivation facilities, provided they conform to all area and bulk standards governing farms in the R-2 district, including standards for permitted accessory uses. In addition, such establishments will meet the following standards:

- i. There will be 24/7 on-site video monitoring of the facility. The video shall be maintained for the period prescribed by state law, but in no case less than 30 days.
- ii. On-premises cannabis consumption areas are prohibited.
- iii. Compliance with all area and bulk standards in the zone.
- iv. Compliance with all state statutory and regulatory requirements.

5. Section 27-13.1, governing permitted uses in the R-4 district, is amended to add the following:

(c). Properly licensed cannabis cultivation facilities, provided they conform to all area and bulk standards governing farms in the R-4 district, including standards for permitted accessory uses. In addition, such establishments will meet the following standards:

- i. There will be 24/7 on-site video monitoring of the facility. The video shall be maintained for the period prescribed by state law, but in no case less than 30 days.

- ii. On-premises cannabis consumption areas are prohibited.
- iii. Compliance with all area and bulk standards in the zone.
- iv. Compliance with all state statutory and regulatory requirements.

6. Section 27-14.1, governing permitted uses in the R-5 district, is amended to add the following:

(d). Properly licensed cannabis cultivation facilities, provided they conform to all area and bulk standards governing farms in the R-5 district, including standards for permitted accessory uses. In addition, such establishments will meet the following standards:

- i. There will be 24/7 on-site video monitoring of the facility. The video shall be maintained for the period prescribed by state law, but in no case less than 30 days.
- ii. On-premises cannabis consumption areas are prohibited.
- iii. Compliance with all area and bulk standards in the zone.
- iv. Compliance with all state statutory and regulatory requirements.

SECTION 11. The Borough of West Cape May hereby establishes the following local cannabis tax:

- A. On cannabis cultivation, a tax of 2% of the amount of each sale.
- B. On cannabis manufacture, a tax of 2% on the amount of each sale
- C. On cannabis wholesaling, a tax of 1% on the amount of each sale.
- D. On cannabis retailing, a tax of 2% on the amount of each sale.

Said tax shall be payable directly to the Chief Financial Officer of the Borough on a quarterly basis. Failure to make such payments shall subject the cannabis operation to the same penalties as would accompany a failure to make timely payment of property taxes.

SECTION 12. All cannabis operations in the Borough of West Cape May shall comply fully with the licensing requirements of the West Cape May Code.

SECTION 13. Any article, section, paragraph, subsection, clause, or other provision of the West Cape May Municipal Code inconsistent with the provisions of this ordinance is hereby repealed to the extent of such inconsistency.

SECTION 14. If any section, paragraph, subsection, clause, or provision of this ordinance shall be adjudged by a court of competent jurisdiction to be invalid, such adjudication shall apply only to the section, paragraph, subsection, clause, or provision so adjudged, and the remainder of this ordinance shall be deemed valid and effective.

SECTION 15. To the extent this Ordinance modifies the West Cape May land use ordinances, it shall be referred to the West Cape May Consolidated Land Use Board for a Master Plan consistency review pursuant to N.J.S.A. 40:55D-26(a) and -64.

SECTION 16. This ordinance shall take effect 20 days after passage and publication, according to law

Carol E. Sabo, Mayor

Peter C. Burke, Deputy Mayor

John H. Francis, III, Commissioner

Theresa Enteadó
Acting Municipal Clerk

Introduced: January 24, 2024

First Publication:

Second Reading and Adoption:

Final Publication:

Effective Date:

I hereby certify that the foregoing is a true copy of an Ordinance duly passed and adopted by a majority of full membership of the Board of Commissioners of the Borough of West Cape May, County of Cape May, New Jersey, at a meeting held on January 24, 2024.

