

Narrative of Proposal
700 Middlesex Avenue
Block 71 Lot 37.01

A. Background

Dasco Solutions, LLC (the “Applicant” or “Dasco”) is the Lessee of property known as 700 Middlesex Avenue (the “Property”), which constitutes Parcel A of the Amended Oakite Redevelopment Plan (the “Redevelopment Plan”). The Property is comprised of 25,956 square feet, and contains a 3,037 square foot vacant bank building, with 3 drive-through lanes and 10 parking spaces. The site was the subject of a Planning Board approval memorialized by resolution adopted May 1, 2003, which granted site plan and conditional use approval, along with variances and waivers.

The Applicant proposes to convert the vacant bank building into a retail cannabis facility. The existing bank building will be modified to accommodate the new use. No changes to the existing site plan are currently proposed.

Pursuant to Ordinance 2023-03, a Class 5 Retail Cannabis Facility is allowed as a conditional use on Parcel A, subject to the requirements of §72-5C of the Metuchen Cannabis Ordinance. Pursuant to Ordinance 2023-04, an application for conditional use approval also requires a major site plan application.

The Applicant is seeking conditional use approval, as well as preliminary and final major site plan approval. As set forth below, the proposed facility complies with all conditional use requirements. Since no site plan changes are proposed, the Applicant is requesting a waiver of a number of site plan requirements, as indicated in the marked-up submission requirement ordinance excerpts submitted with this application.

The Applicant’s proposed use of the Property for a retail cannabis facility fully complies with all conditional use requirements and the requirements of the Redevelopment Plan and Metuchen’s Cannabis Ordinance, as well as all applicable State regulations.

B. Description of Retail Cannabis Facility Operations

The Applicant anticipates regular business hours of 10 am to 7 pm Monday through Saturday, and 11 am to 6 pm on Sundays. There will be a staff of approximately 12 employees, comprised of part-time and full-time workers, of which 4-5 employees will be in the store at any

given time. There may be a second shift after closing, to reconcile inventory and prepare online orders received for the next business day. Approximately 120 customers per day are anticipated on average, with the busiest hours of operation expected to be 11 am - 12 pm and 5 pm - 6 pm. The store will contain point of sale stations and self-service kiosks. The Applicant will utilize the primary drive-through lane closest to the building to service customers. (The other two drive-through lanes will not be utilized.) It is anticipated that the drive-through lane will service approximately two-thirds of Dasco's customers.

There currently is a total of 10 parking spaces on-site, which exceeds the Redevelopment Plan's standard of 1 parking space per 500 square feet of floor area. Given the anticipated percentage of business using the drive-through lane, the 10 parking spaces provided are sufficient for the anticipated operations. In order to accommodate potential business growth, the Applicant plans, in the near future, to eliminate the two outermost and unutilized drive-through lanes, and to reconfigure that area of the site to provide additional parking. This will be the subject of a subsequent application for site plan approval.

C. Conditional Use Standards

As set forth below, the Applicant satisfies the conditional use standards of §72-5C of the Borough's Cannabis Ordinance.

1. **Land Development Regulations** - - The Applicant is satisfying its obligation to obtain all required land use approvals by seeking conditional use approval, as well as preliminary and final site plan approval, with this application.
2. **Hours of operation** - - Applicant's proposed hours of operation comply with the 9:00 am to 10:00 pm window provided by ordinance.
3. **The licensed facility shall be accessible directly from a right-of-way through a separate entrance independent from any other retail ingress** - - The facility is directly accessible from Middlesex Avenue, and is not connected to any other retail facility.
4. **Queuing of customers outside a cannabis facility is prohibited** - - Customers will not be permitted to wait outside of the facility to gain access inside.
5. **No cannabis establishment shall be permitted within 200 feet of a Kindergarten through 12th grade school** - - The Property complies with this requirement.

