

**MARIJUANA COMMITTEE  
THE CITY AND BOROUGH OF JUNEAU, ALASKA  
October 8, 2015, 6:00 PM.  
Municipal Building - Assembly Chambers**

**I. ROLL CALL**

**II. APPROVAL OF AGENDA**

**III. APPROVAL OF MINUTES**

**A. Draft Minutes - September 24, 2015 Marijuana Committee Meeting**

**IV. PUBLIC PARTICIPATION**

**V. AGENDA TOPICS**

**A. Marijuana Revenue Estimates, prepared by CBJ Sales Tax**

**B. Draft Marijuana Land Use Ordinance, prepared by CBJ Law**

**VI. COMMITTEE MEMBER / LIAISON COMMENTS AND QUESTIONS**

**VII. ADJOURNMENT**

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: [city.clerk@juneau.org](mailto:city.clerk@juneau.org)

# ***DRAFT***

## **CITY AND BOROUGH OF JUNEAU MARIJUANA COMMITTEE MINUTES**

**Thursday, September 24, 2015, 6:00 p.m.  
City Hall Assembly Chambers**

### **I. ROLL CALL**

**Committee Members Present:** Jesse Kiehl, Chairman, Mary Becker, Dennis Watson, Debbie White, Mike Satre, Maria Gladziszewski

**Committee Members Absent:** Bill Peters

**Staff present:** Kim Kiefer, City Manager; Amy Mead, Municipal Attorney; Deb Senn, Law Office Manager/Clerk; Beth McKibben, Planning Manager, CDD; Bob Bartholomew, Finance Director; Ed Mercer, Deputy Police Chief, JPD

### **II. APPROVAL OF AGENDA**

Mr. Kiehl asked that the agenda be amended to include an update by Mr. Satre on Planning Commission actions from its regular meeting on Tuesday, September 22, 2015. Hearing no objection, the agenda was approved as amended.

### **III. APPROVAL OF MINUTES**

Hearing no objection, the minutes of the August 27, 2015 Marijuana Committee meeting were approved.

### **IV. PUBLIC PARTICIPATION**

Mitch Knottingham commented on the roll-out of recreational marijuana establishments, and his desire to do the roll-out well. He stated that Percy's Liquor is owned by his parents, and that Percy's Liquor sells marijuana paraphernalia. Tourists ask on a regular basis if they can buy marijuana at their store. He stated that common sense laws are needed for recreational marijuana, so our city and city coffers can flourish instead of the the black market. He stated that last year the State of Colorado made \$72 million in tax revenue from recreational marijuana, while alcohol pulled in \$42 million in tax revenue. He stated that Juneau receives approximately 1 million tourists from cruise ships each year, and the tourists are potential customers seeking recreational marijuana. Mr. Knottingham stated that oil money is not dependable at this time. He stated that recreational marijuana is a great opportunity and that CBJ needs to take advantage of this opportunity. He stated that CBJ needs common sense

zoning laws that will not squeeze out cultivation, manufacturing, or distribution. He added that there is limited commercial property in Juneau, but residential and rural properties can be utilized for recreational marijuana establishments. He stated that legal cultivation needs to begin on November 1<sup>st</sup>, as cultivation through curing takes approximately six months. He asked the Committee to allow legal cultivation to begin on November 1<sup>st</sup>.

Ben Wilcox wished to discuss city licensing. He stated that the area where recreational marijuana businesses will be allowed is very small, and he asked who would lease to the potential businesses. He stated that potential lessors consulted with banks and business partners and determined they could not lease to potential businesses. The business opportunities are being narrowed down. The State of Alaska is implementing a long licensing process. He stated that CBJ already has plenty of ways to manage use provisions of the business, such as conditional use permits, and zoning laws. He stated the lottery system did not work in Washington - this has been proven. The people you want to succeed are the people that have been here for months and months. The people here want to see this business build and succeed and thrive. He asked the Committee to give the businesses a fair chance.

