THE STATE of ALASKA
GOVERNOR BILL WALKER

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

MEMORANDUM

TO:	Marijuana Control Board	DATE:	August 15, 2018
FROM:	Erika McConnell, Director	RE:	The Grass Frontier,#15304, Retail Store

This application for a retail store is from GFR LLC, whose membership is as follows:

Amilee Pasco 30%
Anthony Mann 20%
John Pattee 35%
Mark Pierce 7.50%
William Ingram 7.50%

Mr. Pattee did not apply for a permanent fund dividend this year and submitted an MJ-18 form instead. Investigator Chiesa evaluated the MJ-18 form, interviewed Mr. Pattee, and obtained additional documents from him. Investigator Chiesa determined that Mr. Pattee is not a resident of the state as defined in 3 AAC 306.015(e) because he did not meet the residency requirement under AS 43.23 for 2017, the year in which the application was initiated. Mr. Pattee was present in Alaska only 66 days in 2017, although he stated on his signed and notarized MJ-18 that he was not gone from the state for more than 180 days in 2017.

I recommend the board deny this application.

Attached: Report of Investigator Chiesa

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MEMORANDUM

TO: Erika McConnell, Director

FROM: Michael Chiesa, Special Investigator I

DATE: August 2, 2018

CC: James Hoelscher, Enforcement Chief

RE: MJ-18 Investigation – PATTE, John

NOTIFICATION:

The purpose of this memo is to inform you of the results of the MJ-18 investigation I was assigned to conduct on John PATTEE, applicant on marijuana license # 15304.

INVESTIGATION:

I reviewed the information submitted by PATTEE on the MJ-18 he subscribed and swore before a notary on 07/02/2018. The notary public who notarized PATTEE's MJ-18 was Tyler VOGE, notary commission # 160225007. The MJ-18 was received by AMCO on 07/02/2018.

After reviewing the MJ-18 PATTEE submitted I saw he claimed to start his residency in Alaska on 12/26/1976. I noted PATTEE indicated he did not apply for a PFD in 2017 and he did not attach any supporting documents to help determine his residency.

I contacted PATTEE on 07/27/2018 at approximately 1414 hrs. on his cell phone number of [redacted] The interview I conducted with PATTEE was recorded with a digital audio recorder which has been preserved as evidence. Refer to the digital audio recording for an exact record of the conversation.

INTERVIEW SUMMARY: PATTEE, John;

PATTEE said he moved to Alaska when he was 14 with his family. PATTEE told me did not apply for a PFD the last two years but because he forgot about it but said he is qualified. PATTEE said he is definitely going to apply next year.

PATTEE told me also owns the Gaslight Lounge (beverage dispensary liquor license # 437) which he said has owned since 1990. PATTEE said there has never been a gap in him having a home "up there."

I asked PATTEE where he was while we were talking on the phone since he said "up there." PATTEE told me he was in Arizona where he has maintained a second home since 2002. I asked PATTEE how often he is in Arizona. PATTEE said he goes back and forth, and "right now I go back and forth a lot" and continued with "I go back and forth every other week." I paused and he said "I'm going to stop doing that."

I asked PATTEE how long he has been going back and forth between Arizona and Alaska. PATTEE said his wife and three boys moved to Arizona full time so his boys can attend high school in Arizona. He said he and his wife planned on moving back up to Alaska when their boys moved on to college and didn't need them anymore. PATTEE said his wife and boys moved to Arizona full time sometime around July or August 2016.

PATTEE said he has been travelling every other week between Arizona and Alaska for the last year. PATTEE said he does his travel on Alaska Airlines.

While on the phone PATTEE said he was looking at the statutes and said he did not think he needed to "do that anymore" because his boys are in secondary school and are minors. He thought he only needed to spend 45 days in Alaska. I explained to PATTEE I needed to verify the information he put on his MJ-18 and evaluate the information he provided.

I pointed out to PATTEE he stated he had not been gone from Alaska for more than 180 days. He told me he hasn't been this year. I pointed out to him the question he answered (question #3 on the MJ-18) asks **"During the previous *calendar* year, were you gone from Alaska more than 180 days?"** He answered **"NO."**

PATTEE replied, "Oh, oh, I am not sure what that number is, I am assuming that's it but I might be off by a few days." I explained if he had answered "YES" then he would have needed to explain the reasons for the absences.

