



Town of Millis
Tri-Board Meeting
Finance Committee, Select Board and School Committee
900 Main Street • Millis, MA 02054

Meeting Agenda

Date: Wednesday, December 8, 2021

Time: 7:00 PM

Location: VMB Room #229 and Zoom Remote Platform

The Meeting will be broadcast live on: Zoom Virtual Platform: <https://us02web.zoom.us/j/87212669030>
and Millis Community Media Channels

Finance Committee Attendees:

Peter Berube (Chair) ☐; Jodie Garzon (Vice Chair) ☐; Joyce Boiardi ☐; Jim Borgman ☐; Cathy MacInnes ☐; Sara Reyes ☐; John Steadman ☐; Peter Underhill ☐

Select Board Attendees:

Peter Jurmain (Chair) ☐; Erin Underhill (Vice Chair) ☐; Craig Schultze (Clerk) ☐

School Committee Attendees:

Robyn Briggs (Chair) ☐; Marc Conroy (Secretary) ☐; Steven Catalano ☐; Denise Gibbons ☐; Kerri Roche ☐

Non-Committee Attendees: Deirdre Gilmore

Invited Guests: Mike Guzinski ☐; Carol Johnston ☐; James McKay ☐; Robert Mullaney ☐; Terry Wiggin ☐

Current Reserve Fund Balance:	\$ 50,000.00
Free Cash:	\$1,190,059.20
Stabilization Fund Balance as of September 30, 2021:	\$1,860,600.43

Time	Topic	Speaker
~7:00	Call Tri-Board Meeting to Order	Board and Committees
~7:05	Revenue Update and 3 – 5 Year Forecast	Carol Johnston
~7:20	PFAS Update	James McKay
~7:40	Capital Items Definitions	Mike Guzinski
~7:50	Braun Property Status Update	Select Board
~8:05	Partnership to Optimize Resources	Finance Committee
~9:10	Stakeholder Engagement on Budget Decisions	Board and Committees
~9:30	Adjourn	Board and Committees

Important Dates:

Spring Town Meeting – May 2, 2022

Upcoming Meetings:

To Be Determined

To view Meeting Materials please click on the link below:

<https://www.millisma.gov/meeting-materials/pages/fy22-meeting-materials>

Tri-Board Agenda
8 Dec 21, 7pm
Town Hall - Rm #229, Zoom and Millis Community Media

TOPICS/TIME ALLOTTED

PRESENTED/DISCUSSION LED BY:

- | | |
|---|---|
| <ul style="list-style-type: none">- Cannabis Update<ul style="list-style-type: none">• Revenues, now and projected for the next 3 to 5 years
- PFAS Update<ul style="list-style-type: none">• Latest test results• Funding from State and Feds• Operating costs• Construction timeline
- Capital Item Definition<ul style="list-style-type: none">• Who and how to define officially• Examples:<ul style="list-style-type: none">○ Lease of vehicles--Capital or operating budget item○ Curriculum updates/educational materials?○ Effects to budget if changed?
- Braun Property Way-Ahead<ul style="list-style-type: none">• Potential use(s)• How to evaluate and decide• Timeline
- Partnerships to Optimize Resources<ul style="list-style-type: none">○ Maintenance (buildings, equipment) and capital items○ Commonalities and sharing
- Stakeholder Engagement on Budget Decisions<ul style="list-style-type: none">○ Transparency○ Timeline | <p>Finance Director</p>

<p>DPW Director</p>

<p>Town Administrator</p>

<p>Select Board</p>

<p>Finance Committee</p>

<p>Board and Committees</p> |
|---|---|

D'Angelis Water Treatment Plant – PFAS Removal Update

Town of Millis Select Board, December 6, 2021

Kirsten Ryan, PG. Senior Project Manager
Drinking Water Practice Lead
Kleinfelder
1 Beacon Street, Boston MA



Project Purpose & Benefit

- Restore a major Town water source to service (Wells 1 & 2 and D'Angelis Water Treatment Plant)
- New PFAS plant will remove PFAS6 chemicals to non-detectable* levels
- Required to meet new drinking water standard of 20 parts per trillion (ppt)
- Installation of carbon treatment vessels in a new building
- Long term investment in improved Town water supply



