Host Community Agreements: Marijuana Establishments and RMDs

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Between a developer and the local governing body of a host community, where the developer agrees to provide the community with certain benefits and mitigate specified impacts of the project.
Elements of an HCA

- **Key Facility Features**: Ensure facility is as expected
- **Impact Mitigation**: Limit impacts beyond legal mandates
- **Offsets**: Ensure net positive outcome
- **Contingencies**: Cover unanticipated results
- **Municipal Obligations**: Specify what the city/town will do
HCA Requirement

M.G.L c.94G, §3

RMD
Registered Marijuana Dispensary

Marijuana-related facility
for medical use.

Marijuana Establishment

Marijuana-related business
for “adult” (recreational) use.
Key Facility Features

- Classification
- Size
- Construction characteristics
- Site features
- Permitting requirements
- Timeframe for licensure
- Timeframe for commencement of operations
### Impact Mitigation

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<th>Physical Impacts</th>
<th>Safety Impacts</th>
<th>Community Impacts</th>
<th>Infrastructure Impacts</th>
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<td>○ Construction impacts</td>
<td>○ Traffic</td>
<td>○ Public Health</td>
<td>○ Water</td>
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<tr>
<td>○ Property Improvements + Landscaping</td>
<td>○ Parking</td>
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<td>○ Upkeep + Maintenance</td>
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<td>○ On-Site Management</td>
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MITIGATING IMPACTS

Restrict or Adjust Licensee’s Actions

Collect Fees from Licensee
No more than 3 percent of gross sales
Reasonably related to actual cost
Cost must be documented in a public record
Types of Impact Fees

Current Practice

- % of Gross Sales
- Flat Fee + % of Gross Sales
- Adjustment for Inflation

Best Practice

- Cost-Based
## Impact Fee Determination

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation</th>
<th>Impact Fee</th>
</tr>
</thead>
</table>
| Increased Traffic | - New Traffic Light  
                  |   - Police Officer to Direct Traffic            | - Cost of  
                  |                                                 |   - Traffic Light  
                  |                                                 |   - Police Officer |
**IMPACT**

- Increased Traffic

**MITIGATION**

- New Traffic Light
- Police Officer to Direct Traffic

**IMPACT FEE**

Cost of
- Traffic Light
- Police Officer

Costs covered but traffic remains
**IMPACT**

- Increased Traffic

**MITIGATION**

- New Traffic Light
- Police Officer to Direct Traffic

**IMPACT FEE**

- Cost of
  - Traffic Light
  - Police Officer

**OFFSETS**

- Hiring preferences
- Educational programs
- Charity
- RMD Agreement to be taxed
Contingencies

What happens if

- Enterprise more successful than anticipated?
- Enterprise less successful than anticipated?
- HCA in another community?
- Medical → Recreational?
- License suspended?
- Closes/Relocates?
Municipal Obligations

**Initial Documentation**
- RMD:
  - Letter of Support/Non Opposition
- Marijuana Establishment
  - HCA Certificate
  - Zoning Letter

**Siting/Operations**
- Zoning Relief
- Utilities

**Community Relations**
- Assistance with Community Outreach Meeting
- Educational Programming
- Coordination with Local Hiring Programs
Requires Special Fund for all fees and other payments collected under HCA to be used only for impact mitigation