I asked PATTEE to provide me with copies of his flight itineraries from Alaska to Arizona or any other destination out of state for the previous calendar year up to the date of the interview.

I went over PATTEE's early history when he first arrived in Alaska. PATTEE said he moved to Alaska for a couple of years when he was 16 and returned in 1979. PATTEE told me his mother is still living and he provided me with her name and contact info.

PATTEE said he was not sure of the number of days he spent in Arizona in 2017 but he said he thought he did not go back and forth as much last year as this year.

I asked PATTEE what the address of his primary residence was. He told me just moved into a townhouse he was renting in Anchorage at 719 E. 76th Avenue. He said he just moved there a couple of months earlier.

PATTEE said they sold their house at 9410 Autumn Ridge Circle in Anchorage in July 2016 when his family moved to Arizona. PATTEE said he moved into an apartment after his family left and they sold their house. PATTEE said the apartment he moved to was located at 7545 Fox Ridge Way Unit 412 in Anchorage. He believes he moved to that apartment in July 2016.

I confirmed the mailing address PATTEE entered on his MJ-18, 721 W. 4TH Avenue, Anchorage, AK is the address for the Gaslight Lounge.

I asked PATTEE if he had any employment or owned any businesses in Arizona. PATTEE first replied, "NO" then said he owned rental property. PATTEE said he has bought and sold commercial property in Arizona.

PATTEE added he has only paid out-of-state taxes to the State of Arizona. I confirmed with PATTEE he filed tax returns with the State of Arizona. He replied "I have to for my business..for the uh rental you know."

I asked PATTEE to provide a copy of his Arizona tax return. PATTEE first said yes, then started to recant. I explained why I was requesting the information and he did not question my request any further.

I asked PATTEE to provide a copy of the lease agreement for the apartment he is in now and for the apartment he stayed in before. PATTEE said he was not sure if he still had the lease agreement. I asked PATTEE if he knew who is landlord was. He replied, "Uh, it was a big complex." PATTEE said the apartment complex was called Creekside Manor.

I told PATTEE I would follow up with an email to him putting the information I was requesting in writing.

I concluded the interview with PATTEE at approximately 1428 hrs.

INVESTIGATION CONTINUED:

After concluding the phone interview with PATTEE I sent him an email requesting the following additional information:

- Copies of all of this flight itineraries for all flights arriving into or departing from the State of Alaska from January 1, 2017 through July 2018.
- Copies of tax returns filed with the State of Arizona for 2017.
- Copy of the lease agreement for his current residence in Alaska and all residences he maintained in Alaska from January 1, 2017 through July 2018. I explained if he did not have a copy of lease agreements for his previous addresses in Alaska I would need contact information for his previous landlords in Alaska since January 2017.
- I asked for either the lease agreement or the 2017 property taxes for his residence in Arizona.

On 07/28/2018 I received two email messages from PATTEE with the following information:

First Email:

- Copy of a lease for 719 E. 76th Avenue, Unit B, Anchorage, starting 4/16/2018.
- A 2017 State of Arizona non-Resident Personal income tax. I noted the return was signed by PATTEE and his wife on 07/27/2018 and was not signed by their tax preparer listed on the form. The home address listed on the State of Arizona tax return is 721 W. 4th Avenue, Anchorage, the address for the Gaslight Lounge.
- PATTEE explained in his first email he did not have a copy of the lease agreement for the apartment in Alaska he claims he stayed at from January 1, 2017 through April 2018. He said the complex was called Creekside Manor at 7545 Foxridge Way #412, Anchorage, Alaska. He provided a phone number for the complex of 907-344-3300.

Second Email:

- 6-page print out from PATTEE's Alaska Airlines account showing his travel on Alaska Airlines under his mileage plan number from 12/09/2016 through 07/24/2018.

- 2017 Mortgage interest statement for the residence PATTEE owns in Arizona which includes property taxes paid for the residence.