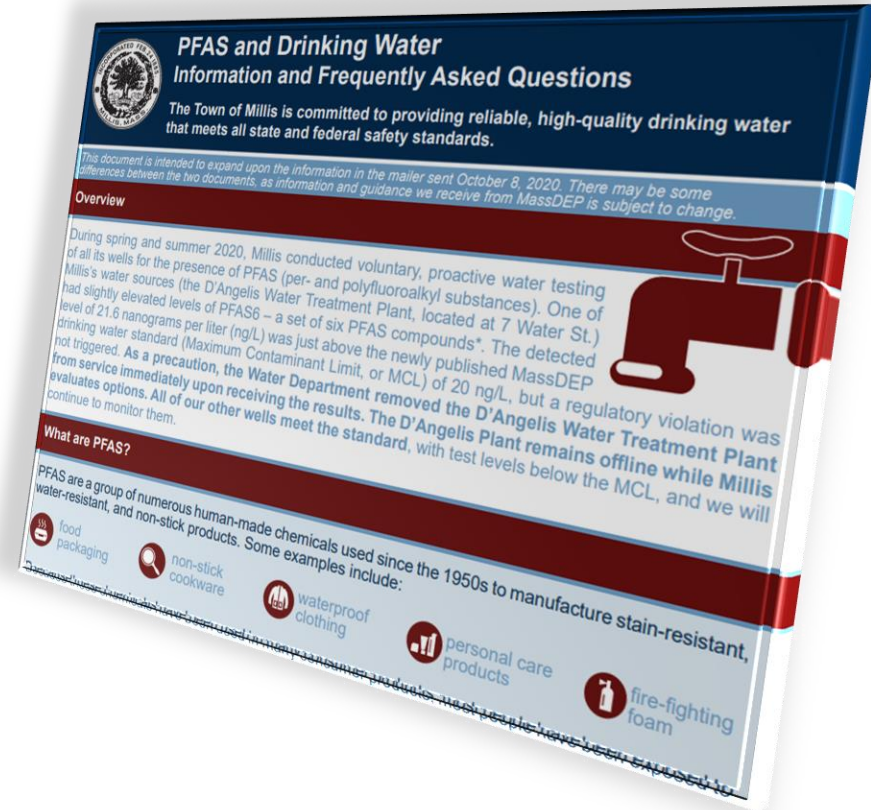
Existing D'Angelis WTP Building

(* Non detectable by current testing methods = to below 2 parts per trillion)

Timeline and Status

2020:

- April – Millis begins proactively testing wells for PFAS
- Sept – Wells 1 & 2 taken offline immediately when results exceed guideline of 20 ppt
- Oct – 20 ppt guideline becomes regulatory standard.
 - Millis launches public information website
- Dec - Kleinfelder submits DEP Grant for Prelim Design



PFAS Fact Sheet, Millis DPW Website

Timeline and Status

2021:

- Jan – Kleinfelder submit estimated Final Design budget
- April – DEP Grant awarded. Preliminary design starts.
- ✓ June – Piloting & Preliminary Design completed on time.
- ✓ July – Begin Detailed / Final Design
- ✓ December – Final Design 95% complete.
- **On Schedule for winter bidding; construction start March 2022**
- ***Millis is at the forefront. Many other Towns are just beginning this process.***



Carbon columns during pilot testing, May 2021

- ***Millis is best positioned for competitive bids and faster completion.***

Typical design process / schedule:

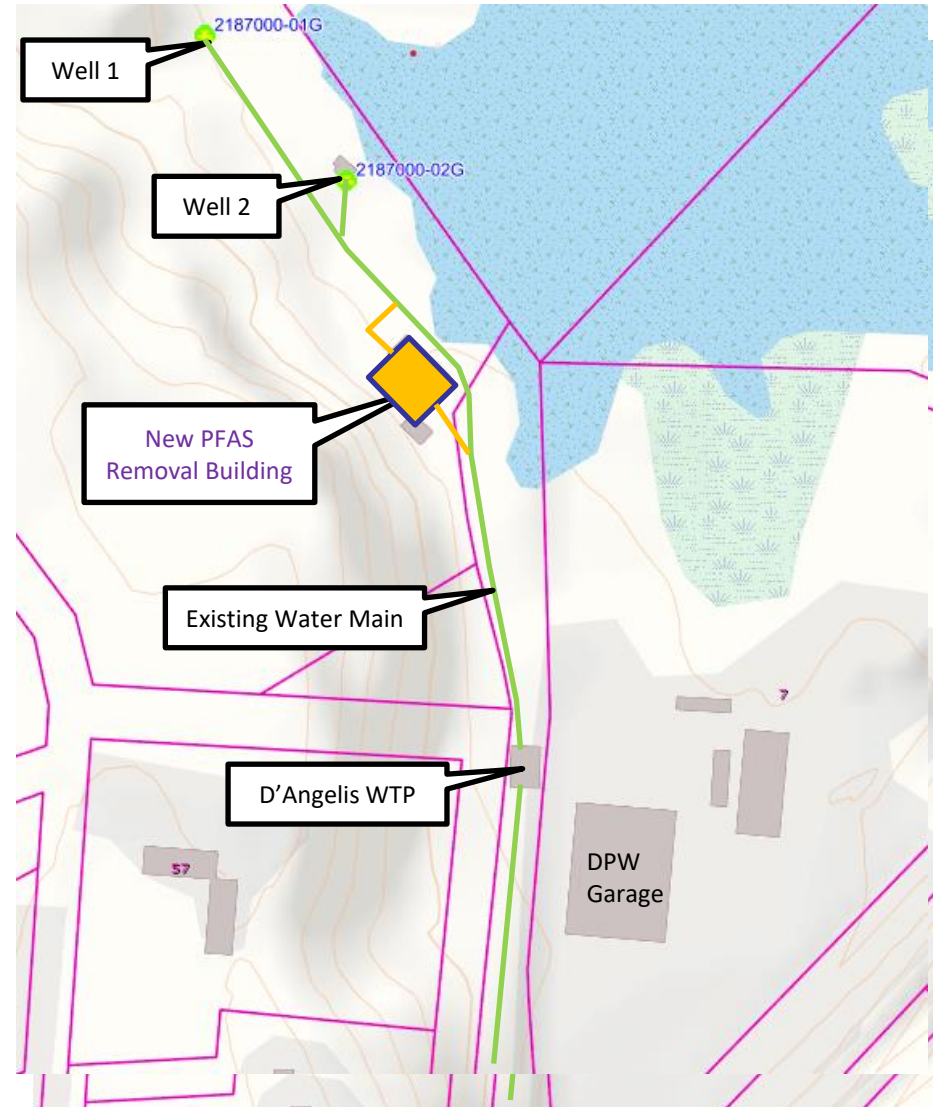
- Preliminary Design informs budget for Final Design

