

Session 15-04, a Regular Meeting of the Cannabis Advisory Commission was called to order by Chair Aryn Young at 5:30 p.m. on August 27, 2015 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS ROBL, HARRIS, STEAD, YOUNG, MONROE, JONES, BURGESS,  
AND SARNO

ABSENT: COMMISSIONER LEWIS (EXCUSED)

STAFF: CITY PLANNER ABBODD  
DEPUTY CITY CLERK KRAUSE

#### **APPROVAL OF AGENDA**

Chair Young called for a motion to approve the agenda as presented.

STEAD/ROBL - MOVED TO APPROVE THE AGENDA AS PRESENTED.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

#### **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).

#### **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 July 23, 2015 Regular Meeting**

Chair Young requested any changes to the consent agenda. She requested motion to approve the consent agenda.

STEAD/HARRIS - MOVED TO APPROVE THE CONSENT AGENDA.

There was a brief discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

#### **STAFF REPORTS**

#### **PUBLIC HEARINGS**

*(Public Testimony is limited to 3 minutes. The Commission conducts Public Hearings by hearing a staff report if any, hearing public testimony and then acting on the Public Hearing items. Once the public hearing is closed the Commission cannot hear additional comments on the topic.)*

#### **PENDING BUSINESS**

## NEW BUSINESS

### A. Staff Report CAC 15-04 Re: Comments on Marijuana Regulations Set #2

1. Revised MJ Timeline 8-12-15
2. ABC Board Q & A Draft Set 2
3. Draft regulations Set 3
4. Attorney Comments Set 3 Draft Regulations

Commissioner Monroe commented that he did not think there was any point in submitting comments or recommendations since they had to go before Council for approval and by that time they are past the time limits.

City Planner Abboud stated he was requested by the City Manager to make these comments or recommendations then if there was another opportunity they would have them ready on deck to submit. He then reviewed the items noting the following:

- Timeline, tight but it also lists the deadlines for comments.
- Question & Answer. The MCB did address the gifting question that they had.
- The Attorney only had one question on set 3 regarding brokerage
- Questions involving the use of industrial hemp
- There was no provision for open air cultivation and High Tunnels since they do not meet the description of rigid frame, which then lends to the need of a definition of "rigid frame"

Commissioner Sarno questioned the ability to perform or provide deliveries to person(s) seriously ill or disabled, referring to page 24, second paragraph from the bottom, in the packet. Commissioner Burgess responded that he posed the question to the City Attorney and the Medical Marijuana Laws still apply, so there is no prohibition on delivering to a person under those circumstances.

Commissioner Malone did not feel that as a city or government entity there was much for the city to respond or question in Set #3 regulations. He opined most of the items were appropriate. He next commented on section 3 AAC 306.010 and the previous discussion on the desire for setbacks and the fact that churches were included in the 200 foot distances, so at the last meeting they removed child centered facilities out of the definition and adjusted the distances to 500 feet, which still does not meet the Federal requirement around schools. This is something that they commented previously and felt that they may want to comment on the item as a whole.

Commissioner Burgess agreed that they should submit comments on Title 21 issues that they are left to the municipality to govern and oversee.

Further discussion on the change in distance for common egresses, and how limiting in some villages, etc. that would make it near impossible to have a commercial enterprise ensued.

City Planner Abboud responded to Commissioner Sarno's question regarding location for a commercial testing facility or distribution facility by stating he provided a map on possible areas according to the Federal guidelines in the first meeting packet. Commissioner Burgess tried to clarify that the main guidance from the Federal Government was to limit access to minors and has implied that it will stay off the case of States that comply with that intent. Currently the MCB is doing now is that the distance is 500 feet so the two bodies are not lined up.

Commissioner Sarno re-clarified her question was the need of the local real estate agents that are starting to field questions on where it is likely that businesses will be allowed. Commissioner Malone stated that she could find a map that may help in the June packet on the city website; he added a disclaimer that of course nothing was final.