6. **No cannabis product or paraphernalia shall be visible from a public sidewalk, public street or right-of-way or any other public place** - - The windows will be coated with 3M-dusted crystal film, which is opaque and prevents the interior of the facility from being visible to the outside.
7. **All cannabis products and paraphernalia shall be stored securely indoors and on-site** - - Applicant will utilize the existing bank vault for storage of cannabis products, subject to possible modification to comply with State regulations. Access to the vault will be limited to certain employees pursuant to established protocols. The Applicant will implement strict procedures for inventory control and management during operating hours, at closing, and for storage. For additional information regarding handling and storage of cannabis products, see “Secure Storage of Cannabis, Cannabis Products and Paraphernalia,” attached as Exhibit A.
8. **Consumption of cannabis products, by any means, shall not be permitted in the licensed facility or adjacent grounds** - - Applicant will not permit the consumption of cannabis products on the Property.
9. **Noise: Outside generators and other mechanical equipment used for any kind of power supply, cooling or ventilation shall be enclosed and have appropriate baffles, mufflers, and/or other noise reduction systems to mitigate noise pollution.** - - No generators are proposed. The existing exterior condenser units are screened by landscaping, and will comply with all applicable noise codes.
10. **Odor: All cannabis facilities shall have equipment to mitigate cannabis-related odor. The building/premises shall be equipped with a ventilation system sufficient in type and capacity to eliminate cannabis odors emanating from the interior of the premises. The ventilation system must be approved by the Construction Code Official and/or appropriate inspector and may be subject to periodic inspection.** - - Applicant will implement an odor mitigation plan, as described in the “Odor Mitigation Plan,” attached as Exhibit B.
11. **Condition 11 requires that all cannabis facilities be secured in accordance with State statutes and regulations, and sets forth specific requirements regarding coordination with the Police Department and the Zoning Officer; the presence of trained security personnel; outdoor illumination for safety and security, consistent with code**

requirements; and monitoring of the premises and right-of-way adjacent to the premises. - - Applicant will implement comprehensive security measures, as described in “Security Measures and Equipment,” attached as Exhibit C. On-site lighting is shown on the lighting plan submitted with this application.

12. **Signage design is to comply with State and the Borough’s sign regulations.** - - The Applicant is proposing a 24 square foot façade sign on the Middlesex Avenue frontage, which complies with the requirements of §110-186A of the Ordinance. The Applicant also is proposing an additional 24 sq. ft. façade sign facing the mid-block connector roadway, which is permitted pursuant to §110-185C(4).
13. **No cannabis facility shall be housed in a vehicle or any movable or mobile structure.**
- - The proposed facility is in a permanent building.
14. **Compliance with all rules and regulations adopted by the New Jersey Cannabis Regulatory Commission** - - Applicant will comply with all applicable rules and regulations.

EXHIBIT A
Secure Storage of Cannabis, Cannabis Products, and Paraphernalia

DASCO Solutions is converting a former bank to its proposed cannabis dispensary, and intends to use, for overnight storage, the established bank vaults which have been constructed with cement walls, and traditional bank vault doors which are sufficient to comply with all regulations regarding vaults as established in N.J.A.C. 17:30-14-7 which stipulates that All cannabis items shall be stored in an enclosed indoor, locked area where access to such area is limited to an owner, principal, employee, or volunteer of a license holder or staff members of a license holder's management. services contractor that possesses a Cannabis Business Identification Card when acting in their official capacity.

Vault Access-Control Measures

Strict measures to control access to, and within, the storage areas in our facilities are imperative to prevent the unlawful diversion or theft of cannabis, including quarantined cannabis items and waste. The Vault will be access-controlled using a pin pad and swipe-card reader, meeting or exceeding commercial security standards, so only those agents with proper credentials may enter (in compliance with N.J.A.C. 17:30-12.7). Pursuant to N.J.A.C. 17:30-9.12(a), we will limit access to cannabis item storage areas to the minimum number of authorized personnel necessary to maintain safe and orderly operations. Employees will only be granted access to storage areas within the facility depending on their particular job responsibilities and specific authorizations. The following personnel will be authorized to access the Vault and other storage areas: (i) Facility Manager; (ii) Senior Retail Manager; (iii) Retail Technicians; and (iv) Security Personnel.

Inventory Control

Essential to inventory management is a clear, all-encompassing, perpetual, and recorded chain of custody. Our cannabis inventory management tracking system, THSuite will enable us to generate and maintain electronic records, including but not limited to, inventory records, transport records, maintenance records, sales transaction records, and dispensing records. THSuite is a widely utilized, customizable, proprietary seed-to-sale point of sale, inventory tracking and recordkeeping system that has been successfully used in our affiliated operations in other highly regulated medical and adult use cannabis programs for several years. Once implemented, the system will work in conjunction with the State's seed-to-sale tracking software.

All entries into the system will include the unique employee ID number of the employee taking the relevant action so that we know who is/was responsible for each step in our integrated processes. All facility staff will be thoroughly trained, tested, and re-trained in the use and functionality of both the State's (i) cannabis program tracking system, and (ii) our internal system, to ensure the accuracy and integrity of our inventory program.

