



**DEVELOPMENT APPLICATION – CITY OF BLOOMINGTON, MN**

**Medical Cannabis Patient Care Center**

## **Executive Summary**

Minnesota Medical Solutions (“MinnMed”) is one of two licensed medical cannabis producers, manufacturers and distributors in the State of Minnesota. MinnMed is a wholly owned by Vireo Health ([www.vireohealth.com](http://www.vireohealth.com)) and had the highest point total in a merit based most competitive licensing application process in 2014. The organization is physician led by Dr. Kyle Kingsley, Chairman and CEO, and supported by a team of experienced professionals with expertise and backgrounds in science, horticulture, business, finance, operations management and security. The organization has a focus unique to the industry rooted in science and pharmaceutical grade consistent medications that change patients’ lives.

MinnMed’s cultivation and manufacturing facility is located in Otsego, MN. There are two operating patient care centers in Minneapolis and Rochester and a third opening in Spring 2016 in Moorhead. Under the licensing provisions and MN State Statute a fourth and final patient care center must be opened by MinnMed in MN Congressional District 3 by July 1, 2016. After an extensive search and review of many options throughout Congressional District 3 it has been determined that the the City of Bloomington offers the best options for our patients due to accessibility, proximity to a large patient population, available retail space, and the approved city ordinance for the specified use.

Vireo Health is also one of five licensed medical cannabis operators in the State of New York where it operates a cultivation and manufacturing facility and four patient care centers throughout the Southeastern part of the state. This will be the tenth location opened by the Minnesota based Vireo Health team in less than 18 months. There are established space standards and finishes, robust security protocol and a staffing model that has proven to be patient focused, effective and efficient. In both MN and NY MinnMed/Vireo is the premier operating company with a proportionate majority of the market share.

## **Use and Compliance**

MinnMed is applying for a Conditional Use Permit to open a medical cannabis distribution facility in the City of Bloomington at 5232 84<sup>th</sup> Street W. MinnMed is subsequently applying for an operating license within the City of Bloomington. This action is compliant with Ordinance No. 2015-27 which amended Chapter 14 of the City Code to add licensing regulations and fee applicable to medical cannabis distribution facilities and amending Chapters 19 and 21 of the City Code to create standards and definitions for medical cannabis distribution facilities and establishing them as a conditional use in the B-2, B-4, C-2, C-3, C-5, CR-1, CX-2 and LX Zoning Districts. The subject property is in a B-4 zoning district.

MinnMed plans to open the facility for operation in late June 2016 and be open four to five days per week from 11:00 to 6:00 p.m. on weekdays and 11:00 to 4:00 p.m on Saturday. There is a MN licensed pharmacist on site during all operating hours along with a pharmacy technician and security/receptionist.

Attached as “Exhibit A” is the proof that MinnMed is validly registered and approved by the Commissioner of the Minnesota Department of Health and “Exhibit B” is proof of Worker’s Compensation insurance as required by Minnesota Statute, Section 176.182.

No owner or corporate officer has previously had a federal, state or local license of any kind denied, revoked or suspended by any government unit. All real estate and personal property taxes due have been paid.

### **Property Overview**

The subject property an existing single story retail center know as Normandale Shopping Center conveniently located at the crossroads of 494 and Hwy 100 at 5200 W. 84<sup>th</sup> Street; the suite address is 5232 W. 84<sup>th</sup> Street. It is zoned B-4 Neighborhood Commercial and is entirely compliant with the City of Bloomington’s ordinance for medical cannabis dispensaries within its city limits.

The rentable space is approximately 1,600 square feet, handicap accessible, fully sprinkled, has an existing ADA compliant bathroom and modern mechanical systems. In its current state is is a “warm vanilla shell” with a 2’X4’ drop ceiling with flouresant lights and drywall on the perimeter walls. There is a well lit surface parking lot that is compliant will all City requirements, and existing handicap van parking available. In the rear of the building there is a secord door and a paved delivery area. The subject property is easily accessible by car, bus, by foot and bicycle.

### **Scope of Work**

All of the improvements to the existing premises will be on the interior and non-structural. There will be no change to the façade, footprint, parking area or height of the building. The existing restroom and mechanical systems are in good working order. MinnMed has a standard interior design package that includes wall color, counter tops, millwork and carpet. A building permit will be in hand with the General Contractor by the end of April and he will mobilize to commence construction as early as May 3<sup>rd</sup>.