City Planner Abboud stated that they would have to go to the Planning Commission and a Public Hearing with their recommendation to go before Council who would also have public hearings before

being law for anyone speculating and of course there are other better areas for speculation. There would certainly be no opportunity to bring that category up officially.

Commissioner Harris requested that the maps provided in the June packet be included at the next meeting.

Commissioner Burgess moved that it would be appropriate to draft a recommendation to Council that the Board consider municipal limits to Title 21 and the municipalities be allowed to choose those.

City Planner Abboud cited that the recommendations at the worksession with Council the City Attorney had written down, with the exception of the gifting since that was answered in the Questions and Answers he included in the packet.

BURGESS/HARRIS - MOVED TO INCLUDE ALL RECOMMENDATIONS PREVIOUSLY AGREED UPON WITH THE CITY ATTORNEY INCLUDING THOSE RECOMMENDATIONS REGARDING TITLE 21 MUNICIPALITY RIGHTS OVER ZONING ISSUES BE FORWARDED TO COUNCIL FOR APPROVAL AND THEN FORWARDED TO THE MARIJUANA CONTROL BOARD.

There was a brief discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Commission Sarno questioned the proposed regulation 3AAC 306.900 Marijuana clubs prohibited. She feels that this will be prohibitive in creating businesses and revenue opportunity other than dispensary, brokerage or testing. She wanted to have the opportunity to allow canna-business and canna-tourism which includes a social aspect. Banning this type of business will deprive Alaskans. Commissioner Harris stated that at this time we are not getting that choice. We cannot make city regulations less than the state only stricter.

Commissioner Burgess also responded that they only action would be to submit a recommendation to Council for approval to send to the Marijuana Control Board. He additionally commented on questioning the line that states, "unless the person is authorized to do so under thus title", who is the authorizing body?

Commissioner Malone responded that anyone in the industry wishes this section to be gone however the Marijuana Control Board does not feel the Title 17 allows them explicitly, the State can, but the Board cannot. They are also not going to advocate for the clubs. This section could be stricken but until the Legislation specifically allows it, it was one of the bills that did not make it through the last session; the MCB Board will not be addressing those regulations. He provided examples regarding consumption clubs and broker since that was not a license outlined in 17.38.

Commissioner Burgess provided a side note that this was an issue that would probably be litigated in the near future.

#### B. Recommendation to Attend Fall Marijuana Conference and Expo

Commissioner Sarno commented that she felt it would be an opportunity to provide some insight and additional knowledge into the subject matter. She also realized that the city would not and is not financially able at this time to fund sending a commissioner to the conference but maybe a commissioner would be willing to pay the expense and bring back the information gained.

Commissioner Burgess commented that the question is not if the city would authorize the expenditure, but to attend the conference representing the city and the commission.

Commissioner Malone opted to see if there would be a commissioner interested in attending before submitting the recommendation to Council. He then provided an alternative conference that will be

held in Anchorage which he will have a free ticket to that event and would be willing to attend as representative of the Commission and city.

#### C. Next Meeting Deliverables, Agenda Items

Commissioner Burgess stated that he would like to have the attorney recommendations and comments in the packet for the next meeting so they can respond timely with the commission comments and/or recommendations.

Commissioner Malone stated that he could provide a report at each meeting on the Borough Cannabis Commission meeting since they usually meet at least once between this commission's meetings. The commission responded in a positive manner to having a monthly report on Borough level meetings.

Commissioner Stead requested the following items for the next agenda:

- Title 6.12.010 - Speaks specifically about marijuana and the commission may want to review and make recommendations
- Title 8, Permits, Licenses and Regulations - Add regulations and permitting under there and model it after Alcohol
- Title 9, Taxation - Do they want to consider and taxation for marijuana
- Title 19, Parks, Campgrounds, and Public Places - may want to see if there are any regulations that would apply here
- Title 21, Cultivation, Limited Cultivation, Test Labs, Brokerages, and Signs - any restrictions that would apply

Commissioner Stead did not know if the commission wanted to start at the top or have City Planner Abboud bring the information to them, but he opined that there was plenty of information that they can start to look at and address, they can start at the next meeting with Title 6.

