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LYNN POT SHOP RIDING HIGH AFTER \$250K OPENING

BY GAYLA CAWLEY | November 21, 2019

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LYNN — The city's first recreational marijuana store raked in \$250,000 in gross sales over its first 10 days, a stronger opening than shop owner Joseph Lekach expected.

"It was slightly more than anticipated," said Lekach, who owns Apothca, a Lynnway store that has the distinction of becoming both the city's first medical marijuana dispensary and recreational marijuana shop.

The medical portion of the business has been open since last November, but the company was finally able to open its recreational component in the former Cooper-Lewis building last month after receiving approval from the state's Cannabis Control Commission in September.

When expected crowds never emerged on opening day — customers were directed to park in the former Porthole Pub parking lot and take a shuttle bus to Apothca for the store's first weekend to ease traffic — high sales numbers may have been in doubt.

But Lekach, the company's CEO, said there's been strong word of mouth, including positive customer reviews online, along with a focus on customer service that have led to high profits.

City officials are also celebrating the store's early success, as cash-strapped Lynn will receive 6 percent of the business' annual gross sales under the terms of a host agreement coupled with a local option tax. So far, that would translate to \$15,000.

"It's much needed revenue for the city," said James Cowdell, Economic Development & Industrial Corporation of Lynn executive director. "Those sales are stronger than we expected, so it's a good sign for that business."

Lekach has estimated the operation will bring in \$10 million worth of revenue in its first year, which would translate to \$600,000 for the city. Although opening sales are higher than anticipated, if that pace continues, actual annual sales would come in around \$9.125 million.

The store owner said sales have been trending up, but did not have a figure for how much was generated over the first month.

Mayor Thomas M. McGee said the city will receive its payment quarterly, which comes from the state and will go into its general fund. The same goes for any other increased revenue the city receives, such as from development and the meals tax, he said.

"We're not identifying it any differently," McGee said. "It would go into the general fund for other purposes of the city."

Six other recreational marijuana stores have been approved by the City Council, but have to receive state approval to open, which Lekach has said was a lengthy process for his company.

It's too early to tell how sales for Apothca or future similar stores will be impacted when other recreational marijuana businesses open in the city and begin to compete, McGee said, noting that there are numerous package stores that all have a range of sales. People may generally visit the shop location that is most convenient to them, he said.

"I think we're hoping to see the success," McGee said. "I think it's a really good start over the first 10 days for the first facility and we'll see as the others open – it's too early to get a read."

According to a menu listed on Apothca's website, recreational customers can shop from a variety of marijuana products, including pot edibles such as gummies, cookies and chocolate bars.



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