

January 15, 2024

Dear: Mayor John Handeland, City Manager Glenn Steckman, and Honorable Members of the Nome Common Council:

As City Council Members you have the responsibility to protect consumers and defend public safety. Unfortunately, politics and business don't always align, and quite often, as in this situation, marijuana establishments are blamed for a problem we did not create. The current "vaping crisis" brought before the Council is a public safety issue of tantamount concern for all. We at Nome Grown share that concern as well. The vaping crisis stems from youth having access to nicotine vapes and unregulated vape juice products that are outside of the marijuana regulated system. Youth access these products by shopping at non-age gated establishments, such grocery stores, gas stations, and head shops – prohibiting marijuana drive-thrus will do nothing to combat Youth's access to vaping products, quite simply because the Youth can already purchase vaping products from non-age gated businesses in our community. Youth are unable to purchase any products from Nome Grown, a licensed marijuana retail store. Moreover, unlike the vaping products the Youth can access at the gas stations, grocery stores, etc., all of our products are carefully sourced, tested for contamination, tracked through the state's rigorous tracking system, and legally approved for sale by the State of Alaska Marijuana Control Board. Each product is individually tracked and traced. Every sale is recorded on camera, the purchaser must provide valid identification evidencing their age is over 21, the sale of that specific product and its tracking number is documented in the state mandated seed to sale system, and the purchase is required to be sealed in a child resistant exit packaging before leaving the premises. All of this, and more, is required of any potential drive-thru sale – none of this is required when a Youth purchases a vape product at a gas station or grocery store.

At Nome Grown, we have systems in place that will identify any potential activity by our customers that may result in the diversion of product (including to minors). If irregularities appear, we address and correct as needed, including banning customers who may pose a risk to public safety. There is still a significant black market in Nome for all age restricted items. A black-market entrepreneur can deliver products directly in the private residence of their customer and at a cheaper price (due to the heavy taxation and regulations imposed on legal licensed cannabis at the state level). The unregulated market is tough to compete with, especially since it provides delivery, and ultimate convenience to the consumer. At Nome Grown, our products are tested and regulated, which helps us draw consumers to the store, but if we can offer some level of convenience on snowy icy days, that would significantly help draw market share away from the unregulated, untaxed, and untested black market. Allowing the black market to flourish by denying the public the convenience of a drive thru to access regulated tested products furthers the black-market sale of unregulated products where there is no quality controls, no testing procedures or tax revenue for public resources which puts the public at risk. Marijuana establishments are not allowed to offer delivery services by state statute, but they are allowed to provide drive-thrus under state statute recognizing the need to provide convenience to consumers, and address that there is a significant share of cannabis consumers who are elderly or have disabilities that make it challenging for them to get in and out of vehicles and risk falling on ice, hence the importance of a drive through/ exterior pick up window.

Supporting the effective operation of state-sanctioned cannabis activities fits with our commitment to addressing the opioid crisis and rising overdose deaths. As we know by the state of affairs in the Bering

Strait Region and by general history, banning any product or hampering its sale has largely served to feed black market activity, often with disastrous results.

When the pandemic hit, we were considered an essential business by the State of Alaska Governor's order. In conjunction with this order, AMCO issued an emergency order for the use of exterior pick up window/ drive through for marijuana retail stores to employ. We at Nome Grown utilized an exterior pick-up window during the time the order was in effect. We did not have any adverse incidents during that timeframe nor did numerous other marijuana stores around the state. The Marijuana Control Board recognized that drive-thrus were a success, regulatorily speaking, as there were no documented sales to underage persons, and there were no complaints by the public regarding any negative impact on the community by allowing drive-thrus. The state then and has since drafted Exterior Pick-up window/ Drive through regulations with the intent to permanentize a successful model and eliminate the need for future emergency orders and help to ensure public safety. Regardless of the policy choices made, demand for these products will continue. Meeting this demand only in a regulated, legal marketplace better protects consumers and the general public.

The opening of our Exterior Pick-up Window/ Drive through will create 2 full-time living wage jobs; something Nome could surely use. It will bring new tax revenue by enticing black marketers into the light while providing for public safety on many fronts; including that of our employees. A marijuana store was robbed at gunpoint and the budtender was shot in Anchorage in recent history. We would love to provide an extra level of security for our employees as well, help us accomplish that goal.

I respectfully request that you vote against the proposed ordinance prohibiting the sale of age-restricted items through a drive through or curbside. I would welcome the exploration of alternative measures that address public safety concerns without restricting responsible business activities or by limiting responsible adult consumer choices. Thank you for your time and consideration of this matter.

Sincerely, Gregory Smith/ Nome Grown LLC