Submitted by: Ass Prepared by: Mu Reviewed by: Ass

Assembly Chair Constant Municipal Clerk's Office Assembly Counsel's Office

For reading:

January 21, 2025

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)

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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, during the license period of 2023-2025, the Assembly received comments from the public and from the Midtown Community Council regarding odor compliance issues; 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, Anchorage Municipal Code subsection 10.80.080B. lists grounds for denial of a renewal application, and the record indicates relevant to the Assembly's review of this application are findings the following grounds Issuance of the license would violate any restriction in AMC 10.80.010 or 10.80.011.

- Issuance would violate any restriction applicable to the particular license type.
- Issuance would adversely impact the health, welfare, or public safety of the neighborhood.
- The license has been operated in violation of a condition or restriction the Assembly previously imposed.;

NOW, **THEREFORE**, the Anchorage Assembly resolves:

<u>Section 1.</u> The Anchorage Assembly finds the applicant and the Midtown Community Council were given timely notice and a hearing was properly held January 21, 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. Odor related code provisions include:
 - AMC 21.05.055A.6.states: "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."
 - AMC 10.80.430C.2. states: ".C. A marijuana cultivation facility shall ensure that any marijuana at the marijuana cultivation facility: ... 2. Does not emit an odor that is detectable by the public from outside the marijuana cultivation facility, except as allowed by special land use permit for marijuana."
- 3. Regulation of odor is challenging given the subjectivity of odor detection, the lack of a scientifically accurate measurement of odor and devices calibrated to the same, the temporal nature of odor and its susceptibility to ambient conditions, and the complaint responsive system of code enforcement and availability of resources to verify and substantiate with reliable evidence from independent and impartial investigation the existence of odor and its origins.
- 4. The Assembly's review is limited to deciding the municipal license renewal request. The Assembly's role in this matter is not to consider the adequacy of prior code enforcement actions and investigations, or re-adjudicate notices of violations, fines or other penalties. The Assembly may consider the prior enforcement activity by appropriate local and state authorities, the testimony and other evidence presented for this renewal application, and the conduct of the licensee in managing the premise operations.
- 5. This establishment has a history of odor issues among others as documented by the previously imposed conditions or restrictions on municipal license #M10237. Those relevant to the salient issues presented in this renewal application are:
 - a. The Assembly approved AR 2016-334 for the new cultivation license and special land use permit for license #M10237. Condition #4 under section 3 lists odor mitigation requirements and states:
 - 4. The premises shall be ventilated so that the odor of marijuana cannot be detected at any lot line by a person with a normal sense of smell. Violation could lead to a requirement to increase air filtering and/or change the ventilation location in the establishment.

- b. AR 2018-252(S-1) AA, AA, conditionally protested the renewal of this license pending correction of the issues listed within, including odor issues, in Section 4.1.3. which states:
 - 3. Odor of marijuana. Odor shall be in accordance with AMC subsection 21.05.055A.6. If odor of marijuana is detected by code enforcement officers during any inspection, the licensee shall address the ventilation deficiencies immediately and in good faith, otherwise licensee is in violation of this condition.
- 6. There is much testimony in the record from individuals regarding marijuana odor attributed to the licensed premises. Every person sincerely believes their own perception of odor is genuine. The Assembly is not adjudicating individual odor complaints in this renewal application review. The licensee and its employees and agents assert they have responded and addressed marijuana odor issues and modified their facilities in good faith. The licensee has stated recent odor mitigation equipment failures and third-party vandalism and damage to their property and equipment has contributed to the challenge to control odor migration, and ordering replacement equipment and parts requires adds time delays for compliance beyond their control.
- 7. The record includes reports of the number of marijuana establishment violation complaints and enforcement response for all marijuana establishments in the municipality for 2023 and 2024. Several identify odor as the basis for a complaint. Many enforcement responses were unable to substantiate odor complaints, a few resulted in fines. Some of these name the licensee.
- 8. The Assembly is authorized by AMC 10.80.036G. to renew a license for the usual license period in which it expires August 31 in the year in which the next renewal is required, or to establish an earlier expiration by "a different date [that] is set in the assembly resolution approving the license," at the Assembly's discretion.

<u>Section 3.</u> 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;

1 2		The license would violate any restriction applicable to the particular license type authorized under this chapter;
3	Ιп	The license is prohibited by municipal code;
4		The assembly finds that the operating plan does not adequately demonstrate that
5	_	the applicant will comply with applicable standards of this chapter; or
6	Ιп	Issuance of the license will adversely impact the health, welfare or public safety of
7	_	the neighborhood in which the marijuana establishment is proposed to be located,
8		or otherwise would not be in the best interests of the public.
9		That the license has been revoked for any cause;
10		That the license has been operated in violation of a condition or restriction the
11		assembly previously imposed; or
12		That the applicant is delinquent in the payment of taxes due in whole or in part
13		from operation of the licensed business.
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15	Section	on 4. The Anchorage Assembly hereby (DENIES / APPROVES) the renewal of
16	Munic	ipal marijuana license #M10237 and (AFFIRMS ITS PROTEST / LIFTS ITS
17	PROT	EST) of State of Alaska marijuana license #10237 due to facts and findings listed
18		ctions 2 and 3 and any other relevant documentation. This approval and lifting the
19		ipality's protest to the state license renewal by AR 2025-12(S), As Amended, is
20	effecti	ve only upon confirmation by the Municipal Clerk that all conditions have been met.
21		
21 22 23 24 25		roved, the municipal marijuana license shall be for the period below. At such time,
23	the cu	Itivation license will require approval from the Assembly for extension of the license.
24		Finite Constitution
		Expires 6 months from the date of approval of this resolution.
26 27		Expires at the end of the standard biennial license period for 2024-2026.
28	Section	on 5. This resolution shall be effective upon passage and approval.
29	<u> </u>	This resolution shall be effective upon passage and approval.
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31		PASSED AND APPROVED by the Anchorage Assembly this day of
32		, 2025.
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37		Chair
34 35 36 37 38	ATTE	ST:
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11	NA: :	in al Olada
12	iviunic	ipal Clerk