Millis Accelerated Schedule

- Final design budget estimated before beginning piloting & Prelim design
- Some unforeseen site conditions emerged and had to be incorporated into the design

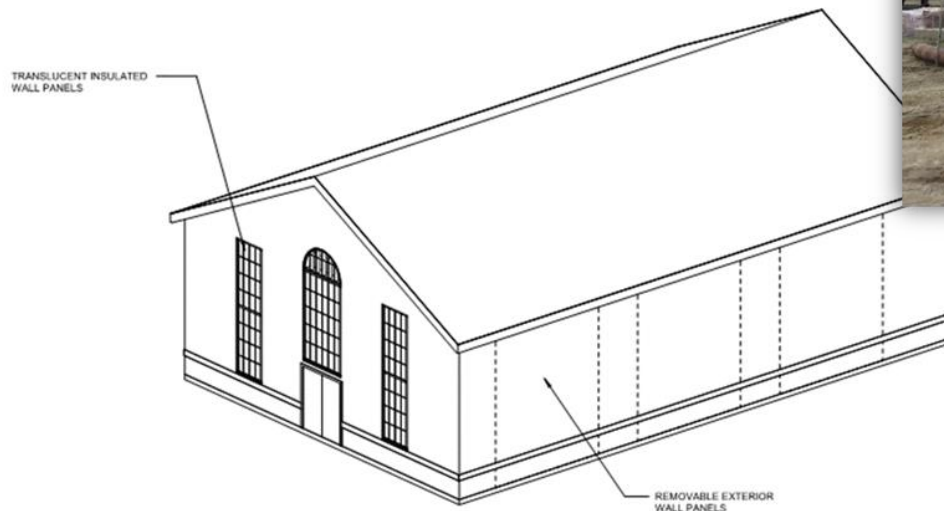
Design Concepts & Challenges:

- Use existing water mains
- Keep existing processes at D'Angelis WTP
- Preserve traffic flow
- **Limited space on flat ground**
- ✓ **Solution: Demo old storage buildings for new filter building**



Building & Filter Design

- GAC Contactors (4 x 12-ft diameter)
- Metal building (similar to DPW construction)



Example of Full size GAC contactors being installed

D'Angelis PFAS Treatment Update

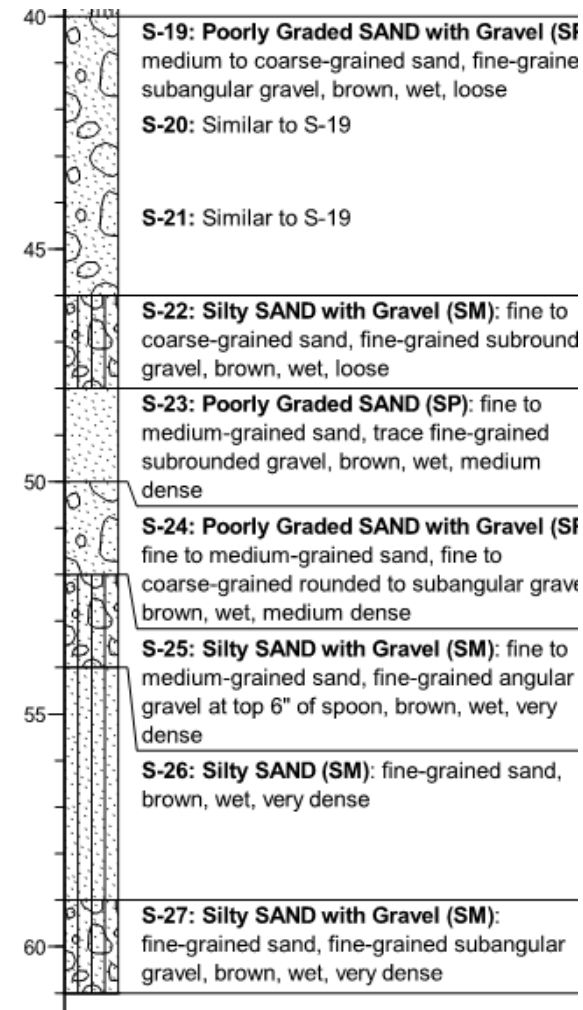
- Design Challenge / **Solution:**
Building - not cost effective to renovate
- Existing unsafe buildings to be demolished
- ✓ **Solution:** hazardous materials inspection & testing;
- ✓ **Solution:** Prepare specialized specifications for bidding; develop costs for construction



