

CANNABIS ADVISORY COMMISSION
REGULAR MEETING
JANUARY 28, 2016

Session 16-01, a Regular Meeting of the Cannabis Advisory Commission was called to order by Acting Chair Catriona Reynolds at 5:35 p.m. on January 28, 2016 in the Cowles Council Chambers located at City Hall 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS HARRIS, STEAD, SARNO, REYNOLDS, ROBL, CARROLL AND LEWIS

ABSENT: COMMISSIONERS YOUNG AND JONES (UNEXCUSED)

STAFF: CITY PLANNER ABBOUD
DEPUTY CITY CLERK KRAUSE

APPROVAL OF AGENDA

Acting Chair Reynolds called for a motion to approve the agenda.

LEWIS/ROBL - MOVED TO APPROVE THE AGENDA.

Commissioner Lewis advised the commission that he needed to depart at 6:50 tonight.

The agenda was approved as presented by Consensus of the Commission.

PUBLIC COMMENT

The public may speak to the Commission regarding matters on the agenda that are not scheduled for public hearing. (3 minute time limit).

Wes Schact, Fritz Creek, commented on the proposed zoning noting the areas where it is allowed some areas within are swamp and will require permits from the Corps of Engineers; he noted that they are a federal organization and may be hesitant on approving such a permit. He also commented that putting in water and sewer in a swamp area is going to be really pricey too. He advocated for better areas in East End, Diamond Ridge and on the Spit.

Brian Walker, resident out east Fritz Creek area, commented on the proposed zoning limitations, advocated for allowing limited grows in the proposed yellow (rural residential) areas. He advocated that persons be allowed to grow like others. He highlighted the beneficial aspects of cannabis seed as a food alternative. Mr. Walker also supported having clubs and the use of cannabinoids for the human mind and body. He provided some aspects of the benefits of cannabinoids to the body.

VISITORS

RECONSIDERATION

ADOPTION OF CONSENT AGENDA

(Items listed below will be enacted by one motion. If separate discussion is desired on an item, that item may be removed from the Consent Agenda and placed on the Regular Meeting Agenda at the request of a Commissioner.)

A. Meeting Minutes for the December 17, 2015 Regular Meeting

Acting Chair Reynolds requested a motion to approve the Consent Agenda.

STEAD/LEWIS - MOVED TO ADOPT THE CONSENT AGENDA.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

REPORTS

A. Report to the Commission - City Planner Abboud

City Planner Abboud provided information on the presentation of the Ordinance to Council on Monday and there were some changes to the maps that were included in the packet. He noted the updated map displayed on the wall behind him. He noted that Marine Commercial has been excluded at this point. Ordinance 16-04 has been amended by Council.

City Planner Abboud provided the following updates on the actions in other communities:

- Seward is considering regulations have not taken any steps at this time.
- The Kenai Borough is considering regulations for the non-incorporated areas of the borough. They are considering licenses from the Borough and maintaining buffers, local option districts.
- Wasilla moved to ban.
- Bethel has a 6 month moratorium.

City Planner Abboud will provide information on the number of lots in the rural residential district that 20,000 sf or more. He provided clarification for Commissioner Sarno on allowing canna -businesses on the Spit will not be allowed with the changes made by Council. Commissioner Sarno requested on what basis that Council made these changes with the Salty Dawg and other similar businesses currently on the Spit. City Planner Abboud stated she would have to ask the Council members who voted in favor of that restriction.

Commissioners Lewis and Reynolds provided the reasons that the Spit was removed:

- it is family orientated activities
- that the land owner was the City and the city would be leasing the land to people who wanted to establish a marijuana business on the Spit
- issue of concern coming up against the requirements of the Cole Memorandum
- providing tourists with marijuana who arrive on the cruise ships and might try to take it back with them.

Commissioner Lewis reported that the City Manager was going to check with similar cities that have cruise ship visits and how they are dealing with the possible issues. He also noted that they should take moment and consider that if they let this go and come back to it after everyone has a chance to see that there is not the troubles that were expected and changes can be made.

Commissioner Harris asked if there was a way to see the number of cannabis friendly hostels, B & B, or lodging type businesses that were in the Rural Residential district. City Planner Abboud stated that he could not provide that type of information since he did not have that type of database. He added that as far as he knows being cannabis friendly is not against the law. If you are not selling the product, growing the product or testing the product then he is not aware of any laws that would not allow it.

City Planner Abboud offered in response to the restriction on the spit was that testimony by the public pointed out that there are several recreation areas and parks on the spit and they requested buffers from cannabis.

Commissioner Harris requested the information because it was pointed out that having businesses in the rural residential areas would increase the traffic. She opined that it would not increase the traffic any more than a lodging facility that currently exists in the district.

Commissioner Lewis asked if alcohol is banned in the city parks. Commissioner Robl responded that alcohol is not banned in city parks.

City Planner Abboud added in regards to buffers and the parks depending on how the park is classified and if you ban it then want to bring it back you will have to determine what you want to buffer from such as a lot or activity.

