



Health and Human Services

Regular Meeting

<http://www.springfieldcityhall.com>

~ Minutes ~

Susan Kacoyannakis
413-787-6170

Tuesday, July 12, 2016

4:00 PM

City Hall -- Room 200

I. Call to Order

4:00 PM Meeting called to order on July 12, 2016 at City Hall -- Room 200, 36 Court Street, Springfield, MA.

Attendee Name	Title	Status	Arrived
Melvin A. Edwards	Ward 3 Councilor	Present	
Marcus J Williams	Ward 5 Councilor	Present	
Adam Gomez	Chairperson	Present	
Edward M. Pikula	City Solicitor	Present	
Thomas Moore	Assistant City Solicitor	Present	
Michael A. Fenton	President - Ward 2 Councilor	Present	
Orlando Ramos	Vice President - Ward 8 Councilor	Present	
Justin Hurst	At Large Councilor	Present	

II. Public Portion

1. Order (ID # 3576)

Order Approving a Host Community Agreement with Hampden Care Facility, Inc. For Medical Marijuana Retail Dispensary at 506 Cottage Street, Springfield

HISTORY:

06/27/16 City Council REFERRED TO COMMITTEE
Next: 07/18/16

COMMENTS - Current Meeting:

Hampden care facility reps were present with legal representation Frank Antonucci. They said host agreement is fair and amongst the best in the state. They will make \$50,000 donations to police department every year and have a 10 yr moratorium.

Councilor Gomez stated that the council was advised that the host agreement could not be discussed until finalized and at this point he doesn't feel comfortable passing this to council without doing their due diligence. Councilor Gomez expressed frustration saying he does not feel he and colleagues have had ample time to review everything.

Councilor Hurst, would like to review other applicants that applied and wants to know why council was not made aware of who has applied.

City Solicitor Pikula stated there were public hearings which allowed anyone to attend the meetings to ask applicants anything they wanted. There were a few meetings in which councilors did not attend.

Councilor Edwards, stated he was never made aware of any meetings or what the process to apply is.

Councilor Hurst also stated that he was unaware of meetings and or names of other applicants.

Attorney Antonucci stated that the CEO of Hampden Care Facility runs 5 dispensary's and is not new to the industry or business which would be why in his opinion the Mayor chose this company to have the dispensary here in the city of Springfield.

Councilor Hurst wants to know who is involved in the process, who are other applicants, there is a lack of transparency with the process.

Pikula stated that an RFP was posted back in February 2016 and in the RFP specifics were included in that RFP for which applicants followed, of all applicants Hampden care stood out.

Councilor Hurst does not like that there are no conditions for the special permit.

Councilor Edwards motioned to keep this in committee and Councilor Marcus Williams seconded. Chairperson Gomez will schedule another meeting during the first week of August and plans to bring back to the floor at the August 15 hearings meeting.

Meeting adjourned

City Solicitor Moore stated that there was a meeting for all for all proposals and no one asked for the value of numbers.

City Solicitor Pikula stated that this is not a company to generate revenue for the city it's about impact and what the impact will have on our police department and how to address it. Common sense would say police department would allocate funds because of security and so on.

Council President Fenton likes location of dispensary agreed for special permit, looked at other agreements in the state and feels that Springfield is great. Fenton does not like the 10 yr moratorium. 10 years is a long time and Hampden care would monopoly the city for a decade.

All councilors expressed that they are concerned at how additional funds will be used and that only facility will be in the city for a decade.

Pikula stated that the agreement allows the mayor to reopen negotiations should he determine there is any need for a second dispensary.

The strong Mayor form of government gives the power to negotiate contracts to the Mayor, Councilor Gomez said he would like to change that to include city council in the decision

making because everyone is elected and we eventually will have a new mayor and new council members.

