

**NOTICE OF MEETING  
REGULAR MEETING AGENDA**

- 1. CALL TO ORDER**
- 2. AGENDA APPROVAL**
- 3. PUBLIC COMMENT UPON MATTERS ALREADY ON THE AGENDA** *(The Public may comment on any item on the agenda with the exception of items shown under Public Hearings. The standard time limit is 3 minutes.)*
- 4. VISITORS/PRESENTATIONS** *(20 Minutes Scheduled for Presentation and Q & A)*
- 5. RECONSIDERATION**
- 6. 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 Commissioner.)*
  - A. Meeting Minutes from the August 25, 2016 Regular Meeting **Page 3**
- 7. REPORTS - State, Borough, Council, Staff**
- 8. PUBLIC HEARING**
- 9. PENDING BUSINESS**
- 10. NEW BUSINESS**
  - A. Review and Approval of the 2017 Meeting Schedule **Page 9**
- 11. INFORMATIONAL MATERIALS**
  - A. 2016 Meeting Schedule and Packet Processing Deadlines **Page 15**
  - B. 2016 Commission Attendance at Council Meetings **Page 16**
  - C. City of Sitka Dedicates Marijuana Fees to Student Travel **Page 17**
  - D. Alaska's Recreational Cannabis Market Just Weeks from Debut **Page 21**
- 11. COMMENTS OF THE AUDIENCE**
- 12. COMMENTS OF THE STAFF**
- 13. COMMENTS OF THE CHAIR**
- 14. COMMENTS OF THE COMMISSION**
- 15. ADJOURNMENT THE NEXT REGULAR MEETING IS TUESDAY, NOVEMBER 29, 2016** at 5:30pm in the **COWLES COUNCIL CHAMBERS** located at City Hall 491 E. Pioneer Avenue, Homer Alaska



Session 16-07, a Regular Meeting of the Cannabis Advisory Commission was called to order by Chair Aryn Young at 5:30 p.m. on August 25, 2016 in the Cowles Council Chambers located at City Hall 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS HARRIS, SARNO, REYNOLDS, CLARK, ROBL, STEAD, AND YOUNG

ABSENT: COMMISSIONERS CARROLL AND LEWIS (EXCUSED)

STAFF: DEPUTY CITY CLERK KRAUSE  
CITY PLANNER ABBOD

### **APPROVAL OF AGENDA**

Chair Young requested a motion to approve the agenda.

- SO MOVED.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

### **PUBLIC COMMENT**

Jeremiah Emmerson, not a city resident, commented on the Planning Commission reviewing applications and the established policies, he appreciated the recommendations on objecting to the background checks and advocated for that to be a condition of the persons probation and release. He appreciated the CAC's efforts and work that they do. He also noted that the ASCA will be managing a counter campaign to the borough opt out vote and anyone interested in helping out with that would be great.

### **VISITORS/PRESENTATIONS**

### **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 July 28, 2016 Regular Meeting

Chair Young called for adoption of the Consent agenda.

REYNOLDS/STEAD - MOVED TO ADOPT THE CONSENT AGENDA AS PRESENTED.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

## REPORTS

City Planner Abboud commented on the Borough Opt Out Ban on Marijuana and that it will be up to the Assembly to determine if they will have a Special Election or wait until next October.

## PUBLIC HEARINGS

## PENDING BUSINESS

## NEW BUSINESS

A. Draft Ordinance 16-XX, Outlining the Regulatory Responsibilities of the Commission regarding Applications

Correct title according the Draft ordinance submitted by the City Attorney: Amending Homer City Code 21.62.040, Currently Entitled Pre-Application Conference” to Authorize the City Planner to Recommend to the State of Alaska that it Deny an Application for a Marijuana Establishment that Does Not Comply with Homer City Code and Authorize the City Planner to Recommend that the State Impose Conditions to Approval When Necessary to Ensure Compliance with the Homer City Code.

There was a bit of confusion to bringing the ordinance to the floor for discussion or making a motion to approve. City Planner Abboud stated he could provide a report on the ordinance. Chair Young yielded the floor.

City Planner Abboud stated that this ordinance was very simple and amended Title 21 putting the applications under his review. Since it is amending Title 21 this will have to go before the Planning Commission for review, Public Hearing and approval before going to Council and he has not finalized the next Planning Commission agenda so he can get it on that for the next meeting.

Commissioner Harris wanted to postpone this ordinance until after the new council is elected.

Commissioner Clark commented that he saw no reason to move this forward that it is pretty straight forward. Commissioner Reynolds agreed and recommended sending this to Planning Commission that everything is so up in the air that there is no reason to withhold action on it now.