The premises is patient focused with high end clinical finishes. Below are pictures of an existing patient care center:



Pharmacy Counter



Waiting Area



Consult Room



Break Room



ADA Compliant Restroom

## **Security**

The patient care center security apparatus exceeds state and municipal requirements. There is 24/7 remote surveillance from MinnMed's Otsego facility with constant CCTV recorded footage. There is a security/reception employee at the front desk at all times checking each patient's Minnesota state issued identification and entering their name into the MN Department of Health database on each visit before they are allowed to enter the secured premises. Secondary security monitoring services are backed up by onsite security personnel at each of our patient centers during business operation hours. In the event of a security breach, detected by either the camera system or intrusion alarm system providers, the initial and most applicable emergency response is a local police response. The local police agency will receive full support from all camera and alarm system assets as well as the security section.

## **Product Delivery**

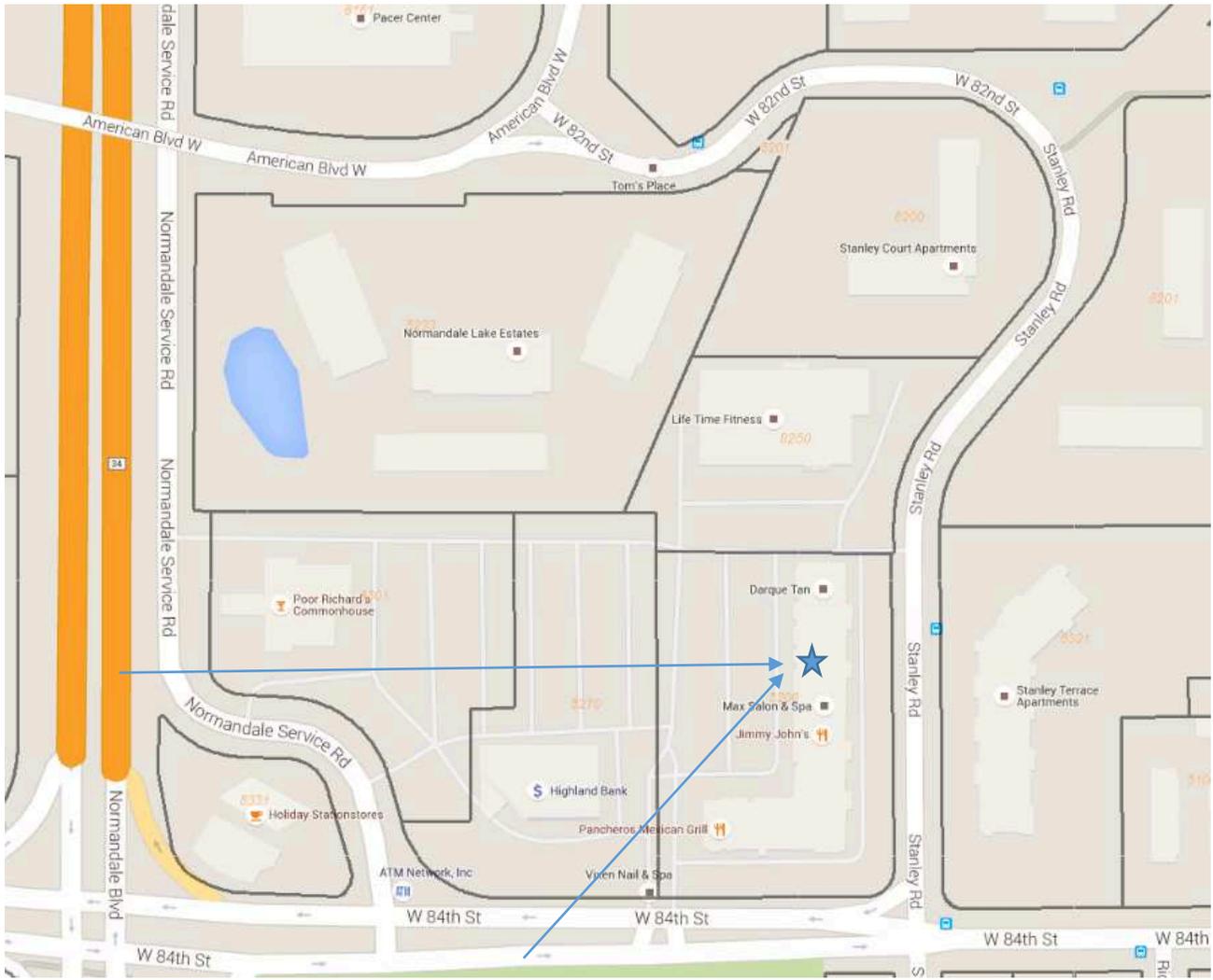
Our product delivery plan is based on the MN Department of Health ("DOH") regulation 4770.0100. Each delivery will be conducted by a minimum of two (2) company employees in a non-descript vehicle at random times. No type of company logo or designation will be on the employee uniforms or vehicle. All deliveries of medical or non-medical products will be in opaque containers and secured with integrity tapes or seals. As mandated by the DOH regulations, all product transports; regardless of origin; shall be supported by a transport manifest. The transport manifest will fully describe the contents being moved as well other supporting information pertinent to the accountability and transparency of the product movement.

