

Gary Morgan  
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Petersburg Assembly Members,

As a Petersburg resident I'd like to express my interest in allowing Marijuana businesses to operate in the Borough. Understandably there will be apprehension to such a change in policy for our state and how it will affect our communities. I'd like to first point out that Marijuana has been a part of this community since the 1960's if not earlier. It has operated in a black market environment, free of taxation, with the proceeds going to nefarious cartels, gangs, and shady individuals with no regard to our laws. Today we have the opportunity to convert this black market into a taxable, regulated business, with regulations similar to alcohol in preventing its use by minors under the age of 21.

The Borough Assembly will have direct control over any licensed marijuana business, just as it does for alcohol establishments. Marijuana business licenses must be individually recommended for approval or denial by the Assembly. Each year this process is revisited during the license renewal period.

The State is currently in a budget crisis, and the need for more revenue to fund our basic services and infrastructure is apparent. It's estimated that tax revenue from Marijuana licensing and sales will reach \$7-9 million dollars in just the first year with a steady increase to \$23 million annually in just 5 years. The increase in tax revenue is a product of slowly taking over the black market, not increased users, and does not include sales to tourists. It's certainly not the answer to our States budget crisis but it's certainly income that was not captured previously and will only grow as the legal market overtakes the black market. Lots of good things could benefit from this revenue.

Another benefit we should consider is the positive impact it could have on local businesses. All these businesses would require building materials and tradesman to build their facilities. Jobs will be created, as the businesses grow. We have the lowest electricity rates in Alaska which will attract growers, and these types of businesses are heavy users of electricity. Successful businesses have a trickledown effect in a community and it keeps the income generated on our island.

There is a lot of concern by more conservative residents that marijuana businesses will change the look of our community. I think we should look at this logically and ask ourselves how many retail establishments Petersburg could actually support. I can only imagine one or two small establishments could operate simultaneously, as there is only so much demand. It's also unlikely a testing facility would choose to locate here, unless there were sufficient cultivation facilities to make it a profitable endeavor. The most likely marijuana businesses will be Cultivation and Manufacturing facilities. As the transportation for testing and delivery of Marijuana off island presents other hurdles, time will tell if these businesses can be successful. In summary common sense tells me that the look and feel of Petersburg will not change. The few marijuana businesses will likely go unnoticed unless you're looking for them.

Lastly I'd like to offer my thoughts about the questions posted by the assembly for comment;

1. (Separate Borough Licensing?)  
No. I just don't think there will be enough businesses or revenue to make this worthwhile.
2. (Allow Marijuana Facility on Borough Land?)  
No. I don't think it would benefit the Borough.
3. (Allow onsite use of Marijuana?)  
No. I see no reason at this time to allow consumption at retail stores. Restricting this will keep Marijuana retail businesses small and unobtrusive, and allow them to blend into our community.
4. (Should the Borough limit the hours of operation to differ from the State?)  
No. Keep it simple, the state's hours of operation is sufficient.
5. (Should the Borough limit the number of permits?)  
No. Let's let the market determine this in the beginning and revisit this question each year if needed.
6. (Should the Borough restrict any one type of license?)  
No. If we want to help the state earn revenue for important services and infrastructure, then we should support the legalization of Marijuana. Allowing these businesses to operate in the Borough will open up new entrepreneurial opportunities for Alaskans, and eventually create more jobs and tax revenue.