James Barrett commented on the CBJ compliance officer memo from Mr. Steedle. He stated his support and said it is a good idea to centralize communications with one primary person. He also spoke to the limited cultivation license from the State of Alaska, which is a 500 square foot limited grow operation with a license fee of \$1,000. This type of grower could then sell cannabis to a broker with a different type of license. He asked the Committee to keep in mind the State's two types of licenses for different zones throughout Juneau.

## **V. AGENDA TOPICS**

Mr. Satre provided an update on the Marijuana Committee's recommendations to the Planning Committee. The PC sent the recommendations on to the Title 49 Committee. The recommendations came out with retail and waterfront commercial being eliminated. The Planning Commission addressed this matter again at its September 22<sup>nd</sup> meeting and addressed again under Unfinished Business. The PC reconsidered allowing retail and waterfront commercial which passed by unanimous consent. The PC's recommendation to the Assembly is to allow retail and waterfront commercial.

There was a difference of opinion in allowing cultivation in D1 zoning cultivation outside the Urban Service Boundary, the motion to remove that from the proposed changes failed on a vote of 3 – 5. The Committee's recommendations will come back to Assembly that cultivation would be allowed in Rural Reserve with a CUP, and also in D-1 lands outside of the Urban Service Boundary (portions of Thane, portions of Douglas, and the D-1 lands North of Lena). The PC will make a recommendation to the Assembly that it accept the proposed changes. This will be on Assembly agenda for Introduction after the Law Department has drafted legislation.

One minor change removed MU2 for a CUP. It initially allow for product manufacturing in MU2. The intent of MU2 is far more residential than MU. Product manufacturing is allowed in MU, but eliminated in MU2 (product manufacturing). The motion passed unanimously.

Mr. Satre recommended that the Committee and the public pay close attention to the minutes from both PC meetings regarding waterfront commercial and D1 zoning. Also, Mr. Satre recommended

that Assemblymembers pay particular attention to the public testimony and PC comments on D1 lands outside the Urban Service Boundary, as there were differing opinions. It will help the Assemblymembers as they consider this matter going forward.

Mr. Satre stated that Commissioner Voelckers noted it is hard to figure out which zoning areas to allow certain activities in without knowing what special use provisions might be associated with a CUP. Mr. Satre stated the Committee should move forward as quickly as possible so new businesses can plan and be prepared as well.

Ms. Gladziszewski stated she thought the PC's recommendation would come back to the Committee before going on to Assembly. She asked if the Committee's recommendations should come back for clarification for the Assembly since changes were made by the PC/Title 49 Committee, or if the recommendations should go forward to Assembly?

Mr. Satre stated he forgot one item earlier. A comment came up during public testimony at the PC level, but the PC declined to discuss it – no motions were made. There was a comment to allow retail in the convenience store overlay in residential districts. There was some thought that packaged marijuana product could be sold in convenience stores. Mr. Satre expects that this public testimony will follow to the Assembly in the future.

**A. Memo re Technical Support for Startup of the Marijuana Industry, Deputy City Manager Rob Steedle to Marijuana Committee Chair, Jesse Kiehl**

Kim Kiefer spoke to the memo from Mr. Steedle who was not present at this meeting. With this new business a central person would be needed to educate the public informing them of all necessary paperwork requirements, provide technical assistance through the permitting process, follow up with inspections, and ensure that the businesses are operating in compliance with permit rules. Ms. Kiefer stated that this is a new business and CBJ needs to assure that the startup of the new business is implemented as best as possible. This position may not need to be long term, it could be a short term position, but it's an unknown at this time what the demand will be, or if it will take on the area of providing some level of licensing, also an unknown. Licensing may or may not be a duty depending on what State of Alaska does. The revenues from the new business will pay for at least half of the position. In the long term it can also be used to bring back some of the compliance needs that we have not been able to do because of the reduction in staff over the past few years.

Mr. Watson asked if this position would be a full time permanent position, or would the position split duties as done with compliance positions in the past.

Ms. Kiefer stated it would be a permanent full time position. The CBJ does not know what the demand will be so it is not possible to answer that question for certain at this point in time.

Ms. Becker stated it may be a little premature to decide about the new position and it will depend on what the State decides.

