



**Alcoholic Beverage Control Board
Meeting Minutes
April 29-30, 2019
Third Judicial District
3301 Eagle Street, Room 104 (Midtown Job Center)
Anchorage, Alaska**

● **ADMINISTRATION**

1:22 pm

A. Call to Order

B. Roll Call

Board Members Present

*Bob Klein, Chair, Industry Member
Rex Leath, Vice Chair, Public Safety Member
Glenn Brady, Industry Member
Charlie Cross, Rural Member
Sara Erickson, Public Member*

Staff Present

*Erika McConnell, Director
Mikal Milton, Records and Licensing Supervisor*

Legal Counsel Present

Harriet Milks, Assistant Attorney General

C. Approval of Agenda

None opposed to the agenda as written, agenda is approved.

D. Approval of the February 19-20, 2019 Meeting Minutes

TAB 1

*Glenn Brady moves to accept the meeting minutes.
Rex Leath seconds the motion.
None opposed, motion carries.*

● **BOARD GOVERNANCE**

1:24 pm

No changes are reported.

● **PUBLIC TESTIMONY**

1:25 pm

- A. Public testimony is limited to issues not on this agenda and that are not proposed regulations. The call-in number is 1-800-315-6338, code 69173#.

Sarah Oates, President and CEO of Alaska CHARR, is present in person to testify. She welcomes Mr. Cross to the board. She points out that the Alcohol Mailbox has email correspondence regarding a licensee being required to delete a Facebook Page.

Bob Klein states that the matter of the Facebook page is on the agenda in the Alcohol Mailbox.

Curtis Wright, Alaskan Sweet Things, provides testimony to the board regarding the industry desire for a special non-beverage industry permit. He states that he needs to be able to get beer for his products from a distributor rather than licensee. He provides reference material for the board regarding the options available in other states. Bob Klein states that the beer from the breweries is cooked out with no alcohol in the product. He answers board questions regarding beer purchases and intent.

There are no additional individuals present in person or via phone to testify at this time.

● **DIRECTOR'S REPORT**

1:31 pm

TAB 2

Director McConnell provides a summary of her report as listed in Tab 2.

Bob Klein asks if anyone objects to sending the questions listed on Page 2 of Tab 2 to Commissioner Price regarding ARMS/APSIN.

None object, director is directed to send those questions to Commissioner Price.

Bob Klein states that he supports making the Fairbanks and Nome meetings one day meetings.

● **BOARD INTERPRETATIONS**

1:42 pm

- A. **Letter from Commissioner Anderson re Rec Site Licenses**

TAB 3

Bob Klein states that the board packet includes a letter (Tab 3) from the Commissioner of Commerce that Bob Klein asked to have included so that the Board may view the letter, and asked if anyone on the board had comments.

No comments are brought forward at this time.

- B. **Newspaper of General Circulation**

TAB 4

Erika McConnell summarizes the information provided in Tab 4.

Sarah Oates, Alaska CHARR, states that she appreciates the effort of creating guidance documents and requests that, for communities other than Anchorage, Fairbanks, and Juneau, it is clarified that those communities may use radio or newspaper.

Erika McConnell agrees to amend the document to include the exception.

Charlie Cross states that the radio is much more used than any publication and agrees with amending the policy.

Rex Leath states that bullet point 2 requires a list of paying subscribers and he states that not all subscribers are paying.

Erika McConnell states that the second bullet point may be amended.

Bob Klein states that in developing this list, staff takes on the responsibility of completing a periodic review of the list.

C. Death of Licensee (AS 04.11.030)

TAB 5

Erika McConnell summarizes Tab 5. She requests that the board open a regulations project to address the matter, and suggests that if the dead person owned more than 50% of the license, a transfer be required.

Bob Klein states that he supports the director's suggestion.

Glenn Brady asks about subchapter C corporations vs subchapter S entities, and asks about entities that could own themselves. He agrees that the board is interested in control of operation of the license.

Harriet Milks states that Glenn Brady's question is not currently contemplated.

Rex Leath asks what level of priority this matter should hold.

Erika McConnell states that this has arisen approximately once a month or more often. She states that forfeiture is a harsh penalty and having a board interpretation of the applicability of the statute is important.

Bob Klein states that providing this interpretation is protection for the license holders.

Rex Leath asks if a regulations project is the most efficient method to address the matter.

Charlie Cross asks if applications could be amended to include a statement regarding the applicant understanding the purpose and rights of a beneficiary.

Sara Erickson asks about how often this type of situation occurs.