Theresa Enteadó
Acting Municipal Clerk

BOROUGH OF WEST CAPE MAY
COUNTY OF CAPE MAY
STATE OF NEW JERSEY

RESOLUTION #___-24

**RESOLUTION OF LOCAL SUPPORT FOR SUITABILITY
OF CANNABIS BUSINESS SHOREHOUSE CANNA, LLC**

WHEREAS, operators of a proposed cannabis business are required to demonstrate local support for the suitability and appropriateness of its business location from a municipality pursuant to N.J.A.C. 17:30-5.1(g) and/or pursuant to the provisions of N.J.S.A. 24:61-7.2(4); and

WHEREAS, pursuant to the provisions of N.J.S.A. 17:30-5.1, the Borough of West Cape May has previously adopted ORDINANCE NO. 603-21 to license and regulate cannabis businesses; and

WHEREAS, the applicant, Shorehouse Canna, LLC, has sought such a letter of support to apply for a license to operate a licensed Class I Cannabis Cultivation and a Class II Cannabis Manufacturing business in the Borough of West Cape May located in a compliant Zoning District, and specifically at property located at 400 Stevens Street in West Cape May; and

WHEREAS, the Borough recognizes the Company is currently operating a compliant Retail Cannabis business located at 124 Sunset Boulevard in West Cape May, and is up to date in paying its tax obligation to the Borough; and

WHEREAS, the Borough reviewed the Company's plans to operate a compliant cannabis cultivation and manufacturing business that will generate local taxes and jobs consistent with the purpose of the Cape May County Comprehensive Plan; and

WHEREAS, the Borough recognizes the proposed business expansion will help to fortify this local business' operation into the future as more competition with vertically integrated cultivation and manufacturing enters the market, and;

WHEREAS, the Borough recognizes the location of the proposed business expansion at Rea's Farm is a rare opportunity to bolster the economic prospects of one of the last remaining legacy farms in Cape Island, and in turn our municipal support of this proposal is also support for local farming, which is consistent with the Cape May County Comprehensive Plan, and;

WHEREAS, this business Shorehouse Canna, LLC, has been certified by the New Jersey Department of Treasury as a Disabled Veteran Owned Business (DVOB), consistent with the type of candidate identified for licensure priority by the New Jersey Cannabis Regulatory Commission as a 'Diversely Owned' applicant; and

WHEREAS, the Borough has considered the request of Shorehouse Canna, LLC to conduct the cannabis business in the Borough of West Cape May; and

WHEREAS, the issuance of a Class I Cannabis Cultivator and a Class II Manufacturer license to the applicant, Shorehouse Canna, LLC, would not exceed the number of licensees allowed by the Borough of West Cape May; and

WHEREAS, the Borough has determined Shorehouse Canna, LLC is sufficiently prepared and qualified to operate a Class I Cannabis Cultivator license and Class II Manufacturer license in the Borough of West Cape May; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Borough of West Cape May, County of Cape May and State of New Jersey hereby authorizes, the issuance of, and hereby adopts, this Resolution of Local Support for Shorehouse Canna, LLC, for the purpose described herein.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately, according to law.

Carol Sabo, Mayor

Theresa Enteadó
Acting Municipal Clerk

	Aye	Nay	Abstain	Absent
Sabo				

Adopted: January 24, 2024

cc: Shorehouse Canna LLC
File

I hereby certify that the foregoing is a true copy of a Resolution duly passed and adopted by a majority of full membership of the Board of Commissioners of the Borough of West Cape May, County of Cape May, New Jersey, at a meeting held on Jan 24, 2024.