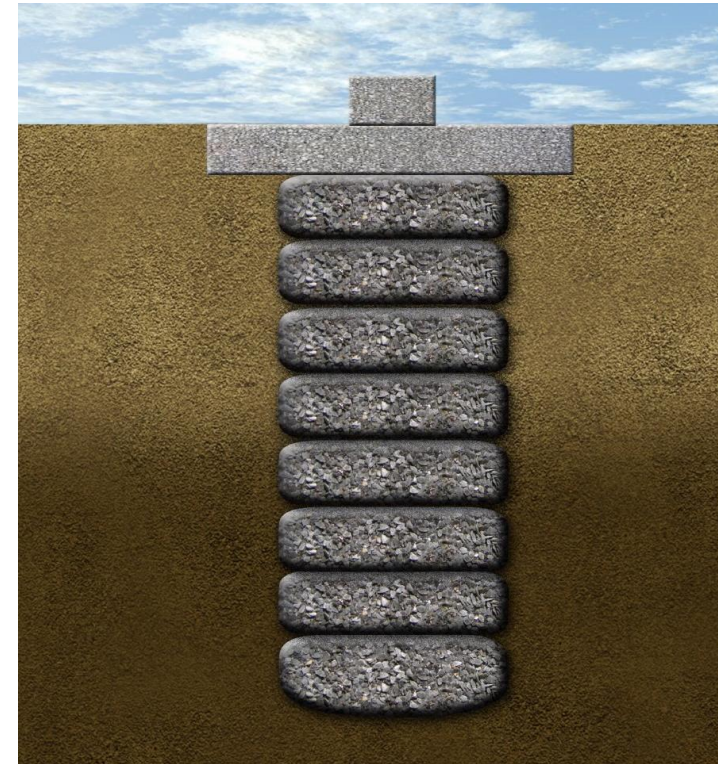
Design challenge – soils conditions

Additional Geotech testing verified presence of liquefiable soils (loose sands below groundwater) below the area of the proposed building

- ✓ Specialized design was required to prevent risk of foundation settlement
- ✓ Solution: ground improvements via rammed aggregate piers



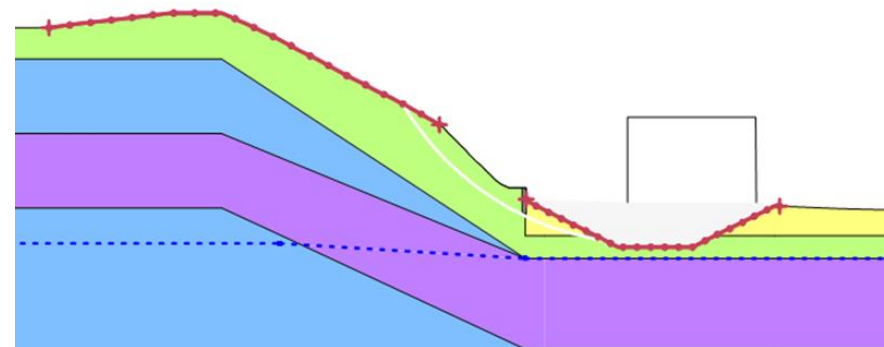
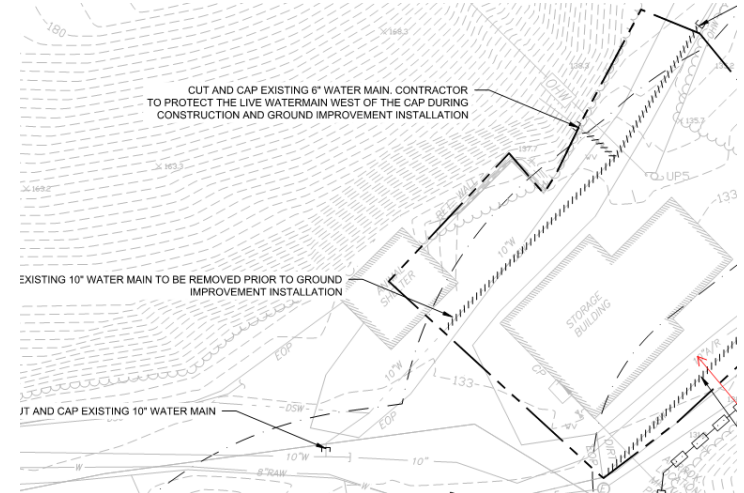
Design Solution: Rammed aggregate piers



Graphics: Geopier

Design solution:

- ✓ Verified slope topography & stratigraphy
- ✓ Evaluated existing retaining wall
- ✓ Conducted stability analysis
- ✓ Designed an extension of existing retaining wall
- ✓ Designed rammed aggregate to protect retaining wall



Basis of requested change order for additional engineering services during final design:

- ✓ Additional Geotechnical drilling & soil testing
- ✓ Additional site survey of adjacent slope
- ✓ Additional geotechnical and structural design calculations & stability analysis
- ✓ Additional geotechnical and structural specifications, drawing preparation & construction cost evaluation
- ✓ Building hazardous materials testing and specifications

Next Steps

- December –
 - Complete permitting
 - Advertise for bids (late Dec)
- January
 - Bidding
- Feb – March
 - Contract award & begin construction

