



City of New Bedford
Jonathan F. Mitchell, Mayor

City of New Bedford
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P R E S S R E L E A S E

Mayor Reaches Agreement with Developer for Medical Marijuana Cultivation/Production Facility

New Bedford, Massachusetts- Mayor Jon Mitchell announced today that the City has successfully negotiated a Host Community Agreement with ARL Healthcare, Inc. of Newton, Massachusetts.

ARL is presently seeking approval from the Massachusetts Department of Public Health to operate a medical marijuana cultivation/production-only facility at 167 John Vertente Boulevard in the New Bedford Industrial Park.

Under the Agreement, ARL has agreed to provide substantial benefits to the City and residents of New Bedford, among them:

- ARL will not exercise its exemption from local taxes. Notwithstanding its nonprofit status, ARL will pay all local taxes, and in doing so, help the City in its efforts to broaden the tax base and reduce the burden on residents and businesses.
- ARL will make annual payments to the City to offset social impacts, public safety and other municipal costs associated with the facility. Under the provisions of the Agreement the City will receive, at a minimum, \$425,000 in the first five years, with the potential for payments to significantly exceed this amount. Payments may reach as much as \$300,000 annually, once the facility is fully operational. The payments arranged are among the most generous for cultivation/production facilities being developed in Massachusetts.
- ARL will also work toward employment and vendor goals that advantage local residents and small businesses and support the City's job-creation efforts.

The Agreement was based on ARL's ability to meet specific criteria the Mayor established three years ago for medical marijuana facility developers seeking the City's support:

- It would be a cultivation/production-only facility, not a dispensary, and will not dispense products for the retail market.
- It would be located in an isolated industrial area far removed from neighborhoods and schools.
- It would create a significant number of new jobs in the City, estimated at 50-100 full- and part-time positions in the case of ARL.
- It would be operated by a highly professional, robustly financed entity that will implement a strong facility security plan.

Mayor Mitchell also noted that, for the ARL facility to become a reality, a number of outstanding issues remain in need of attention.

“While the Host Community Agreement represents an important milestone toward the operation of a medical marijuana cultivation/production facility, it is important to keep in mind that many steps remain which are outside the ability of the City to control,” said Mitchell.

As of this writing, ARL is working to resolve final details of its use of the Vertente Boulevard property with the current owner. If the parties successfully conclude negotiations, ARL must then also obtain the approval of the Massachusetts Department of Public Health for the certificate necessary to operate the facility.

The Mayor summarized his efforts, saying “I have undertaken all the actions available to me as Mayor under Massachusetts law to advance the ARL proposal while also advancing the City’s interests.”

He added, “My goal has always been to put the overall interest of the City first and to establish fair parameters that balance the competing interests of neighbors, residents who want jobs, the developers, and those who want access to medical marijuana. Today’s Agreement accomplishes that goal.”

“ARL Healthcare appreciates the opportunity to locate our business and bring new jobs and revenue to New Bedford,” said Ken Housman, President of ARL Healthcare.

Housman added, “New Bedford has set forth rigorous standards for the operation of medical cannabis cultivation and processing facility. ARL Healthcare will meet all the standards for quality, security, and safety that Mayor Mitchell has established.”

The Agreement is being submitted to the City Council for approval as required by law.

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