



Committee on Finance

March 29, 2017 – 7:02 PM – **Minutes**
Chambers of the City Council, Room 214

MEETING: COMMITTEE ON FINANCE
DATE: MARCH 29, 2017
TIME: 7:02 P.M.
PLACE: CITY COUNCIL CHAMBER, ROOM 214, MUNICIPAL BUILDING

PRESENT: COUNCILLORS LINDA MORAD, CHAIRPERSON; JAMES OLIVEIRA, VICE CHAIRMAN; IAN ABREU; NAOMI CARNEY; BRIAN GOMES (7:29); JOSEPH LOPES; STEVEN MARTINS

ABSENT: COUNCILLORS DEBORA COELHO; DANA REBEIRO; KERRY WINTERSON

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Councillor Morad called the Finance Committee Meeting to order and took attendance. The Clerk read Communications from Councillors Rebeiro and Winterson explaining the reason for their absence. These Communications were received and placed on file by Councillor Martins and seconded by Councillor Carney.

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Item number four (4) was taken out of order without objection.

Notice, City Clerk of reference of a Written Motion, Councillors Abreu, Winterson, Bousquet and Oliveira, requesting, that the New Bedford City Council require Beacon Compassion Center, Inc. and the appropriate representatives of the City of New Bedford to enter into negotiation and execution of a Host Agreement prior to the opening of the dispensary; and further that if after ninety (90) days the parties are unable to reach a mutually satisfactory agreement this matter shall be returned to the City Council for review and additional actions if deemed necessary. (Ref'd 8/18/16) (10/24/16-tabled 30 days) (4)

On motion by Councillor Oliveira and seconded by Councillor Lopes, the Committee VOTED: To recommend to the City Council to take "No Further Action" on the Written Motion, Councillors Abreu, Winterson, Bousquet and Oliveira, requesting, that the New Bedford City Council require Beacon Compassion Center, Inc. and the appropriate representatives of the City of New Bedford to enter into negotiation and execution of a Host Agreement prior to the opening of the dispensary; and further that if after ninety (90) days the parties are unable to reach a mutually satisfactory agreement this matter shall be returned to the City Council for review and additional actions if deemed necessary. This motion passed on a voice vote.

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Notice, City Clerk of reference of a Communication, Mayor Mitchell, to City Council, submitting a copy of A Host Community Agreement with ARL Healthcare, Inc., of Newton, MA, to operate a Registered Marijuana Dispensary ("RMD") cultivation and processing facility in New Bedford, to be located at 167 John Vertente Boulevard, New Bedford Industrial Park; ARL Healthcare, Inc., is currently seeking approval from the Massachusetts Department of Public Health to operate a medical marijuana cultivation/production facility at said location (Referred to Finance) (Ref'd 12/8/16) was received and placed on file by Councillor Oliveira and seconded by Councillor Abreu. (1)

Attorney Blair Bailey, Tax Title Attorney for the City and he was the Attorney that worked on the negotiations between the City and ARL. He explained this is a good agreement for the city. A series of meeting and negotiations resulted in what they believe to be the best idea for the city.

Robert Fireman, the Attorney representing ARL was present and addressed the Committee. He informed the Committee that ARL plans to occupy half of the Aerovox building. They are looking to produce a projected average of 4300 pounds of product in the first year. They will need the Department of Health's approval, but they do expect to have it and be up and running by the end of the year. He explained that a meeting was held with the Industrial Business Park Foundation and they received a letter of support from Liz Isherwood, Executive Director on behalf of the Park.

Jim Faughna of Mattapoisett, representing Aerovox, explained they do not need the additional space and when approached by ARL they found it to be a good fit of their building.

Councillor Martins explained that he works at an establishment in the Business Park and that they never received the type of communications received from ARL or the Business Park. He stated they were promised a tour of their facility in Rhode Island and this has not yet happened.

John Levine, CFO of ARL said that the tour is still on the table.

