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AmeriCann receives temporary certificate of occupancy for Bldg. 1

July 19, 2019 - Construction Design & Engineering

Freetown, MA AmeriCann, Inc. a cannabis company that is developing cultivation, processing and product manufacturing facilities, provided a construction update on Building 1 of its Mass. Cannabis Center (MCC).

The construction of Building 1 of the MCC, a 30,000 s/f cultivation and processing facility, is 90% complete. The project recently received a temporary certificate of occupancy, which means the building is approved for staff to begin moving in equipment and fixtures in preparation for final inspections. AmeriCann expects to receive a final certificate of occupancy for Building 1 later this summer.

The MCC is being developed on a 52-acre parcel located in Southeastern Massachusetts. The MCC project is permitted for 987,000 s/f of cannabis cultivation and processing infrastructure for the existing medical cannabis and the newly emerging adult-use cannabis marketplace.

AmeriCann has a 15-year joint venture partnership with Bask, Inc., an existing Massachusetts-licensed, vertically integrated cannabis operator. AmeriCann will receive a revenue participation fee of 15% of gross revenue on all products produced and sold from Building 1.

“Receiving our temporary certificate of occupancy indicates we are quickly approaching the completion of Building 1 of the MCC. This initial building has less than 10% of construction remaining until it is ready to open,” said Tim Keogh, CEO of AmeriCann. “We look forward to our partner Bask moving into the greenhouse later this summer.”

The Massachusetts cannabis market has some of the highest prices in the United States, with wholesale prices reaching \$4,000 per pound and retail prices greater than \$7,000 per pound. Building 1 is projected to produce 7,500 pounds annually of dry flower cannabis and over 400,000 units of infused products. AmeriCann projects a 1.5 year payback on its investment in Building 1.

AmeriCann’s Cannopy System, which will be used at the MCC, enables cannabis to be produced with a greatly reduced carbon footprint, making the final product cost less with higher margins. AmeriCann uses hybrid-greenhouse technology, which is superior to the current industry standard of growing cannabis in warehouse facilities under artificial lights. According to industry

experts, by capturing natural sunlight, greenhouses use 25% fewer lights, and utility bills are up to 75% less than in typical warehouse cultivation facilities. Massachusetts has some of the highest energy costs in the nation, providing an even greater advantage to the MCC.

AmeriCann plans to replicate the brands, technology and innovations developed at its MCC project to new markets as a licensed multi-state operator (MSO).

As the first approved adult-use cannabis market on the Eastern U.S., Massachusetts has the potential to become the epicenter for cannabis innovation and research. According to the Cannabis Control Commission, Massachusetts recreational dispensaries have sold more than \$170 million worth of cannabis products since recreational sales began in November 2018. Annual recreational retail sales are expected to total \$1.3-1.6 billion in a few years, according to Marijuana Business Daily estimates.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540