

Agenda Statement

Meeting Date: March 27, 2026
To: City Council
Through: Jackie C. Wilde, City Manager
From: Shelby Carlson, Acting City Clerk
Agenda Item: Request to Extend Conditional Protest of Marijuana License



BACKGROUND, JUSTIFICATION, & INTENT:

GOOD LLC d/b/a GOOD Cannabis submitted an application to the State of Alaska Alcohol and Marijuana Control Office (“AMCO”) for a Retail Marijuana Store License for property located at Area B, Lot 7 of the Harbor View Subdivision.

In April 2024, upon receiving notice of the application pursuant to 3 AAC 306.060, the City reviewed the proposed use of the property and determined that the application presented conflicts with provisions of the Whittier Municipal Code and the Master Lease between the City and the Alaska Railroad Corporation. Specifically, the proposed retail marijuana use would require amendments to the Master Lease, amendments to the Municipal Code, modification of the permitted use under the existing lease, and City Council approval of any sublease.

As a result, the City filed a protest with AMCO. That protest was later converted into a Conditional Protest to allow the applicant an opportunity to pursue the required legal and regulatory changes necessary to bring the proposed use into compliance.

The Conditional Protest established several conditions that must be satisfied before the City would consider lifting the protest, including:

- A determination that the proposed use does not conflict with the Master Lease;
- A determination that the proposed use does not conflict with the Whittier Municipal Code;
- Approval of any required lease amendments and sublease;
- An affirmative vote of the City Council that all protest conditions have been met.

The initial compliance deadline was January 31, 2025.

On January 21, 2025, following review of a memorandum from legal counsel dated January 15, 2025, the City Council approved a one-year extension of the Conditional Protest, extending the compliance deadline to January 31, 2026.

To date, none of the conditions set forth in the Conditional Protest have been satisfied. There have been no amendments to the Master Lease, no amendments to the Whittier Municipal Code permitting the proposed use at the property, no application to amend the lease use provisions, and no approved sublease.

On January 28, 2026, GOOD, through counsel, requested an additional one-year extension of the compliance deadline to January 31, 2027. The request references ongoing federal developments regarding potential rescheduling of marijuana under the Controlled Substances Act. At present, marijuana remains a Schedule I controlled substance under federal law. No final federal

rulemaking has occurred that would automatically resolve the legal conflicts identified in the Conditional Protest.

Under 3 AAC 306.060(a), when a local government files a conditional protest, the Marijuana Control Board may not issue the license unless the applicant demonstrates that the local government's requirements have been satisfied. If the City grants the requested extension, the Conditional Protest would remain in place and the status quo would be preserved. If the City denies the extension, the compliance deadline will stand, and the matter would return to AMCO and the Marijuana Control Board for further action consistent with state regulation.

The Council is now asked to determine whether to grant an additional one-year extension of the Conditional Protest or allow the original deadline to stand.

CONSISTENCY CHECKLIST:

	Yes	No	N/A
1. Legislative Priorities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Comprehensive Plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Whittier Code	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Other: <i>3 AAC 306.060</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FISCAL NOTE: Not a fiscal decision.

ATTORNEY REVIEW: Yes No Not Applicable

RECOMMENDATION: No administrative recommendation. The decision whether to grant an extension of the Conditional Protest is a policy determination for the City Council.