## **Waste Disposal Methods**

All of our waste materials are created, handled, and mitigated at our production facility in Otsego, MN. Only finished goods are transported to the patient center; there is no cultivation, manufacturing or packaging on site.

On occasion, a patient may return expired or unneeded medication to the patient center. In the event of this occurrence, formal receivable procedures have been established that mirror the MN DOH regulated transport process. The medicine is stored in our locked safe in a designated area until two (2) security employees can transport it back to the Otsego production facility for entrance into the mainstream waste disposal process through onsite methods and or 3<sup>rd</sup> party waste disposal or incineration.

## Site Plan



★ = Suite 5232 with marked site lines to the secure public entrance from 84<sup>th</sup> Street and Normandale Boulevard. Pursuant City Code section 21.302.22(b)(5) the property is highly visible and the public access is visible from the street.

The patient care center pursuant to City Code section 21.302.22(b)(2) is over 1,000 feet from the nearest K-12 school; this is also required in the MN State Statute. Poplar Bridge Elementary is about 1,100 feet from the subject property at the closest point of each respective parcel. The proposed site complies with the provision requiring separation from sensitive uses.

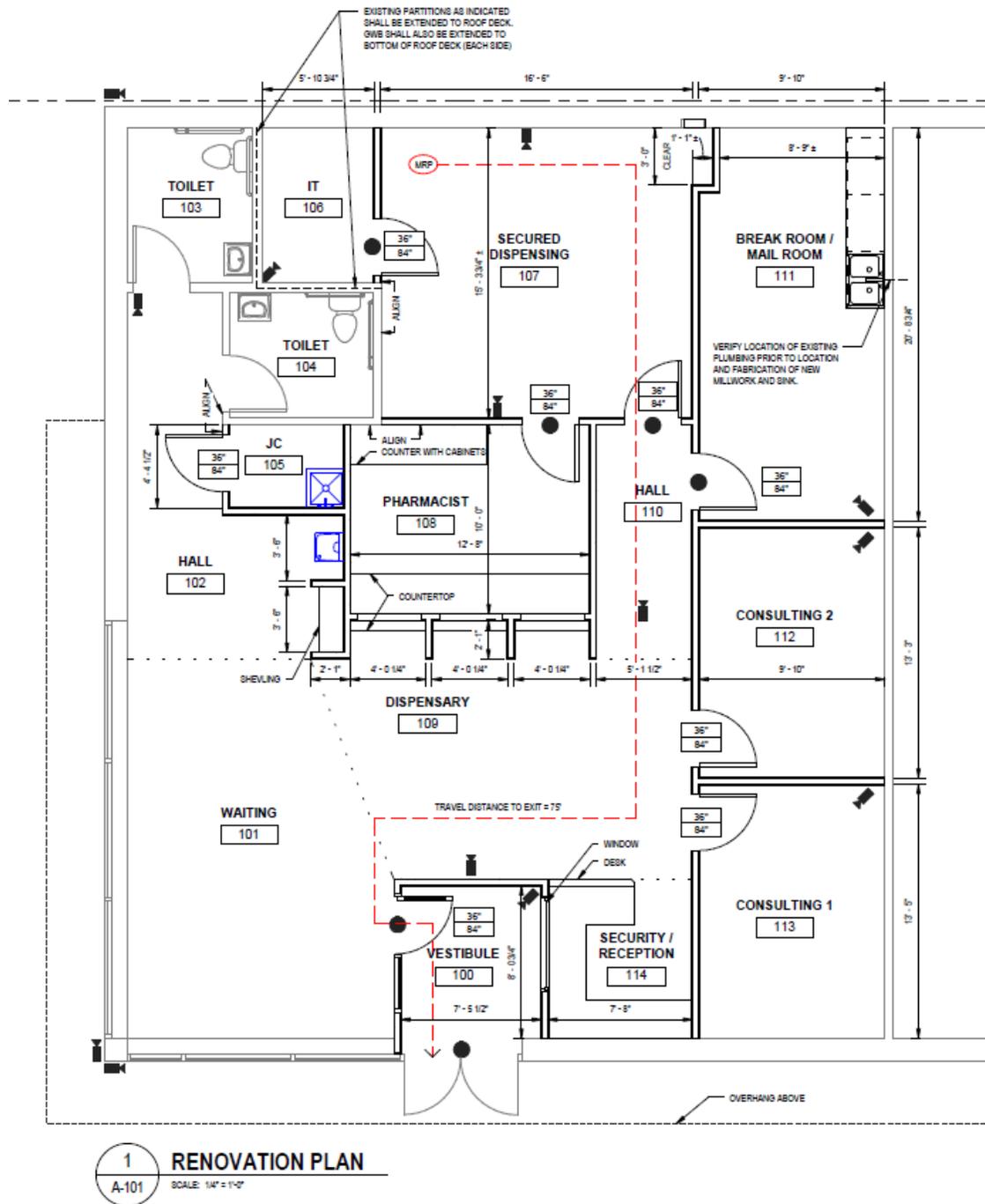
## Parcel Map



This image outlines the parcel with the blue star showing the suite location within the building. Both the lighting and parking are compliant with City Code and were discussed with City Staff at the Informal DRC Meeting on March 8, 2016.

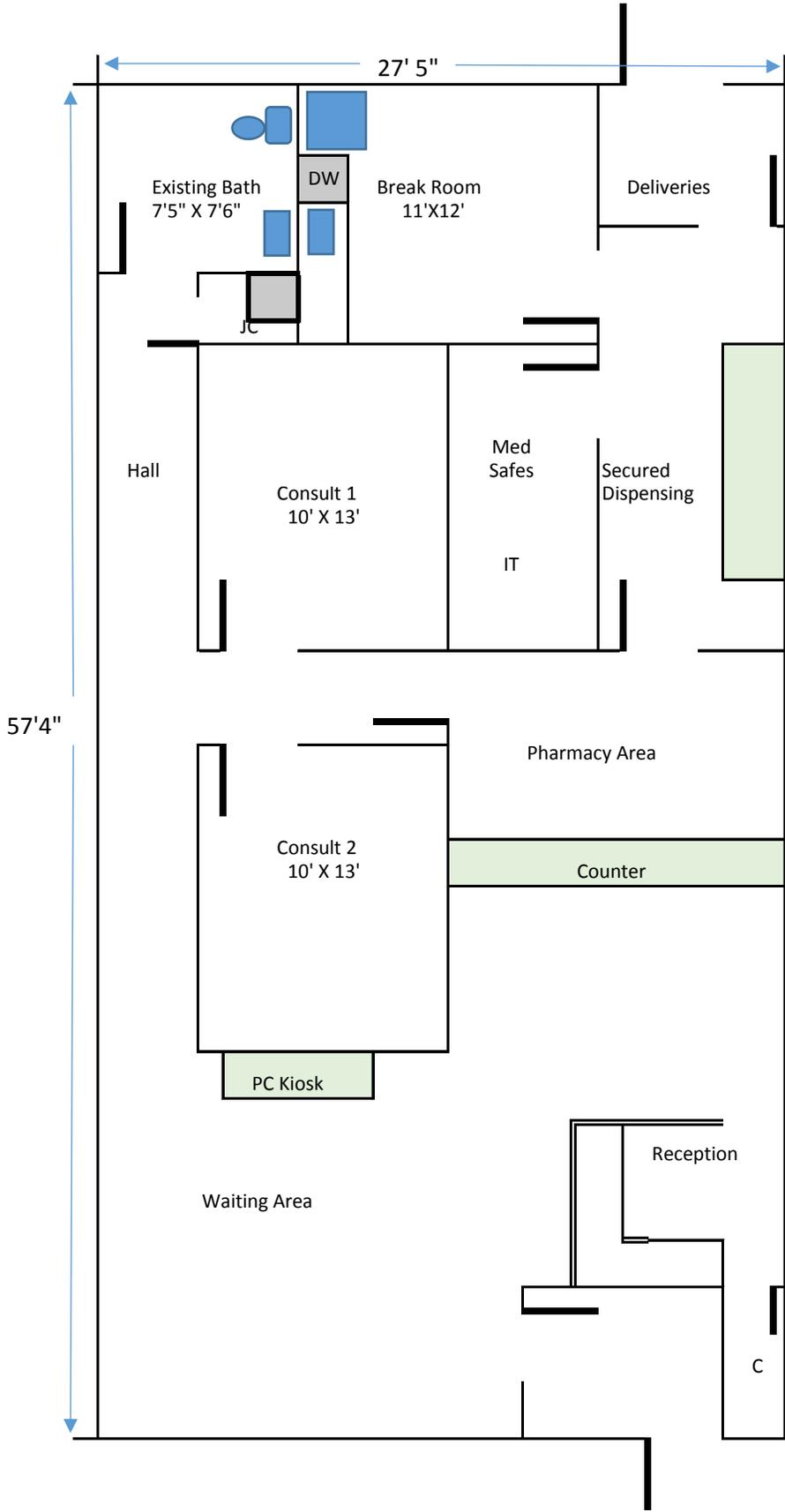
**Minnesota Medical Solutions**  
207 S. 9<sup>th</sup> Street  
Minneapolis, MN 55402