ATTACHMENTS:

- Exhibit A to City Council Order - Approve Host Community Agreement for Hampden Care Facility (PDF)
- HCA City of Springfield - Hampden Care Facilities - Amended Final Draft (DOC)



Order Approving a Host Community Agreement with Hampden Care Facility, Inc. For Medical Marijuana Retail Dispensary at 506 Cottage Street, Springfield (Mayor Sarno)

WHEREAS, pursuant to Chapter 369 of the Acts of 2012, entitled “An Act for the Humanitarian Medical Use of Marijuana”, codified through 105 CMR 725, and any regulations promulgated thereunder, the City of Springfield has conducted a two-phased RFP/Q solicitation process for Medical Marijuana Treatment Center proposals in Springfield;

WHEREAS, Hampden Care Facility, Inc. (“Hampden Care”) has been incorporated under Chapter 180 of the Massachusetts General Laws to provide marijuana for medical use to patients of Hampden Care, and desires to establish and operate a marijuana for medical use retail dispensary in Springfield located at 506 Cottage Street (the “Dispensary”); and

WHEREAS, the Massachusetts Department of Public Health (“DPH”) has informed Hampden Care that it is being reviewed as a provisional licensee to operate a Registered Marijuana Dispensary (“RMD”) , and upon receipt of a final Certificate of Registration to operate an RMD from DPH, Hampden Care will have the legal authority to operate its Dispensary; and

WHEREAS, at the conclusion of Phase II (RFP/Q No. 16-090) of the City’s solicitation process, the City selected Hampden Care as the highest ranked proposal submitted in response; and

WHEREAS, Hampden Care desires to support community initiatives and interests in Springfield to express its appreciation for the community support it has received to operate an RMD in Springfield; and

WHEREAS, Hampden Care desires to mitigate any actual or potential adverse community impacts and to improve the security and health of the people of Springfield; and

WHEREAS, the City of Springfield and Hampden Care desire to enter into a Host Community Agreement to memorialize the terms of Hampden Care’s support of community initiatives and interests in Springfield and Hampden Care’s commitment to mitigate actual or potential adverse community impacts;

NOW THEREFORE BE IT ORDERED, pursuant to Chapter 369 of the Acts of 2012, entitled “An Act for the Humanitarian Medical Use of Marijuana”, that the City Council hereby:

- 1.) Approves the Host Community Agreement with Hampden Care Facility, Inc, in substantially the same form as the Host Community Agreement submitted by the Mayor to the City Council and attached hereto as Exhibit A;
- 2.) Authorizes the Mayor to execute the Host Community Agreement referenced herein, in substantially the same form as the Host Community Agreement submitted by the Mayor to the City Council and attached hereto as Exhibit A;

EXHIBIT A - FINAL DRAFT

**HOST COMMUNITY AGREEMENT
BETWEEN
THE CITY OF SPRINGFIELD
AND
HAMPDEN CARE FACILITY, INC.**

This **HOST COMMUNITY AGREEMENT** made on this ___ day of ____, 2016 by and between the **City of Springfield**, a municipal corporation existing within the Commonwealth of Massachusetts, acting by and through its Chief Development Officer, with the approval of its Mayor, hereinafter referred to as the "**City**", and **Hampden Care Facility, Inc.**, a Massachusetts non-profit corporation, with a usual place of business located at 12 Center Street, Chicopee, Massachusetts 01013, hereinafter referred to as "**Hampden Care**". The City and Hampden Care shall be collectively known herein as "the Parties".

Witnesseth That:

WHEREAS, in accordance with all applicable Massachusetts laws and regulations, the City has conducted a two-phased RFP/Q solicitation process for Medical Marijuana Treatment Center proposals in Springfield;

WHEREAS, Hampden Care has been incorporated under Chapter 180 of the Massachusetts General Laws to provide marijuana for medical use to patients of Hampden Care, and desires to establish and operate a marijuana for medical use retail dispensary in Springfield located at 506 Cottage Street (the "Dispensary"); and

WHEREAS, the Massachusetts Department of Public Health ("DPH") has informed Hampden Care that it is being reviewed as a provisional licensee to operate a Registered Marijuana Dispensary ("RMD"), and upon receipt of a final Certificate of Registration to operate an RMD from DPH, Hampden Care will have the legal authority to operate its Dispensary; and

