TOWN OF SOUTHAMPTON

PLAN TO COMPLY WITH CANNABIS CONTROL COMMISSION EQUITY MANDATES AND HOST COMMUNITY AGREEMENT POLICY

PURPOSE

Chapter 180 of the Acts of 2022, "An Act Relative to Equity in the Cannabis Industry" (the "Act") made numerous changes to Massachusetts' cannabis laws, G.L. c. 94G, effective November 9, 2022, including those governing Host Community Agreements ("HCAs"). Pursuant to the Act, the Cannabis Control Commission (the "Commission") implemented regulations, 935 CMR 500.000 *et seq.* and 935 CMR 501.000 et *seq.* (the "Regulations"), which require municipalities to promote and encourage full participation in the regulated marijuana industry during HCA negotiations with people from communities that were disproportionately harmed by marijuana prohibition and enforcement and to positively impact those communities. In accordance with the Act and Regulations issued by the Commission, the Town hereby adopts this Plan and Policy.

SCOPE

This Plan and Policy shall apply to HCA negotiations with Social Equity Businesses, Social Equity Program Participants, Economic Empowerment Priority Applicants, and all other Applicants seeking to locate and operate a Marijuana Establishment and/or Medical Marijuana Establishment in the Town of Southampton; provided however, that nothing in this Plan and Policy shall be construed to supersede federal, state and local laws. In the event of a conflict between this Plan and Policy and relevant federal or state laws or regulations, certain provisions of this Plan and Policy may be suspended pending clarification of applicable law.

Terms used herein shall have the meaning ascribed to them in the Regulations. The Town does not discriminate against members of protected classes defined under Massachusetts state law in the administration of this Plan and Policy. As reflected in the Commission's Regulations, it is the Commission, and not the Town, that determines an applicant's status as a Social Equity Business, Social Equity Program Participant, and/or Economic Empowerment Priority Applicant.

PLAN AND POLICY

It is the Town's intention to comply with the Commission's regulatory requirements, insofar as they are consistent with federal, state, and municipal anti-discrimination laws and regulations. Accordingly, subject to the foregoing, the Town shall:

1. Establish transparent practices to promote and encourage full equity participation by publicizing this Plan and Policy and the information required by Commission's equity standards at 935 CMR 500.181(3)(b) and 935 CMR 501.181(3)(b), in a conspicuous location

within the Town Clerk's Office, at its offices and on its website, including:

a. All required steps of the local approval process including, but not limited to, all associated fees, deadlines, and meeting schedules for local bodies involved;
b. Identification of key individuals involved in the local approval process, including, but not limited to, their name, title, business address, and business contact information such as email address or phone number;
c. A list of all documentation required in the local approval process, in downloadable form and paper form;
d. Identification of application criteria for local approval to operate a Marijuana Establishment and/or Medical Marijuana Establishment and scoring methodologies relied on by the Town;
e. General scoring information for all applicants and scoring of each individual applicant;
f. An explanation, in narrative form, of reasoning for the approval or denial of an application; and
g. Any other information required by the Commission.

2. Adhere to the Commission's best practices for HCA negotiations in accordance with 935 CMR 500.181(3)(c) and 935 CMR 501.181(3)(c) by using a standard evaluation form that scores components of completed HCA applications. The evaluation form will include consideration of equity in the overall evaluation score, which will comprise not less than twenty-five percent (25%) of the total evaluation score.

3. Prioritize negotiations of HCAs with Equity Parties in accordance with 935 CMR 500.181(4)(a) and 935 CMR 501.181(4)(a).

4. Adhere to the Commission's required practices for HCA negotiations with Equity Parties in accordance with 935 CMR 500.181(4)(c) and 935 CMR 501.181(4)(c).

5. Consider waiving or reducing fees for Equity Parties, but not limited to application fees and community impact fees.

PROCEDURES

1. The Town Administrator shall review HCA applications to determine if an Applicant has submitted the requisite information needed to proceed with negotiation of an HCA. The application process and requirements are incorporated hereto as Schedule A. The Town reserves the right to reject any application it deems to be incomplete; however, Town Administrator may, at his/her discretion, request that the omitted information or further clarifications be provided by the Applicant.

2. Complete applications shall be forwarded by the Town Administrator to other Town boards and departments for review and comment. Town departments shall include, but are not limited to, Fire, Police, Inspectional Services, Health, and Conservation. The Applicant may be asked to attend a meeting to present information and respond to questions.

3. The Town Administrator shall score Applicants based on the Host Community Agreement Evaluation Form (the "Evaluation Form") developed and published by the Select Board,

attached hereto as Schedule B. The Town Administrator shall invite Applicants who score a 60 or higher on the Evaluation Form to enter into negotiations for an HCA with the Select Board, or its designee.

4. Any proposed draft HCA shall be subject to final review, approval, and execution by the Select Board. The Select Board may ask Applicants to appear before the Select Board to present the proposed HCA in person and respond to questions.

