



## CITY OF SALEM, MASSACHUSETTS

Kimberley Driscoll  
Mayor

### **Process and Application for Marijuana Establishment Host Community Agreement**

1. **Application deadline.** All marijuana establishment operators who have established site control and/or a special permit or conditional/provisional special permit from the Zoning Board of Appeals are invited to submit the required application and supporting materials to the City in order to be considered for a Host Community Agreement (HCA). Applications will be reviewed on a rolling basis.
2. **Basis for review.** The basis for the City's review and consideration of HCAs is a desire to ensure the highest quality operators, with locations that minimally impact surrounding neighbors or the community at large. An operator lacking sufficient experience or capitalization, or other factors could result in a negative impact to the community.
3. **Review committee.** Applications and supporting materials will be reviewed by a committee comprised of the following (a) the Mayor or her designee, (b) the City Council President or her designee, (c) the City Solicitor or her designee, (d) the Chair of the Salem Planning Board or his designee, (e) the Chief of Police or her designee, (f) the Director of Planning and Community Development or his designee, and (g) an individual named by the Mayor with background and experience in finance, business, or banking and not directly related to any marijuana establishment holding or currently before the Zoning Board of Appeals for a special permit or conditional/provisional special permit.
4. **Submitting applications.** Seven copies of the attached Application for Marijuana Establishment Host Community Agreement and all required supporting materials shall be submitted to the City through the City Solicitor's office. Incomplete applications will not be accepted.
5. **Supporting materials.** The following required supporting materials must accompany the Application:
  - a. A copy of the special permit or conditional/provisional special permit from the Salem Zoning Board of Appeals, if received, and/or evidence of site control.
  - b. A completed copy of entire application, in final or draft form, by the establishment to the Massachusetts Cannabis Control Commission (CCC).

- c. Traffic plan prepared by a licensed or certified traffic engineering firm or consultant.
  - d. Resumes for every manager, director, or officer of the establishment.
  - e. Completed Criminal Offender Record Information (CORI) Acknowledgement Forms for every manager, director, officer, or investor of the establishment (available here: <https://www.mass.gov/files/documents/2017/09/25/open-access-request-form.pdf>) accompanied by a payment of \$50 per form, payable to the Commonwealth of Massachusetts in money order, or bank issued Cashier's or Treasurer's check.
  - f. Copy of the establishment's Business Plan.
  - g. Copy of the establishment's Security Plan.
  - h. Copy of financial records or letter of financing demonstrating capitalization or investment to ensure the establishment's solvency and successful operation.
6. **Favorable criteria.** Favorable criteria that may be reviewed and considered by the review committee include, but are not limited to, the following: (a) Demonstrated direct experience in the cannabis industry or a similar industry. (b) Managers, directors, officers, investors, and others related to the establishment are free of any disqualifying criminal convictions. (c) Minimal traffic impacts and appropriate mitigation for impacts is offered. (d) Approval of security plan by Chief of Police. (e) Financial records, business plan, and other documentation demonstrates strong capitalization or access to financing to ensure success of business. (f) Geographic diversity of the establishment in relation to other established or permitted marijuana retail establishments.
7. **Minimum HCA conditions.** Should an applicant satisfy the favorable criteria for consideration and receive a recommendation from the review committee that the Mayor consider entering into an HCA with the applicant, the Agreement shall include, at a minimum, the following conditions:
- a. A Community Impact Fee equal to 3.0% of the establishment's gross sales, with the first payment of the first year of operation of \$25,000 payable to the City on the facility's opening date and the remainder balance due within 12 months of opening. In subsequent years the payments shall be made in two installments, one in months 7 or 8 of the year to reflect the first six months of sales of that year, and the second reflecting the balance of sales payable within 60 days after the end of the year.
  - b. Annual filing of financial statements with the City.
  - c. A commitment to pay all required taxes and that taxes and utility charges will not reduce the Community Impact Fee.
  - d. A minimum commitment of \$25,000 per license in charitable donations per year to Salem-based nonprofits. This does not reduce the Community Impact Fee amount nor is it considered a payment in response to a community impact.
  - e. A donation to a Transit Enhancement Fund equal to at least 1% of gross sales. This does not reduce the Community Impact Fee amount nor is it considered a payment in response to a community impact.