Inventory Management During Dispensary Opening

The manager in charge will oversee DASCO's opening procedures. Prior to opening, authorized employees will enter the secure vault to remove and transfer an amount of cannabis and cannabis products necessary for stocking display cases. As products are removed from the vault, staff must inspect the products packaging to ensure (i) the integrity of the containers; (ii) the compliance of the labels and packages; and (iii) that no products or packages are unsealed, expired, damaged,

deteriorated, mislabeled, contaminated, or recalled. Employees must then update THSuite reflecting the transfer of the products to the service area.

Inventory Management During Dispensary Closing

The manager in charge will oversee closing procedures. During the closing procedures, authorized employees will remove *all* unsold cannabis products from the locking display cases and transfer them back to the vault. As products are removed, authorized staff will again: inspect the products packaging to ensure (i) the integrity of the containers, (ii) compliance with the labels, and (iii) that no products or packages are unsealed, expired, damaged, deteriorated, mislabeled, contaminated, or recalled. As that inspection is completed, staff will update the system reflecting the transfer of the products to the vault.

All unsold product transfer procedures will be handled by a minimum of two authorized employees and will be conducted in the presence of our security team and within view of our recording surveillance system. Once an unsold product transfer has been completed, authorized employees will (i) exit the vault (ensuring the door has been fully closed, secured, and locked), (ii) update the electronic inventory system with all actions taken to the products, and (iii) notify the manager and Security that all unsold products have been safely transferred to the secure storage.

Inventory Audits

We will establish inventory controls and procedures to conduct both unannounced and routine scheduled daily, monthly, and annual inventory audits to confirm that our physical inventory matches our digital records stored in THSuite.

Staff will keep accurate and detailed inventory records to establish an unbroken chain of custody; compiling daily, monthly and annual inventory reviews; and logging inventory totals. In doing so, we will document: (i) the date we receive the inventory, (ii) each room where the inventory travels and its date of entry, and (iii) the names, signatures, and titles of each person who handled it.

Storage Procedures

Upon the completion of product shipment receiving procedures, all cannabis will be entered into our inventory tracking system (and the State's tracking system) and will be immediately transferred to the vault for secure storage pending display stocking/sale. All products onsite will be securely stored overnight within the locked, alarmed and heavily monitored vault. Cannabis will only be transferred from the vault: (1) during daily stocking procedures at the dispensary; (2) to accommodate a transaction with a qualified customer after an approved sale; or (3) to be transferred to a supplier for removal/destruction procedures after being segregated in quarantine upon indication of a contamination or other quality control issue (including recall).

As part of the daily opening procedures, authorized agents will enter the vault to remove and transfer an adequate amount of inventory necessary for stocking the lockable display cases in the dispensing/sales area as part of normal business operations. The quantity of product stocked in the display cases will reflect the anticipated demand for the day based on historical records, plus specified additional amounts in case of an unexpected surge in consumer demand. At the close of business each day, *all* unsold products and display canisters containing cannabis will be transferred back to the vault for overnight storage, without exception. All stocking/restocking procedures must be handled by a minimum of 2 employees and will be conducted in the presence of security personnel and within view of the recording surveillance system.

Only specifically authorized, highly trained staff will be granted access credentials to open the vault door. The vault is located within a secure, locked limited access area specifically designed to prevent diversion, theft, and loss. Because DASCO will site its dispensary in the Borough of Metuchen at a location that Fulton Bank once occupied, we intend to use the existing bank's vault, so long as it meets State-required standards, which we reasonably presume is the case. If not, DASCO will install a new one which meets all State and local requirements for specifications and features to ensure secure storage.

Notably, all safes used on the premises will meet the requirements for Schedule I Controlled Substances, and be commercial grade, fireproof, made of metal, and capable (from a size perspective) of storing all cannabis products and cash anticipated to be on the premises. The safes will be securely anchored to a permanent structure (but not any exterior walls) and will meet or exceed any additional requirements set forth by any state or local governing bodies.

The vault will also serve as Quarantine for the storage of cannabis products that have expired, are damaged, deteriorated, mislabeled, contaminated, recalled, or whose containers or packaging have been opened or breached, until such products are returned to their source, or until such products are destroyed or otherwise disposed of. DASCO will maintain an appropriate number of secure, lockable airtight storage bins for storage of all quarantined products. These storage bins will be utilized as single-purpose, dedicated units for the short-term storage of specific types of quarantined products and will be color-coded and labeled accordingly.