WHEREAS, at the conclusion of Phase II (RFP/Q No. 16-090) of the City's solicitation process, the City selected Hampden Care as the highest ranked proposal; and

WHEREAS, Hampden Care desires to support community initiatives and interests in Springfield to express its appreciation for the community support it has received to operate an RMD in Springfield; and

WHEREAS, Hampden Care desires to mitigate any actual or potential adverse community impacts and to improve the security and health of the people of Springfield; and

WHEREAS, the City and Hampden Care enter into this Host Community Agreement to memorialize the terms of Hampden Care's support of community initiatives and interests in Springfield and Hampden Care's commitment to mitigate actual or potential adverse community impacts; and

NOW, THEREFORE, for the consideration set forth herein, the Parties hereto mutually agree as follows:

FINAL DRAFT

1. The preamble set forth above, the City's Phase I and Phase II RFP/Q Solicitations, and Hampden Care's proposals in response to the City's Phase I and Phase II RFP/Q Solicitations are hereby incorporated and made part of this Agreement.
2. Host Community Donations. Based on Hampden Care receiving a final Certificate of Registration to operate an RMD in Springfield, during the term of this Agreement (as defined in Section 5), Hampden Care shall make the following Host Community Donations to the City as follows:
 - (a) Calendar Year 2016 – As Hampden Care will not be operational in 2016 but, rather, will be involved in obtaining necessary licenses and permits and then completing the build-out, there will be nothing paid to the City of Springfield.
 - (b) Calendar Year 2017 – On or before December 31, 2018, Hampden Care shall donate three percent (3%) of gross revenue of the Dispensary for Calendar Year 2017 to the City, and shall donate \$50,000 directly to the Springfield Police Department.
 - (c) Calendar Year 2018 – On or before February 1, 2019, Hampden Care shall donate four percent (4%) of gross revenue of the Dispensary for Calendar Year 2018 to the City, and shall donate \$50,000 directly to the Springfield Police Department.
 - (d) Calendar Year 2019 – On or before February 1, 2020, Hampden Care shall donate five percent (5%) of gross revenue of the Dispensary for Calendar Year 2019 to the City, and shall donate \$50,000 directly to the Springfield Police Department.
 - (e) Calendar Year 2020 – On or before February 1, 2021, Hampden Care shall donate five percent (5%) of gross revenue of the Dispensary for Calendar Year 2020 to the City, and shall donate \$50,000 directly to the Springfield Police Department.
 - (f) Calendar Year 2021 – On or before December 31, 2022, Hampden Care shall donate five percent (5%) of gross revenue of the Dispensary for Calendar Year 2021 to the City, and shall donate \$50,000 directly to the Springfield Police Department.
 - (g) Calendar Year 2022 – On or before December 31, 2023, Hampden Care shall donate six percent (6%) of gross revenue of the Dispensary for Calendar Year 2022 to the City, and shall donate \$50,000 directly to the Springfield Police Department.
 - (h) Calendar Year 2023 – On or before December 31, 2024, Hampden Care shall donate six percent (6%) of gross revenue of the Dispensary for Calendar Year 2023 to the City, and shall donate \$50,000 directly to the Springfield Police Department.
 - (i) Calendar Year 2024 – On or before December 31, 2025, Hampden Care shall donate six percent (6%) of gross revenue of the Dispensary for Calendar Year 2024 to the City, and shall donate \$50,000 directly to the Springfield Police Department.
 - (j) Calendar Year 2025 – On or before December 31, 2026, Hampden Care shall donate seven percent (7%) of gross revenue of the Dispensary for Calendar Year 2025 to the City, and shall donate \$50,000 directly to the Springfield Police Department.
 - (k) Calendar Year 2026 and each succeeding Calendar Year – On or before December 31, 2027, Hampden Care shall donate seven percent (7%) of gross revenue of the Dispensary for Calendar Year 2026 to the City, and shall donate \$50,000 directly to the Springfield Police Department, and on February 1st of each succeeding year thereafter, Hampden Care shall donate seven percent (7%) of gross revenue of the Dispensary for the prior Calendar Year to the City, and shall donate \$50,000 directly to the Springfield Police Department.