Ms. White asked for comments from Ms. McKibben about the new position idea, since she knows her department better than anyone else. Ms. White stated that the actual building season starts in March or April, if the ground is thawed out, and she asked Ms. McKibben when do the applications come in.

Ms. McKibben stated that most of the building permits, land use, and long range planning happen all year round. Bigger projects ideally would come in earlier in the year so they are ready to go when the building season starts.

Ms. White asked if there is a busier time of year.

Ms. McKibben stated that it always feels busy.

Mr. Kiehl asked what do application fees look like for CUPs, which is the PCs recommendation for all of the marijuana activity types.

Ms. McKibben stated fees range from \$300 to thousands of dollars, depending on what the use might be. She was not sure where the marijuana establishments might fall in that scale. Commercial uses are based on the square footage of the use. There is a \$50 sign permit fee and a \$100 deposit that goes back to the business when the sign comes back.

Mr. Kiehl stated that the Assembly has been told in the past that the fees that the CBJ charges for CUPs and various development permits do not fully cover the CBJ staff time.

Ms. McKibben agreed, stating “absolutely not” – CBJ fees do not cover the CBJ staff time required to process permits.

Ms. McKibben stated that CUPs fees may not cost much based on schedule, but the amount of time spent could be huge. At some neighborhood meetings issues can be controversial and this adds to staff time, in addition to the staff research time and analysis.

Mr. Watson stated that from his experience on the PC that CBJ can anticipate extensive public comment, public questions, and public needs, which in turn will require more research by CBJ staff just to get to the PC level. The public is certainly entitled to this. There have been a number of similar projects we have had over the years which have turned testy, lengthy, and more expensive than most. Mr. Watson stated that his experience on the PC over the years with other CUPs would support his comments.

Mr. Kiehl stated it would be useful to the Committee to have a schedule of the likely CUP applications, perhaps by a couple of use types – small cultivator and larger grower – to assess what existing fees might look like. He asked if Ms. McKibben could generate an estimate of staff time that would be useful to inform the Committee for building recommendations.

Ms. McKibben stated she could come up with estimates.

Ms. Gladziszewski asked for clarification to confirm the duties of the new position.

Mr. Kiehl stated planners currently do the code enforcement work. The possibility of splitting those duties does exist.

Ms. Gladziszewski asked Mr. Kiehl what he was asking staff for.

Mr. Kiehl stated he wished to look at both pieces – whether to add staff to CDD, or not. The Committee could recommend adding staff at CDD, or not, or it could remain silent on the matter. He stated the Committee needs more information before it can address the matter.

Ms. McKibben stated that the CUP process can be framed very well for the Committee. The licensing piece, which she understood the new position would be doing, as well as the enforcement, CDD does not know what that looks like, it is an unknown at this time – so CDD cannot provide that information yet. Also, she stated that when the duties are performed for some time the person will become more efficient.

Mr. Satre stated that the current system of planners doing enforcement is sub-optimal at best. He stated that whether CBJ goes back to compliance officers or creating the new position, that is what should be done.

Ms. Gladziszewski stated that licensing will need compliance, and once restrictions and inspections are needed the Committee will know the workload for staff. A workload assessment is needed, and the regulations will help determine that.

Ms. Becker stated that the State will be doing licensing as well as what CBJ is able to do. It may not be a full responsibility for CBJ. She stated it could be less work than CBJ being totally responsible for processing new businesses from start to finish.

Ms. Mead stated that there is a provision in Title 17 that allows CBJ to have a Local Regulatory Authority (LRA), which this could potentially be. This would allow CBJ to receive one half of the fees, as mentioned in public testimony. This is only the case if CBJ has someone who is processing the State licenses. What that process is going to be has not been decided yet, so I don't know what the level of involvement is, if it's just a paper pusher, or if there are inspections associated with it. I have not seen any information at this point on how this interaction would work between CBJ and the State.

Mr. Kiehl stated that Ms. McKibben will provide more numbers as we move forward.

