

From: Smith, Jedediah R (CED) [mailto:jedediah.smith@alaska.gov]
Sent: Monday, June 05, 2017 5:23 PM
To: Sheri Pierce
Subject: RE: RE: DKW Farms LLC - License Marijuana Cultivation Facility

Sheri,

Thanks for the email. I can appreciate the concern. Essentially, the board may approve the license with delegation, but until Mr. Dunning has the license in hand, he will not be allowed to operate. In order for him to have the license in hand, an officer from our enforcement team must inspect his premises to ensure it complies with the regulations you mentioned, compliance with security plans, odor control, etc. and also with his stated operating plan.

Here's where things get tricky. While the enforcement team is diligent about checking for some of the aforementioned concerns, the licensing team has no way of knowing whether the premises meets the buffer distance regulations for sensitive use areas (is this premises located near a school, correctional center or youth facility?).

I can't say that I've been through a ton of other land use hearings, but I think this process isn't that different. The completed application is reviewed by the council, if they approve of the plan, then it moves on to the next step. The enforcement team would not issue the license to an operator with no security cameras operating, or if the facility were clearly still under construction. That said, the local government can always protest the license under the condition that Mr. Dunning obtain all the local building permits required, or pass local inspection.

But just because his building isn't ready yet, that doesn't mean he can't first get his license approved. He just won't have it to operate until he's up to code (presuming the city has lifted any protest it put down). Does that make sense?

I would like to have a more in-depth conversation with you about how our office could better communicate the process, and provide local governments with more clear direction on the role of the local government objection. Maybe chat on Tuesday?

Jedediah R. Smith
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(907) 334-2195
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From: Sheri Pierce
Sent: Monday, June 05, 2017 4:39 PM
To: 'amco.localgovernmentonly@alaska.gov'
Cc: Bart Hinkle; Tracy Raynor; Elke Doom
Subject: RE: DKW Farms LLC - License Marijuana Cultivation Facility

Dear Mr. Smith:

On May 1, 2017 the City of Valdez received notification of an application for a cultivation facility, DKW Farms LLC, License #11234, located within the City of Valdez. The application stated that

the license would go before the board for approval on May 15th. As I understand it, the City has 60 days to protest the issuance of this license. So, I am a little confused about the issuance of the license prior to the close of the 60 day protest timeline when the applicant does not currently meet the operating requirements. That said, prior to submitting this license application to the City Council which is designated by ordinance as our local regulatory authority, our Police Chief and Fire Chief conducted an inspection of the premises to insure that the facility did in fact comply with the regulations as set forth under AAC: [Chapter 306 - Regulation of Marijuana Industry](#).

Specifically:

[Article 7](#)
Operating Requirements for All Marijuana Establishments

The Police Chief and the Fire Chief have provided the attached report which indicates that this facility is currently under construction with no operational surveillance system, security system, tracking software, or odor control system currently installed on the premises. My question to you is does the State inspect these facilities prior to issuing a license to operate or does this fall on the local regulatory authority to inspect and verify that a facility meets the requirements to operate? My dilemma is how can the Local Regulatory Authority (city council) approve this license with “no objection” until Mr. Dunning has installed the required infrastructure in compliance with the requirements/regulations to operate this type of facility and the Police Chief and Fire Chief have inspected and verified that those required systems are in fact operational.

Mr. Dunning is confused with my decision not to submit his application to the local regulatory authority because he believes the State has approved issuance of his license without this being a concern. I explained that our next city council meeting would take place on July 5th and encouraged him to contact me as soon as he is in compliance with the regulations as stated under Article 7 so that we can schedule another inspection.

The local regulatory authority previously has approved a retail marijuana store and a marijuana cultivation facility in Valdez after inspections by our Police Chief and Fire Chief verified that all requirements/regulations had been met.

I am asking for an opinion from the State regarding the role of the Local Regulatory Authority in responding to a letter of notification of issuance of a license for an establishment that is not currently in compliance with the regulations necessary to operate.

Sheri L. Pierce, MMC
City Clerk, City of Valdez
907-834-3408