Host Community Donations shall be made payable to the City as directed by the Mayor or his delegate.

FINAL DRAFT

The City agrees that it shall not issue a letter of support or non-opposition to another firm seeking to obtain a license for a medical marijuana dispensary in Springfield for a period of ten (10) years commencing in the year 2017, subject to re-opening negotiations as indicated in Section 3 of this Agreement.

3. Cause for Reopening Host Community Agreement Negotiations. In the event that either (1) the Mayor of Springfield determines that another municipality in the four Western Counties of the Commonwealth of Massachusetts (Berkshire, Franklin, Hampden and Hampshire) has entered into a host community agreement with an RMD developer that contains financial terms that are superior to what Hampden Care agrees to provide to the City pursuant to this Agreement (taking into consideration an RMD that is similar in size, scope, production and patient sales to the Dispensary), or (2) the sale of marijuana becomes legalized in the Commonwealth of Massachusetts for recreational sale and use and Springfield's zoning laws permit Hampden Care to sell marijuana for recreational use at its Springfield Dispensary location and Hampden Care obtains a special permit, if so required by Springfield's then current zoning ordinances, to sell marijuana for recreational use, or (3) the Mayor of Springfield determines the actual impacts of the Dispensary on the community are not adequately addressed through the terms of the HCA, or (4) If RMD gross sales are less than or equal to \$3 million in any fiscal year after December 31, 2019, then the Parties will immediately reopen negotiations and negotiate an amendment to this Agreement that fully addresses the underlying cause for renegotiation.

In the event that the parties reopen negotiations under this section and are unable to successfully negotiate an amendment within 90 days, the parties agree to immediately submit the matter to arbitration. The Parties further agree that if they cannot agree on an arbitrator within seven (7) days of the unsuccessful conclusion of reopened negotiations within this section, then each party provide the name of one arbitrator to the other party, and those two named arbitrators shall select an arbitrator to hear the matter. Additionally, either party shall be allowed to seek injunctive relief to maintain the status quo under the existing HCA during the amendment negotiation period or arbitration period.

4. Real Estate Taxes. At all times during the Term of this Agreement, real estate taxes for the property at which the Dispensary is operated will be paid either directly by Hampden Care or by its landlord, and Hampden Care will not seek a non-profit exemption from paying such taxes.
5. Term and Termination.
- (a) The Term of this Agreement shall commence on the date DPH issues a final Certificate of Registration to Hampden Care to operate an RMD in Springfield and shall remain in effect until DPH revokes Hampden Care's Certificate of Registration to operate an RMD in Springfield, unless sooner terminated pursuant to section 5 (b) of this Agreement.
 - (b) Hampden Care may terminate this Agreement upon the permanent cessation of all RMD business at the Dispensary and within the City of Springfield by Hampden Care and/or any of its heirs, successors, assigns, agents, affiliates or subsidiaries.

FINAL DRAFT

- 6. Job Creation and Hiring. Within eighteen months (18) of the execution of this Agreement, Hampden Care shall have created approximately 15 new full time jobs in the City of Springfield at the Dispensary, with competitive wages, benefits, and professional development opportunities. Failure of Hampden Care to substantially comply with this provision shall result in Hampden Care making an additional annual donation of one hundred thousand dollars (\$100,000) to the City of Springfield, payable on or before December 31 of each year of this Agreement, until such time as Hampden Care is in compliance with this provision. Additionally, Hampden Care shall make best efforts to hire and give preference in hiring to Springfield residents for full time employment at the Dispensary.

- 7. Good Neighbor Agreement and Charitable Donations. Hampden Care intends to engage the East Springfield Neighborhood Council and the Indian Orchard Neighborhood Council in discussions relative to negotiating a Good Neighbor Agreement with those organizations, and also intends to make charitable donations in Springfield as it determines from time to time, to improve the safety, health and welfare of the community. Towards this end, it is initially contemplated that Hampden Care will be donating to Springfield Public Schools and the City of Springfield Department of Health and Human Services to further opiate addiction awareness and education.