Since PATTEE answered "**NO**" to question # 3 (**During the previous *calendar* year, were you gone from Alaska more than 180 days total?)** on the MJ-18 he submitted to AMCO I began by reviewing the flight information PATTEE submitted.

Based on PATTEE's Alaska Airlines activity PATTEE made the following trips to and from the State of Alaska from 12/09/2016 through 12/31/2017:

12/09/2016: Departed **SEATTLE** arrived in **ANCHORAGE**

12/13/2016: Departed **ANCHORAGE** arrived in **PHOENIX**

01/20/2017: Departed **PHOENIX** arrived in **ANCHORAGE**

01/24/2017: Departed **ANCHORAGE** arrived in **PHOENIX**

02/24/2017: Departed **PHOENIX** arrived in **ANCHORAGE**

02/28/2017: Departed **ANCHORAGE** arrived in **PHOENIX**

03/24/2017: Departed **PHOENIX** arrived in **ANCHORAGE**

03/28/2017: Departed **ANCHORAGE** arrived in **PHOENIX**

05/26/2017: Departed **PHOENIX** arrived in **ANCHORAGE**

05/30/2017: Departed **ANCHORAGE** arrived in **PHOENIX**

06/16/2017: Departed **PHOENIX** arrived in **ANCHORAGE**

06/20/2017: Departed **ANCHORAGE** arrived in **PHOENIX**

06/22/2017: Departed **PHOENIX** arrived in **ANCHORAGE**

07/06/2017: Departed **ANCHORAGE** arrived in **PHOENIX**

07/28/2017: Departed **PHOENIX** arrived in **ANCHORAGE**

08/01/2017: Departed **ANCHORAGE** arrived in **PHOENIX**

09/20/2017: Departed **PHOENIX** arrived in **ANCHORAGE**

09/24/2017: Departed **ANCHORAGE** arrived in **PHOENIX**

10/19/2017: Departed **PHOENIX** arrived in **ANCHORAGE**

10/24/2017: Departed **ANCHORAGE** arrived in **PHOENIX**

11/13/2017: Departed **PHOENIX** arrived in **ANCHORAGE**

11/17/2017: Departed **ANCHORAGE** arrived in **PHOENIX**

12/15/2017: Departed **PHOENIX** arrived in **ANCHORAGE**

12/19/2017: Departed **ANCHORAGE** arrived in **PHOENIX**

There was no record of a return flight to Alaska for PATTEE until 01/10/2018. Based on the flight information provided by PATTEE I determined he was not present in the State of Alaska for approximately **299 days in calendar year 2017. PATTEE stated on his signed and notarized MJ-18 form submitted to AMCO he was NOT gone from the State of Alaska for more than 180 days in the calendar year 2017.**

Based on the flight information I determined PATTE was only present in the State of Alaska for 66 days in **2017.**

January: 5 days	**February**: 5 days	**March**: 5 days
April: 0 days	**May**: 5 days	**June**: 14 days
July: 10 days	**August**: 1 day	**September**: 5 days
October: 6 days	**November:** 5 days	**December**: 5 days

For 2018 I received the following information from PATTEE on his Alaska Airlines flight activity:

01/10/2018: Departed **PHOENIX** arrived in **ANCHORAGE**

01/16/2018: Departed **ANCHORAGE** arrived in **PHOENIX**

01/24/2018: Departed **PHOENIX** arrived in **ANCHORAGE**

01/30/2018: Departed **ANCHORAGE** arrived in **PHOENIX**

02/08/2018: Departed **PHOENIX** arrived in **ANCHORAGE**

02/13/2018: Departed **ANCHORAGE** arrived in **PHOENIX**

02/21/2018: Departed **PHOENIX** arrived in **ANCHORAGE**

02/27/2018: Departed **ANCHORAGE** arrived in **PHOENIX**

03/26/2018: Departed **PHOENIX** arrived in **JUNEAU**

03/27/2018: Departed **JUNEAU** arrived in **ANCHORAGE**

03/30/2018: Departed **ANCHORAGE** arrived in **PHOENIX**

04/11/2018: Departed **PHOENIX** arrived in **ANCHORAGE**

04/17/2018: Departed **ANCHORAGE** arrived in **PHOENIX**

04/25/2018: Departed **PHOENIX** arrived in **ANCHORAGE**

05/01/2018: Departed **ANCHORAGE** arrived in **PHOENIX**

05/23/2018: Departed **PHOENIX** arrived in **ANCHORAGE**

05/29/2018: Departed **ANCHORAGE** arrived in **PHOENIX**

06/06/2018: Departed **PHOENIX** arrived in **ANCHORAGE**

06/12/2018: Departed **ANCHORAGE** arrived in **PHOENIX**

06/26/2018: Departed **PHOENIX** arrived in **ANCHORAGE**

07/10/2018: Departed **ANCHORAGE** arrived in **PHOENIX**

07/18/2018: Departed **PHOENIX** arrived in **ANCHORAGE**

07/24/2018: Departed **ANCHORAGE** arrived in **PHOENIX**

The above concludes the flight information I received from PATTEE on 07/28/2018. Based on the flight information PATTEE provided and the fact he stated he was in Arizona when I interviewed him on 07/27/2018 I determined PATTEE has been present in the State of Alaska for approximately 82 days from 01/01/2018 through 07/27/2018.

January: 14 days	**February**: 13 days	**March**: 5 days	**April:** 13 days
May: 8 days	**June**: 12 days	**July**: 17 days	

The home PATTEE owns is in Arizona which he has owned since 2016. PATTEE stated he sold his home in Alaska around July 2016 and moved his family to Arizona around the same time. The only documentation PATTEE was able to provide for a residence in the State of Alaska was for a rental with a lease dated from April 2018. He was not able to provide any record for a residence in the State of Alaska for the calendar year 2017. His only permanent, consistent addresses for calendar year 2017 are his residence in Arizona and his business in Anchorage.

Additional inconsistencies on his MJ-18 are found with his responses on page 9 of the form under question 6 **"At any time since January 1 of the previous calendar year, have you:"**

Question Q under question 6 asks: "**Maintained a driver's license or ID in another state or country or obtained or renewed another state's or country's driver's license or ID?**" His response to this question was "NO" and he did not provide another state/country license/ID #.

A check of Arizona DMV revealed PATTEE has a State of Arizona ID card issued to him on 05/10/2018. The address listed on his Arizona ID record is 14651 E. Paradise Drive, Scottsdale, Arizona. This is the address of the residence PATTEE owns in Arizona.

A search of Maricopa County Arizona property records (the county PATTEE's residence is located in) revealed PATTEE owns six residential properties individually in Maricopa County. He also owns one residential property jointly with his wife, Hui PATTEE. The jointly owned residence matches the address on his Arizona DMA record.

PATTEE purchased his residence in Scottsdale in September 2016. The remaining six residential properties PATTEE purchased were one in November 2011, two in January 2012, two in March 2012 and one in April 2012.

Based on the information submitted with PATTEE's MJ-18 and the subsequent information provided by PATTEE or discovered by me I have determined PATTEE does not meet the residency requirement.

Additionally, due to inconsistencies between PATTEE's responses on his MJ-18 and information discovered during the course of the MJ-18 investigation, I will be conducting further investigation into this information.

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MEMORANDUM

TO: Chair and Members of the Board DATE: August 6, 2018

FROM: Erika McConnell
Director, Marijuana Control Board

RE: The Grass Frontier #15304

This is an application for a Retail Marijuana Store in the Municipality of Anchorage by GFR LLC DBA The Grass Frontier.

Date Application Initiated:	11/22/2017
Objection Period Ends:	09/01/2018
Date Under Review:	02/20/2018
Incomplete Letter(s) Date:	06/28/2018; 07/31/2018
Date Final Corrections Submitted:	08/02/2018
Determined Complete/Notices Sent:	08/02/2018
Local Government Response/Date:	08/03/2018- Protests pending municipal marijuana license or special land use permit.
DEC Response/Date:	Deferred
Fire Marshal Response/Date:	Deferred
Background check status:	Complete
Objection(s) Received/Date:	A few
Other Public Comments Received:	No
Staff Questions/Issues for Board:	Residency requirement not met for John Pattee.