



MEMORANDUM

TO: Bob Klein, Chair, and Members of the Alcoholic Beverage Control Board DATE: December 17, 2018

FROM: Erika McConnell, Director RE: 39 Alaska State Fair

Requested Action: License renewal

Statutory Authority: AS 04.06.090(b): "The board shall review all applications for licenses made under this title and may order the director to issue, renew, revoke, transfer, or suspend licenses and permits authorized under this title."

Staff Rec.: Deny the renewal

Background: This recreational site license does not appear to meet the statutory requirements of the license type:

Sec. 04.11.210. Recreational site license.

- (a) The holder of a recreational site license may sell beer and wine at a recreational site during and one hour before and after a recreational event that is not a school event, for consumption on designated areas at the site.
- (b) The biennial fee for a recreational site license is \$800.
- (c) In this section, "recreational site" includes a location where baseball games, car races, hockey games, dog sled racing events, or curling matches are regularly held during a season.

The Alaska State Fair has held a recreational site license since 1981. Some of the events held on the licensed premises may qualify as "recreational events" under the statute, but the majority of alcohol service during the 10-day long state fair is not compliant with the statutory requirements. The following locations are areas of service at the state fair:

- The Sluicebox
- The Oasis Beer Garden
- The Woodlot #1
- The Woodlot #2

- The Borealis Theater
- The Waterin' Hole #1
- The Waterin' Hole #2
- The Borealis Plaza Tent
- The Grandstands
- The Wine Bar at Colony Theatre
- Raven Hall

Of these locations, only The Grandstand could possibly be considered as a location that meets the definition of “recreational site.” Some locations have music concerts; others are places to eat and drink. The hours of operation do not relate to a recreational event.

There is no license type that fits the business model of the state fair. A legislative fix is the best solution to allow the state fair to continue operating as they have been.

2014 Audit

Recommendation #4: The board should issue recreational site licenses in accordance with statutory requirements.

Recreational site licenses may be issued to businesses that host non-school-related recreational events held during a season.

Of the 32 recreational licensees active during the audit period, the audit found 15 businesses (47 percent) did not meet the criteria for a recreational license. Ineligible businesses include bowling alleys, a sports center and pub, an exercise gym, a gift shop, theatres, and pool halls. These business types did not meet the definition of a recreational site nor were operations limited to a season. The issuance of these licenses expanded the number of establishments licensed to sell alcohol over the number allowed by statute.

According to AS 04.11.210(a), the holder of a recreational site license may sell beer and wine at a recreational event during and one hour before and after recreational events. AS 04.11.210(c) defines recreational events as baseball games, car races, hockey games, or curling matches regularly held during a season.

Inquiries with board members revealed that the improper issuance of recreational site licenses was caused by an historic misunderstanding of what qualifies as a recreational event.

We recommend that the board issue recreational site licenses in accordance with statutory requirements.

2018 Audit

Recommendation #2: The board should issue recreational site licenses in accordance with statutory requirements.

Ten of 29 recreational site licenses active during the audit period were judgmentally selected for testing. All 10 did not meet the statutory definition of a recreational site. Six of the 10 licensees were informed by the board that their license would not be renewed during the next renewal period since the business did not meet the statutory definition of a recreational site. This same finding was reported in the prior 2014 sunset audit.

According to AS 04.11.210(a), the holder of a recreational site license may sell beer and wine at a recreational site during and one hour before and after a recreational event that is not a school event. Alaska Statute 04.11.210(c) defines recreational sites as locations where baseball games, car races, hockey games, dog sled racing events, or curling matches are regularly held during a season. The 10 noncompliant licensees noted above included travel tour companies, bowling alleys, an art council, a pool hall, a movie theater, and a spa.

Review of board meeting minutes revealed that board members understood these businesses did not meet the definition of a recreational site license, yet believed it to be in the public interest to issue them. Furthermore, board members anticipated the criteria for recreational site licenses would be addressed in a future rewrite of AS 04.06. The issuance of these licenses expanded the number of establishments licensed to sell alcohol over the number allowed by statute.

We again recommend that the board issue recreational site licenses in accordance with statutory requirements.

Attachment: Renewal application



Alcohol & Marijuana Control Office

September 28, 2018

Recreational Site License Statement

The Alaska State Fair has held a Recreational Site License since 1981. We host and serve alcohol at many sporting events that have defined seasons. The Scottish Highland Games are always the last weekend in June. Beer and wine is served at the games from 12 noon until 11:00 pm. The Alaska State Horse Show Association (Hunter/Jumper group) and Rodeo Alaska's season is from May through September. During their rodeo events held here, they have alcohol served from one hour prior to start through the time it ends. Usually this means from 12 noon – 5 pm. During the 2017-18 winter season, we hosted the Denali Destroyer Dolls Roller Derby in Raven Hall and provided beer and wine from 6:00 pm to 10:00 pm. Of course we also serve beer and wine during the annual August/September fair from noon to midnight each day.