Commissioner Harris expressed concerns with expediency in reviewing and approving applications received by the city. City Planner Abboud responded with the time requirement that is already imposed in state regulations regarding local opposition. He did not believe it would take much time to review and resubmit to the state.

Commissioner Harris expressed clarification on her concerns that existing membership on Planning Commission would try to change the rules from the time an application is received and approval. City Planner Abboud noted that under the proposed regulation the Planning Commission would not be involved unless the applicant appealed his decision. He further noted that his recommendations would fall under existing requirements. He further noted that reviewing an application within 10 or 15 days is doable.

Commissioner Harris further explained that she would like to see a date within this ordinance that current regulations as of this date to make sure that no regulations change in the meantime.

Discussion and points made by the commission ensued on the following:

- 10-15 day limit is appropriate
- the application will be coming from the state to the city planner
- to change current city code will require two meetings at the planning commission and two meetings at the city Council level and will also require at least two weeks to get on the agenda.

- lack of public involvement in the zoning changes because they fall under the public's radar
- notice requirement by the state gives the city the notice required to make changes in building requirements and codes
- preference to have a review board other than the planning commission review an application especially those applications that have been denied

REYNOLDS/YOUNG - MOVED TO AMEND LINE 45 TO ADD WITHIN 15 DAYS OF RECEIPT OF APPLICATION.

Discussion ensued in clarification of intent of the motion was to amend the ordinance to provide the 15 day time limit for review and approval with or without recommendations. The intent for the paragraph to read as follows:

b. The City Planner shall be responsible for reviewing all applications filed with the State of Alaska under AS 17.38 for the operation of marijuana establishments in the City of Homer once those applications have been submitted to the city for its review by the State of Alaska. The City Planner or his or her designee, shall recommend to the State of Alaska, WITHIN 15 DAYS OF RECEIPT OF AN APPLICATION, denying an application that does not comply with this code or he or she may recommend approving the application with conditions that, if adopted, will result in compliance with this code.

City Planner Abboud stated that he does have staff available to act in his absence in response to a question by the commission.

Chair Young called for the vote.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Commissioner Reynolds recognized that the City Planning Department has a responsibility to follow and apply the guidelines and regulations that are imposed and she has never seen a bias previously. Commissioner Sarno echoed those sentiments and further stated that City Planner Abboud has shown professionalism and believes that any application they received would get a fair hearing.

Commissioner Sarno inquired if any zoning changes were proposed to revise code that affect marijuana businesses would this (Cannabis Advisory) commission get a chance to review these changes before going to Council?

Commissioner Stead responded that they would not, he is not the expert but any proposed changes to zoning falls under the purview of the Planning Commission and there is no requirement to notify this commission. He also stated that to suggest that members of the Planning Commission are nefarious and feels that those acts would be a criminal, he cannot think that the commission in how it acts and works together today would do that, they do their very best to put personal feeling aside and he is a bit affronted at the implication but appreciates it is Commissioner Harris' personal opinion and she is entitled to her opinion. Commissioner Stead appreciates the other commissioners supportive comments and believes City Planner Abboud does his very best to be fair in his recommendations.

HARRIS/REYNOLDS - MOVED TO AMEND THE DRAFT ORDINANCE TO INCLUDE ADDITIONAL WHEREAS ON LINE 16 THAT STATES CONDITIONAL USE PERMITS WILL BE APPROVED ACCORDING TO EXISTING ZONING REGULATIONS AS OF THIS MONTH.

Commissioner Reynolds cited that there is no precedent to set a zoning map and regulations in place. She understands that it is confusing but does not think there is a way to lock the zoning into place. Further discussion on the time frame for approval within 15 days and additional limits would be onerous.

VOTE. NO. ROBL, STEAD, YOUNG, SARNO, REYNOLDS, CLARK

VOTE. YES. HARRIS.

Motion failed.

REYNOLDS/ROBL - MOVED TO FORWARD THE DRAFT ORDINANCE TO THE PLANNING COMMISSION.

There was no discussion.

VOTE. YES. CLARK, REYNOLDS, SARNO, YOUNG, STEAD, ROBL.

VOTE. NO. HARRIS.

Motion carried.

B. Election of Chair and Vice Chair.

Chair Young summarized the actions required from the commission on electing a vice chair and chair.

The commission elected to vote by a show of hands or voice vote.

Chair Young called for nominations of vice chair and opened the floor by nominating Commissioner Stead.