City Planner Abboud stated he will bring this up with the City Attorney and hopefully their schedule melds with their schedule so he can see what the City Attorney has in mind, Title 21 he deals with a lot so there is no problem, but maybe he can outline the subjects in here and give them to the attorney and get it back in a timely manner. This last one he did not have much time for review and the City Attorney and the attorney had not thought what else the commission wanted to do. He will try to get something out to the attorney on Friday, August 28<sup>th</sup>. He really wanted to wait to see where the State was going with the distances first because there may be a conflict and then be back at the drawing board. The commission could have discussion on several of these.

Commissioner Harris warned adding any additional restrictions on cultivation since the State has it wrapped pretty tight so far.

Commissioner Burgess added a request of recommendations from staff on taxation options, so the commission can have a general discussion on excise tax, sales tax options at the next meeting so the public can make informed decisions.

#### INFORMATIONAL MATERIALS

- A. 2015 Meeting Schedule and Packet Processing Deadlines
- B. 2015 Commission Attendance at Council Meetings
- C. Municipal Legislative Actions
- D. Commissioner Sarno Appointment
- E. Resolution 15-068, Cannabis Advisory Commission Bylaws
- F. Highs and Lows in the Wake of Legislation

Chair Young read the informational materials into the record and asked if there was any discussion. She welcomed Commissioner Sarno to the commission.

Commissioner Malone commented on the Legislative Actions was a summary and the full document was included in the August 17<sup>th</sup> Borough Commission's packet. There are about 80 pages in the full document. He believed it was the Municipal Clerks Association that put the document together.

Deputy City Clerk stated the all the municipalities submitted materials and the Kenai Borough Clerk's staff compiled the information. She added that the Clerks are always working in the background on important issues.

Commissioner Sarno stated she would attend the Council meeting on December 14th to provide a report on the activities of the commission.

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

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

Wes Schact, resident of Fritz Creek, commented on the indulgences of the community in cannabis, and the benefits to the community investing in cannabis, he expounded on the well regulated industry in Europe and how they keep the industry segregated and away from minors and that they should support cannatourism as well as cannabusiness.

Brenda Hays, resident, retired commercial fisherman and active realtor on the Peninsula commented on getting needed information sooner rather than later as she has had investors asking questions so they can purchase their property wisely, and now rather than later when the prices will be sky high. Investors do not want to purchase commercial properties if the zoning is prohibitive and with the rumors that they may not be able to do business in rural areas some people have some thoughts have second thoughts to purchase in Homer period. She has not been able to answer any of her clients' questions regarding ordinances or where the best place might be that they could purchase property to operate recreational and medical green enterprises. This is a huge opportunity knocking on Homer's door so please leave the light on and open the door for more jobs, more revenue and more tax income, more tourist income, open the shops and the people will follow. Homer needs to act now through this council and the City Council otherwise investors will go somewhere else. She further stated she was relaying the comment that there should be no restrictions on the licenses issued or the number of licenses here and only a few zoning conditions for these businesses. We know they have to be a certain distance from churches and schools and operated in a protected and secured environment. Both medical and recreational cultivation should be allowed in urban areas as well as rural as this gives everyone equal opportunity for employment and enterprise and the purchasing of properties. The many TV programs about Alaska have put Homer in the limelight. Are we going to turn the light on for the next Boom area or are we turning the lights off and have people buy elsewhere. There is still hope for Homer and potentially great incentives to pull our negative budgets into a positive stream of income for the years to come. Presently she is working with investors to perform medical testing of cannabis they are looking at Homer as well as other areas of the Peninsula. The testing of cannabis and the start of these labs is paramount to having safe product on our streets and could become big business to Homer especially in a lagging economy and not enough jobs to go around; the days of being the Halibut Capital of the world are soon to be over; this will be a real blow to the tourism; marijuana has always been here and will always be here, now is the time for Homer to capitalize on its legality. Please let Homer be in forefront of this industry and chart the course for the rest of the state not the other way around. Her mantra for Homer Come to Homer, Take Action for Homer and Buy in Homer.

