

**ANCHORAGE, ALASKA
AR No. 2025-24**

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY REGARDING THE RENEWAL OF MUNICIPAL MARIJUANA CULTIVATION LICENSE # M10237 FOR ALASKASENSE, LLC DBA ALASKASENSE; AND AUTHORIZING THE MUNICIPAL CLERK TO TAKE CERTAIN ACTION.

(Midtown Community Council)

WHEREAS, AlaskaSense, LLC doing business as AlaskaSense submitted an application in a timely manner to the Municipal Clerk for the renewal of Municipal marijuana cultivation license #M10237; and

WHEREAS, the Municipal Land Use office did not receive any odor complaints about AlaskaSense from May 9, 2022 to March 13, 2024—nearly a two year period; and

WHEREAS, the Alaska Marijuana Control Board (AMCO) did not receive any odor complaints about AlaskaSense from May 10, 2022 to May 21, 2024—a two year period; and

WHEREAS, AMCO and the Municipal Land Use Office started receiving complaints about AlaskaSense odor starting in 2024, however, the odor complaints investigated by both offices determined that the complaints were “unfounded” and “unsubstantiated”; and

WHEREAS, during the license period of 2023-2025, the Assembly received comments from the public and the Midtown Community Council (“MTCC”) regarding odor complaint issues, however, the record does not reflect that AlaskaSense was given notice of the comments other than the investigations conducted by the Municipal Land Use Office and AMCO, which resulted in “unsubstantiated” and “unfounded” investigation findings; and

WHEREAS, on October 5, 2024, the building that holds the AlaskaSense cultivation license was vandalized. Specifically, two men took axes to eleven of the HVAC units affixed to the building that are integral to air circulation and intake. The record indicates that the two men that vandalized the AlaskaSense building were former employees and associated with a competitor business and have been arrested and charged by the State of Alaska; and

WHEREAS, AlaskaSense gave notice to AMCO and the Municipal Land Use office and the MTCC that the October 5, 2024 vandalism compromised its ventilation system designed to regulate temperature, air intake, circulation, and control odor; and

WHEREAS, on January 7, 2025, the Assembly approved AR 2025-12(S), as amended, which conditionally protested the State marijuana license renewal and set the municipal license renewal for public hearing so the Assembly could ascertain the public’s reaction

to the renewal and gather findings to support renewal or denial of the municipal license; and

WHEREAS, on January 30, 2025, there was a special meeting of the Community and Economic Development Committee held to discuss the vandalism and odor allegations where there was one member of the community that showed up in opposition to the AlaskaSense license; and

WHEREAS, on February 5, 2025, the Municipal Clerk issued an Advisory notice to AlaskaSense that, due to the October 5, 2024 vandalism, AlaskaSense was out of compliance with its odor control plan and gave the AlaskaSense until February 18, 2025 to submit a written plan outlining the interim measures AlaskaSense will implement to mitigate the issue and prevent emission of marijuana odor outside its facility and detectable at the property line until the new ventilation system is installed; and

WHEREAS, AlaskaSense complied with the Advisory Notice, but the Municipality did not record the response and erroneously issued an accusation to AlaskaSense on February 20, 2025. The Advisory Notice and Accusation were both rescinded on February 26, 2025; and

WHEREAS, on February 26, 2025, the Assembly issued Procedures for Public Hearing and Assembly Consideration of Renewal of Municipal Marijuana Cultivation License #M103237 at the March 7, 2025 Special Assembly Meeting, but on March 4, 2025, the Assembly voted to delay the issue until an April 8, 2025 Regular Assembly Meeting; and

WHEREAS, on March 19, 2025, AlaskaSense gave the Assembly, the Midtown Community Council, and the Municipal Clerk an update on the interim and permanent fix and requested a special meeting with the MTCC under the Memorandum of Understanding between AlaskaSense and the MTCC; and

WHEREAS, on March 31, 2025, the MTCC held a special meeting with AlaskaSense which was open to the public and the parties discussed the need to renegotiate a new MOU; and

WHEREAS, AlaskaSense's building owner has applied for the permit and gotten plans approved from the Municipal Building Permit Department for the interim fix of its ventilation system and the electrical and mechanical work has been completed as of April 8, 2025;

WHEREAS, AlaskaSense's building owner has applied for the permit for the permanent fix and is currently in negotiations with its insurance company for payment of the work. This work should be completed as soon as AlaskaSense receives payment from its insurer under its policy;

WHEREAS, Anchorage Municipal Code subsection 10.80.080B lists grounds for denial of a renewal application, and the record indicates that relevant to the Assembly's review

of this application are findings that the renewal application at this time may not meet the requirements of AMC 10.80.011A because the vandalism of the HVAC units may cause the licensee to not meet the requirements of Title 21. Under AMC 21.05.055A.6, "A. Use-specific standards applicable to all marijuana establishments. ... 6. Ventilation. The premises shall be ventilated so that the odor of marijuana cannot be detected by a person with a normal sense of smell at any lot line of the subject property."

NOW, THEREFORE, the Anchorage Assembly resolves:

Section 1. The Anchorage Assembly finds that the Applicant and the MTCC were given timely notice and a hearing was properly held on April 8, 2025 for purposes stated herein with relevant evidence received and presented as indicated in the public records maintained by the Municipal Clerk.

