

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:

<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
Total Impact Payments		\$300,000

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
Total Tax Payments	\$251,748

Net Revenue to Town

Total Impact Payments	\$300,000
Total Tax Payments	\$251,748
Existing Tax Payments	(\$3,530.54)
Net Financial Gain to Town	\$548,217.46

Indirect Benefits

Finally, the HCA provides the following, indirect financial benefits to the Town:

- Local hiring preference
GTE local hiring goals are: Year 1 – 25%; Year 2 – 35%; Year 3 – at least 50%.
Job Creation - 70 to 80 jobs.
- Charitable Contributions of \$50,000 annually
- At least, 150 Annual Volunteer Hours by GTE Employees

Additional Protections

In addition, there are provisions which:

- Ensure adequate review of odor control plans
- Town Review of Financials
- Payment as a Condition – Default
- Ensure taxability of personal and real property
- Security, diversion prevention, and safety
- Manager approval
- Ensure full dismantling of operations following closure

I hope this summary has been helpful in your review of the HCA.