

HOSPITALITY INFORMATION MEMO

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What Could Retail Cannabis Dispensaries Look Like?

Even though hopeful licensees outside the definition of “justice involved” are not yet able to apply for retail cannabis dispensary licenses, they should be paying close attention to developments related to conditional adult-use retail dispensaries (CAURD). Many of our cannabis clients have been anxiously awaiting regulations that not only govern the application process for non-conditional retail dispensaries, but also govern what their dispensaries will need to look like.

The Dormitory Authority of the State of New York (DASNY) recently posted a request for proposal (RFP) seeking proposals from entities capable of renovating existing spaces to create cannabis retail dispensary facilities (RCDs) for social and economic equity applicants. While final regulations regarding design specifications of RCDs have not yet been published by the Cannabis Control Board (CCB), the RFP provides some helpful [guidance as to what the first RCDs should look like](#). While the RFP was proposed specifically for social equity licensees, the construction guidance in the RFP will likely be applicable to all licensees. As we previously wrote, social equity licensees will be awarded [the first 150 RCD licenses](#).

General Areas in RCDs

The RFP requires that RCDs for social and economic equity applicants have the following areas within the RCD:

1. Reception and check-in area(s)
2. Sales floor and display area, including shelving cases equipped with fob locks, touch pads and/or key codes
3. Branding wall
4. Sales and service counter, including approximately 5-10 points of sale (POS) with system software such as Leaf Logix and hardware such as computers, iPads and scanners
5. Certain “back of house” areas and rooms, including:
 - a. Product receivables area
 - b. Cannabis processing workroom with stainless steel cutting tables, UL certified scales and label printers
 - c. Vault and/or secure storeroom area
 - d. Secure waste storeroom
 - e. Office space(s)
 - f. General storage space with metal storage shelving
 - g. Employee-only and accessible restrooms
 - h. Janitorial closet
 - i. Electrical/data closet

- j. Mechanical room (if necessary)
- k. Breakroom

Security

Generally, RCDs must have a master security plan that complies with the New York State Department of Health security requirements and includes the following elements:

1. Interior and exterior video surveillance with 24-hour recording and the ability to produce a 9600dpi still color photo with a date/time stamp
2. Interior and exterior access controls and alarm systems
3. Security floor plan
4. Back-up alarm systems
5. Motion detectors
6. Duress alarms at sales counters
7. Glass break sensors
8. Automatic voice or digital dialer
9. Failure notification system that provides a notification of any failure in the surveillance system
10. Ability of all security equipment to remain operational during a power outage
11. Illuminated facility perimeter
12. Pinless hinges on all doors
13. Secure network access

The walls and ceilings of any secure cannabis storage space (i.e., a vault) must be framed with heavy gauge metal studs with 9-gauge expanded metal mesh installed on the non-secure side of framing with tamper proof fasteners. Door assemblies must be outfitted as maximum duty ANSI/SDI A250.8 LEVEL4 rated assemblies with accessible, cylindrical or mortise Security Grade 1 locksets. Any secure storage space must also have a dedicated HVAC unit capable of maintaining specific temperature and humidity controls.

Additionally, the windows of RCDs must have exterior glazing systems that meet the specific requirements of the current NYS/NYC Energy Conservation Construction Codes and are treated with security film.

Building Finishes

The RFP provides RCD owners with options related to interior building finishes. Flooring may consist of luxury vinyl tile, porcelain floor tile, walk-off mats, carpet tiles (for office areas only) and/or polished concrete. RCD walls must be made of a Thermoset Rubber Wall Base and may be finished with specific Benjamin Moore paint, vinyl wall covering or Acrovyn wall protection (for delivery areas). RCDs also have the following options for all non-secure area ceilings: GWB soffits, USG or Armstrong acoustical ceiling tiles or clouds and canopies, exposed ceilings and lightbox wall-to-ceiling material. RCDs must also have sales floor counter-high stools, horizontal blinds or roller shades, hand sanitizer dispensers and interior/exterior planters.

Other

RCDs must implement appropriate ventilation and filtration systems to allow for cannabis odor mitigation and a general building HVAC system. Fire protection systems must be maintained per applicable building codes and back-up generators must be installed to keep security, HVAC and POS systems operational during any potential power outages. Additionally, the RFP recommends, but does not require, RCDs to include roll down gates, parking, ATM machines and building signage tied to retail branding.

Even though all of the guidance found in the RFP may not end up being codified into official cannabis regulations, such guidance should be instrumental to hopeful cannabis business owners in budgeting and planning potential financing requirements. Starting a cannabis business will not come without upfront costs, and the guidance found in the RFP allows hopeful licensees to be realistic about this fact.

Additionally, non-cannabis related business should familiarize themselves with the RFP requirements and determine if this presents potential new business opportunities. For example, it may be wise for clients that operate HVAC businesses to partner with hopeful non-conditional retail dispensary applicants knowing any RCD will likely need to be outfitted with multiple and specialized HVAC units.

Bond's cannabis attorneys continue to closely monitor developments to the rules and regulations surrounding New York's cannabis industry. For questions about the information provided above or about the cannabis industry in general, please contact [Dustin M. Dorsino](#), [Jeffrey B. Scheer](#) or the Bond attorney with which you are regularly in contact.