Commissioner Harris nominated Commissioner Reynolds.

Chair Young closed the nominations and called for a show of hands for Commissioner Stead for Vice Chair. He received 5 votes. Commissioner Reynolds received 2 votes. Congratulations were expressed from the commission to Commissioner Stead and Chair Young turned the meeting over to Vice Chair Stead.

Vice Chair Stead opened the floor for nominations for Chair. Five hands shot up.

Commissioner Harris nominated Commissioner Reynolds.

Commissioner Sarno nominated Commissioner Clark. Commissioner Reynolds seconded that nomination.

Deputy City Clerk Krause stated that there were no rules against nominating a person who was not present.

Vice Chair Stead closed the nominations for chair and called for a show of hands for Commissioner Reynolds for Chair. There was one vote. Vice Chair Stead then called for a show of hands for Commissioner Clark for Chair. There were 4 votes.

Clarification was requested on a nomination for Commissioner Carroll. She was not nominated officially. Commissioner Young cast her vote for Commissioner Clark bringing the total to 5.

Congratulations were expressed for Commissioner Clark and the gavel and meeting was turned over to newly elected Chair Clark.

D. Next Meeting Deliverables, Agenda Items

Chair Clark asked for items that the commission would like for the September agenda. Commissioner Young noted that if they thought of something before the agenda closed they can email the Clerk and add it to the agenda.

#### **INFORMATIONAL MATERIALS**

A. 2016 Meeting Schedule and Packet Processing Deadlines

B. 2016 Commission Attendance at Council Meetings

Chair Clark requested volunteers to attend the Council meeting on the

#### **COMMENTS OF THE AUDIENCE**

Bryan Zak, resident, complimented Commissioner Young for chairing an efficient meeting and congratulated Commissioner Clark on being selected as the new Chair. He commented that it was nice to see young people getting involved and sitting on these commissions. He shared that at the last AML meeting the Director of the Marijuana Control Board, Cynthia Franklin spoke and pointed out the nine different applications and the website page where you can see all the applicants for the various licenses and included the information for the rest of Council. This was a good meeting. It was nice to see that the commissioners did not have fangs and horns.

#### **COMMENTS OF STAFF**

Deputy City Clerk Krause had no comments.

City Planner Abboud commented on the record that the planning staff would be more than happy to assist in the processes of getting a permit for any business including marijuana and the planning commission whether they were pro-marijuana or not tried the best they can to do the best they can for the community and that the opportunity to have looser regulations or going in the opposite direction is always there, they do try to put their personal feelings aside in reviewing these things in regards to code compliances.

#### **COMMENTS OF THE CHAIR**

Chair Clark appreciated everyone's faith in him and promise to step up to the plate to perform the job expected of him. He appreciated everyone showing up for the meeting and the comments received. Thank you everyone for a quick and easy meeting.

#### **COMMENTS OF THE COMMISSION**

Commissioner Robl announced he will miss the September meeting and when he gets back from vacation his schedule will firm up and he will be able to attend a council meeting or two.

Commissioner Harris wished him well hunting and hoped he got a big one.

Commissioner Stead, Young, no comments.

Commissioner Sarno congratulated Chair Clark.

Commissioner Reynolds will be in attendance for the next commission meeting although she will miss the Council meeting. She congratulated Chair Clark and Vice Chair Stead. Thanked everyone for participating.

#### **ADJOURN**

There being no further business to come before the Commission, the meeting adjourned at 6:39 p.m. The next regular meeting is scheduled for THURSDAY, SEPTEMBER 22, 2016 at 5:30 p.m. in the City Hall Cowles Council Chambers located at 491 E Pioneer Avenue, Homer, Alaska.

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Renee Krause, CMC, Deputy City Clerk

Approved: \_\_\_\_\_







## City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

## Office of the City Clerk

491 East Pioneer Avenue  
Homer, Alaska 99603

[clerk@cityofhomer-ak.gov](mailto:clerk@cityofhomer-ak.gov)

(p) 907-235-3130

(f) 907-235-3143

## Memorandum

TO: ADVISORY BODIES  
FROM: JO JOHNSON, CITY CLERK  
DATE: OCTOBER 7, 2016  
SUBJECT: MEETING SCHEDULE FOR 2017

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Please review the draft resolution that establishes your meetings for 2017. If you have any changes please submit them to me by December 5<sup>th</sup>.

Council will be setting the 2017 meeting schedule for Council and Advisory Bodies with the adoption of the resolution at their December 12, 2016 meeting.