## Preliminary Floor Plan



Above is a schematic design of the patient care center. The robust security system includes cameras, motion detectors, burglary alarm, fire alarm and other state of the art technology. Only finished goods are sold to qualified patients and pursuant to MN State Law they may not consume or use any of the medication on the premises. All finished goods are stored in an M-class safe. The “Vestibule” at the entry of the premises has two secured doors.

**Bloomington CPC - Schematic Design**



# EXHIBIT A

**MEDICAL CANNABIS MANUFACTURER REGISTRATION AGREEMENT  
(December 1, 2015 through November 30, 2017)**

This Agreement is between the State of Minnesota, acting through its Commissioner of Health ("MDH") and Minnesota Medical Solutions, LLC, whose designated business address is 207 South 9th Street Minneapolis Minnesota, 55402, ("Manufacturer").

**RECITALS**

1. The Minnesota medical cannabis statutes, Minnesota Statutes Sections 151.22 through 152.37, became effective on May 29, 2014.
2. Pursuant to Minnesota Statutes Section 152.25, Subdivision 1(a), MDH was required to register two in-state manufacturers for the production of all medical cannabis within the State of Minnesota by December 1, 2014.
3. On December 1, 2014, MDH registered Manufacturer as one of two in-state manufacturers of medical cannabis for a term of one year.
4. On November 26, 2014, MDH and the Manufacturer entered into a Medical Cannabis Manufacturer Registration Agreement. Under the terms and conditions of that Registration Agreement, Manufacturer's registration to produce medical cannabis within Minnesota shall expire on December 31, 2015, unless the Manufacturer is reregistered by MDH before that date.
5. Pursuant to Minnesota Statutes Section 152.25, Subdivision 1, amended by Laws 2015, Chapter 74, Section 3 which became effective on August 1, 2015, MDH is required to reregister existing medical cannabis manufacturers by December 1 every two years using the following factors:
  - (1) The technical expertise in cultivating medical cannabis and converting the medical cannabis into an acceptable delivery method under Minnesota Statutes Section 152.22,
  - (2) Qualifications of employees,
  - (3) Long-term financial stability,
  - (4) The ability to provide appropriate on-premises security measures,
  - (5) The ability to meet the medical cannabis production needs required by Minnesota Statutes Sections 152.22 to 152.37, and
  - (6) The projection and ongoing assessment of fees on patients with a qualifying medical condition.
6. As a result of evaluating the above-referenced factors during the period of time in which

Manufacturer has been a registered manufacturer for the production of medical cannabis within the State, the Commissioner of MDH determined it is appropriate and consistent with statutory requirements to reregister Manufacturer as one of the two in-state manufacturers for the production of all medical cannabis within the State of Minnesota.

