



## MEMORANDUM

TO: Chair and Members of the Board      DATE: July 1, 2016  
FROM: Cynthia Franklin      RE: Janiese Stevens, #10032  
Director, Marijuana Control Board

This is an application for a new standard marijuana cultivation facility in the City of Kodiak by Janiese Stevens DBA Three Sisters Co-op. The application was approved with delegation at the last board meeting awaiting a response from the City of Kodiak. On June 28, 2016, the City of Kodiak notified the director and staff of an opt-out ordinance passed by second reading that becomes effective July 1, 2016.

Local Government Response/Date: Telephone meeting June 28, 2016

Date of Ordinance Passage: 05/24/2016

Effective Date of Ordinance: 07/01/2016

Effect of Ordinance: 6 month moratorium on all MJ establishments in City of Kodiak

Recommendation for Board: Discuss options with licensee, remove delegation from director to issue license, consider tabling to December, 2016 or February, 2017 MCB meeting

**CITY OF KODIAK**  
**RESOLUTION NUMBER 2016-16**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ESTABLISHING A MARIJUANA ADVISORY SPECIAL COMMITTEE**

WHEREAS, State Ballot Measure 2, An Act to Tax and Regulate the Production, Sale, and Use of Marijuana, was approved by voters statewide on November 4, 2014; and

WHEREAS, the Kodiak City Council desires to form a committee consisting of two Councilmembers, two City retail business owners, and two City resident at-large members to recommend guidelines for implementing taxation, regulation, production, sale, and use of marijuana within the Kodiak City limit.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that a Marijuana Advisory Special Committee is hereby established.

BE IT FURTHER RESOLVED THAT:

- Section 1. Membership/Quorum. The Marijuana Advisory Special Committee shall consist of the following six members appointed by the City Council.
- a) Two members of the City Council of which one member shall be designated as Chair and one as Vice-chair
  - b) Two business owners within the City
  - c) Two City resident at-large members

The City Manager, Deputy Manager, and City Clerk as well as additional City staff designated by the City Manager shall serve as nonvoting consulting members of the Committee. The City Attorney shall serve as a nonvoting consulting member of the Committee when requested by the City Manager.

Four voting members shall constitute a quorum.

- Section 2. Terms of members.
- a. The Committee shall be in effect until it presents its final report to the City Council.
  - b. Any Committee member who shall have two successive unexcused absences shall be subject to removal by the Committee by a majority vote of the members present.

- Section 3. Powers/Duties. It shall be the duty of the Marijuana Advisory Special Committee to act in an advisory capacity to the City Manager and the City Council on the regulation of marijuana and operation of marijuana facili-

ties within the Kodiak City limit. Further duties shall include, but not be limited to:

- Review taxation/fees, regulation, production, sale, use, and other issues related to implementation of marijuana laws and operating procedures within the Kodiak City limit.
- Recommend the implementation of laws and policies governing marijuana in the City.
- Analyze the economic impact of marijuana regulation in the City.

The Committee shall not have direct power to affect policy determinations but shall make recommendations to the City Council and administration.

Section 4. Meetings/Duration. Marijuana Advisory Special Committee meetings shall be open to the public, and public notice shall be provided at least three days prior to each meeting. The Committee shall meet at the call of the Chair and shall meet as often as necessary to complete its task prior to the expiration of Ordinance 1350. Permanent records or minutes shall be kept of the vote of each member upon every question. Every decision of finding shall immediately be filed in the office of the City Clerk, and shall be a public record open to inspection by any person. Every decision of finding shall be directed to the City Council at the earliest possible date.

Section 5. Administrative Support. The City Clerk's Office shall provide administrative support.



ATTEST:

*Michelle (Shirley) Nelson*  
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for CITY CLERK

CITY OF KODIAK

*Pat Ryan*  
\_\_\_\_\_

MAYOR

Adopted: May 12, 2016

**CITY OF KODIAK  
ORDINANCE NUMBER 1350**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK ENACTING  
KODIAK CITY CODE CHAPTER 5.52 PROHIBITING MARIJUANA ESTABLISH-  
MENTS IN THE CITY**

BE IT ORDAINED by the Council of the City of Kodiak, Alaska, as follows:

**Section 1:** Kodiak City Code Chapter 5.52, Marijuana Establishments, is enacted to read as follows:

**Chapter 5.52  
MARIJUANA ESTABLISHMENTS**

**Sections:**

- 5.52.010 Definitions.
- 5.52.020 Interpretation.
- 5.52.030 Marijuana establishments prohibited.
- 5.52.040 Violation—penalty.