Mikal states that it occurs relatively often and that the board, at the February meeting, considered several situations where deaths occurred and licenses were forfeit.

Dan Coffey, counsel, states that the problem with the statute is that people are unaware of the forfeiture. He states that it takes four months to do creditor lists and that probate can take a lot of time. Coffey states that a "policy" will not be sufficient to address the matter.

Erika McConnell states that the board made a legislative request to increase the deadline to 180 days.

Sherman Ernouf addresses the current statute and regulation; he states that the intent was "Sole Licensee" and not just any death. He addresses a situation with 95/5 ownership percentages vs 50/50 ownership percentages or sole licensees. He states that this was meant to apply to a "Sole Licensee" and not licenses with more than a single owner. He requests that this be addressed through a regulation and states that he believes that the statute and regulation should be seen as applying only to sole licensees.

Rex Leath states that he appreciates the legal counsel and asks if the problem is people being unaware of the rules or is the regulation a problem; is this matter an educational problem or a regulatory problem?

Dan Coffey states that SB 52 is not going to pass.

Sherman Ernouf asks, in a 60/40 ownership situation, what's the problem with the 40 percent owner operating the license if the 60 percent dies?

Harriet Milks states that these are all terrific ideas and that this is the purpose of a regulations project, to get these ideas into the project.

Dan Coffey states that they have no problem with the proposal of a regulations project.

Bob Klein states that the problem is that the board must be notified (through a transfer or request for extension) regarding the death of a licensee, not that the licensee is required to immediately stop operating or have a finalized transfer.

Glenn Brady moves to open a regulations project regarding death of a licensee.

Sara Erickson seconds the motion.

None opposed, motion carries.

D. Temporary License for Transfers

TAB 6

Erika McConnell summarizes Tab 6. She requests that the board approve the policy that temporary licenses for ownership transfers require an affidavit from both the transferor and transferee that states that they understand that the sale may need to be reversed if the board denies the transfer.

Glenn Brady asks if Harriet Milks is satisfied with the language in the tab. Harriet Milks states that she is.

Bob Klein asks if they need to officially adopt via a motion. It is determined a motion is not necessary, because no objection was raised.

Suggested policy in Tab 6 is approved by the board.

● ENFORCEMENT REPORT

2:16 pm

TAB 7

James Hoelscher is present in person to discuss his report in Tab 7. He congratulates Charlie Cross on his appointment to the ABC Board. He offers to provide reports of previous statistics to bring Mr. Cross up to speed. He asks if the board has any questions regarding the statistics in his report.

Sara Erickson states that at the last meeting there was discussion about working with local police, and the database that enforcement needed access to. She asks what kind of support Enforcement needs from the board at this time.

James Hoelscher states that the loss of ARMS/APSIN hamstring the enforcement team. He finds it insulting that investigators are unable to do their jobs due to lack of access. He states that it is a morale issue for his team. The enforcement team is working with local law enforcement to educate them.

Sara Erickson asks what the specific delays are. James Hoelscher states that it is the state troopers that are delaying the background information receipt. He states that from personal experience the turnaround can be minutes but AMCO is receiving a turnaround time of one month. He discusses with the board his concerns surrounding this matter. He provides an example as to when their access has been denied and it impedes their ability to enforce.

James Hoelscher asks how long enforcement should be putting off criminally charging people for offenses that are currently listed as crimes but will be turned into violations per the proposed Title 4 Rewrite.

Glenn Brady asks about the violation for license 1243, he states that the NOV was conducted on January 15th and the response indicates that the TAP card was issued one day after the NOV. He voices concerns about the server education card being received online which is a problem due to where the license was located (in an area that should not qualify for online server education).

James Hoelscher states that the matter will be investigated.

A. Notices of Violation Issued and Licensee Responses

TAB 8

James Hoelscher states that Froso's received an NOV for not having DOL work permits for minors, and that Gold Miners' leasing the property/license is a big problem. Aha Oriental Kitchen was issued a violation for having a server card that was expired over 2 years ago. First City Saloon received an NOV last fall and they have not gotten back into compliance with local health requirements. Just a Store was issued a violation for having a server card that was expired 1.5 years ago. Bears Den changed the premises without board approval. He asks Joe Hamilton to come forward regarding additional NOV's. He highlights the special event that received a permit through Beans Café; multiple licensees served their own spirits and beer/wine; multiple violations were written and Jed Smith, the local government specialist, and enforcement reached out to educate individuals. Criminal charges are currently being filed against a licensee where an individual died from over service.