Commissioner Carroll clarified that the map for the ordinance was going to be presented on February 8th for public hearing, then continued that the Council was concerned with regard to the Cole Memorandum and pointed out that a city in Washington State that owns the dispensary and grow

operation outright so she does not know if that would represent a direct conflict with the Cole Memorandum.

B. Kenai Peninsula Borough Cannabis Task Force Report - Minutes from the December 10, 2015 Meeting

Commissioner Sarno noted that the Task Force was very gracious in allowing additional time for comments of the public.

PUBLIC HEARINGS

PENDING BUSINESS

A. Memorandum from City Planner Abboud dated January 20, 2016 Re: CAC 16-01 Update

1. Zoning Map - Commercial Cultivation
2. Zoning Map - Retail & Manufacturing
3. Ordinance 16-04, Amending Homer City Code 21.18; 21.24; 21.26; 21.27; 21.28; 21.40 To Identify the Zoning Districts Permitting Marijuana Facilities and Adopting Chapter 21.62 Entitled Marijuana Cultivation, Manufacturing, Testing and Retail Facilities.
4. Memorandum 16-016 to Mayor and Council Re: Results of Ballot Measure 2 to Legalize Recreational Marijuana for City of Homer Voters
5. Memorandum 16-017 to Mayor and Council Re: Draft Ordinance Proposing to Zone Marijuana related Activities within the City of Homer

Acting Chair Reynolds introduced the item into the record. She commented that she believed they just went over most of this and asked if there were any additional comments or items to address. City Planner Abboud did not have anything further to add.

Commissioner Harris inquired if they were allowed to make any motions. Commissioner Lewis responded they were not making motions at this time.

Deputy City Clerk Krause conferred with the City Clerk following the meeting and confirmed that once an Ordinance/Recommendation has been presented to Council there are no further recommendations to be made by the Commission. Any advocating for the Commission's recommendations must be made during the Council meetings at the appropriate times in response to concern expressed from some commissioners.

B. Allowing Marijuana Social Clubs in Homer (This item was postponed at the last meeting)

Acting Chair Reynolds read the title into the record and opened discussion.

Commissioner Harris commented that they should be careful since a person was allowed to carry up to one ounce and that they may be infringing on a person's rights so that they should leave the clubs alone.

City Planner Abboud offered that in his opinion social clubs are similar to fraternal organizations and will be classified as such if they collect dues, have meetings, etc. There are some things going on, some legal actions and some considerations for these activities may be the buffers. He also stated that there is no clarity within the law and hopefully will have something sorted out soon. He referred to the laydown materials that regulations will be coming regarding cannabis "bars" and he commented that this is an evolving issue. He believes that they will try to make this available as soon as possible. As of now there are no provisions in law for cannabis bars or clubs.

Commissioner Sarno referenced page 47 in the packet a statement that allowing social clubs by the state is questionable and that the city should wait. Her question is what are they waiting for?

City Planner Abboud responded that the city attorney is being very conservative to allow the legislature the time to make the law regarding this aspect of the industry. As far as he is concerned you can do anything along the lines of a fraternal organization following all the buffer zones, etc.

Commissioner Sarno then responded that social clubs are in the gray area and questioned the city's position on the issue.

Commissioner Lewis felt that the City will not address social clubs at this time as he does not want to see the city involved in any additional court cases. If someone wants to set up a social clubs meeting all the requirements of social clubs as a social until it is deemed illegal. If this issue went to City Council he believes the issue would be voted down.

Commissioner Robl offered that he has had conversations with Cynthia Franklin with the Alaska Alcohol and Marijuana Control Office (AAMCO) and one of the enforcement officers on Social Clubs and they responded in the same vein as Commissioner Lewis just spoke. He knew there was a club in Homer, Anchorage and Fairbanks. The AAMCO and local authorities are not going to take any action against social clubs at this time until a court action or legislative action causes otherwise.

Commissioner Harris questioned that the commission was to take action since they were the ones to do the licensing. Commissioner Lewis responded that the commission would not be issuing any licenses it is strictly the state. Applicants can start applying February 24, 2016. They have to have the local zoning because on the application you need to specifically state where you will have the business, who will be working in the business, what that business will be, etc.

Commissioner Reynolds felt proud of Homer as they are actually one of the few cities that are being brave and having this business. Her intention is to honor the resident's wishes and to also protect the city. They want to meet the state's regulations but not impose anything more stringent than those.

Commissioner Sarno offered that over the next few months as things progress they should review traffic from the spit. That they have two seasons here.

Commissioner Lewis called Point of Order noting that it has nothing to do with Social Clubs and she could request it to be an item on the next agenda or during her comments at the end.

NEW BUSINESS

A. Welcome New Commissioner!

Acting Chair Reynolds welcomed Commissioner Carroll and invited her to speak a few words.

Commissioner Carroll thanked the commission and agreed with Commissioner Reynolds that Homer is one of the few places where people will be submitting applications in the next three weeks and it may not be perfect but she would like to commend the commission for what they are trying to do. The city is making an effort which is more than what most communities are doing around Alaska.

B. Next Meeting Deliverables, Agenda Items

Commissioner Robl requested to have a discussion on revenue generating options.