CommCan Summary

		CommCan		
		Adult Use Host Community Impact Fees	Medical Host Community Impact Fees	Total Host Community Impact Fees
July 2018 - June 2019	FY2019	\$ 15,000.00		\$ 15,000.00
July 2019 - June 2020	FY2020	\$ 167,544.75	\$ 25,000.00	\$ 192,544.75
July 2020 - June 2021	FY2021	\$ 355,773.06	\$ 92,153.77	\$ 447,926.83
July 2021 - Nov 2021	FY2022	\$ 236,725.46		\$ 236,725.46
Total Paid by CommCan		\$ 775,043.27	\$ 117,153.77	\$ 892,197.04

		Consumer		
		Adult Use Local Option Excise Fee	Medical Local Option Excise Fee	Total Local Option Excise Fee
July 2018 - June 2019	FY2019	\$ -		\$ -
July 2019 - June 2020	FY2020	\$ 167,544.74	\$ -	\$ 167,544.74
July 2020 - June 2021	FY2021	\$ 370,773.06	\$ -	\$ 370,773.06
July 2021 - Sept 2021	FY2022	\$ 125,465.58		\$ 125,465.58
Total Paid by Consumer		\$ 663,783.38	\$ -	\$ 663,783.38

Total All Receipts CommCan & Consumer		\$ 1,438,826.65	\$ 117,153.77	\$ 1,555,980.42
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		CommCan & Consumer		
		Adult Use HCA & Local Option Fees	Medical HCA & Local Option Fees	Total HCA & Local Option Fees
July 2018 - June 2019	FY2019	\$ 15,000.00	\$ -	\$ 15,000.00
July 2019 - June 2020	FY2020	\$ 335,089.49	\$ 25,000.00	\$ 360,089.49
July 2020 - June 2021	FY2021	\$ 726,546.12	\$ 92,153.77	\$ 818,699.89
July 2021 - Nov 2021	FY2022	\$ 362,191.04	\$ -	\$ 362,191.04
Total Paid by CommCan & Consumer		\$ 1,438,826.65	\$ 117,153.77	\$ 1,555,980.42

Town of Millis
Host Community Agreement
COMMCAN, Inc
Retail Marijuana Establishment
Date of Agreement: February 11, 2019

	GPSR*	<u>Year 0</u> 11/4/2019	<u>Year 1</u> Qtr1	<u>Year 1</u> Qtr2	<u>Year 1</u> Qtr3	<u>Year1</u> Qtr4	<u>Year 2</u> Qtr1	<u>Year 2</u> Qtr2	<u>Year 2</u> Qtr3	<u>Year 2</u> Qtr4	<u>Year 3</u> Qtr1	<u>Totals</u>	<u>Annual Totals</u>
Annual Community Impact Fee Agreement Payment Schedule:													
Initial payment \$15,000 - 90 days prior to projected Actual Operations or March 1, 2019	\$ 500,000.00	\$15,000										\$15,000	
4th Month Year 1 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 1 months 1 through 3	\$ 2,934,879.00			\$88,046								\$88,046	
7th Month Year 1 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 1 months 4 through 6	\$ 2,649,946.00				\$79,498							\$79,498	
10th Month Year 1 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 1 months 7 through 9	\$ 2,335,271.33					\$70,058						\$70,058	
** 1st Month Year 2 Actual Operations - True Up 3% of GPSR for Year 1 months 1 through 12 less initial payment	\$ 3,518,995.00						\$105,570					\$105,570	
4th Month Year 2 Actual Operations - True Up 3% of GPSR for Year 1 months 1 through 12 less initial payment	\$ (500,000.00)							(\$15,000)				(\$15,000)	\$343,173
4th Month Year 2 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 2 months 1 through 3	\$ 3,436,193.33							\$103,086				\$103,086	
7th Month Year 2 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 2 months 4 through 6	\$ 3,068,642.33								\$92,059			\$92,059	
10th Month Year 2 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 2 months 7 through 9	\$ 4,182,186.00									\$125,466		\$125,466	
** 1st Month Year 3 Actual Operations - True Up 3% of GPSR for Year 2 months 1 through 12	\$ 3,708,662.67										\$111,260	\$111,260	\$431,871
4th Month Year 3 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 3 months 1 through 3	\$ 666,666.67											\$20,000	
7th Month Year 3 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 3 months 4 through 6	\$ 666,666.67											\$20,000	
10th Month Year 3 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 3 months 7 through 9	\$ 666,666.67											\$20,000	
** 1st Month Year 4 Actual Operations - True Up 3% of GPSR for Year 3 months 1 through 12	\$ 666,666.67											\$20,000	\$80,000
4th Month Year 4 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 4 months 1 through 3	\$ 666,666.67											\$20,000	
7th Month Year 4 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 4 months 4 through 6	\$ 666,666.67											\$20,000	
10th Month Year 4 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 4 months 7 through 9	\$ 666,666.67											\$20,000	
** 1st Month Year 5 Actual Operations - True Up 3% of GPSR for Year 4 months 1 through 12	\$ 666,666.67											\$20,000	\$80,000
4th Month Year 5 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 5 months 1 through 3	\$ 666,666.67											\$20,000	
7th Month Year 5 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 5 months 4 through 6	\$ 666,666.67											\$20,000	
10th Month Year 5 Actual Operations - Greater of \$20,000 or 3% of GPSR for Year 5 months 7 through 9	\$ 666,666.67											\$20,000	
** 1st Month Year 6 Actual Operations - True Up 3% of GPSR for Year 5 months 1 through 12	\$ 666,666.67											\$20,000	\$80,000
Estimated Total Payments Based on Agreement		\$15,000	\$0	\$88,046	\$79,498	\$70,058	\$105,570	\$88,086	\$92,059	\$125,466	\$111,260	\$1,015,043	\$1,015,043