1 **CITY OF HOMER**  
2 **HOMER, ALASKA**

City Clerk

3  
4 **RESOLUTION 16-xxx**

5  
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,  
7 ESTABLISHING THE 2017 REGULAR MEETING SCHEDULE FOR  
8 THE CITY COUNCIL, ECONOMIC DEVELOPMENT ADVISORY  
9 COMMISSION, LIBRARY ADVISORY BOARD, PARKS ART  
10 RECREATION AND CULTURE ADVISORY COMMISSION, ADVISORY  
11 PLANNING COMMISSION, PORT AND HARBOR ADVISORY  
12 COMMISSION, AND CANNABIS ADVISORY COMMISSION.  
13

14 WHEREAS, Pursuant to Homer City Code Section 1.14.020, the City Council annually  
15 sets the schedule for regular and some special meetings, noting the dates, times and places  
16 of the City Council, Advisory Commissions, and the Library Advisory Board meetings; and  
17

18 WHEREAS, The public is informed of such meetings through notices located at the City  
19 Clerk's Office, Clerk's Calendar on KBBI, the City Clerk's Website, and postings at the Public  
20 Library; and  
21

22 WHEREAS, HCC 1.14.020 - 040 states that meetings may be advertised in a local paper  
23 of general circulation at least three days before the date of the meeting and that special  
24 meetings should be advertised in the same manner or may be broadcast by local radio at  
25 least twice a day for three consecutive days or two consecutive days before the day of the  
26 meeting plus the day of the meeting; and  
27

28 WHEREAS, HCC 1.14.010 notes that the notice of meetings applies to the City Council  
29 and all commissions, boards, committees, subcommittees, task forces and any sub-unit of  
30 the foregoing public bodies of the City, whether meeting in a formal or informal meeting; that  
31 the failure to give the notice provided for under this chapter does not invalidate or otherwise  
32 affect any action or decision of a public body of the City; however, this sentence does not  
33 change the consequences of failing to give the minimum notice required under State Statute;  
34 that notice will ordinarily be given by the City Clerk; and that the presiding officer or the  
35 person or persons calling a meeting are responsible for notifying the City Clerk of meetings in  
36 sufficient time for the Clerk to publish notice in a newspaper of general circulation in the City;  
37 and  
38

39 WHEREAS, This Resolution does not preclude additional meetings such as emergency  
40 meetings, special meetings, worksessions, and the like; and  
41

WHEREAS, Council adopted Resolution 06-144 on October 9, 2006 establishing the Regular Meeting site for all bodies to be the City Hall Cowles Council Chambers.

NOW, THEREFORE, BE IT RESOLVED by the Homer City Council, that the 2017 meeting schedule is established for the City Council, Economic Development Advisory Commission, Library Advisory Board, Parks Art Recreation and Culture Advisory Commission, Advisory Planning Commission, and Port and Harbor Advisory Commission of the City of Homer, Alaska, as follows:

Holidays - City Offices closed:

January 2**, New Year's Day, Monday	February 20*, Presidents' Day, the third Monday	March 27*, Seward's Day, last Monday	May 29*, Memorial Day, last Monday	July 4*, Independence Day, Tuesday	September 4*, Labor Day, first Monday
October 18*, Alaska Day, Wednesday	November 10**, Veterans Day, Friday	November 23*, Thanksgiving Day, Thursday	November 24*, Friday, the day after Thanksgiving	December 25*, Christmas, Monday	

\*Indicates holidays - City offices closed.

\*\*If on a Sunday, the following Monday is observed as the legal holiday; if on a Saturday, the preceding Friday is observed as the legal holiday pursuant to the City of Homer Personnel Rules and Regulations.

CITY COUNCIL (CC)

January 9, 23	February 13, 27	March 13, 27	April 10, 24	May 8, ***23	June 12, 26
July 10**, 24	August 14, 28	September 11, 25	October 3 Election	October 9, 23 Oath of Office October 9*	Canvass Board October 6 or 9
November 7 Runoff Election	November 13**, 27	December 11****	December 18**** if needed		

City Council's Regular Committee of the Whole Meetings at 5:00 p.m. to no later than 5:50 p.m. prior to every Regular Meeting which are held the second and fourth Monday of each month at 6:00 p.m. Council will not conduct a First Regular Meeting in July or November. AML Annual Conference Week is tentatively scheduled for November 13 – 17, 2017.

\*Tuesday meeting due to Memorial Day/Alaska Day.

\*\*There will be no First Regular Meeting in July or November.

\*\*\*The City Council traditionally reschedules regular meetings that fall on holidays or High School Graduation days, for the following Tuesday.