#### **B. Special Use Provisions for Title 49, presented by Beth McKibben, Planning Manager, Community Development Department**

See all presentation materials at: <http://www.juneau.org/clerk/ASC/MARIJUANA/20150924MC.php>

Ms. Mead stated that the idea for how the special use provisions will work has been discussed by CDD and Law. The starting point for that discussion was the direction received from the Committee thus far, and that the intent is to have a local license. The first part of the process is that businesses will require a CUP. Through the CUP permit process the PC is allowed to address certain things articulated in Code, such as screening, lighting, and traffic. There is a catch-all provision under the CUP process for other things the PC would like to impose that address issues such as neighborhood harmony, public health, safety, and welfare, and compliance with the Comprehensive Plan. If CBJ were to use the CUP permit process alone to impose conditions on this industry that the Committee is thinking of imposing, CBJ would lose the ability to impose a license. In order to have a business specific license, the license has to be tied to Code provisions that are specific to that industry only. Many businesses have conditional use permits, CBJ could not pull a license for failure to comply with

a CUP, but CBJ could pull the permit. CBJ has to take the same enforcement action on all businesses if the Code provision being relied upon applies to all businesses.

Mr. Kiehl stated he had asked staff to bring a laundry list of options to the Committee for consideration. He stated that the heft of what was provided reflects his request to staff not necessarily what staff recommends. Staff brought a broad spectrum so the Committee could review and say 'yes' or 'no' to the laundry list of options.

Ms. McKibben stated her actual memo dated September 24, 2015, consists of six pages. The additional pages (99 pages total) include examples requested by the Marijuana Committee.

Ms. McKibben reviewed her PowerPoint presentation entitled, Special Use Provisions for Marijuana Establishments.

Ms. Mead stated anyone with a financial interest in a marijuana business has to be part of the license (in regards to collective / communal growers outside of residence).

Ms. McKibben stated that CDD also recommends not allowing growing in storage units / boat condos, where persons do not reside.

Mr. Watson asked if CBJ will have the option to change the buffers later on, and if the buffer is not in place initially will the initial licensees be grandfathered in? For example, if CBJ does not impose a buffer and later decides a buffer is needed.

Ms. Mead stated that the licensee who is not required initially to have a buffer is grandfathered in. All new licensees would be required to have a buffer however.

Mr. Kiehl asked about the limited hours of transport reference in Ms. McKibben's presentation, and why those hours of transport are good limitations.

Ms. McKibben stated the transport hours are ordinary business hours. Limiting time of operations gives way to limits on transport. She stated Ms. McNally did most of the research on this topic, and offered to bring back more information on why.

Mr. Kiehl stated he would like more information on the creation of transport hours, if only for his own benefit.

Mr. Kiehl asked for clarification of use of flammable gases, that they be prohibited except in a licensed processing facility – and prohibited for personal use.

Ms. McKibben stated that the personal use of combustibles is what has impacted the safety of residents the most.

Ms. Gladyszewski asked about other communities that have local regulations, and she inquired about recordkeeping and access to business records - can CBJ include a requirement for its access to business records?

Ms. McKibben stated that some regulations cannot be addressed in Title 49. She deferred this question to the Law Department.

Ms. Mead stated that recordkeeping is important for the sales tax tracking. She stated that if it is determined useful to provide for CBJ access to the inventory system, if the SOA does not respond to our request for access to records, this would be something to add to the CBJ Sales Tax Code. When the decision is made to impose sales tax, whether it is an excise tax or sales tax, then that is when recordkeeping requirements would be discussed and included.

Mr. Kiehl stated that the Committee is preparing the conversation regarding taxation for a future agenda. He said he would welcome Committee members' recommendations for proposals to put forward for that agenda.

Ms. Gladziszewski inquired about other issues for the Committee to consider, in addition to land use matters.

Ms. McKibben stated that there is the CUP and the land use issues. Those issues specific to marijuana are odor control and screening. We also went through the Special Use regulations, and they are the regulations that are specific to receiving the license. A person would receive their CUP permit, and then they would apply for their license. The new position discussed this evening would be responsible for taking that license and going through the application then license checklist(s) of requirements, and then follow through with the enforcement.

Ms. Mead stated that this was why she included her February 23<sup>rd</sup> memo in this packet. The CBJ is limited under State law to regulating time, place and manner (which are land use and zoning regulations). The only other areas CBJ has to look at are taxation, harbors, airport, and personnel codes.