- f. Installation of at least one bicycle rack on the premises, at the operator's expense, capable of holding at least six bicycles and available to the public, including to the City's bike share program.
- g. HCA and all associated payments to commence upon the opening date and start of sales and not the effective date of execution.
- h. Facility staff required to participate in City-sponsored educational programs on public health and drug abuse prevention.
- i. Hiring of employees shall weigh Salem residency as a positive, though not the sole, criteria. Similarly, Salem-based vendors shall be considered a priority for contracts.
- j. Operator will comply with the City's non-discrimination ordinance in hiring, transacting business, and entering into contracts and will seek to hire employees and engage in contracts with a preference for diversity and supporting minority- and women-owned businesses.
- k. If the facility will be newly constructed, renovated, or improved, the facility shall be so constructed, renovated, or improved to reflect the construction standards and general design aesthetic of the neighborhood. Modifications shall also reflect standards established in the City's climate change adaptation plan. Facility's power supply shall be through the Salem PowerChoice electrical aggregation program's greenest available product or a supplier with a minimum of equivalent renewable power sources.
- l. Operator consents to prohibiting on-site consumption and to not offering home delivery of non-medical marijuana, even if such activity is permitted by later statute or regulation.
- m. A security plan must be approved by the Chief of Police and reviewed and approval renewed each year. Applicant will engage in periodic meetings with the Police Department to review operational concerns or other issues and shall report to the Police within 24 hours of becoming aware of: diversion of marijuana, inventory discrepancies, theft, loss or other criminal action, discrepancy in weight or inventory during transportation, vehicle accidents, diversions, losses or other reportable incidents that occur during transport, any suspicious act involving sale, cultivation, distribution, process or production of marijuana, unauthorized destruction of marijuana, loss or unauthorized alteration of the establishment's records, alarm activation or other event that requires public safety personnel to respond, failure of security alarm due to power loss or mechanical failure expected to last longer than eight hours, and any other breach of security. All excess costs incurred by the Salem Police Department in these events shall be documented by the department and reimbursed.
- n. Operator will site interior and exterior security cameras in coordination with the Salem Police Department, provide unimpeded access to all security camera feeds to the Salem Police Department, and that at least two cameras will be located so as to provide an unobstructed view in each direction of the public way(s) on which the facility is located.
- o. Operator will participate with the Police Department in a comprehensive diversion prevention plan.

- p. Applicant agrees to comply with all of the CCC's requirements regarding Criminal Offender Record Information (CORI) review for any new manager hired and the Police Chief shall approve within thirty days of receiving said CORI report whether the individual is suitable to hold the position, such approval not to be unreasonably denied, conditioned, or delayed.
- q. Operator will refuse to complete a transaction to any customer if the customer appears to be under the influence of drugs or alcohol.
- r. Operator will verify the legal age of all customer using a government-issued identification prior to the customer being admitted into the facility and again prior to the completion of a transaction. The City prefers operators utilize electronic identification verification measures when possible.
- s. A reopener in the event the operator enters into an HCA in another community that is more beneficial to that community.
- t. If any term or condition of the HCA shall to any extent be held invalid, illegal or unenforceable by a court of competent jurisdiction or by regulation, the validity, legality, and enforceability of the remaining terms and conditions of HCA shall not be deemed affected thereby unless one or both parties would be substantially or materially prejudiced. Further, the Operators agrees it will not challenge, in any jurisdiction, the enforceability of any provision included in the HCA; and to the extent the validity of the HCA is challenged by the Operator in a court of competent jurisdiction, the Operator shall pay for all reasonable fees and costs incurred by the City.
- u. To the extent that any payments in the HCA are deemed not enforceable or not required, the Operator agrees to voluntarily donate or gift such payments to the City.

These conditions are minimum conditions only. If the applicant wishes to include additional benefits to the City or considerations they may do so. In addition, the City may also require direct impact mitigation particular to the specific location proposed by the applicant and its specific impacts.



**CITY OF SALEM  
APPLICATION FOR A MARIJUANA ESTABLISHMENT  
HOST COMMUNITY AGREEMENT**

*File eight copies with City Solicitor, 93 Washington Street, Salem MA. Must be accompanied by seven copies of the application and of all required supporting materials and completed in full.*

**INDICATE TYPE(S) OF ESTABLISHMENT(S):**

- MARIJUANA CULTIVATOR (indicate tier: \_\_\_\_\_)
- CRAFT MARIJUANA COOPERATIVE
- MARIJUANA PRODUCT MANUFACTURER
- MARIJUANA RETAILER
- MARIJUANA TRANSPORTER
- MARIJUANA RESEARCH FACILITY
- INDEPENDENT MARIJUANA TESTING LABORATORY
- MARIJUANA STANDARDS TESTING LABORATORY
- MARIJUANA MICRO-BUSINESS