Bob Klein asks about the NOV issued to Gavora's regarding their DBA. James Hoelscher and Erika McConnell clarify that staff is concerned with allowing this type of violation to go un-recorded due to the possibility that it will create ambiguity regarding what the DBA operation requirements are. Bob Klein states that this NOV is going too far. He requests that another look be taken at this particular violation.

Rex Leath asks about the "Gavoras Fine Wine" vs the remainder of the sign that says "Spirits Craft Beer Brewing" and asks what is expected of the licensees and public.

The Board and staff discuss how to handle the difference between licensed DBAs and the DBAs on signage, particularly the use of 'common sense' when addressing these issues and what level of similarity is required to identify the premises.

Sara Erickson states that she is on Enforcements side regarding the rules, but that she finds it to be an educational problem rather than an intentional violation.

James Hoelscher agrees to provide direction to enforcement staff to allow latitude regarding DBAs. He states that enforcement takes time to prevent violations by proactively addressing licensees, and that enforcement wants to work with licensees as much as possible.

Sarah Oates, President and CEO of Alaska CHARR states that, regarding Erickson’s statement, one of her priorities is to work closely with the enforcement team and AMCO to create reference documents for CHARR’s membership.

● **EXECUTIVE SESSION UNDER AS 44.62.310(c)** **2:50 pm**

Erika McConnell states that section A may be addressed but that the proposed settlement agreement for B was not signed and returned in order to bring it before the board.

Glenn Brady moves to go into executive session.

Erika McConnell states this tab is a matter of personal reputation, and that is why executive session is appropriate.

Charlie Cross seconds the motion.

Motion carries; ABC board and AMCO staff go into executive session.

- A. 1775 Mt View Grocery:** Mountain Bros LLC
Mile 101 Old Richardson Highway, Copper Center
License: Package Store
From: The Fishing Widow Company, LLC, DBA Mountain View Grocery

Transfer of ownership and DBA change, and renewal.

Local governing body action: no local government
Approvals: Department of Labor, Department of Revenue
Background investigations: pending

Consideration: Criminal History Report

~~**B. Proposed Settlement Agreement: 5559 Piccolino’s**~~
The board exits executive session.

Glenn Brady moves to approve license 1775 with delegation.

Rex Leath seconds the motion.

None opposed, motion carries.

● **LICENSING REPORT** **2:50 pm** **TAB 9**

Mikal Milton summarizes the information in Tab 9.

● **INFORMAL CONFERENCES** **3:01 pm**

- A. 5004 The Summit:** The Alaska Club, Inc. **TAB 10**

11001 O'Malley Centre Drive, Anchorage
License: Recreational Site

Regarding denial of license renewal.

Erika McConnell summarizes Tab 10.

Robert Brewster, CEO of The Alaska Club, is present in person to testify.

Fred Odsen, counsel, is available via phone and provides information to the board regarding their appeal. He references a submitted summary of the report on their position regarding the 2019/2020 cycle. He states that this would be in line with how other recreational site licenses have been treated. He references the letter from Commissioner Anderson provided in Tab 2. He summarizes the points made in his letter included in Tab 10.

Robert Brewster summarizes their request a second time.

Glenn Brady asks how much longer they are trying to operate.

Rex Leath states that that the two year extension was provided to applicants so they would be aware of the possibility for denial, not to extend their operations.

Robert Brewster states that he was unaware that this license particularly was up for the possibility of denial.

Bob Klein asks about SB16 and the grandfathering provision; Erika McConnell states that SB 16 will require the board to reconsider all of the licenses that were denied from 12/31/2018 to the date of the bill going into effect and reverse their denials.

Erika McConnell states that the board may either reconsider their action or do nothing; the licensee has the right to request a formal hearing before an Administrative Law Judge if no action occurs.

Glenn Brady asks, regarding the repeal of the precedence statute, if it would be a departure from precedence that is being re-forged in relation to recreational site licenses.

Harriet Milks states that as long as the reasons are explained and put on the record the precedent is not a problem.

Bob Klein states that it appears that the board does not wish to take action regarding this request. He reminds the licensee that they may move forward on the request for reconsideration by the Administrative Law Judge.

Robert Brewster states that they are disappointed in the board's decision but that he hopes that the matter will be resolved in the bill currently in the legislature.

Rex Leath states that in light of what is occurring in the statute or regulation, the board should follow the rules and that consistency is imperative. He asked if it has ever happened that a decision is reversed. He asked if continuing down this road is in the public interest.