Mr. Kiehl stated the Committee could ask staff for a draft ordinance for the next meeting, or the Committee can check 'yes' or 'no' to the laundry list items.

Ms. White stated that she would prefer the Committee commit a serious work session to address each issue one at a time.

Ms. Gladziszewski asked for clarification regarding the 'laundry list'.

Mr. Kiehl stated that included the issues in the memo from lengthy memo from CDD, the early memo from Law, and over the meetings a number of other municipality ordinances mostly from Colorado and Washington. He stated it is time to put pen to paper. The Committee has not written or asked staff to draft, but it is time to do so.

Mr. Watson stated he had been down the road with the cell tower ordinance, noise ordinance, etc. He requested that the Law Department bring a draft ordinance with its best thoughts. The Committee could then review and make a list. He stated time is of the essence.

Ms. White stated she deferred to Mr. Watson's years of experience on the Planning Commission.

Ms. Gladziszewski stated that the memo starts the ordinance. There are also other ordinances to glean ideas from.

Mr. Becker inquired if the State was far enough along for Law to draft the ordinance.

Mr. Kiehl stated that the State will send out its revised version of the regulations for final public comment within 1 ½ weeks. The State Marijuana Control Board did accept all of its changes. The Committee will see the State's revised version out for comment before this Committee acts. Depending on the date of adoption for the State regulations, the State's final regulations will likely be available before the Assembly takes its final action.

Ms. Gladziszewski stated the State must accept applications by February 24<sup>th</sup> and they are required to issue licenses within 90 days, or by May 2016.

Ms. Mead stated that the State regulations must be completed by November 24<sup>th</sup>. The CBJ cannot allow the sale of marijuana by a marijuana establishment at this time.

Mr. Satre asked if somebody could purchase Rural Reserve land and with a CUP plant seeds and begin growing marijuana.

Ms. Mead said the only marijuana allowed now is for personal use. The TPU was addressed first due to the State's application process - they had to identify where the growers would operate, and in order to do that they needed to know where CBJ would allow businesses to operate.

Ms. Gladziszewski asked if businesses had to wait until May 2016 to begin commercial operations and cultivation.

Ms. Mead stated that the State could issue the licenses any time after February 24<sup>th</sup>. They may issue the licenses quicker than the 90 days.

### **C. Planning Commission Testimony from September 22, 2015**

The Planning Commission testimony was an informational item only. There were no questions or comments regarding this item.

## **VI. COMMITTEE MEMBER COMMENTS AND QUESTIONS**

Mr. Watson inquired when the Marijuana Committee would complete its work, and if the Committee would stay active beyond February 24<sup>th</sup>.

Mr. Kiehl stated his hope is that by December the Committee will inform the Mayor that the Committee has done all they can do, and that the Committee will be disbanded. The Mayor did not set a hard deadline for the life of the Committee.

Ms. White stated she was happy to get started on the ordinance.

Ms. Becker inquired if Ms. Mead would bring the first draft of an ordinance to the Committee.

Mr. Kiehl stated that the request was for staff to bring a draft ordinance to the Committee at its October 8, 2015 meeting for the Committee's review and comments.

Ms. Becker inquired if Ms. Mead would draft the ordinance after the State's public comment period ended.

Ms. Mead stated she plans to get a framework in place. She said she did not need to wait on the licensing process piece. She would then finish shortly after the revised State regulations go out for public comment. This will give the Committee a draft for discussion. After the State regulations are finalized any further changes can be made to the CBJ ordinance.

Mr. Kiehl stated his understanding was that the State Marijuana Control Board finished its first work-through of its regulations today. The State will post its regulations for public comment around October 5, 2015 for 30 days, and then the State MCB will rework the State's regulations again.

Ms. Gladziszewski asked if the Committee was agreeable with the land use recommendations going straight to the Assembly. There was no objection from the Committee.

Mr. Kiehl asked the public to review legislation from other municipalities and the CBJ draft ordinance. He requested that the public, staff, and Committee members bring any comments or questions forward to the Committee.