### AGREEMENT

1. **Registration:** Effective December 1, 2015, Manufacturer is hereby re-registered as an in-state manufacturer for the production, cultivation, acquisition, manufacture, possession, preparation, transfer, transportation, supply, and dispensing of medical cannabis, delivery devices, related supplies, and educational materials serving the portions of the State encompassed by Congressional Districts 1, 3, 5, and 7 (Service Area A).
2. **Expiration date:** The Manufacturer's registration to produce medical cannabis within Minnesota pursuant to this Registration Agreement and Minnesota Statutes Section 152.25, Subdivision 1, shall expire on December 15, 2017, unless the Manufacturer is re-registered by MDH on or before December 1, 2017. Compliance with the terms and conditions of this Agreement will be the primary factor in MDH's renewal decision-making process but may not be the only factor. In addition, changes to the law or other external factors may impact the renewal process.
3. **Compliance With Law:** The Manufacturer shall, at all times, comply with all applicable Minnesota statutes and laws, including but not limited to Minnesota Statutes Sections 152.22 to 152.37; as well as all applicable rules, regulations, and local ordinances in effect on December 1, 2015 or as amended or modified thereafter.
4. **Compliance With Application:** The Manufacturer shall comply with all material terms and conditions set forth in its application and the registration process in response to the RFA. The Manufacturer may not materially deviate from any of the representations made in its application or during the registration process with regards to facilities or operations without first obtaining the written approval of MDH.
5. **Management and Ownership Structure:** Manufacturer must notify MDH, in writing, of any material changes to the Manufacturer's senior management team or ownership structure. If there is a transfer of ownership of 5% or more, the Manufacturer must submit to MDH a completed federal criminal history records check report on the transferee within five days of the transfer.
6. **Laboratory:** The Manufacturer shall contract with an independent laboratory approved by MDH to test medical cannabis produced by the Manufacturer as to content, contamination, and consistency to verify the medical cannabis products meet all requirements under law, and shall require the laboratory to report testing results to the Manufacturer in a manner determined by MDH.
7. **Patient Supply:** The Manufacturer must provide a reliable and ongoing supply of all medical

cannabis needed for the registry program, and supply medical cannabis to qualifying patients. The Manufacturer must notify MDH in writing if it is not able to meet these requirements.

8. **Operations:** The Manufacturer shall operate at the physical address disclosed in the registration process, where all cultivation, harvesting, manufacturing, packaging, and processing shall be conducted. All cultivation, harvesting, manufacturing, packaging, and processing of medical cannabis shall take place in an enclosed, locked facility. The Manufacturer shall process and prepare medical cannabis plant material only into forms allowable under Minnesota Statutes Section 152.22, Subdivision 6.
9. **Distribution:** Pursuant to Minnesota Statutes Section 152.29, Subd. 1(a), the Manufacturer shall operate four distribution facilities, one of which may be the location for cultivation, harvesting, manufacturing, packaging, and processing. The Manufacturer must have four distribution facilities operational and distributing medical cannabis not later than by July 1, 2016. All distribution facilities are subject to all of the requirements applying to the Manufacturer under Minnesota Statutes Sections 152.22 through 152.37, including but not limited to security and distribution requirements. The Manufacturer shall ensure that only employees licensed as pharmacists pursuant to Minnesota Statutes Chapter 151 distribute medical cannabis to patients.
10. **Government Data Practices:** Pursuant to Minnesota Statutes Section 152.31(a), government data in patient files maintained by MDH, and data submitted to or by the Manufacturer, are private data on individuals as defined in Minnesota Statutes Section 13.02, Subdivision 12, or nonpublic data as defined in Minnesota Statutes Section 13.02, Subdivision 9, but may be used for purposes of complying with Minnesota Statutes Chapter 13 and complying with requests from the Minnesota Legislative Auditor or the Minnesota State Auditor in the performance of official duties. Pursuant to Minnesota Statutes Section 13.05, Subdivision 11, the Manufacturer and MDH must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by MDH, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Manufacturer. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data governed by the Minnesota Government Practices Act by either the Manufacturer or MDH.
11. **Indemnification:** The Manufacturer must indemnify, save, and hold harmless the State of Minnesota and MDH, as well as its officers, directors, agents, and employees, from any claims or causes of action, including attorney's fees, incurred by the State to the extent caused by the Manufacturer's:
  - a) Intentional, willful, or negligent acts or omissions; or
  - b) Actions that give rise to strict liability; or
  - c) Breach of contract or warranty.