* GPSR - Gross Product Sales Revenue - NO "CAP" or maximum amount when calculating 3% of Gross Sales Annually

** Fourth Quarter of each Actual Operation Year, True-Up Amount Due to Town is 3% of Gross Annual Sales less previous payments for that Actual Operation Year

Payments Received

Initial payment \$15,000 - received 2/11/2019 check #2148	\$ 15,000	\$ 15,000										\$ 15,000	
4th Month Year 1 Actual Operations - Months 1 through 3 - received 2/28/2020 check #6602	\$ 88,046		\$ 88,046									\$ 88,046	
7th Month Year 1 Actual Operations - Months 4 through 6 - received 5/28/2020 check #7863	\$ 79,498			\$79,498								\$ 79,498	
10th Month Year 1 Actual Operations - Months 7 through 9 - received 8/31/2020 check #9392	\$ 70,058				\$70,058							\$ 70,058	
1st Month Year 2 Actual Operations - Months 10 through 12 - received 11/19/2020 check #10779	\$ 105,570					\$105,570						\$ 105,570	
4th Month Year 2 Actual Operations - Year 1 True Up less initial payment - received 02/26/2021 check #12514	\$ (15,000)						(\$15,000)					\$ (15,000)	
4th Month Year 2 Actual Operations - Months 1 through 3 - received 02/26/2021 check #12514	\$ 103,086						\$103,086					\$ 103,086	
7th Month Year 2 Actual Operations - Months 4 through 6 - received 05/26/2021 check #13297	\$ 92,059							\$92,059				\$ 92,059	
10th Month Year 2 Actual Operations - Months 7 through 9 - received 09/13/2021 check #13710	\$ 125,466								\$125,466			\$ 125,466	
1st Month Year 3 Actual Operations - Months 10 through 12 - received 11/30/2021 check #14388	\$ 111,260										\$111,260	\$ 111,260	
Total Payments Received												\$ 775,043	

Town of Millis
Host Community Agreement
COMMCAN, Inc
Registered Marijuana Dispensary (RMD)
Date of Agreement: August 1, 2016

		<u>Year 1</u> Day 1 11/4/2019	<u>Year 2</u> 19th Month 6/30/2021	<u>Year 3</u> 25th Month 12/31/2021	<u>Year 4</u> 37th Month 12/31/2022	<u>Year 5</u> 49th Month 12/31/2023	<u>Year 6</u> 61st Month 12/31/2024	<u>Sales Dates</u>
Agreement Payment Schedule:								
Effective Date - Sales Commencement Date \$25,000	\$ 833,333.33	\$25,000						11/1/2019 - 10/31/2020
19th Month - Greater of \$50,000 or 3% of GPSR for months 13 through 18	\$ 3,071,792.33		\$92,154					11/1/2020 - 04/30/2021
25th -27th Month - Greater of \$50,000 or 3% of GPSR for months 19 through 24	\$ 1,666,666.67			\$50,000				5/1/2021 - 10/31/2021
37th -39th Month - Greater of \$100,000 or 3% of GPSR for months 25 through 36	\$ 3,333,333.33				\$100,000			11/1/2021 - 10/31/2022
49th -51st Month - Greater of \$100,000 or 3% of GPSR for months 37 through 48	\$ 3,333,333.33					\$100,000		11/1/2022 - 10/31/2023
61st -63th Month - Greater of \$100,000 or 3% of GPSR for months 49 through 60	\$ 3,333,333.33						\$100,000	11/1/2023 - 10/31/2024
Estimated Total Payments Based on Agreement		\$25,000	\$92,154	\$50,000	\$100,000	\$100,000	\$100,000	

*GPSR - Gross Product Sales Revenue - NO "CAP" or maximum amount when calculating 3% of Gross Sales Annually

Payments Received

Effective Date - Sales Commencement Date \$25,000 - received 11/4/2019 check #4865	\$ 25,000	\$ 25,000
19th Month - Months 13 through 18 - received 06/29/2021 check #13455	\$ 92,154	\$92,154
Total Payments Received	\$ 117,154	

Year 1	11/1/2019 - 10/31/2020
Year 2	11/1/2020 - 10/31/2021
Year 3	11/1/2021 - 10/31/2022
Year 4	11/1/2022 - 10/31/2023
Year 5	11/1/2023 - 10/31/2024

Town of Millis
Host Community Agreement
617 THERAPEUTIC HEALTH CENTER, Inc.
Marijuana Cultivator & Marijuana Products Manufacturer
Date of Agreement: April 8, 2019