\*\*\*\* The City Council traditionally cancels the last regular meeting in December and holds the first regular meeting and one to two Special Meetings as needed. Generally the second Special Meeting the third week of December, will not be held.

#### ECONOMIC DEVELOPMENT ADVISORY COMMISSION (EDC)

January 10	February 14	March 14	April 11	May 9	June 13
July 11	August 8	September 12	October 10	November 14	December 12

Economic Development Advisory Commission Regular Meetings are held on the second Tuesday of each Month at 6:00 p.m.

#### LIBRARY ADVISORY BOARD (LAB)

February 7	March 7	April 4	May 2	August 1
		October 3	November 7	December 5

Library Advisory Board Regular Meetings are held on the first Tuesday of the months of February, March, April, May, August, October, November, and December at 5:30 p.m.

#### PARKS ART RECREATION AND CULTURE ADVISORY COMMISSION (PARCAC)

	February 16	March 16	April 20
May 18	June 15		August 17
September 21	October 19	November 16	

Parks Art Recreation and Culture Advisory Commission Regular Meetings are held on the third Thursday of each month at 5:30 p.m. with the exception of January, July, and December.

#### PLANNING COMMISSION (P/C)

January 4, 18	February 1, 15	March 1, 15	April 5, 19	May 3, 17	June 7, 21
July 19**	August 2, 16	September 6, 20	October 4, 17*	November 1**	December 6**

Advisory Planning Commission Regular Meetings are held on the first and third Wednesday of each month at 6:30 p.m. \*\*There will be no First Regular Meeting in July or Second Regular Meetings in November and December. \*Tuesday meeting due to Alaska Day Holiday.

96 PORT AND HARBOR ADVISORY COMMISSION (P/H)

January 25	February 22	March 22	April 26	May 24	June 28
July 26	August 23	September 27	October 25	November 15	December 13

97

98 Port and Harbor Advisory Commission Regular Meetings are held on the fourth Wednesday of  
99 each month at 5:00 p.m., with the exception of May, June, July and August meetings that are  
100 held at 6:00 p.m. The November meeting is scheduled for the third Wednesday and the  
101 December meeting is scheduled for the second Wednesday of the month.

102

103 CANNABIS ADVISORY COMMISSION (CAC)

January 26	February 23	March 23	April 27	May 25	June 22
July 27	August 24	September 28	October 26	November 16	December 21

104

105 Cannabis Advisory Commission Regular Meetings are held on the fourth Thursday of each  
106 month at 5:30 p.m. The November and December meetings are scheduled for the third  
107 Thursday of the month.

108

109 PASSED AND ADOPTED by the Homer City Council this 12<sup>th</sup> day of December, 2016.

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111 CITY OF HOMER

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ATTEST:

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JO JOHNSON, MMC, CITY CLERK

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Fiscal Impact: Adverting of meetings in regular weekly meeting ad and advertising of any additional meetings.

**2015/2016 MEETINGS**  
**CANNABIS ADVISORY COMMISSION**

Following are the regular meeting dates established for the Commission. All meetings will be in Council Chambers unless otherwise noted and start at 5:30 p.m.

<b><u>Meeting Date</u></b>	<b><u>Packet Deadline</u></b>
December 17, 2015	December 9 <sup>th</sup>
January 28, 2016	January 20, 2016
February 25, 2016	February 17, 2016
March 24, 2016	March 16, 2016
April 28, 2016	April 20, 2016
May 26, 2016	May 18, 2016
June 23, 2016	June 15, 2016
July 28, 2016	July 20, 2016
August 25, 2016	August 17, 2016
September 22, 2016	September 14, 2016
October 27, 2016	October 19, 2016
November 29, 2016 (Tuesday)	November 18, 2016
December 15, 2016	December 8, 2016

If a commissioner wishes to add an item on the agenda that would be relevant to the discussion/action of the commission please submit or drop off at the Clerk's Office no later than Noon on the packet deadline date.

Commissioners may email requests for information or materials that they would like in the packet to the clerk, Renee Krause at [rkrause@ci.homer.ak.us](mailto:rkrause@ci.homer.ak.us) or staff, Rick Abboud at [rabboud@ci.homer.ak.us](mailto:rabboud@ci.homer.ak.us).

The Clerk will email a draft agenda to the Chair and Staff no later than 4:00 p.m. on the packet deadline day. The Chair and Staff are requested to return the approved agenda with any additions and corrections to the Clerk no later than 10:00 a.m. the following day so that the meeting packet can be produced and available for distribution no later than 3 p.m.