Glenn Brady states that as an industry member he tries to maintain coherent, consistent control. The crux of the issue is that the nature of the marketplace is changing. There is no easy solution.

Rex Leath asks if the board looks at this matter, the two year warning, the board is going against the precedent that they have set.

Sara Erickson states that Rex Leath's concerns are valid but that her concern is large regarding if the board reneges on their decision.

Harriet Milks states that the concern is did the Alaska Club have notice regarding their 2 years.

Harriet Milks points out that the Administrative Law Judge clearly stated that the license did not fall inside the statute. That decision was clear in the opinion; the licensee should have known about the direction that the matter went and therefore was provided with warning that their license did not meet the statute.

Erika McConnell states that at the last meeting a representative was sent to the board meeting which indicates that the licensee knew that there was reason for them to be concerned.

Bob Klein states that the board has not been inconsistent; the question is how the philosophy was implemented. He is comfortable with the decision.

Sara Erickson states that she wishes that the Alaska Club representative was still present to hear this part of the discussion.

Rex Leath states that, regarding his background in public safety, they give 'warnings' before they start implementing their new rules. He states that the decision regarding recreational sites is a big decision. He states that it is the board's job to communicate their decisions to licensees.

Sara Erickson states that the Administrative Law Judge decision made the warning clear.

Bob Klein states that this matter will come up again at a later date and additional discussion may occur at that time.

● **BOARD CONSIDERATION**

3:45 pm

- A. 39 Alaska State Fair:** Alaska State Fair, Inc.
1 Mile South of Palmer, Palmer
License: Recreational Site

TAB 11

Alternating premises request.

Erika McConnell summarizes Tab 11 and asks the board to determine if the alternating premises request meets the requirements of the regulation to stimulate tourism or promote activities open to the general public.

Jerome Hertel, Alaska State Fair, summarizes their request and provides additional information regarding the events that occur in the locations where the alternating premises is requested.

Rex Leath asks if any of the area(s) are within 200 feet of schools or churches or facilities that are rented to a school. (They are not.)

Sara Erickson asks if this recreational site license is being exercised for the state fair.

Erika McConnell states that this license is operable year round.

Glenn Brady clarifies that the applicant's desire is to allow public events for under 21 years old attendees at areas that are currently licensed premises.

Jerome Hertel references having weddings one day and a "Career day" (that would attract individuals under 21 years) on another.

Glenn Brady asks about the multiple proposed scenarios regarding the "alternating premises".

Sheri Musgrave is present in person to testify regarding the application and answers board questions about the diagrams.

Sara Erickson asks about Colony Church being labeled as a church. (It was historically a church building.)

Glenn Brady moves to approve the alternating premises request.

Rex Leath seconds the motion.

None opposed, motion carries.

Erika McConnell asks the board to clarify that a schedule of licensed and unlicensed times must be submitted.

The board confirms that this is a requirement of the approval.

B. 156 In and Out Liquor #1: Dong K. Kang
3601 Arctic Boulevard, Anchorage
License: Package Store

TAB 12

Renewal application.

Municipality of Anchorage requests conditions.

Erika McConnell summarizes Tab 12.

Glenn Brady asks if there has been any communication with the licensee regarding this issue. He states that the licensee should discuss this matter with the Municipality and that he hopes that the licensee could potentially comply with the Municipality conditions independently.

Bob Klein states that the concern is if the license is already approved, can the board go back and place conditions. He states that he does not find it appropriate to go back and impose conditions on an approved license.

Dan Coffey states that he is working with the municipality to put a blanket policy for this area in place.

Glenn Brady states that the municipality is addressing the matter at this time.

Mandy Honest is present via phone from the Municipality of Anchorage; she speaks to Dan Coffey's statement about the possible draft of conditions within the area or the placement of conditions through Conditional Use Permits (CUP) or Special Land Use Permits (SLUP).

Glenn Brady asks if the licensee is amenable to the conditions.

Mandy Honest states that the municipality has not received additional communications from the licensee regarding the matter.

Bob Klein states that if the board doesn't take action it does not prevent the assembly from using the CUP process.

The board chooses not to take action on this matter.

- C. 1283 Summit Lake Lodge:** Summit Lake Lodge Inc.
51826 Seward Highway, Moose Pass
License: Beverage Dispensary - Seasonal
From: Marty and June Arnoldy

TAB 13

Transfer of ownership and renewal.

Local governing body action: Kenai Peninsula Borough does not protest
Approvals: Department of Labor, Department of Revenue
Background investigations: complete

Request for room service under 04.11.090(d).