5. To promote transparency and access, the Select Board shall publish data regarding its total Applicant pool, which shall identify each pre-verified or verified SEB, Social Equity Program Participant, or Economic Empowerment Priority Applicant. Additionally, the Select Board shall publish the scoring rubric for each Applicant.

6. Transfer of any HCA shall require the prior written approval of the Select Board provided, however, that changes in ownership shall require a new HCA at the discretion of the Select Board.

This Plan and Policy was enacted by the Select Board by vote at its regularly scheduled meeting on _____, 2026, duly posted and noticed.

Jon Lumbra, Chair

Chris Fowles, Vice Chair

Doug Hamel, Clerk

Charlie Kaniecki, Member

Schedule A

APPLICATION REQUIREMENTS

Applicants seeking an HCA for a Marijuana Establishment ("ME") and/or Medical Marijuana Establishment ("MME") shall submit two (2) hardcopies and one electronic copy of the following materials to:

Southampton Town Hall
Attn: Town Administrator
210 College Highway, Suite 7
Southampton, MA 01073

Included with the application shall be a check made payable to "Town of Southampton" in the amount of $500 to cover the cost of the Submission Review.

Each Applicant shall submit the following information:

I. Cover Letter

A 1-2 page cover letter summarizing the Applicant's proposal including the type(s) of ME/MME(s) proposed and indicating why the Applicant wishes to operate an ME/MME in the Town.

II. Intent

1. Documentation that the entity applying for an ME/MME License with the Cannabis Control Commission ("Commission") is an entity registered to do business in Massachusetts.

2. Certificate of Good Standing, issued by the Corporations Division of the Secretary of the Commonwealth within the previous ninety (90) days from the date of submission of the application to the Town.

3. Documentation of the proposed address for the ME/MME in the Town and evidence of property interest or site control in the form of clear title, an option to purchase, a legally enforceable agreement to give title, or documentation evidencing legal authorization to use the premises, such as a lease or option to lease.

III. Management and Operations Profile

1. Contact Information for primary point of contact(s) to discuss application issues.

2. Names and resumes of all executives, managers, persons, or entities (such as the

Applying Entity's local Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and Director of Security) having direct or indirect authority over management, policies, or security operations, including description of prior cannabis experience for each, if applicable.

3. Proposed timeline and development plan (building reuse, new build) to be operational, including local resources for building and opening facility.

4. Current business plan, including credit line, credit history, financing sources, and financial records that show current and proposed sources of funding sufficient to demonstrate financial stability to ensure the ME/MME's solvency and successful operation.

5. Plan for employee staffing, including number and type of jobs created, expected wage range, potential benefit to Town, and employee training.

6. List of locations where Applicant already has ME/MME(s) in other Massachusetts communities or has pending applications, if any. List of locations in other states where Applicant has applied for or has secured licenses or permits to operate ME/MME(s).

7. Traffic and parking plan, including for any overflow parking, emergency vehicle access, pedestrian/bicycle access, loading/delivery capacity, and a traffic study if required pursuant to local zoning.

8. Plans for exterior nuisance mitigation (including light, noise, emissions, odor, debris, etc.), minimization of water use, wastewater treatment, use of renewable energy sources, pesticide control, fire safety, recycling and handling of solid waste, security plan (for location, facility, interior environment, data, and products), and plan for testing of products.

IV. Plan for Positive Community Impacts

The Applicant is encouraged to demonstrate any benefits the ME/MME will provide to the Town, such as:

1. Description of ties to the community;

2. Proposed volunteer activities or sponsoring of educational programs/seminars related to substance abuse prevention and/or other matters of health education;

3. Proposed hours of operation;

4. Proposal for ensuring protection of public health and nuisance mitigation;

5. Local hiring preferences;

6. Hiring preferences for individuals from municipalities of disproportionate impact, as identified by the Commission;

7. Security review and cooperation with local law enforcement; and

8. Status as Economic Empowerment or Social Equity Applicant as determined by the Commission.

V. Community Outreach Meeting

Following the submission of the above-referenced materials, the Applicant shall schedule a Community Outreach Meeting, in coordination with the Town for purposes of selecting a date and location for the Community Outreach Meeting; the costs of the Community Outreach Meeting shall be the responsibility of the Applicant. This meeting should minimize conflict with the meeting schedules of other municipal boards requiring notification of this meeting and in order to ensure availability and attendance of appropriate municipal representatives at the meeting.

The Community Outreach Meeting shall include, at a minimum, disclosure of the following information:

1. The type of ME/MME to be located at the proposed address, with a plan demonstrating the location of the facility on the property;
2. Information adequate to demonstrate that the location will be maintained securely;
3. Steps to be taken by the ME/MME operator to prevent diversion to minors; and
4. A plan by the ME/MME operator to positively impact the Town.

Any material submitted by Applicants shall become the property of the Town.

Any personal or financial identifiers (e.g. SSNs, bank account numbers, etc.) contained in submittal documents shall be redacted by Applicants prior to submittal.