**2016 HOMER CITY COUNCIL MEETINGS**  
**CANNABIS ADVISORY COMMISSION ATTENDANCE**

It is the goals of the Commission to have a member speak regularly to the City Council at council meetings. There is a special place on the council's agenda specifically for this. After Council approves the consent agenda and any scheduled visitors it is then time for staff reports, commission reports and borough reports. That is when you would stand and be recognized by the Mayor to approach and give a brief report on what the Commission is currently addressing, projects, events, etc. **A commissioner is scheduled to speak and has a choice at which council meeting they will attend. It is only required to attend one meeting during the month that you are assigned.** However, if your schedule permits please feel free to attend both meetings. Remember you cannot be heard if you do not speak.

The following Meeting Dates for City Council for 2016 is as follows:

The following Meeting Dates for City Council for 2016 is as follows:

January 11, 25 2016	_____	_____ Alt. Lewis or Reynolds
February 8, 22 2016	<u>Sarno</u>	_____ Alt. Lewis or Reynolds
March 14, 28 2016	<u>Stead</u>	_____ Alt. Lewis or Reynolds
April 11, 25 2016	_____	_____
May 9, 23 2016	<u>Robl</u>	_____
June 13, 27 2016	_____	_____
July 25 2016	_____	_____
August 8, 22 2016	_____	_____
September 12, 26 2016	_____	_____
October 10, 24 2016	_____	_____
November 28 2016	_____	_____
December 12, 2016	_____	_____

Please review and if you will be unable to make the meeting you are tentatively scheduled for please Notify the Chair who may contact another commissioner or attend the meeting.



# Marijuana fees could fund Sitka student travel

By **Emily Kwong, KCAW - Sitka** - September 29, 2016

During their regular meeting Tuesday night, the Sitka Assembly approved – on first reading – a dedicated fund for student activity travel using marijuana fees. See ordinance here: [Ord 2016-39](#)

The ordinance, co-sponsored by Assemblyman Steven Eisenbeisz and Deputy Mayor Matthew Hunter, proposes depositing all money generated from marijuana licensing fees into a specific fund for student travel. Depending on how Sitka's marijuana industry evolves, Eisenbeisz believes this could generate \$8000 to \$10,000 a year for activity travel sponsored by the Sitka School District.

This year, Sitka High School received roughly \$132,000 for student activities from the city. The local contribution has been fairly stable, but with more teams and clubs flying to meets, the need is greater.

Superintendent Mary Wegner appreciates the Assembly's work.

"Activities and athletics are a great antidote to smoking marijuana. When you're involved with activities, you don't want to. So it is a very interesting and novel approach, but I appreciate the [Assembly's] creativity in keeping the students first and foremost in their minds and in their actions," Wegner said.

The Assembly also decided – on first reading – to move \$250,000 from the general fund into a committed fund balance for landslide mitigation. This includes legal, geotechnical, and other costs anticipated by the city.

Specifically, the city wants to proceed with geotechnical mapping around Keet Goshi Heen Elementary School, [which has been identified as a moderate risk area](#). City Administrator Mark Gorman said some of the money could also be used for legal fees related to the Kramer Avenue landslide.

"We have two suits that have been filed against the city, related to the landslide. These came in about six weeks ago. We are working with council – David Bruce, who you met with several times – and he's given us his best case scenario as to what the expenses are going to be this

year. And it includes geotechnical work,” Gorman said.

Bruce, an attorney based in Seattle, **has been working with the city since November**. Gorman also hopes the city’s insurance will kick in to help with legal fees.

In other business, Sitka Community Hospital took a major step toward paying down its line of credit, **which the Assembly increased two years ago to resolve the hospital’s cash crisis**. The hospital is in a much better financial position now, with 81 days of cash on hand. And Tuesday night (09-27-16), they presented the Assembly with a check for \$463,000 towards that line of credit.

“That will bring us down where we’ll owe slightly less than \$1 million dollars,” said hospital CEO Rob Allen. We’re also set up so that from this month forward, we’ll be making monthly payments on the line of credit.

ECG Consulting is currently **looking at ways for Sitka Community Hospital and SEARHC to integrate operations**. Allen says the hospitals will hold a work session with the Assembly in November to discuss the findings.

During his report, City Administrator Mark said that **construction on Jeff Davis street may take longer than anticipated** due to issues with the old sewer main.

The Assembly’s next meeting will take place on October 11th in their new chambers at Harrigan Centennial Hall. During that meeting, the current Assembly will resolve old business and then change hands, welcoming a mayor and either one or two new Assembly members.