**PRIORITY APPLICANTS – CHECK WHICH CATEGORY APPLIES:**

- ECONOMIC EMPOWERMENT APPLICANT
- SOCIAL EQUITY APPLICANT
- RMD APPLICANT
- OTHER PRIORITY APPLICANT

Corporation Name (If applicable)	Business Name (D/B/A)
APPLICANT(S) (Sole proprietor)	Physical Location:
	City State Zip
Address	Mailing Address (If different than location)
City/Town State Zip	City State Zip
Telephone Number Fax Number	Business Telephone Number Fax Number
Tax I.D. number	Massachusetts Cannabis Industry Portal number
Email Address	Website

1. Is applicant a corporation, limited liability company, or limited partnership? YES  NO

If Yes, please complete the Corporate Information required for Business Entities who are licensees.

2. Is the physical location of the business leased or owned? \_\_\_\_\_  
Provide copy of deed or lease.

3. Do you have experience managing a business in the marijuana industry? Please describe.

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4. Do you own or have any interest in any another marijuana establishment(s), including registered marijuana dispensaries or medical marijuana treatment centers?  Yes  No  
If yes, please provide Name and physical location of any other such establishments:

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5. Please specify your intended days and hours of operation:

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6. Describe in detail the premises to be licensed, including plans for customer flow, security, delivery, and signage (attached additional pages if necessary): \_\_\_\_\_

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7. How will you prevent diversion of marijuana from your establishment? (attach additional pages if necessary):

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8. Will you agree to the minimum HCA conditions outlined above? YES  NO

9. Does any owner, director, manager, officer, or investor have an existing or previously existing business or property in Salem that owes any delinquent taxes, fees, fines, penalties, or other monies to the City of Salem? YES  NO

10. I confirm that this application comports with Section 2-461 of the City of Salem Code of Ordinances, available here:  
[https://library.municode.com/ma/salem/codes/code\\_of\\_ordinances?nodeId=PTIICOOR\\_CH2\\_AD\\_ARTIIIOFEM\\_DIV8CITRCO\\_S2-461DERESULIPEFAPAMUTACH](https://library.municode.com/ma/salem/codes/code_of_ordinances?nodeId=PTIICOOR_CH2_AD_ARTIIIOFEM_DIV8CITRCO_S2-461DERESULIPEFAPAMUTACH). YES  NO

11. Has any owner, manager, director, officer, investor, or other individual affiliated with the applicant been convicted of any criminal disqualifying conditions, offenses, and violations pursuant to 935 CMR 500? YES  NO   
If YES, please explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12. Please indicate any additional conditions, considerations, or benefits you wish to propose for the HCA. (attach additional pages if necessary): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Applicant or Corporate Officer(s)      Signature of Applicant or Corporate Officer(s)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature of Applicant or Corporate Officer(s)      Signature of Applicant or Corporate Officer(s)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date of Application

*To be completed by Legal Department*

Date and time received: \_\_\_\_\_

Seven copies of application received.

Seven copies of required supporting materials received.

Payment of CORI fees included in full: \$ \_\_\_\_\_

## PREMISES DIAGRAM

In an effort to clearly define your premise, all applicants must submit a diagram of the premise in addition to a completed license application. You may submit a diagram here or attach a plan of the premises.

Diagrams should be as accurate as possible. Be sure to label the areas of your diagram including entrances, office area, kitchen, storage areas, restrooms, parking locations, signage, loading areas, transaction locations, and so forth.





## Corporate Information Required for Business Entities

Responses to questions below must match information on file with the MA Secretary of State's office.

1. Exact legal name: \_\_\_\_\_
2. Doing Business As, if any: \_\_\_\_\_
3. Date of filing with Secretary of State: \_\_\_\_\_ State in which you are formed: \_\_\_\_\_
4. If not a MA business entity, date on which you were authorized to transact business in the State of MA  
\_\_\_\_\_
5. List the name, addresses and title of officers, directors and list the percentage ownership: (attach additional sheets as needed)

NAME	ADDRESS	TITLE	% OWNERSHIP

(Stock ownership in non-publicly traded companies must add up to 100%.)

\_\_\_\_\_  
Signature of Duly Authorized Person

\_\_\_\_\_  
Date