Section 2. The Assembly makes the following findings:

1. The written and verbal comments received opposing renewal relate to allegations of the odor of marijuana being detected at or beyond the lot lines of the property where AlaskaSense operates its marijuana cultivation establishment.
2. All of the complaints to AMCO and the Municipal Land Use Office before the October 5, 2024 vandalism were unsubstantiated or unfounded.
3. Beginning in May, 2024, there were significant communications between certain community members and the MTCC about odor, however, these communications were not forwarded or otherwise communicated to AlaskaSense so that AlaskaSense could know that there was a bona fide discussion occurring about odor and investigate whether its air balancing was off, which could explain why suddenly it appeared there were allegations of odor being emitted from its facility starting in 2024.
4. There is much testimony in the record from individuals regarding marijuana odor that they allege is attributable to the licensed premises. Each person sincerely believes their own perception of the odor is genuine. However, because the Municipal Land Use and AMCO investigations prior to the vandalism all were unable to substantiate the complaints, the Assembly cannot deny the renewal of AlaskaSense's cultivation license without affording AlaskaSense the opportunity of an administrative hearing and requiring the complainants to bear the burden of proof with regard to their odor allegations.
5. AlaskaSense has instituted a policy that will ensure that it is checking for odor escaping and air balancing twice daily and it will respond to any allegation of odor coming from anyone in the community immediately. AlaskaSense will document its inspections and keep records of its inspections available upon

request by the Assembly, a member of the public, Municipal Land Use, AMCO, or the MTCC.

6. While the MTCC indicates that it is protesting the AlaskaSense's renewal, there has been no evidence of a vote by the MTCC demonstrating an official protest of the renewal of the AlaskaSense cultivation license occurred. The record indicates that the only official vote involved a proposal for another location that is not the subject of this renewal application.
7. AlaskaSense is willing to enter into a new Memorandum of Understanding with the MTCC that better reflects this particular neighborhood that AlaskaSense is willing to negotiate with the MTCC in good faith. The purpose of the Memorandum of Understanding is to provide a mechanism for discussion and involvement by both parties with regard to any concerns or questions by AlaskaSense, the MTCC, and the public.
8. Under AMC 10.80.036G "All marijuana establishment licenses and endorsements expire at 12:00 midnight on August 31 of each year in which the establishment requires renewal, unless a different date is set in the assembly resolution approving the license or endorsement...2. If a marijuana establishment files a completed license renewal application between May 1 and on or before August 31: a. Filed on or before June 30. The marijuana establishment may continue operating under the current license notwithstanding the expiration date until the renewed license is approved and effective, or until the assembly denies the application for renewal, only If its renewal application was filed on or before June 30."
9. In interpreting AMC 21.05.055A.6, the Assembly should consider both the spirit of the law, as well as the letter of the law. AlaskaSense has demonstrated through investing in numerous improvements of its ventilation over the years which resulted in the absence of complaints for two years that it has previously achieved ventilation so that the odor of marijuana cannot be detected by a person with a normal sense of smell at any lot line of the subject property. AlaskaSense admits that the ventilation of its property was compromised by a criminal act for which two individuals have been charged.
10. Since AlaskaSense does not dispute that its property has not been ventilated in compliance with AMC 21.05.055A.6 since the vandalism, AlaskaSense admits that it is not in compliance with that statute. However, there is a difference between licensees that cut corners or are otherwise relaxed in their ventilation and licensees that are a victim of a crime committed by third-parties, especially third-parties that are employees and/or owners of a competing licensee in the same Community Council as AlaskaSense.

Section 3. The Assembly has considered relevant evidence in the record, and

consideration of points in support of and in opposition to the renewal of the municipal marijuana cultivation license application. After review of the application, including the applicant's proposed operating plan and all relevant information, under AMC 10.80.080B, the Assembly hereby determines that **(only check items that apply)**:

- ☐ The application is not complete as required under the applicable standards sections 10.80.020—10.80.056, or contains any false statement of material fact;
- ☐ The license would violate any restriction in section 10.80.010 or 10.80.011;
- ☐ The license would violate any restriction applicable to the particular license type authorized under this chapter;
- ☐ The license is prohibited by municipal code;
- ☐ The assembly finds that the operating plan does not adequately demonstrate that the applicant will comply with applicable standards of this chapter; or
- ☐ Issuance of the license will adversely impact the health, welfare or public safety of the neighborhood in which the marijuana establishment is proposed to be located, or otherwise would not be in the best interests of the public.
- ☐ That the license has been revoked for any cause;
- ☐ That the license has been operated in violation of a condition or restriction the assembly previously imposed; or
- ☐ That the applicant is delinquent in the payment of taxes due in whole or in part from operation of the licensed business.

Section 4. The Anchorage Assembly hereby **(DENIES / APPROVES)** the renewal of Municipal marijuana license #M10237 and **(AFFIRMS ITS PROTEST / LIFTS ITS PROTEST)** of State of Alaska marijuana license #10237 due to facts and findings listed in Sections 2 and 3 and any other relevant documentation. This approval and lifting the Municipality's protest to the state license renewal by AR 2025-12(S), As Amended, is effective only upon confirmation by the Municipal Clerk that all conditions have been met. If approved, the municipal marijuana license shall be for the period below. At such time, the cultivation license will require approval from the Assembly for extension of the license.

- ☐ Expires 6 months from the date of approval of this resolution.

☐ Expires at the end of the standard biennial license period for 2024-2026.

Section 5. This resolution shall be effective upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this _____
day of _____, 2025.

Chair

ATTEST:

Municipal Clerk