**Emily Kwong, KCAW - Sitka**

**CITY AND BOROUGH OF SITKA  
ORDINANCE NO. 2016-39**

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL  
CODE TITLE 4 "REVENUE AND FINANCE" BY ADDING A NEW CHAPTER 4.25 "STUDENT  
ACTIVITIES DEDICATED TRAVEL FUND"**

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.
2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.
3. **PURPOSE.** The purpose of this ordinance is to establish a fund into which all proceeds received from the State of Alaska for Marijuana licensing fees will be deposited and earmarked for the sole purpose of assisting with the costs of student travel associated with school activities.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 4 is amended by adding a new section 4.25 entitled, "Student Activities Dedicated Travel Fund" to read as follows (new language underlined; deleted language stricken):

**Title 4  
Revenue and Finance**

**Chapters:**

- 4.04 Budgetary Organization
- 4.05 Marine Passenger Fee Fund
- 4.06 Proceeds from Raw Water Sale Contracts Revised 12/15
- 4.09 Sales Tax
- 4.12 Property Tax
- 4.17 Driver Facility Charge
- 4.19 Sitka Permanent Fund
- 4.20 Miscellaneous Fees
- 4.24 Hotel, Motel and Bed and Breakfast Transient Room Tax
- 4.25 Student Activities Dedicated Travel Fund
- 4.26 Excise Tax on Cigarettes and Tobacco Products
- 4.28 Investment Policy
- 4.32 Debt Service Priority
- 4.35 Delinquent Accounts
- 4.40 Uncollectable Accounts and Bad Debt Write-Offs Amended Ord. 16-06S
- 4.42 Small Business Guaranteed Loan Program
- 4.44 Southeast Economic Development Fund
- 4.44A Required Levels of Cash to Be Maintained in the General Fund
- 4.45 Long-Term Infrastructure Sinking Fund for the Repair and Replacement of General Fund Municipal Buildings, Streets, Sidewalks, Parking Lots, and Parks

\* \* \*

**Chapter 4.25**  
**STUDENT ACTIVITIES DEDICATED TRAVEL FUND**

**Sections:**

**4.25.010 Student Activities Dedicated Travel Fund**

**4.25.020 Revenue Source for the Student Activities Dedicated Travel Fund**

**4.25.010 Student Activities Dedicated Travel Fund.**

A Student Activities Dedicated Travel Fund is hereby created. The Student Activities Dedicated Travel Fund shall be maintained separate and apart from all other funds and accounts of the City and Borough. The Student Activities Dedicated Travel Fund shall only be used to assist with the payment of expenses associated with travel that is part of a Sitka School District sponsored activity.

**4.25.020 Revenue Source for the Student Activities Dedicated Travel Fund.**

Notwithstanding any other provision of law, all proceeds received by the City and Borough of Sitka from the State of Alaska resulting from marijuana licensing fees shall be deposited in their entirety in the Student Activities Dedicated Travel Fund.

Proceeds will be appropriated during the annual budget process. The amount transferred is to be included in the calculation of the local support of education per AS 14.17.410.

\* \* \*

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 11<sup>th</sup> day of October, 2016.

\_\_\_\_\_  
Mim McConnell, Mayor

ATTEST:

\_\_\_\_\_  
Sara Peterson, CMC  
Municipal Clerk

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October 5, 2016

## Alaska's recreational cannabis market just weeks from debut



By John Schroyer

The fourth recreational marijuana industry in the United States is ready for launch.

Alaska's adult-use program is just a few weeks from the first retail sales, according to estimates by multiple sources. A number of rec shops are scrambling to open their doors, perhaps by month's end.

The last hurdle is that local and state authorities must clear testing labs to open so cultivators can have their crops checked for potency and microbial contaminants. After that, growers will be allowed to



begin supplying retailers, with owners putting the finishing touches on their storefronts.

"Looks like we're about two weeks from being open," Nick Eade, who co-owns Frozen Budz with his wife, Destiny, said Tuesday. "We're pretty adamant on being open by the 21st. There's another big outfit here called Pakalolo Supply, and they're planning on being open on Halloween ... It's pretty important to us to be the first."

The Eades have other retailers right behind them, and may not be the first to open their doors. On Tuesday, The Remedy Shoppe in Skagway got final approval from the state, and is waiting for the first labs to begin testing product, just like Frozen Budz, [according to a local NBC affiliate](#).

Also on Tuesday, the Anchorage Assembly approved that city's first rec shop as well, The Arctic Herbery. Its owner is aiming to be open by the first week of November, [the same NBC affiliate reported](#).