- 8. Annual Meeting of the Parties. The City of Springfield shall send a Notice no later than December 15th of each year of the proposed date and time of an annual meeting to the individual representing the City of Springfield and to that individual who is designated to receive Notices by Hampden Care.

Hampden Care: _____

With a copy to: _____

City: Chief Development Officer
 Office of Planning &
 Economic Development
 City of Springfield
 70 Tapley Street
 Springfield, MA 01104

With a copy to: Office of the City Solicitor
 36 Court Street
 Springfield, MA 01104

The Parties shall promptly notify each other of any change of their respective addresses set forth above, after which notification such new address shall become the notice address hereunder. Notice and other communications shall be deemed given when deposited in the United States mail and sent registered or certified, postage prepaid, to the last known address of the party concerned.

FINAL DRAFT

- 9. Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the Parties hereto with respect to the subject matter of this Agreement. This Agreement may not be changed verbally, and may only be amended by an agreement in writing signed by both Parties.
- 10. No Rights in Third Parties. This Agreement is not intended to, nor shall it be construed to, create any rights in any third parties.
- 11. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law, that provision will be enforced to the maximum extent permissible and the remaining provisions of this Agreement shall remain in full force and effect, unless to do so would result in either party not receiving the benefit of its bargain.
- 12. Governing Law and Exclusive Venue. The Parties agree that this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, and that a court of competent jurisdiction in Springfield, Hampden County shall be the exclusive venue for any legal proceedings that may arise from this Agreement.
- 13. Successors. This Agreement shall be binding upon and shall inure to the benefit of the Parties, their respective heirs, executors, administrators and assigns.
- 14. Prohibition Against Assignment. The Parties shall be prohibited at all times from Assigning, in whole or in part, any portion of this Agreement without the written consent of the other party.

In Witness Whereof, Hampden Care and the City have executed this Host Community Agreement as of the date the same is finally signed by all parties listed below.

HAMPDEN CARE FACILITY, INC.

CITY OF SPRINGFIELD

By: _____

By: _____

Title:

Director, Department of Health and Human Services

Approved as to Appropriation:

Approved as to Form:

City Comptroller

City Solicitor

Attachment: Exhibit A to City Council Order - Approve Host Community Agreement for Hampden Care Facility (3576 : Order Approving a Host

FINAL DRAFT

Approved:

Approved:

Chief Procurement Officer

Chief Administrative and Financial Officer

APPROVED:

Domenic J. Sarno, Mayor

Date:_____

Attachment: Exhibit A to City Council Order - Approve Host Community Agreement for Hampden Care Facility (3576 : Order Approving a Host

AMENDED FINAL DRAFT

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AMENDED FINAL DRAFT

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In the event that the parties reopen negotiations under this section and are unable to successfully negotiate an amendment within 90 days, the parties agree to immediately submit the matter to arbitration. The Parties further agree that if they cannot agree on an arbitrator within seven (7) days of the unsuccessful conclusion of reopened negotiations within this section, then each party provide the name of one arbitrator to the other party, and those two named arbitrators shall select an arbitrator to hear the matter. Additionally, either party shall be allowed to seek injunctive relief to maintain the status quo under the existing HCA during the amendment negotiation period or arbitration period.

4. Real Estate Taxes. At all times during the Term of this Agreement, real estate taxes for the property at which the Dispensary is operated will be paid either directly by Hampden Care or by its landlord, and Hampden Care will not seek a non-profit exemption from paying such taxes.
5. Term and Termination.
- (a) The Term of this Agreement shall commence on the date DPH issues a final Certificate of Registration to Hampden Care to operate an RMD in Springfield and shall remain in effect until DPH revokes Hampden Care's Certificate of Registration to operate an RMD in Springfield, unless sooner terminated pursuant to section 5 (b) of this Agreement.
 - (b) Hampden Care may terminate this Agreement upon the permanent cessation of all RMD business at the Dispensary and within the City of Springfield by Hampden Care and/or any of its heirs, successors, assigns, agents, affiliates or subsidiaries.