The vault will be monitored with perimeter alarm sensors, motion detectors and surveillance equipment to prevent diversion. The vault will be locked, secured, and alarmed at all times, except when accessed for operational needs. Only the minimum number of highly trained and trusted employees necessary for efficient operations will be authorized to access this restricted-access room, and they will only be permitted access for the minimum amount of time necessary to perform their duties. The room will be heavily monitored 24/7 by our recording surveillance system. Keys, entry cards/fobs or key codes for all doors, including the vault door, must remain in the possession of designated authorized individuals at all times while on the premises and may never be left unattended. Agents will be trained to protect their keys, entry cards/fobs or key codes even when not at work. Upon separation from the company, former agents must return their keys and entry cards/fobs. The returned key codes and the access-clearance level on the returned entry cards/fobs will be wiped by management to prevent unauthorized access.

EXHIBIT B

Odor Mitigation Plan

DASCO is committed to complying with the Section § 72-5 (C)(10) of the Borough of Metuchen's Cannabis Ordinance (2022-19) regarding odor mitigation. Our operational plan includes Standard Operating Procedures to minimize all cannabis-related odors that originate from normal daily processes. We do not anticipate the strong emissions of cannabis odors to be a factor in our operations since all incoming cannabis products will be required to be packaged "ready for sale" before reaching our facility, effectively meaning no cannabis odor will emanate from products sold at the storefront. Nonetheless, our Class 5 Retailer facility will install a state-of-the-art ventilation system. Prior to installation, we will submit the system's manufacturer and model to Metuchen's Construction Code Official for approval and will enable periodic inspections. And, if necessary, we will adopt any additional safeguards or alterations the Borough of Metuchen requests.

To this end and pursuant to N.J.A.C. 17:30-9.4(j), active carbon filters, such as the Can-Filter manufactured by CF Group, Inc., will be utilized in every ventilation system that exhausts to the exterior of the registered premises. All exchanged air will be filtered through a series of Merv 16+ HEPA filters and activated carbon air filters in the ventilation systems to eliminate and to prevent entry of airborne contaminants. HEPA filters are composed of a mat of randomly arranged fiberglass that is designed to screen particles larger than 0.3 µm with an efficiency rate of 99.99% and represent the facility's first line of defense against unwanted microorganisms, dust, and other large particles that may unintentionally enter the facility's ventilation system. By scrubbing the air in this fashion, we will not introduce harmful particles into the facility, and we will preempt an odor nuisance beyond our property line.

We will also implement industry-leading odor control measures, which will remove, filter, and clean odors lingering in the air, minimize any impact to adjacent uses, and ensure no odor is detectable beyond our property. These measures will prevent the projection of noise, dust, vibration, glare, fumes, or odors beyond our property boundaries and obviate any other nuisance that hinders the public health, safety, and welfare of the residents of the Borough of Metuchen.

During business hours, cannabis products may never be removed from the Restricted Access Areas of the facility unless and until a fully compliant transaction has been approved in accordance with our cannabis product dispensation procedures. To further reduce the possibility of any odorous air escaping the facility, any Restricted Access Area of the facility housing cannabis products will be negatively pressurized to contain any odorous air within the facility.

Last, as mentioned above, all cannabis products sold for dispensation will be sealed prior to receipt from wholesalers at our facility in an opaque, childproof, and odor resistant package, thus further protecting against the dispersion of any cannabis odors in the dispensation process.

EXHIBIT C Security Measures and Equipment

We have contracted with Netwatch USA, an industry leader in cannabis facility security, to oversee and implement our Safety and Security Plan. Netwatch we will provide all security monitoring services and will oversee the installation and maintenance of commercial-grade security and surveillance equipment and provide ongoing 24-hour audio/video monitoring services.

On-site Security Guards

Prior to commencing operations, we intend to hire a CCO to oversee and implement our Security Plan. With help from the CCO, we intend to hire a local third-party security monitoring company to oversee the installation and maintenance of high-tech, commercial-grade security and surveillance equipment. This security company will further provide security guard service (preferably off-duty or retired Metuchen Police Officers), mobile patrols, alarm response, security and safety training, facility security analysis and consultation, employee background screenings, and audio/video monitoring services.

Per the Metuchen Borough Code 72-5C (11), we will have at least two security guards on duty during all operational hours who will patrol the facility, including adjacent parking areas, and will monitor our surveillance system. Notably, all facility entrances/exits will be manned by security personnel who will approve the person attempting to enter and will ensure that any approved visitors follow our required visitor procedures. Security agents will be focused solely on security and will not perform any unrelated tasks. They will be responsible for maintaining and enforcing all security protocols and procedures in accordance with our SOPs.