Our Mission Statement includes, *"Alaska State Fair Inc. provides a center for the Alaskan community to gather in a dynamic and safe atmosphere throughout the year."*

We strive to fulfill that mission, but many events will not consider renting a facility unless we are able to provide beer and wine to their attendees.

Although many of the sporting events occur only in the summer, we hope to expand our facility rentals to host more indoor events in the winter season as well. Adding the Roller Derby was an example of a sporting event season that was added this year. Our facilities have been considered for mixed martial arts events with a defined season. If we are unable to offer beer and wine service, our facilities will not even be in the running to host these events.

We are a non-profit 501C3. We depend on additional income from our interim rentals. We sincerely hope you will grant the renewal of our Recreational Site License.





Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Recreational Site License

Form AB-17c: 2019/2020 Renewal License Application

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing recreational site liquor license that will expire on December 31, 2018. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed correctly and submitted to the Alcohol & Marijuana Control Office (AMCO)'s main office, along with all other required documents and fees, before any renewal license application will be considered complete. Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees that an application will be considered complete, or that a license will be renewed.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

Licensee:	Alaska State Fair, Inc.	License #:	39
License Type:	Recreational Site	Statute:	AS 04.11.210
Doing Business As:	Alaska State Fair		
Premises Address:	1 Mile South of Palmer		
Local Governing Body:	City of Palmer (Matanuska-Susitna Borough)		
Community Council:	None		

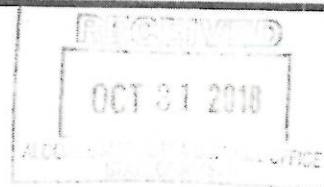
Mailing Address:	2075 Glenn Highway		
City:	Palmer	State:	AK
ZIP:	99645		

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual **must be a licensee** who is required to be listed in and authorized to sign this application.

Contact Licensee:	Stephen Brown	Contact Phone:	907 355 0692
Contact Email:	srbrown4@alaska.edu		

Optional: If you wish for AMCO staff to communicate with individual who is **not a licensee** named on this form (eg: legal counsel) about this application and other matters pertaining to the license, please provide that person's contact information in the fields below.

Name of Contact:	sheri musgrave	Contact Phone:	907-746-7173
Contact Email:	sheri @ alaskastatefair.org		





Form AB-17c: 2019/2020 Recreational Site Renewal License Application

Section 2 – Entity or Community Ownership Information

This top subsection must be completed by any licensee that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). This number is neither your EIN/tax ID number, nor your business license number. You may view your entity's status or find your CBPL entity number by using the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>

General partnerships and local governments should skip to the second half of this page. Licensees who directly hold a license as an individual or individuals should skip to Section 3.

Alaska CBPL Entity #:	4320 D
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You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

SB

This subsection must be completed by any community or entity, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

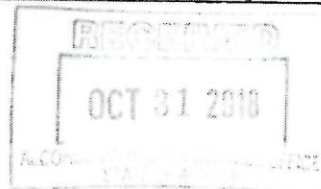
- If the applicant is a corporation, the following information must be completed for each *stockholder who owns 10% or more* of the stock in the corporation, and for each *president, vice-president, secretary, and managing officer*.
- If the applicant is a limited liability organization, the following information must be completed for each *member with an ownership interest of 10% or more*, and for each *manager*.
- If the applicant is a partnership, including a limited partnership, the following information must be completed for each *partner with an interest of 10% or more*, and for each *general partner*.

Important Note: The information provided in the below fields (including spelling of names, specific titles, and percentages held) must match that which is listed with CBPL. If one individual holds multiple titles mentioned in the bullets above, all titles must be listed for that individual on this application and with CBPL. Failure to list all required titles constitutes an incomplete application.