AMENDED FINAL DRAFT

- 6. Job Creation and Hiring. Within eighteen months (18) of the execution of this Agreement, Hampden Care shall have created approximately 15 new full time jobs in the City of Springfield at the Dispensary, with competitive wages, benefits, and professional development opportunities. Failure of Hampden Care to substantially comply with this provision shall result in Hampden Care making an additional annual donation of one hundred thousand dollars (\$100,000) to the City of Springfield, payable on or before December 31 of each year of this Agreement, until such time as Hampden Care is in compliance with this provision. Additionally, thirty-three (33%) percent of full-time employees of Hampden Care at the Dispensary shall be Springfield residents.
- 7. Good Neighbor Agreement and Charitable Donations. Hampden Care intends to engage the East Springfield Neighborhood Council and the Indian Orchard Neighborhood Council in discussions relative to negotiating a Good Neighbor Agreement with those organizations, and also intends to make charitable donations in Springfield as it determines from time to time, to improve the safety, health and welfare of the community. Towards this end, it is initially contemplated that Hampden Care will be donating to Springfield Public Schools and the City of Springfield Department of Health and Human Services to further opiate addiction awareness and education.
- 8. Annual Meeting of the Parties. The City of Springfield shall send a Notice no later than December 15th of each year of the proposed date and time of an annual meeting to the individual representing the City of Springfield and to that individual who is designated to receive Notices by Hampden Care.

Hampden Care: _____

With a copy to: _____

City: Chief Development Officer
 Office of Planning &
 Economic Development
 City of Springfield
 70 Tapley Street
 Springfield, MA 01104

With a copy to: Office of the City Solicitor
 36 Court Street
 Springfield, MA 01104

The Parties shall promptly notify each other of any change of their respective addresses set forth above, after which notification such new address shall become the notice address hereunder. Notice and other communications shall be deemed given when deposited in the United States mail and sent registered or certified, postage prepaid, to the last known address of the party concerned.

AMENDED FINAL DRAFT

- 9. Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the Parties hereto with respect to the subject matter of this Agreement. This Agreement may not be changed verbally, and may only be amended by an agreement in writing signed by both Parties.
- 10. No Rights in Third Parties. This Agreement is not intended to, nor shall it be construed to, create any rights in any third parties.
- 11. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law, that provision will be enforced to the maximum extent permissible and the remaining provisions of this Agreement shall remain in full force and effect, unless to do so would result in either party not receiving the benefit of its bargain.
- 12. Governing Law and Exclusive Venue. The Parties agree that this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, and that a court of competent jurisdiction in Springfield, Hampden County shall be the exclusive venue for any legal proceedings that may arise from this Agreement.
- 13. Successors. This Agreement shall be binding upon and shall inure to the benefit of the Parties, their respective heirs, executors, administrators and assigns.
- 14. Prohibition Against Assignment. The Parties shall be prohibited at all times from Assigning, in whole or in part, any portion of this Agreement without the written consent of the other party.
- 15. Minority Hiring. Hampden Care agrees that thirty eight (38%) percent of its full time employees at the Dispensary will be minorities, as that term is defined in the Code of Massachusetts Regulations, 425 CMR 2.00.
- 16. Progress Report. In the first quarter of 2018, Hampden Care shall appear before the City Council to report on its compliance with the provisions of this Agreement.

In Witness Whereof, Hampden Care and the City have executed this Host Community Agreement as of the date the same is finally signed by all parties listed below.

HAMPDEN CARE FACILITIES, INC.

CITY OF SPRINGFIELD

By: _____

By: _____

Title:

Director, Department of Health and Human Services

AMENDED FINAL DRAFT

Approved as to Appropriation:

Approved as to Form:

City Comptroller

City Solicitor

Approved:

Approved:

Chief Procurement Officer

Chief Administrative and Financial Officer

APPROVED:

Domenic J. Sarno, Mayor

Date: _____