	<i>GPSR*</i>	<i>Totals</i>	<i>Annual Totals</i>
Annual Community Impact Fee Agreement Payment Schedule:			
Initial payment \$25,000 - Upon execution of the agreement	\$ 833,333.33	\$25,000	
4th Month Year 1 Actual Operations - \$15,000 - for Year 1 months 1 through 3	\$ 500,000.00	\$15,000	
7th Month Year 1 Actual Operations - \$40,000 - for Year 1 months 4 through 6	\$ 1,333,333.33	\$40,000	
10th Month Year 1 Actual Operations - \$40,000 - for Year 1 months 7 through 9	\$ 1,333,333.33	\$40,000	
** 1st Month Year 2 Actual Operations - True Up 3% of GPSR for Year 1 months 1 through 12 less \$120,000	\$ -	\$0	\$120,000
4th Month Year 2 Actual Operations - 3% of GPSR for Year 2 months 1 through 3	\$ 1,333,333.33	\$40,000	
7th Month Year 2 Actual Operations - 3% of GPSR for Year 2 months 4 through 6	\$ 1,333,333.33	\$40,000	
10th Month Year 2 Actual Operations - 3% of GPSR for Year 2 months 7 through 9	\$ 1,333,333.33	\$40,000	
** 1st Month Year 3 Actual Operations - True Up 3% of GPSR for Year 2 months 1 through 12 less \$120,000	\$ -	\$0	\$120,000
4th Month Year 3 Actual Operations - 3% of GPSR for Year 3 months 1 through 3	\$ 1,333,333.33	\$40,000	
7th Month Year 3 Actual Operations - 3% of GPSR for Year 3 months 4 through 6	\$ 1,333,333.33	\$40,000	
10th Month Year 3 Actual Operations - 3% of GPSR for Year 3 months 7 through 9	\$ 1,333,333.33	\$40,000	
** 1st Month Year 4 Actual Operations - True Up 3% of GPSR for Year 3 months 1 through 12 less \$120,000	\$ -	\$0	\$120,000
4th Month Year 4 Actual Operations - 3% of GPSR for Year 4 months 1 through 3	\$ 1,333,333.33	\$40,000	
7th Month Year 4 Actual Operations - 3% of GPSR for Year 4 months 4 through 6	\$ 1,333,333.33	\$40,000	
10th Month Year 4 Actual Operations - 3% of GPSR Year 4 months 7 through 9	\$ 1,333,333.33	\$40,000	
** 1st Month Year 5 Actual Operations - True Up 3% of GPSR for Year 4 months 1 through 12 less \$120,000	\$ -	\$0	\$120,000
4th Month Year 5 Actual Operations - 3% of GPSR for Year 5 months 1 through 3	\$ 1,333,333.33	\$40,000	
7th Month Year 5 Actual Operations - 3% of GPSR for Year 5 months 4 through 6	\$ 1,333,333.33	\$40,000	
10th Month Year 5 Actual Operations - 3% of GPSR for Year 5 months 7 through 9	\$ 1,333,333.33	\$40,000	
** 1st Month Year 6 Actual Operations - True Up 3% of GPSR for Year 5 months 1 through 12 less \$120,000	\$ -	\$0	\$120,000
Estimated Total Payments Based on Agreement		\$600,000	\$600,000

* GPSR - Gross Product Sales Revenue - 3% of Gross Sales Annually

** Fourth Quarter of each Actual Operation Year, True-Up Amount Due to Town is 3% of GPSR for Year months 1 through 12 less \$120,000
Amounts reflect total for both the Marijuana Cultivator and Marijuana Products Manufacturer Licenses

Payments Received

Initial payment - 1 license - \$25,000 - received 4/08/2019 check #1113	\$ 25,000
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TO: MILLIS BOARD OF SELECTMEN
FROM: KATHERINE FEODOROFF, TOWN COUNSEL
RE: GTE Millis LLC
 HOST COMMUNITY AGREEMENT
DATE: AUGUST 31, 2020

This memorandum provides a summary of the salient terms of the host community agreement submitted to the Select Board regarding the proposed marijuana cultivation and product manufacturing facility by GTE Millis LLC. This agreement, required by G.L. c. 94G, is a five-year agreement.

Community Impact Payments

Upon signing GTE will pay \$15,000 to the Town, which will be credited toward its annual impact payments. The impact payments are calculated as a percentage of Gross Sales due as follows:

15,000.00 check # 205 September 16,2020

<u>Annual Gross Revenue</u>	<u>Impact Fee (%)</u>	<u>Potential Impact Fee</u>
\$5,000,000	3%	\$150,000
\$5,000,001-\$10,000,000	2%	\$100,000
\$10,000,001-\$15,000,000	1%	\$50,000
\$15,000,000 +	0%	\$0
<u>Total Impact Payments</u>		<u>\$300,000</u>

Tax Revenue

In addition, the Town estimates a significant increase in the payment of taxes for a property which currently yields \$3,530.54 in tax payments. Tax Payments are estimated as follows:

<u>Tax Type</u>	<u>Tax Revenue Generated</u>
Personal Property Tax	\$165,148
Real Property Tax	\$86,600
<u>Total Tax Payments</u>	<u>\$251,748</u>

**HOST COMMUNITY AGREEMENT
FOR A MARIJUANA ESTABLISHMENT
BETWEEN
ADVESA WELLNESS INC.
AND
THE TOWN OF MILLIS, MASSACHUSETTS**

This **HOST COMMUNITY AGREEMENT FOR MARIJUANA ESTABLISHMENT** ("Agreement") is entered into pursuant to M.G.L. c. 94G on this 22nd day of February, 2021 by and between **ADVESA WELLNESS INC.**, a Massachusetts corporation with a principal office address of 1375 Main Street, Millis MA 02054 ("OPERATOR") and the **TOWN OF MILLIS**, a Massachusetts town with a principal address of 900 Main Street, Millis, MA 02054, by and through its Select Board or its designee ("TOWN").