## **VII. SUPPLEMENTAL MATERIALS**

- A. Attorney Memo dated September 22, 2015 (with attachments) re Land Use Regulations and Follow Up to February 23, 2015 Memo
- B. CDD PowerPoint presentation dated September 24, 2015 re Special Use Provisions for Marijuana Establishments

See all presentation materials at: <http://www.juneau.org/clerk/ASC/MARIJUANA/20150924MC.php>

## **VIII. ADJOURNMENT**

There being no further business to come before the Committee, the meeting adjourned at 7:30 p.m.

Submitted by Deb Senn, Law Office Manager/Clerk

# Marijuana Revenue Estimates

## CBJ Marijuana Committee

October 8, 2015

### CBJ Revenue Estimates

<i>Data Sourced from State of Washington DOR</i>				<i>CBJ Revenue Estimates</i>		
Reporting Period	Retail Sales	# Licenses	Sales / Lic	Estimated Sales Tax Revenue per License (8% rate)	Estimated Sales Tax Revenue per License (10% rate)	Estimated Sales Tax Revenue per License (15% rate)
Jul-14	\$ 2,000,987	18	\$ 111,165.97	\$ 8,893.28	\$ 11,116.60	\$ 16,674.90
Aug-14	\$ 4,794,259	31	\$ 154,653.53	\$ 12,372.28	\$ 15,465.35	\$ 23,198.03
Sep-14	\$ 5,810,505	46	\$ 126,315.33	\$ 10,105.23	\$ 12,631.53	\$ 18,947.30
Oct-14	\$ 7,742,560	60	\$ 129,042.67	\$ 10,323.41	\$ 12,904.27	\$ 19,356.40
Nov-14	\$ 9,091,369	76	\$ 119,623.28	\$ 9,569.86	\$ 11,962.33	\$ 17,943.49
Dec-14	\$ 11,605,492	86	\$ 134,947.58	\$ 10,795.81	\$ 13,494.76	\$ 20,242.14
<b>2014 Monthly Average:</b>				\$ 10,343.31	\$ 12,929.14	\$ 19,393.71
<b>2014 Annual Average:</b>				\$ 124,119.74	\$ 155,149.67	\$ 232,724.51

### CBJ Revenue Estimates

<i>Data Sourced from State of Washington DOR</i>				<i>CBJ Revenue Estimates</i>		
Reporting Period	Retail Sales	# Licenses	Sales / Lic	Estimated Sales Tax Revenue per License (8% rate)	Estimated Sales Tax Revenue per License (10% rate)	Estimated Sales Tax Revenue per License (15% rate)
Jan-15	\$ 13,096,423	98	\$ 133,636.97	\$ 10,690.96	\$ 13,363.70	\$ 20,045.55
Feb-15	\$ 16,085,904	106	\$ 151,753.81	\$ 12,140.31	\$ 15,175.38	\$ 22,763.07
Mar-15	\$ 21,362,807	120	\$ 178,023.39	\$ 14,241.87	\$ 17,802.34	\$ 26,703.51
Apr-15	\$ 24,854,351	133	\$ 186,874.82	\$ 14,949.99	\$ 18,687.48	\$ 28,031.22
May-15	\$ 30,303,479	146	\$ 207,558.08	\$ 16,604.65	\$ 20,755.81	\$ 31,133.71
Jun-15	\$ 33,276,680	161	\$ 206,687.46	\$ 16,535.00	\$ 20,668.75	\$ 31,003.12
Jul-15	\$ 31,454,705	163	\$ 192,973.65	\$ 15,437.89	\$ 19,297.37	\$ 28,946.05
Aug-15	\$ 34,999,450	172	\$ 203,485.17	\$ 16,278.81	\$ 20,348.52	\$ 30,522.78
<b>2015 Monthly Average:</b>				\$ 14,609.93	\$ 18,262.42	\$ 27,393.63
<b>2015 Annual Average:</b>				\$ 175,319.20	\$ 219,149.00	\$ 328,723.51

\*\*Please note that these revenue estimates are based off of retail sales figures reported by WA State marijuana businesses. Due to the numerous differences between WA State and Juneau, it is more likely than not that the "per license" retail sale average seen by WA is greater than what CBJ would actually experience.