**5.52.010 Definitions.**

In this chapter:

"marijuana" means all parts of the plant of the genus cannabis whether growing or not, the seeds thereof, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or its resin, including marijuana concentrate; "marijuana" does not include fiber produced from the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant which is incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products.

"marijuana cultivation facility" means an entity registered to cultivate, prepare, and package marijuana and to sell marijuana to retail marijuana stores, to marijuana product manufacturing facilities, and to other marijuana cultivation facilities, but not to consumers;

"marijuana establishment" means a marijuana cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility, or a retail marijuana store.

"marijuana product manufacturing facility" means an entity registered to purchase marijuana; manufacture, prepare, and package marijuana products; and sell marijuana and marijuana products to other marijuana product manufacturing facilities and to retail marijuana stores, but not to consumers.

"marijuana products" means concentrated marijuana products and marijuana products that are comprised of marijuana and other ingredients and are intended for use or consumption, such as, but not limited to, edible products, ointments, and tinctures.

"marijuana testing facility" means an entity registered to analyze and certify the safety and potency of marijuana.

"retail marijuana store" means an entity registered to purchase marijuana from marijuana cultivation facilities, to purchase marijuana and marijuana products from marijuana product manufacturing facilities, and to sell marijuana and marijuana products to consumers.

5.52.020 Interpretation.

All terms used in this chapter that are defined in AS 17.38 or the regulations promulgated thereunder shall be interpreted in accordance with such definitions.

5.52.030 Marijuana establishments prohibited.

The operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, and retail marijuana stores in the city is prohibited.

5.52.040 Violation—penalty.

A violation of this chapter is an offense punishable by a fine not exceeding \$1,000, plus any surcharge required to be imposed by AS 12.55.039.

**Section 2:** This ordinance shall be effective one month following final passage and publication in accordance with Kodiak Charter Article II Section 13, and shall expire six months after its effective date.



CITY OF KODIAK

MAYOR

ATTEST:

DEPUTY CITY CLERK

First Reading: May 12, 2016

Second Reading: May 26, 2016

Effective Date: July 1, 2016

**From:** [Franklin, Cynthia A \(CED\)](#)  
**To:** [Oates, Sarah D \(CED\)](#)  
**Subject:** FW: Three Sisters Back on MCB Agenda July 7-8  
**Date:** Friday, July 01, 2016 12:37:33 PM

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Please include in Three Sisters Tab

Cynthia Franklin, Director  
Alcohol & Marijuana Control Office  
907-269-0351

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**From:** Janiese Stevens [mailto:jstevens@ak.net]  
**Sent:** Wednesday, June 29, 2016 12:15 PM  
**To:** Franklin, Cynthia A (CED)  
**Subject:** RE: Three Sisters Back on MCB Agenda July 7-8

Yes,

I was made aware of the city's 6 month opt out and they are assuring me once the 6 months has passed they will move forward with applications. My question would be: can my application just be put to the side and re-approved once the January 1 opt out expires or will I have to completely re-apply? Also, I live on Kodiak so will not be in Fairbanks but can attend this meeting telephonically, what time will be meeting be and how do I call in?

Janiese

Janiese Stevens, CPA  
Wallstrum, Stevens, CPA, LLC  
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we may discuss it with you.

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**From:** Franklin, Cynthia A (CED) [<mailto:cynthia.franklin@alaska.gov>]  
**Sent:** Wednesday, June 29, 2016 11:49 AM  
**To:** [jstevens@ak.net](mailto:jstevens@ak.net)  
**Cc:** Marijuana Licensing (CED sponsored) <[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)>; Oates, Sarah D (CED) <[sarah.oates@alaska.gov](mailto:sarah.oates@alaska.gov)>  
**Subject:** Three Sisters Back on MCB Agenda July 7-8

Dear Ms. Stevens,

We received communications from the City of Kodiak that the City Council voted on May 26, 2016 to opt-out of allowing commercial marijuana establishments in Kodiak effective July 1, 2016. We have placed your license application on the agenda for the July 7-8 Marijuana Control Board Meeting in Fairbanks where I will ask the board to remove its delegated approval of your license and consider what to do with it. It would be very wise for you to attend the meeting, at least by phone, so that you can understand what is happening with your license application. Thanks,

Cynthia Franklin, Director  
Alcohol & Marijuana Control Office  
907-269-0351