THE STATE of ALASKA
GOVERNOR BILL WALKER

Department of Commerce, Community, and Economic Development

ALCOHOL AND MARIJUANA CONTROL OFFICE

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MEMORANDUM

TO: Peter Mlynarik, Chair, and Members of the Marijuana Control Board

DATE: July 12, 2017

FROM: Erika McConnell, Director

RE: Alaskan Blooms #10073, Standard Cultivation Facility MJ-14 and MJ-15

This cultivation facility in Fairbanks appears to be located on four separate lots with the same address. The two lots on the north side are separated from the two lots on the south side by an alley currently owned by the Fairbanks North Star Borough (FNSB). The applicant has signed a contract to purchase the strip of alley between the lots, the FNSB Assembly has authorized the sale, and the sale is expected to close on or before September 30, 2017.

When the original license application came before the board in July 2016, the application stated the premises was at 2448 Arvilla Street. The licensed premises diagram (MJ-02) submitted showed only the inside of a building (two stories). It appears this is Building A, located on the northeast lot of the four owned by Bloom Enterprises.

The first MJ-14, approved in October 2016 by Director Franklin, shows only the same building as in the MJ-02, with all marijuana activity removed from the second floor.

The second MJ-14, approved in December 2016 by Director Franklin, adds Building B to the licensed premises, although the licensed premises only includes the buildings—not the space in between. Building B is on the southwest lot of the four. The space in between the two buildings includes the alley.

This third MJ-14 currently before the board expands the licensed premises to cover four lots (all under one address) with the alley cutting down the middle. As noted, the licensee is in the process of purchasing the strip of alley between the lots. The licensee plans to add three greenhouses to the property, on the southeast lot. The greenhouses and the two existing buildings would be restricted access areas.

An MJ-15 operating plan change was approved by the Board on February 2, 2017, and appeared to correspond with the December 2016 licensed premises change. In the MJ-15 currently before the board, the applicant indicates the greenhouses will be "solid wood structures with solid corrugated translucent plastic panels." The approved security measures

state that "The facility will be outfitted with reinforced security walls to separate all public areas of the premises from all cultivation areas, marijuana processing and storage areas, and restricted access areas." This statement is slightly confusing as there were no "public areas" shown on the original MJ-02 and should be no public areas at a marijuana cultivation facility. The February amendment added that marijuana transported between the two buildings (and thus off the licensed premises) would be transported in an opaque container.

Recommendation: I recommend that the Board require the applicant to fence the entire licensed premises and provide information to AMCO regarding the fence and additional camera placement required for the new premises areas. Additionally I recommend that the Board approve the MJ-14 and MJ-15 applications with delegation, pending the receipt of the security information for review and approval by the director, and pending the transfer of ownership of the alley from the FNSB to the licensee.

Alternately, the board may delegate approval to the director.