Acting Municipal Clerk

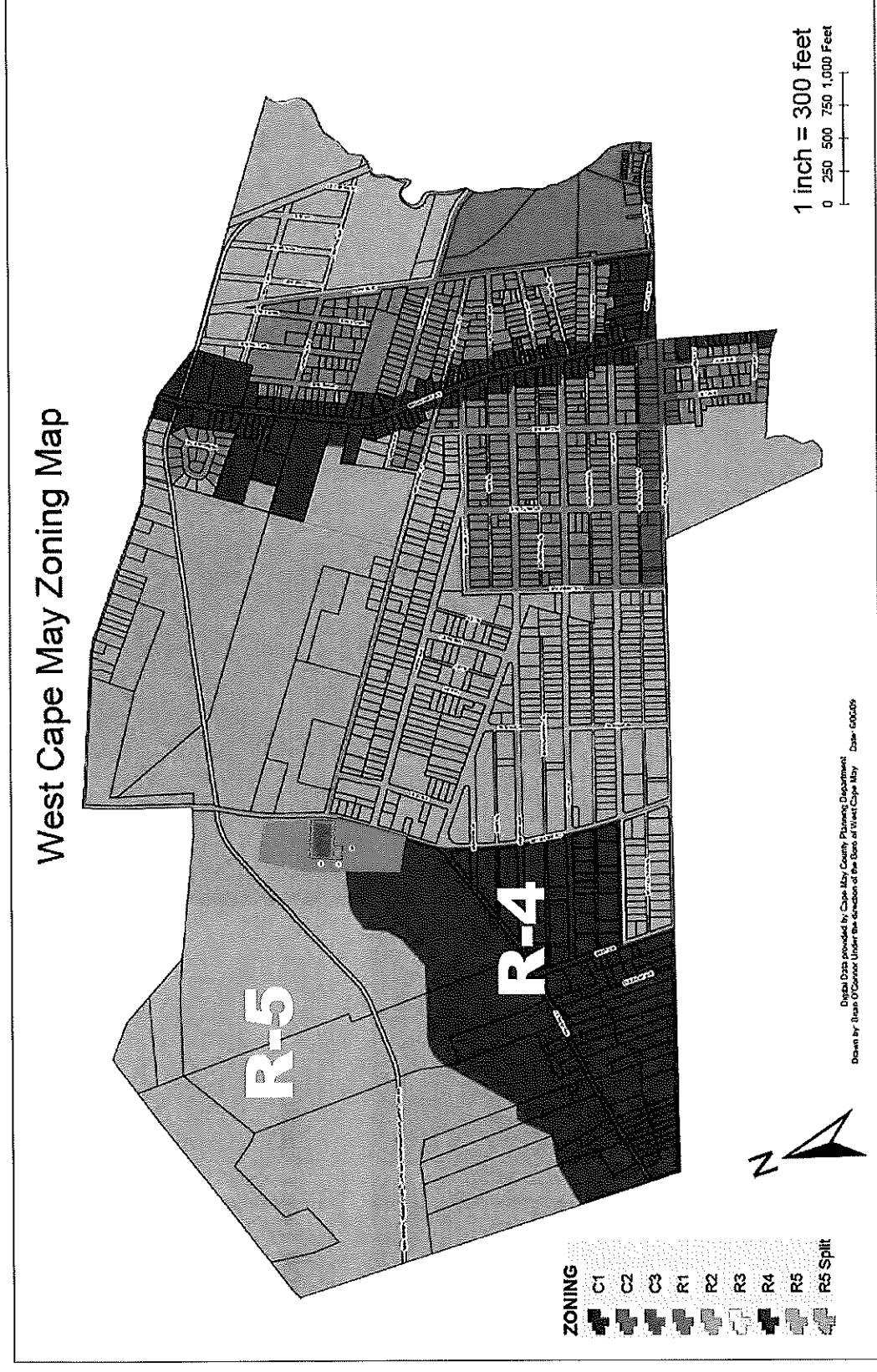
SHORE HOUSE CANNABANA

CRAFT CULTIVATION
& MANUFACTURING
WEST CAPE MAY, NJ

FARMING CAPE ISLAND



COMPLIANT WITH WEST CAPE MAY ZONING



SECTION 1. Pursuant to section 31b of the New Jersey Cannabis Regulatory Enforcement Assistance, and Marketplace Modernization Act (P.L. 2021, c. 16), properly licensed cannabis cultivation, manufacturing, wholesaling, and distributing operations shall be permitted in the Borough's R-2, R-4, and R-5 zoning districts, provided that all such operations have a minimum lot size of five (5) acres.

LOCATION

The light green circle shows 1000' setback from the proposed Dry Barn location on Rea's Farm. The bright green shows the 5 acre lot under discussion between Shore House and Rea's Farm.



1000 Foot Radius



5 Acre Property

WCM ORDINANCE 603-21 SECTION 10.1h

Location: One thousand (1,000) linear feet measured from the lot line of any residence, school, church, or park to the nearest portion of the building containing a cannabis use.

