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To the Honorable City Council,

On December 3, 2018, the City of Newton adopted amendments to the Newton Zoning Ordinance to govern all marijuana establishments and recreational marijuana dispensaries (RMDs). The Newton Zoning Ordinance requires a Special Permit from the City Council for all marijuana uses. Marijuana uses are restricted to certain commercial and manufacturing zones and numerous standards and criteria are placed on the different types of marijuana uses, including a limitation of eight (8) marijuana retailers in total and a requirement for a half-mile buffer between all marijuana retailers and RMDs.

Under state law, marijuana establishments and RMDs are required to execute Host Community Agreements (HCA) with the municipalities in which they operate. The agreement must stipulate the responsibilities of the marijuana establishment or RMD and of the community, and may include a community impact fee of up to 3% of gross sales to be paid to the host community. The Cannabis Control Commission and state Attorney General have stated that executing an HCA is the sole authority of the municipality's contracting authority, which in the case of a city is the Mayor. The Mayor is not obligated to enter into an HCA with any particular applicant, or to do so within a set time period. An applicant, however, may not receive a license from the state without a signed HCA.

As Mayor, I want to create a fair and transparent process for evaluating potential applicants for an HCA with the best interests of Newton in mind. With the number of opportunities for marijuana retailers capped, I also want to ensure we have done our due diligence with applicants before signing a Host Community Agreement.

I have designed a process for reviewing applicants for HCAs that does not replace any aspect of the existing Special Permit process, but rather adds an additional layer of review. Prior to starting the Special Permit process, applicants for marijuana establishments and RMDs would first meet with a new Mayoral advisory group. The Marijuana Host Community Agreement Advisory Group (Advisory Group) will consist of representatives from relevant City departments including Planning and Development, Law, Police, Transportation and the Mayor's office. The Advisory Group will meet with potential applicants and then make a recommendation to me as to how well the applicant meets criteria I have established.

The basis for the Advisory Group's review and consideration of potential applicants will be to protect the health, safety, and welfare of Newton residents and the community, while



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determining which marijuana establishment and RMD operators best align with Newton's community values. The criteria the Advisory Group will use in making its recommendation includes security, public health, community relations, experience, equity, economic value, sustainability and context.

Once I receive the Advisory's Group's recommendation, I will decide whether to start HCA negotiations with the applicant. If negotiations proceed favorably, I will sign a provisional HCA (provisional pending the outcome of the Special Permit process). The HCA is just the first step in a marijuana establishment opening in Newton and will be contingent upon the granting of a Special Permit by the City Council and a license from the state.

Requiring a signed HCA prior to an Applicant filing for a Special Permit is important for a number of reasons. It ensures that only viable applicants proceed with the Special Permit process. It resolves the issue that the special permit process is not designed to address multiple applicants within a buffer zone or within the limitations of a capped number of establishments; the HCA process can and should make this choice. It follows the verbal advice of the Cannabis Control Commission on sequence. It is at the same point in the process as many other municipalities in Massachusetts. It allows the City to negotiate an appropriate agreement at an early stage.

The Host Community Agreement is narrow in focus and not a substitute for the Special Permit process, a critical part of the approval process. The primary focus of the HCA in Newton is financial in nature. It sets forth the amount and method of payment for a negotiated community impact fee of up to 3% of gross retail sales, as well as a donation to a Newton public charity or non-profit. It also sets forth other terms, such as a commitment to diversity in hiring, hiring qualified employees who are Newton residents, and cooperation with the Newton Police Department for security and the City with drug abuse prevention initiatives. Importantly, the HCA makes clear that it is contingent upon the Applicant's receipt of both a Special Permit from the City Council and state licensing, and that the establishment will be subject to special permit conditions as may be voted by the City Council.



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The final decision as to whether and under what conditions a marijuana establishment may operate is made by the City Council as part of the Special Permit process. The Special Permit process includes public input and allows for the City Council to consider concerns raised by the public, as well as how the proposal meets the goals of the City and criteria established in the Newton Zoning Ordinance. There may be instances where an Applicant receives a signed provisional Host Community Agreement but is deemed to be inappropriate through the Special Permit process and is not granted the Special Permit, in which case the Applicant would not be permitted to open.

The attached document provides details on the process and criteria that will be used to consider applicants for a Host Community Agreement.

Attachment: City of Newton Review Process for Marijuana Establishments and Registered Marijuana Dispensaries 2/1/19

Warmly,

Ruthanne Fuller