The indemnification obligations of this section do not apply in the event the claim or cause of action is the result of MDH's sole negligence or willful misconduct.

12. **Penalties:** In addition to any other civil or criminal penalty provided by law, including but not limited to Minnesota Statutes Section 152.33, Subdivision 6, the Manufacturer agrees MDH may inspect, regulate, and enforce all aspects of this Registration, including but not limited to all cultivating, processing, and distribution operations, pursuant to the Minnesota Health Enforcement Consolidation Act of 1993, Minnesota Statutes Sections

144,989 through 144,993, including use of the MDH Plan for the Use of Administrative Penalty Order, Cease and Desist Authority, and Other Enforcement Tools to comply with the statutory requirements of the Health Enforcement Consolidation Act. The Manufacturer's sole remedy in case it disputes any penalty imposed by MDH is an administrative hearing before an administrative law judge under the contested case procedures of the Minnesota Administrative Procedure Act, Minnesota Statutes Chapter 14.

13. **Fees:** Pursuant to Minnesota Statutes Section 152.35(c), the Manufacturer shall pay to MDH an annual fee equal to the cost of regulating and inspecting the Manufacturer in that year. The annual fee for December 1, 2015 through November 30, 2016 is \$94,000.00. MDH will notify Manufacturer by June 1, 2016 of the fee for December 1, 2016 through November 30, 2017. Payment schedules must be approved by MDH.

14. **State Audits:** The Manufacturer's books, records, documents, and accounting procedures and practices relevant to this Registration are subject to examination by the Minnesota State Auditor or the Minnesota Legislative Auditor, as appropriate, for a minimum of six years from the end of the Registration.

15. **Endorsement:** The Manufacturer must not claim MDH or the State of Minnesota endorses its products or services.

16. **Authorized Representatives:** The MDH Authorized Representative for purposes of this Registration Agreement is Michelle Larson, Director of the Office of Medical Cannabis, Post Office Box 64882, Saint Paul, Minnesota 55164-0882, telephone 651-539-3002, or her successor. The Manufacturer's Authorized Representative for purposes of this Registration Agreement is Kyle Kingsley, Chief Executive Officer, 207 South 9th Street Minneapolis Minnesota, 55402, telephone 612-205-6675, or his successor. Each will notify the other if their Authorized Representative changes during the effective period of this Registration.

17. **Assignment, amendments, waiver, and agreement complete;**

17.1 **Assignment.** Neither MDH nor the Manufacturer may assign or transfer any rights or obligations under this Agreement without the prior consent of the other and a fully executed assignment agreement executed and approved by the same parties who executed and approved this Agreement, or their successors in office.

17.2 **Amendments.** Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Agreement, or their successors in office.

17.3 **Waiver.** If either party fails to enforce any provision of this Agreement, that failure does not waive the provision or its right to enforce it.

17.4 **Agreement Complete.** This Agreement contains all negotiations and agreements between the State and the Contractor. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

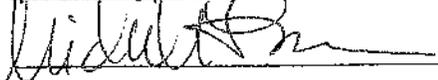
18. **Governing Law, Jurisdiction, and Venue:** Minnesota law, without regard to its choice-of-law provisions, governs this Agreement. Venue for all legal proceedings out of this Contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

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**1. MDH**

*By: Its Commissioner of Health*

Print name: Michelle Lassar

Signature: 

Title: Director Date: 12/1/15

(with delegated authority)

**2. Minnesota Medical Solutions, LLC;  
Manufacturer**

**Minnesota Medical Solutions, LLC certifies that the appropriate person(s) have executed this Agreement on behalf of the Manufacturer as required by applicable articles, bylaws, or resolutions.**

Print name: KYLE KINGJLEY

Signature: 

Title: CEO Date: 12/01/15

# EXHIBIT B