Commissioner Sarno would like to open discussion regarding cannabis businesses on the Spit. She commented on the prohibition of the industry on the spit.

Commissioner Lewis offered that the commission could present as an amendment but with how the initial vote with Council as a 4-2 he does not believe it will go anywhere. But however in a year it may be much different since this year would wouldn't have product available since they would not have any legal product.

Commissioner Reynolds offered that they will be having two public hearings on the ordinance at the next Council meetings before the next commission meeting but that may be resolved to that extent.

Commissioner Harris inquired if they can make any changes to the map or ordinance. Commissioner Lewis responded that they can try to bring forward amendments to the ordinance at the next Council meeting, he intends to bring an amendment forward on limited grow in Rural Residential but there is no guarantee it will pass. He went on to explain that the time advocate for the different changes is during the public hearing portion of the council meetings. He noted that if testifying they should be precise and to the point during your testimony also.

A brief discussion by Commissioner Lewis and City Planner Abboud regarding previous discussion on different taxes and that the city would have to take over the collection of said taxes if the Borough did

not get involved and that they were going to take a wait and see approach before doing anything. They did have a resolution passed by Council regarding the city's portion of those taxes. He noted that they could hash out any additional excise taxes that they may have. The borough has not indicated what they intend to add in taxes and he was hesitant to add any additional taxes on top of what the Borough may intend to charge. Commissioner Robl stated that he recalled reading that but he remembers reading different fees and the like the cities in Colorado charge.

Commissioner Lewis responded that he did not feel that it was going to be that great an income generator, he commented on that each one of those towns collect their own taxes and Homer doesn't because we do not want to collect those fees ourselves. You can only smoke so much and buy so much product.

Commissioner Harris advocated that it would be beneficial to have that discussion so that in the future if they decide to add an excise tax or fee the local industry will not be taken by surprise.

INFORMATIONAL MATERIALS

- A. 2016 Meeting Schedule and Packet Processing Deadlines
- B. 2016 Commission Attendance at Council Meetings

Acting Chair Reynolds reviewed the attendance at Council meetings and stated after no volunteers forthcoming they can address this at the February meeting.

Commissioner Carroll stated that she will not be in attendance at the February meeting.

Commissioner Sarno asked for guidance from the commission to report to Council at the February meeting. Commissioner Lewis provided examples of what the Commission has been addressing at the meeting with the exception of social clubs. He advised not bringing items before Council that the Commission as agreed on or submitted a recommendation.

- C. Resolution 15-105, 2016 Regular Meeting Schedule of Advisory Bodies
- D. Memorandum from the CAC re: Approving the 2016 Regular Meeting Schedule
- E. Final Proposed Marijuana Regulations dated 12/01/15

Commissioner Harris requested clarification on the difference of social clubs and having a business in your home. City Planner Abboud responded zoning, permits, and licensing.

COMMENTS OF THE AUDIENCE

Members of the audience may address the Commission on any subject. (3 minute time limit)

Wes Schact, spoke about the release of cannabis from being a schedule 1 drug they really are not going to get anywhere state and federally. They need to group together nationally to get it removed and until that is done they will be struggling.

COMMENTS OF STAFF

There were no comments from staff

COMMENTS OF THE CHAIR

COMMENTS OF THE COMMISSION

Commissioner Robl had no comments.

Commissioner Harris thanked Commissioner Reynolds for the other day.

Commissioner Lewis stated they have a start, things will be going slow because there is a lot of opposition and until they show that it is a viable industry, bring in revenue, no different than any other small business in town, minds will not change. He doubts that the Chamber will be asking them to join but in the next year they could see change or the Legislature totally wipe this out too.

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Commissioner Reynolds thanked everyone who has volunteered to stand up and represent their community. She appreciated their patience as this was the first meeting she has run and while it may look easy when other people do it and even with a short agenda, it's hard to keep track. She is glad that she has had the opportunity to be on the commission, to be able to participate in the process from the start. In Council, you are a generalist and you count on the Commissions looking at the details so it has offered a different perspective.

Commissioner Sarno thanked the commissioners for putting the time in on this, she believed that the ordinance that City Council is looking at was not fully discussed by this commission and she feels completely blindsided by the outcome on the Spit and would hope that in the future this commission gets to fully review an issue or ordinance before it goes to Council.

Commissioner Stead had no comments.

Commissioner Carroll thanked everyone for the work that they have done it is a pleasure to be on this commission and agrees with Commissioner Sarno even though it is her first meeting with the commission she is curious to see the level of involvement that the commission has with things like zoning before it is presented to Council versus coming now and handling that through public testimony. She will try to bring up her learning curve quickly, she noted that it has been a while since she has been involved on a board and will get her formal legs under her as quick as possible.

ADJOURN

There being no further business to come before the Commission, the meeting adjourned at 6:28 p.m. The next regular meeting is scheduled for THURSDAY, FEBRUARY 25, 2016 at 5:30 p.m. in the City Hall Cowles Council Chambers located at 491 E Pioneer Avenue, Homer, Alaska.

Renee Krause, CMC, Deputy City Clerk

Approved: _____