Job creation was discussed and it was explained the business would have 25 people to begin with including management, they believe they will be up to 100 people. The wages will be from \$11.50 to \$17.00 an hour. ARL hopes to give preference to New Bedford people. Security will be supervised by former Rhode Island State Police member Ray White and will be 24/7.

Councillor Lopes asked about how the State will monitor the operation and he was told the State will monitor daily and monthly. The city will reconcile every six months. Councillor Lopes was concerned that the contract with ARL was good for four (4) years. Attorney Bailey said that the contract was the best they were able to arrive at.

Councillor Carney asked what the manufacturing process will be and she was told growing, oils and edibles.

On motion by Councillor Lopes and seconded by Councillor Gomes the Committee VOTED: To recommend to the City Council ADOPTION of the Communication of A Host Community Agreement with ARL Healthcare, Inc., of Newton, MA, to operate a Registered Marijuana Dispensary ("RMD") cultivation and processing facility in New Bedford, to be located at 167 John Vertente Boulevard, New Bedford Industrial Park; ARL Healthcare, Inc., is currently seeking approval from the Massachusetts Department of Public Health to operate a medical marijuana cultivation/production facility at said location. This motion PASSED on a Roll Call Vote of Yeas 7, Nays 0.

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Notice, City Clerk of reference of a COMMUNICATION, Mayor Mitchell, to City Council, submitting a Host Community Agreement with Beacon Compassion Center of Norwood, to operate a medical marijuana dispensary facility at 366 Hathaway Road (Ref'd 2/23/17) was received and placed on file by Councillor Martins and seconded by Councillor Lopes. (2, 2a)

Attorney Blair Bailey, Tax Title Attorney for the City and the Attorney who negotiated the agreement between the City and Beacon Compassion Center was present to address the Committee. He informed the Committee that he found the payment schedule to the city to be fair and is confident it will allow the city to get what it can financially.

Steven Angelo of Beacon Compassion Center was also present to address the Committee. He told the Committee they are going to purchase 366 Hathaway Road, a former gas station, 1,700 square feet, they are going to level the structure and build a new 3,500 square foot building. They will use 25% local vendors and suppliers. They will create 10-15 jobs, full and part-time, including management; starting at \$15.00 per hour and up.

They will not seek out a TIF. They do plan to have community meetings to explain how the business will be operated.

Councillor Lopes expressed his concern that the contract did not have an opt-out of recreational sales. Attorney Bailey stated they tried to include said language but that it was not negotiable with Beacon. That it was not a point because they were not selling recreational marijuana. Councillor Lopes told the Committee that he would like to see an Ordinance created that would state that a medical marijuana facility cannot sell recreational marijuana.

Beacon explained they have another facility which will open in Framingham and West Roxbury. The New Bedford hours would be 10 am to 7 pm, seven (7) days a week; expecting 100 patrons a day. The normal service time will be 10 to 20 minutes.

On motion by Councillor Lopes and seconded by Councillor Gomes, the Committee VOTED: To recommend to the City Council ADOPTION of the Communication of a Host Community Agreement with Beacon Compassion center of Norwood, to operate a medical marijuana dispensary facility at 366 Hathaway Road. This motion PASSED on a Roll Call Vote of Yeas 7, Nays 0.

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Notice, City Clerk of reference of a Written Motion, Councillor Lopes, requesting, that the Committee on Finance work with the Mitchell Administration on the adoption of the maximum 2% local sale tax option upon the sale or transfer of marijuana or marijuana products by a marijuana retailer operating within the City of New Bedford if Ballot Question 4 is passed. (To be Referred to the Committee on Finance and Mayor Mitchell) (Ref'd 9/22/16) (10/20/16-returned unsigned by the Mayor) (10/24/16-tabled) (3)

On motion by Councillor Lopes and seconded by Councillor Abreu, the Committee VOTED: To table this matter for ninety (90) days. This motion passed on a voice vote.

Councillor Abreu made a motion to adjourn, which was seconded by Councillor Carney.

This meeting adjourned @ 8:15 p.m.

ATTEST:

Denis Lawrence, Jr.,
Clerk of Committees