WHEREAS, On November 8, 2016 Massachusetts voters approved the legal cultivation, processing, distribution, sale and use of marijuana for adult use through Chapter 334 of the Acts of 2016, an Act for The Regulation and Taxation of Marijuana; and

WHEREAS, On July 28, 2017, Governor Baker signed the General Court's revised law on the subject, "An Act to Ensure Safe Access to Marijuana" adopted as Chapter 55 of the Acts of 2017 (the "Act"); and

WHEREAS, Massachusetts, acting through the Cannabis Control Commission ("CCC") implemented regulatory framework for the regulation of the adult use of marijuana establishments through 935 CMR 500.000 *et. seq.* on March 23, 2018 ("CCC Regulations"); and

WHEREAS, A "marijuana establishment" as defined in the CCC Regulations, means a Marijuana Cultivator, Craft Marijuana Cooperative, Marijuana Product Manufacturer, Marijuana Retailer, Independent Testing Laboratory, Marijuana Research Facility, Marijuana Transporter, or any other type of licensed marijuana-related business, except a medical marijuana treatment center; and

WHEREAS, OPERATOR seeks licensure and other approvals as a Marijuana Products Manufacturer to locate and operate a marijuana establishment in the TOWN at 1375 Main Street, Millis, MA 02054, in accordance with applicable CCC regulations and such approvals as may be issued by the TOWN, by its designated officers, boards and/or commissions, in accordance with its Zoning Bylaw and other applicable regulations in effect at the time that the CCC deems that the OPERATOR's application is complete; and

WHEREAS, OPERATOR intends to provide certain benefits to the TOWN upon receipt of CCC licensure to operate its Marijuana Products Manufacturer business in the TOWN and upon receipt of all required local approvals to do so; and

WHEREAS, OPERATOR and TOWN agree that the OPERATOR's Marijuana Products Manufacturer business will impact TOWN resources in ways unique to such business and will uniquely draw upon TOWN resources such as TOWN's road system, law enforcement, fire protection services, inspectional and permitting services, public health services in a manner not

review shall only be conducted one time for the TOWN and shall be considered to be part of the Special Permit process. The TOWN agrees this peer review shall meet all the requirements or requests of any other Department, Committee, Board, or any other TOWN entity that may seek additional information related to the OPERATOR'S odor control plan.

3. **Community Impact Fee:** For the operation of its Marijuana Establishments, the OPERATOR shall pay a community impact fee as allowed by M.G.L. c. 94G, § 3 (d) ("Impact Fee") in the amounts and under the terms provided herein. OPERATOR shall pay 3% of Gross Sales due as follows:

- a. The OPERATOR shall make quarterly payments to the TOWN in an amount equal to three percent (3%) of all OPERATOR'S gross quarterly sales from the facility, all marijuana, marijuana products, and marijuana manufacturing intellectual property. This payment shall be in addition to any local option tax accepted by the TOWN.
- b. OPERATOR agrees to make a down payment of \$25,000 to the TOWN upon execution of this agreement. The down payment will be a one-time payment and shall be credited toward any payments which may be due under paragraph 3a. hereunder. The down payment shall be refunded to the OPERATOR if the Town fails to approve a special permit to permit the marijuana operation contemplated herein.
- c. The first Quarterly Payment from paragraph 3a. above shall be made thirty (30) days following the close of the first fiscal quarter after commencement of operations. OPERATOR agrees to make subsequent Quarterly Payments thirty (30) days following the close of each subsequent fiscal quarter.
- d. In the event of a relocation out of the TOWN, an adjustment of the Payment due to the TOWN shall be calculated based on the period of occupation of the Facility with the TOWN, but in no event shall the TOWN be responsible for the return of any Payment or portion thereof already provided to the TOWN by the OPERATOR.

4. **Impact Fees Relative to Town Costs:** Pursuant to M.G.L. c. 94G, §3(d), a "community impact fee shall be reasonably related to the costs imposed upon the municipality by the operation of the marijuana establishment..." ("Town Costs"). Notwithstanding the foregoing, the Parties acknowledge the difficulty in computing actual Town Costs and have agreed to Impact Fee schedule above in lieu of attempting to determine actual Town Costs incurred. OPERATOR acknowledges that the impacts of its operation may be impracticable to ascertain and assess as impacts may result in budgetary increases though not separately identified, and consequently, OPERATOR acknowledges that the payments due under this Agreement are reasonably related to Town Costs.

5. **Impact Fees as Other Municipal Charges.** Impact Fees are expressly included as "other municipal charges" pursuant to M.G.L. c. 40, § 57. A Town licensing authority may deny, revoke or suspend any license or permit, including renewals and transfers, of OPERATOR or agent thereof if OPERATOR'S name appears on a list furnished to the licensing

25,000.00 wire received February 25, 2021