So far, the state has signed off on business permits for at least 60 cultivators, 17 retailers, four product manufacturers and a pair of testing labs. Regulators still have scores of applications to evaluate.

### **What's left to do**

Eade said Frozen Budz has received the necessary authorization from local officials, and only a few minor items are left to finish on their retail shop – such as installing security cameras – before a final inspection by the state's Alcohol & Marijuana Control Office (AMCO).

After that, the big question mark is when the two licensed testing labs in the state may open and begin accepting product to be tested for potency and contaminants.

"I'm kind of looking for the middle to end of October," said Mark Malagodi, the CEO of CannTest, one of the two labs.

"There's a few things (that) are out of my control, like receiving a letter from the municipality that I'm waiting on," he added. "And once I get that letter, it triggers a final inspection. I'm not

anticipating any problems with the final inspection; but it's out of my control, and then a final inspection from the state as well, and the completion of the outside accreditation agency."



If all of those steps go smoothly, Malagodi said, his firm can start testing before the end of the month, and then cultivators will be able to move quickly to start supplying storefronts with product.

But, of course, snafus can emerge that take time to fix.

"If issues come up with any of those, we have to solve the issues," Malagodi said. "I'd expect by Thanksgiving that Alaska would see its first retail sale."

Alaska's rec market is expected to hit between \$25 million and \$50 million in sales in the first 12 months after rec stores open, according to estimates in the *Marijuana Business Factbook 2016*. Voters approved adult-use cannabis in 2014.

### Supply ready to sell

Once CannTest and the other licensed lab, Alaska Green Labs in Anchorage, are able to start testing cannabis, it should just be a matter of a few more days before retailers like Frozen Budz can start stocking marijuana products.

"Whenever they open, we hope to be ready to transport it down. I don't think we'll be camping out in front, like for a rock concert or anything," said Mike Emers, manager of Rosie Creek Farm, a cultivator in Fairbanks.

Emers' outdoor harvest was completed just days ago, he said, and he's not even certain how much volume in crop he was able to accumulate. But it's ready to go whenever either of the two labs can begin accepting samples.

"I think the whole state is waiting for the city of Anchorage to OK their permit," Emers said of CannTest and Alaska Green Labs.

By being in Anchorage, the two testing labs are about a six-hour drive from Fairbanks, which adds some logistical issues for companies up north. And there remain other unanswered business questions surrounding cannabis transportation, according to regulator Cynthia Franklin, AMCO's executive director.

"We emphasize that our licensees have the right to transport marijuana from one licensed establishment to another," said Franklin.

"That's important here because there are many communities that cannot be reached by road. So you're talking about putting marijuana on a plane or a boat, and everyone is very worried about the federal response to that. We don't yet know what that is, because we haven't really started transporting marijuana."

Although there hasn't been any specific word from the U.S.



Department of Justice on whether it may object to transporting cannabis via plane or boat – which would be a first for any state-licensed marijuana business in the nation – Franklin said all indications are that the U.S. attorney in Alaska won't make an issue of it.

### What the future holds

However optimistic the next few months may look for Alaska, there may be dark clouds on the horizon, too.

For instance, Franklin said, the state legislature could try to overturn the 2014 ballot measure that legalized rec. That possibility has likely kept many potential cannabis entrepreneurs out of the game, because they want to wait and see if entering the industry is truly a safe bet.

"I actually expect a lot of applications next spring, once the legislature adjourns, assuming they don't repeal the ballot measure, because there are a lot of people who have decided to wait to invest until they know whether or not it's real," Franklin said.

There's also been local pushback. For example, voters in the Matanuska-Susitna Borough near Anchorage, which could be home to multiple cannabis businesses, were asked on Tuesday [to ban adult-use marijuana companies](#), but the prohibition measure was defeated, [the Alaska News Dispatch reported](#).

There are other positive signs for MJ entrepreneurs as well.

Franklin said AMCO's board may consider loosening the state's residency requirement for ownership in a marijuana business, which would be a positive development for out-of-state entrepreneurs. She also said on-site consumption at retail shops may yet still get the board's green light.

Over the long run, Franklin is optimistic Alaska could become home to around 1,000 licensed cannabis businesses.

"About 900 or 1,000 is all the marijuana establishments the state can support, and that might be a few too many. But it's going to be a free-market thing, where there's too many at first and the market will decide how many are successful," said Franklin.

*John Schroyer can be reached at [johns@mjbizdaily.com](mailto:johns@mjbizdaily.com)*

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