All information contained in submittals and not redacted as above may be open for public inspection. All security-related information furnished by Applicants will be treated as confidential by the Town to the extent permitted by Massachusetts public records law and shall be submitted in a separate sealed envelope marked as such.

Schedule B

Host Community Agreement Evaluation Form

Applications will be reviewed by the Town Administrator to determine if the Applicant has submitted the requisite information needed to proceed with negotiation of a Host Community Agreement ("HCA").

A scoring system of 0-7.5 (0 being unacceptable and 7.5 being highly advantageous) will be applied to all evaluation metrics, except for the equity metric, which is worth 25 points. Applicants who score a 60 and higher on this Form, will be invited to enter into negotiations for an HCA.

Applicants may be asked to meet with the Southampton Select Board to present their information and respond to questions.

The Town reserves the right to reject any application deemed to be incomplete; however, the Town may, at its discretion, request that the omitted information or further clarifications be provided by the Applicant.

I. Applicant Information

1. Name of Applicant:_____
2. Name of Business Entity: _____
3. Operation Type(s) (select all that apply):

☐Craft Marijuana Cooperative
☐Independent Testing Laboratory
☐Marijuana Courier
☐Marijuana Cultivator
☐Marijuana Delivery Operator
☐Medical Marijuana Establishment:
  ☐Product Manufacturing
  ☐Cultivation
  ☐Dispensing
☐Marijuana Product Manufacturer
☐Marijuana Retailer
☐Marijuana Microbusiness:
  ☐Product Manufacturing
  ☐Cultivation
☐Marijuana Research Facility
☐Marijuana Transporter
☐Third-party Transporter
☐Existing Licensee Transporter

II. Evaluation Metrics

EVALUATION METRICS	TOTAL POINTS AVAILABLE	POINTS AWARDED	REASONING
Cannabis Business The Applicant has a complete business plan, and the management and operations team(s) demonstrate prior experience in commercial cannabis ventures or other relevant experience in relevant fields.	7.5		
Diversion Prevention The Applicant has a plan for preventing diversion and prohibiting access to individuals under the age of 21, or under the age of 18 for medical patients.	7.5		
Energy and Environmental The Applicant has a plan to be energy efficient and recycle where possible. The Applicant will meet or exceed the Cannabis Control Commission's (the "Commission") energy regulations and standards.	7.5		
Consumer Education The Applicant has provided adequate consumer education materials or a plan to develop the materials, before commencing operations.	7.5		

Security The Applicant's security plan clearly demonstrates that it meets professional standards, was prepared by a qualified professional, and has been reviewed by the local police and local fire departments. The plan includes an operational security plan including but not limited to general security for visitor access and inventory control, employee training, and general security policies.	**7.5**		
Local Involvement and Nuisance Mitigation The Applicant has demonstrated a plan to positively impact the local community, to implement nuisance control measures, and to be a good business neighbor. The Applicant has a plan, consistent with applicable laws and regulations, to make good faith efforts to hire municipal residents for employment, supplier services, and/or vendor services. The Applicant has received letters and testimony of support from community members, abutters, community organizations, and/or other stakeholders. The Applicant has provided mechanisms for responding to future feedback from community members.	**7.5**		
Location and Traffic Management The Applicant has a proposed location that is appropriately zoned or can obtain a special permit. Proposed location of establishment has acceptable parking and/or public transportation options for customers and employees. The Applicant's proposed location has business hours in line with local ordinances and a nuisance abatement plan. The Applicant has a plan to keep the parking area, exterior and interior well maintained.	**7.5**		
Timeline The Applicant shows a reasonable proposed timeline for commencing operations including but not limited to permitting, licensing from the Commission, inspections, construction, etc.	**7.5**		

Compliance The Applicant demonstrates an understanding of local laws, state laws and federal laws concerning cannabis. The Applicant demonstrates a willingness to work with local law enforcement when necessary. The Applicant demonstrates ability to comply with Commission regulations.	**7.5**		
Labor and Employment The Applicant has a described plan for hiring local vendors and employees. The Applicant will provide benefits to employees such as health care, vacation, and medical leave, to the degree they are offered as part of employment.	**7.5**		
Equity *Applicants meeting one or more of the criteria listed below will be awarded full points for this section as required by 935 CMR 500.181(3)(c) and 935 CMR 501.181(3)(c):* a. the Applicant is pre-verified or verified as a Social Equity Business pursuant to 935 CMR 500.101(7) or 935 CMR 501.101(4); b. the Applicant is a Social Equity Program Participant; c. the Applicant is an Economic Empowerment Priority Applicant; d. the Applicant or pre-verified individual or entity has a prior Marijuana- related criminal offense or conviction; e. the Applicant or pre-verified individual or entity is part of an Area of Disproportionate Impact, as identified by the Commission; or f. the Applicant is of Black, African American, Hispanic, Latino, Native American, or indigenous descent, or a majority of a pre-verified entity or Applicant entity is comprised of individuals that are of Black, African American, Hispanic, Latino, Native American or indigenous descent.	**25**		
TOTAL	**100**		