Commissioner Burgess responded that the commission is reviewing on what the state is establishing and that deadline is the end of November so the municipality's hands are tied. Commissioner Harris recommended that Ms. Hays tell her clients to keep an eye on what the state is doing. That this commission would gladly welcome them.

Patricia Graham, long time ago that she voted for Chisholm (1972) rather than Nixon but recommended that they invite the National Institute of Health to come to Alaska and Homer, yes, Homer, and have clinical trials on cannabis and sativa, 10 years, double blind, with volunteers and her goal is to make this proposal on this intense study.

Paul Byers, non-resident, commented on the lack of education and the ignorance of the people about what is happening and there are people making rules that don't know anything about it, they are

making the rules, you need to educate yourself. He has a working knowledge of growing it being raised on a farm it was easy. With all the rules that they are doing it's going to make it ridiculous to participate and people are just going to keep it in the black market. There is a real opportunity to make some money but it's not going to happen because of all the rules and costs with the licenses and everything. He reiterated that the commissioners educate themselves regarding the inherent values of cannabis, the potential revenue, business opportunities and future of cannabis for the city.

#### **COMMENTS OF STAFF**

City Planner Abboud had no comments.

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

Chair Young echoed the sentiments of appreciation for the audience comments and encouraged them to keep attending, please spread the word to their friends to comment and talk to the commission regarding items they have on their agenda or items they don't have on their agenda.

Chair Young also encouraged the Commissioners to submit items for the agenda that they wanted to discuss. They can email her or the Clerk and they will make it happen. Thank you for a wonderful meeting.

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

Commissioner Sarno commented that she will not be at the next meeting she will try to attend telephonically. She recommended the commission read Smoke Signals, it is very dense material but she would be glad to loan the book to any of the commissioners. She believed that this is a difficult period because they are constrained by the State, they have to comment on what the State proposes, they just have to get through this period.

Commissioners Robl, Harris and Stead had no comments.

Commissioner Malone thanked the audience for their comments; he understood the frustration at what seemed the slow pace of things, it is happening quickly, just not at this table. Some of the actions taken by other Municipalities are currently in conflict with the state. There may be something more substantive at the next meeting.

Commissioner Jones thanked everyone for coming.

Commissioner Burgess stated he cannot speak for everyone on this commission but he is very interested within the confines of the State, Federal government and the Borough, very interested in expressing the will of the people, which they made very clear at the election that they would like cannabis use to be a part of our community and as a policy crafter on City Council he knows that good, straight forward policy that is accessible to the citizenry, is important; you cannot make it nebulous, or make lots of conditionals on it, it needs to be accessible and people need to be able to understand what they can or cannot do and it needs to represent their will. He thinks this Board has a pretty good group of people that will work towards that end and will make sure it is safe make sure it is accessible and it's on a good, level playing field, so keep coming and keep commenting; he understands that it is frustrating waiting for the State to get their act together, but if they want to direct their energies somewhere he recommended reading the proposed regulations and by all means offer comment he believes that the club issue needs to be commented on more, and that giving municipalities the ability to have their own zoning regulations may not seem super important necessarily, it is to us, because right now if you cannot have a cannabis business within 500 feet of a church that pretty much rules out all of downtown Homer which if you wanted a retail facility that is where he thinks you would prefer to have it, since we don't really want to stick it way out in the suburbs and from a tax standpoint he doesn't think it's a good idea to do it out in the borough because they are going to have to pay for the enforcement and it would be good to see some of that revenue as well. Thanks for coming, keep coming, tell your friends and don't forget to comment to the State.

**ADJOURN**

There being no further business to come before the Commission, the meeting adjourned at 6:38 p.m. The next regular meeting is scheduled for THURSDAY, SEPTEMBER 24, 2015 at 5:30 p.m. in the City Hall Cowles Council Chambers.

---

Renee Krause, CMC, Deputy City Clerk

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