Presented by: The Manager  
Introduced:  
Drafted by: A. G. Mead

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2015-\_\_\_\_**

**An Ordinance Amending the Land Use Code to Provide for the Regulation of Marijuana Use and Marijuana Establishments and Providing for a Penalty.**

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1. Classification.** This ordinance is of a general and permanent nature and shall become a part of the City and Borough of Juneau Municipal Code.

**Section 2. Amendment of Chapter.** CBJ 49.65 Specified Use Provisions is amended by adding a new article to read:

**ARTICLE X. MARIJUANA ESTABLISHMENTS**

**49.65.1100 Purpose.**

It is the purpose of this article to establish reasonable regulations that allow for the operation of marijuana establishments within the City and Borough in a manner that promotes public health, safety and general welfare.

**49.65.1110 Licensed required.**

(a) No person may operate a marijuana establishment within the City and Borough without a conditional use permit, a valid license issued by the City and Borough, and a valid license issued by the State of Alaska. The following types of licenses may be issued under this article:

- (1) Marijuana retail store license;
  - (2) Marijuana cultivation facility license;
  - (3) Marijuana product manufacturing facility license; and
  - (4) Marijuana testing facility license.
- (b) A separate license shall be required for each specific business or business entity or for each geographic location.
- (c) Upon denial or revocation of a marijuana establishment license issued by the State of Alaska, any license issued by the City and Borough under this article shall be null and void. If a court of competent jurisdiction determines that the issuance of local licenses violates State or federal law, all licenses issued under this article shall be deemed immediately revoked by operation of law, with no ground for appeal or redress on behalf of the licensee.
- (d) The annual business license fee must be paid either on or before January 1 of each year.

#### **49.65.1120 Prohibited Acts.**

*Concept: unlawful to:*

- *Engage in business without a license*
- *Engage in business contrary to any provision, term, or condition of license or regulation issued under this article*
- *For any person to obtain or attempt to obtain a license by making a false statement in the application, or by any other fraudulent or deceptive means.*
- *For any person to forge, counterfeit, or fraudulently alter a license under this article*

- *For any person to obstruct, impede or otherwise refuse to allow an administrative inspection authorized under CBJ 49.65.11\_\_*
- *For any person licensed or regulated under this article to knowingly or willfully authorize, order, instruct or permit an employee, agent or person under the licensee's control to do an act in connection with the licensed activity which violates any provision of this article or any license issued under this article.*

**49.65.\_\_ Application for license.**

(a) An applicant for a Marijuana Establishment License shall submit an application on a form provided by the department accompanied by the appropriate fee. Applications must include the following documentation: [Will CBJ establish a local regulatory authority or position to process these applications and will that person/entity serve as the LRA for State purposes as well?]

- (1) If the applicant is not a natural person, the organizational documents for all entities identified in the application;
- (2) A copy of the lease or deed for the property upon which the marijuana establishment will be located [Consent from property owner?];
- (3) A site plan of all buildings on the property where the premises is located, including, but not limited to: a floor plan showing how the floor space is or will be used; parking for the premises; total floor area of the building(s); and the nature and location of any existing or proposed exterior lighting and signage;
- (4) A list of all other uses on the property;

(5) A list of all proposed changes or modifications to the premises;

(6) A security plan indicating how the applicant will comply with the requirements of this article and any other applicable law; [may need to specifically exempt from disclosure under the public records act]

(7) A copy of the Notice of Decision approving the conditional use permit by the City and Borough of Juneau Planning Commission;

(8) A certificate of financial good standing with the City and Borough that the applicant is not delinquent in the payment of property taxes, utility bills or delinquent in the reporting or remittance of sales tax to the municipality; and

(9) Any additional documentation determined by the department to be necessary to make a decision whether to approve or deny the license application, or approve with conditions.

(b) Special requirements. In addition to the above, applicants must satisfy the following requirements when applying for certain types of licenses:

(1) Marijuana retail store license applicants [\_\_\_\_\_]

(2) Marijuana cultivation facility license applicants must provide a ventilation and filtration plan, describing the systems that will be used to prevent the detection of any odor of marijuana from the licensed premises. [Should ventilation plans be required of all types of facilities?]