SITE PLAN - 5 ACRES LEASED LAND ON REA'S FARM



1. GREENHOUSE

2. MEADOW

3. DRY BARN

4. THE BEANERY THRESHER

USDA ORGANIC FARMING PRACTICES

Living Soil

Sun Grown



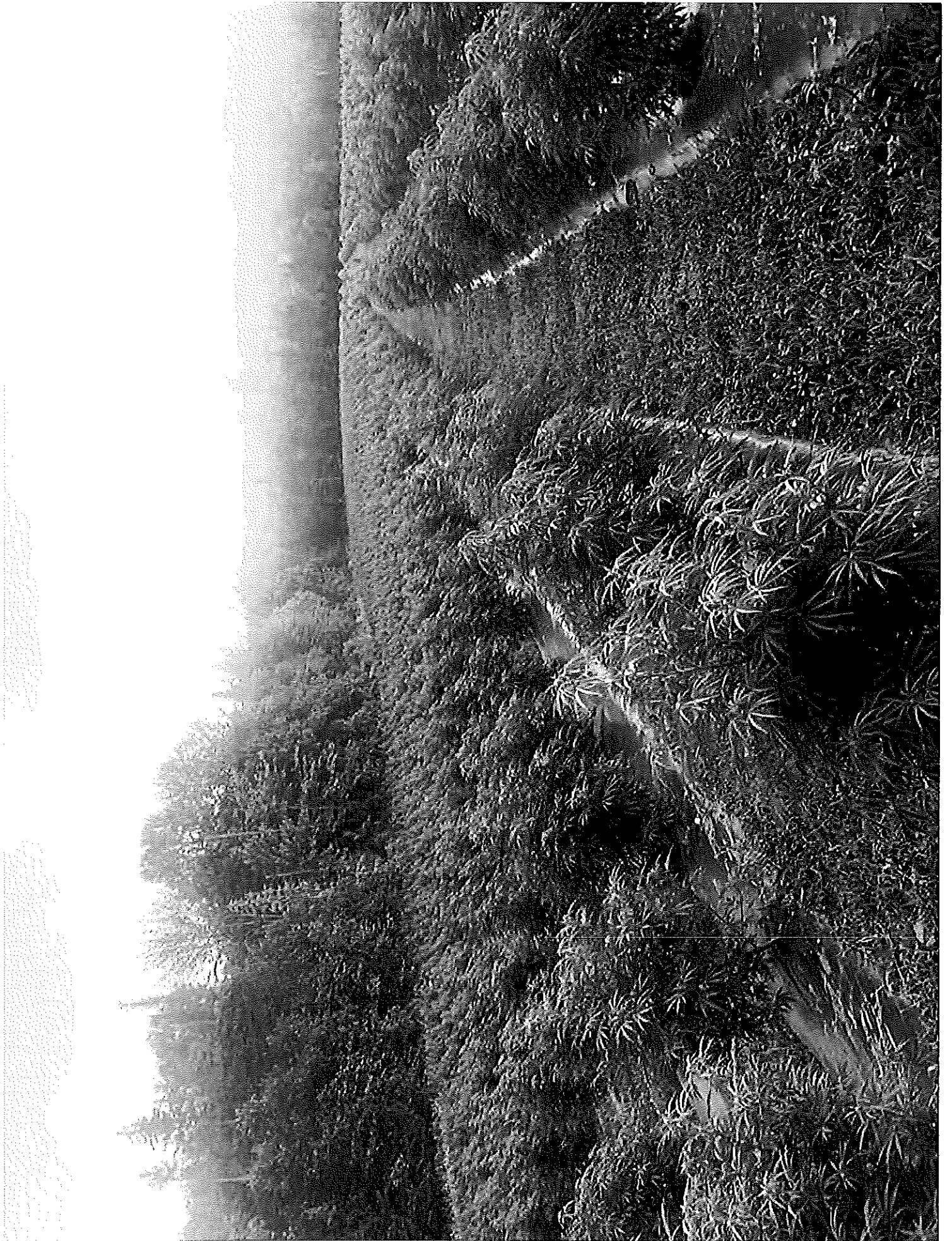
USDA Organic Inputs

& Integrated Pest Management



WATER CONSERVATION

Shore House Canna will use a recyclable plasticulture mulch and precision micro-irrigation to reduce water demand by up to 70% over sprinklers.



DRY BARN: CONCEPTUAL RENDERING