Name of Official:	Jason Ortiz			
Title(s):	Secretary	Phone:	907 631 1288	% Owned: <input checked="" type="checkbox"/>
Mailing Address:	PO Box 1480			
City:	Palmer	State:	AK	Zip: 99645

Name of Official:	Stephen Brown			
Title(s):	Board President	Phone:	907 355 0692	% Owned: <input checked="" type="checkbox"/>
Mailing Address:	7698 Gold Cord Circle			
City:	Palmer	State:	AK	ZIP: 99645

Name of Official:	Kristy Bernier			
Title(s):	Board Vice President	Phone:	907 355 8400	% Owned: <input checked="" type="checkbox"/>
Mailing Address:	340 Beylund Circle			
City:	Palmer	State:	AK	ZIP: 99645





Form AB-17c: 2019/2020 Recreational Site Renewal License Application

Section 3 -- Sole Proprietor Ownership Information

This section must be completed by any licensee who directly holds the license as an **individual or multiple individuals** and is applying for license renewal. If more space is needed, please attach a separate sheet that includes all of the required information. Entities should skip to Section 4. The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: applicant affiliate (spouse)

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

This individual is an: applicant affiliate (spouse)

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

Section 4 – Alcohol Server Education

Read the line below, and then sign your initials in the box to the right of the statement:

Initials

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as set forth in AS 04.21.025 and 3 AAC 304.465.

JSB

Section 5 – License Operation

Check a single box for each calendar year that best describes how this liquor license was operated:

2017 2018

The license was regularly operated continuously throughout each year.

The license was regularly operated during a specific season each year.

The license was only operated to meet the minimum requirement of one time during the calendar year.

The license was not operated at all during the calendar year.

If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement, unless a complete copy of the form (including fees) has already been submitted for that year.





Form AB-17c: 2019/2020 Recreational Site Renewal License Application

Section 6 – Violations and Convictions

Applicant violations and convictions in calendar years 2017 and 2018:

Yes No

Have any notices of violation (NOVs) been issued to this licensee in the calendar years 2017 or 2018?

Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2017 or 2018?

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

Section 7 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

SB

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently approved and on file with the Alcoholic Beverage Control (ABC) Board.

SB

I certify on behalf of myself or of the organized entity that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

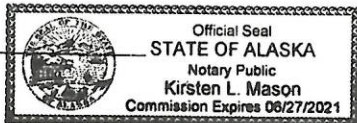
SB

I am submitting as part of this application a written statement that meets the attached Recreational Site Statement Guidelines, for review by the Alcoholic Beverage Control Board.

SB

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Alcoholic Beverage Control Board or AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned to me as incomplete.

Signature of licensee
Stephen Brown
Printed name of licensee



Signature of Notary Public

Notary Public in and for the State of Alaska

My commission expires: 6/27/21

Subscribed and sworn to before me this 26 day of October, 2018.

Seasonal License? Yes No

If "Yes", write your six-month operating period: _____

License Fee:	\$ 800.00	Application Fee:	\$ 300.00	TOTAL:	\$ 1100.00
Miscellaneous Fees:					
GRAND TOTAL (if different than TOTAL):					



List of Notice of Violations

License #39 Alaska State Fair, Inc. 4320D

2017

Date 9/20/17 AMCO Case # AB17-0423

(A copy is attached)

2018

None issued



Notice of Violation

(3AAC 304.525)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 9-20-17

License #/Type: Recreational Site, license #39

Licensee: Alaska State Fair, Inc.

Address: 2075 Glenn Hwy, Palmer, AK

DBA: Alaska State Fair

AMCO Case #: AB17-0423

This is a notice to you as licensee that an alleged violation has occurred. If the Alcoholic Beverage Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

It came to the attention of AMCO Enforcement that WineStyles was selling alcoholic beverages; three tastings for \$10.00, on the Fair Grounds during the 2017 State Fair. It was learned that they were displaying a license issued to the Alaska State Fair. This is a violation of Title IV.

Your attention is directed to: AS04.11.430: Persons and location and 3AAC304.185, Licensed premises

You are directed to respond in writing to this Notice of Violation within 10 days of receipt to explain what action you have taken to prevent a re-occurrence of this violation. FAILURE TO RESPOND TO THIS NOTICE OF VIOLATION WITHIN 10 DAYS WILL RESULT IN YOUR APPEARANCE, EITHER IN PERSON OR TELEPHONICALLY, BEFORE THE ABC BOARD AT THEIR NEXT REGULARLY SCHEDULED BOARD MEETING.

*Please send your response to the address below and include your alcohol license number in your response.

3 AAC 304.525 (B) provides that upon receipt of a Notice of Violation, a licensee may request to appear before the Director and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice and the Director must grant an appearance within ten days after receipt of a request. A Licensee shall respond, either orally or in writing, to the Notice.

Alcohol & Marijuana Control Office
ATTN: Enforcement
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501
amco.enforcement@alaska.gov



Issuing Investigator: J. Hamilton

Received by: *Sheri Musgrave*

SIGNATURE:

SIGNATURE: *Smusgrave*

Delivered VIA: Mail

Date: 9-23-17