(3) Marijuana product manufacturing facility license applicants and marijuana testing facility license applicants must specify all means to be used for extraction, heating, washing or otherwise changing the form of the marijuana plant, along with proposed ventilation and safety measures to be implemented for each process.

(4) Marijuana cultivation facility license applicants and marijuana product manufacturing facility license applicants must specify the methods to be used to prevent the growth of harmful mold and compliance with limitations on discharge into the wastewater system.

**49.65.\_\_\_\_ Inspection of premises.**

*Scope?*

**49.65.\_\_\_\_ Term of license; renewal.**

*Concepts: Licenses are issued to the applicant and do not run with the land.*

*If applicant desires to modify the subject facility by changes to equipment or any approved plan, an amendment to the original application shall be submitted for review and approval. The director shall determine whether the modification has substantial impacts or is considered a minor amendment. The director may approve minor amendments. A substantial impact = PC. [Should this be separate code section? Is decision appealable?]*

*Licenses are valid only as long as the applicant holds a current license from the state and is in compliance with conditional use permit.*

*Duration: Business licenses are effective for a calendar year with all licenses expiring on December 31<sup>st</sup>.*

*Renewals – automatic? Require annual application?*

**49.65.\_\_\_\_ Transfer of ownership.**

No license granted or issued under any of the provisions of this title shall be in any manner assignable or transferable.

**49.65.\_\_\_\_ Correction orders.**

**49.65.\_\_\_\_ Grounds for suspension or revocation.**

**49.65.\_\_\_\_ Procedure for suspension or revocation.**

**49.65.\_\_\_\_ Appeal.**

**49.65.\_\_\_\_ Judicial review.**

**49.65.\_\_\_\_ Penalty.**

(a) Operation of a marijuana facility without a valid license is a [civil violation? Criminal violation? ]

(b) The City and Borough may seek a court order enjoining the continued operation, within the municipality, of any business whose owner or operator fails to comply with correction orders issued under CBJ 49.65.1160, terms of any decision on appeal under CBJ 49.65.1180, or who fails to cease operation following suspension or revocation of a license under CBJ 49.65.1170.

**49.65.\_\_\_\_ Hours of operation.**

A licensed premises may open no earlier than \_\_\_\_ and shall close no later than \_\_\_\_ the same day, Monday through Sunday. No marijuana shall be sold or dispensed at a licensed premises when the licensed premises is required to be closed pursuant to this section.

**49.65.\_\_\_\_ Documents to be displayed.**

Marijuana retail store facilities must post the following in a conspicuous location inside the establishment near the main entrance:

- (1) A copy of the Marijuana Retail Store License; and
- (2) A sign [size? color?] that contains the following text

**49.65.\_\_\_\_ Ventilation/odor plan.**

*Concept: require a particular ventilation standard to be met (exchange x amount of air per x amount of time? Use of particular filter?) or tie to subjective? Install tech to prohibit odors from emanating beyond the subject property lines to prevent impacts on adjacent properties? Require of all establishments or just cultivation?*

**49.65.\_\_\_\_ Waste Plan and Maintenance.**

**49.65.\_\_\_\_ Security.**

**49.65.\_\_\_\_ Age requirements.**

**49.65.\_\_\_\_ Signage.**

**49.65.\_\_\_\_ Packing and labeling of marijuana products.**

**Section \_\_\_\_.** Amendment of Section. CBJ 49.80.120 Definitions, is amended by the addition of the following definitions to be incorporated in alphabetical order:

**Section \_\_\_\_.** Amendment of Section. CBJ 49.85.100 Generally, is amended to read:

**49.85.100 Generally.**

Processing fees are established for each development, platting and other land use action in accordance with the following schedule: [NOTE: CDD to decide processing fee for license and where to add marijuana establishments to subsection (3)...amend which class?]

Code section?

**Section \_\_. Effective Date.** This ordinance shall be effective 30 days after its adoption.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Merrill Sanford, Mayor

Attest:

Laurie J. Sica, Municipal Clerk