Security personnel will undergo additional training to learn appropriate techniques. Security Guards will be trained to sweep the premises on a regular basis, including the areas immediately adjacent to the entryway and areas that may contain cannabis. Conflict resolution, personal safety measures, and law enforcement communication protocol will also be taught so that any incident is handled with an appropriate and timely response.

Surveillance & Alarm Systems

To protect our premises, personnel, and inventory, prior to commencing operations, we intend to install a sophisticated high-tech security alarm system, utilizing a signal system interconnected with a radio frequency method, such as cellular, private radio signals, or other mechanical or electronic device, to detect an unauthorized intrusion. Pursuant to N.J.A.C. 17:30-9.10(b), this alarm system, which will be approved by the Commission and the Borough prior to installation, will provide suitable protection against theft and diversion. The system will include at a minimum:

- Immediate automatic or electronic notification to alert our personnel and State or local police agencies to an unauthorized breach of security or an alarm or system failure;
- A video surveillance system installed and operated which clearly monitors all critical control activities of the cannabis business and remains in working order and operates at all times (in compliance with N.J.A.C. 17:30-9.10(b)(9)(i));
- Door alarms on all exterior and interior doors leading to limited/restricted access areas;

- Electronic door locks consisting of devices and a signal system interconnected with a radio frequency method, cellular, or private radio signals to detect unauthorized intrusion;
- Silent duress, panic, and holdup alarms to notify proper authorities upon activation;
- Seismic sensors and detectors;
- Glass break sensors on all windows;
- Motion detectors located, at a minimum, in all places where cannabis may be stored;
- Automated voice dialer, which is an electronic, mechanical and/or other device capable of being programmed to send a prerecorded voice message, when activated, over a telephone line, radio or other communication system to a law enforcement, public safety, or emergency services agency requesting dispatch;
- Auxiliary power sufficient to maintain security and surveillance systems for at least 72 hours following a power outage, and will automatically activate upon a power outage;
- Individual user codes and swipe cards assigned to each agent, ensuring codes aren't shared;
- Audit trails to provide details of which user codes are used and when they are used.

The alarm system and video surveillance system shall continuously monitor all areas of our facility and the adjacent exterior of the building/premises 24/7/365, in compliance with Metuchen Borough Code 72.-5C(11) and N.J.A.C.17:30-9.10(c). In compliance with Metuchen Borough Code 72.-5C(11) and N.J.A.C. 17:30-9.(b)(10)(ii), the surveillance system shall be supported by adequate security lighting, which shall illuminate all entrances/exits and which may be modified, as necessary, to include motion control sensors to protect cultivation light-dark cycles, as applicable. All exterior and interior lighting fixtures will be located and directed at the subject view of each camera to ensure a clear, well-lit, and unobstructed video capture 24/7, and the perimeter of the premises will be well-lit. We will ensure all trees, bushes, and other foliage outside of the premises don't interfere with camera views nor allow for any concealment from sight.

Every recorded frame on all surveillance recordings will clearly and accurately display the date and time, which will be synchronized and set correctly. At the beginning of each day, a Security Team member will ensure the date and time stamp is accurately set and appears on the screen, so it does not obscure the recorded frame. The surveillance system will also allow us to immediately produce a clear, color still photo from the surveillance video, either live or recorded.

At a minimum, security recordings will be retained for at least 60 days, in compliance with N.J.A.C. 17:30-9.10(b)(9)(ii) which is double the time required by the Borough of Metuchen. Upon request, we will provide screen captures of an unaltered copy of a video surveillance recording to the Commission or its authorized agents, law enforcement, or other Federal, state, or local government officials.

All cameras will be permanently mounted in a fixed location so that they capture clear and certain images of any individual and activity occurring: (i) within 50 feet both inside and outside of all points of entry to, and exit from, the premises; (ii) anywhere within secure limited-access areas; and (iii) parking lots.

Cannabis Business Identification Cards & Facility Keycards

Our employees will be issued a keycard that grants predetermined access levels based on roles and responsibilities. Staff will also be issued agent identification cards and uniforms that are color-coded according to their job title and security clearance level. Pursuant to internal protocols and N.J.A.C. 17:30-8, all principal officers, employees, and agents must clearly always display their Cannabis Business Identification Cards while on the premises. As stated in N.J.A.C. 17:30-8.1(f), Identification Cards will include:

- The name of the cardholder;
- Our cannabis business name;
- The dates of issuance and expiration; and
- A photograph of the cardholder.