Glenn Brady moves to approve the request for room service under 04.11.090(d), renewal of license, and transfer of license.

Sara Erickson seconds the motion.

None opposed, motion carries.

- D. 2433 O.K. Restaurant:** Dae J Chung
616 1st Street, Cordova
License: Restaurant or Eating Place

TAB 14

Renewal application.

Restaurant or Eating Place license with less than 50% of sales from food.

Erika McConnell summarizes Tab 14.

Glenn Brady moves to approve the renewal.

Sara Erickson seconds the motion.

Sara Erickson clarifies the reason that this was being brought before the board again (so that the board could determine if the submitted documents were appropriate to prove that the license met the 50% of sales from food requirement).

None opposed, motion carries.

E. 3934 Residence Inn by Marriott: JL 35th Avenue Hotel, LLC
1025 35th Avenue, Anchorage
License: Restaurant or Eating Place

TAB 15

Renewal application.

Restaurant or Eating Place license with less than 50% of sales from food.

Erika McConnell summarizes Tab 15.

Michael Jespersen, individual, states that Residence Inn does put out a meal for guests and it's inextricable from the room rate.

Sara Erickson states that she's stayed at this establishment and that they provide food every night for dinner.

Erika McConnell states that the board was provided with a menu for food which has previously been used to evaluate if the establishment is a bona fide restaurant. The major concern is that there appears not to be a restaurant at this location.

Glenn Brady presumes they have a commercially licensed kitchen and states that the 50% of sales from food requirement is the concern.

Erika McConnell clarifies that the food served might be brought in from a different establishment in this situation; the board has determined that does not qualify for a restaurant or eating place license in other situations.

Bob Klein states that the license is offering free drinks only to their guests; the board issued a license and it isn't open to the public, which doesn't "jive."

Glenn Brady states that the use of free alcohol as a marketing device is a problem.

Bob Klein states that he doesn't see this as a licensed premises because it's not open to the public.

Rex Leath states that if the board does not consider this establishment to be a "restaurant" the board must consider the implications.

Glenn Brady asks, if no alcohol is being sold, do they need a license?

Michael Jespersen states that Marriott Hotel must have a kitchen but that food is available without a restaurant. There are marketing concerns that occur if this is not allowed.

Sarah Erickson states that Tourism license option may be more appropriate for this license.

Glenn Brady states that the Tourism license could qualify.

Bob Klein asks for more information regarding how many licenses would be effected if this license was denied and a precedent set.

Sara Erickson asks about what would happen if the license was renewed. She states that denying the license at this point would be a problem. She has large concerns regarding the implications of denial in this situation.

Charlie Cross states that in the past (per his enforcement experience), a wine club has shipped wine into a local option community, his enforcement required them to change practices to come into compliance with the law.

Glenn Brady states that the license is operating under a temporary and echoes Bob Klein's request for more information.

Glenn Brady moves to table this application to the next meeting.

Sara Erickson seconds the motion.

Sara Erickson states that the industry should be notified that this matter has come to the attention of the board.

None opposed, motion carries.

- F. 4293 Uncle Joe's Pizzeria:** Uncle Joe's Inc.
3401 E Tudor Road, Anchorage
License: Restaurant or Eating Place

TAB 16

Renewal application.

Licensee requests refund of late fee for renewal.

Erika McConnell summarizes Tab 16.

Rex Leath asks the director to specify the 'incomplete letter' language.

Erika McConnell clarifies that the 'incomplete letter' is how staff refers to the letter sent to an applicant telling them the items in their application that are incomplete.

Glenn Brady states that the penalty does not appear to fit the "crime". He finds the administrative penalties being more financially significant than the mistake that the applicant made.

Glenn Brady moves to renew and refund the requested fees (late fee and reinstatement fee).

Sara Erickson seconds the motion.

None opposed, motion carries

- G. 4380 Gold Miners Lodge Restaurant and Motel:**
Gold Miners Lodge Restaurant and Motel LLC
20333 W Parks Highway, Houston
License: Restaurant or Eating Place

TAB 17

Renewal application.

NOV indicates license was rented; City of Houston protests renewal for non-operation.

Considered with Tab 18 below.

- H. 4526 Gold Miners Lodge Restaurant and Motel:**
Gold Miners Lodge Restaurant and Motel LLC
Mile 60.5 Parks Highway, Houston
License: Beverage Dispensary-Tourism

TAB 18

Renewal application.

NOV indicates license was rented; City of Houston protests renewal for non-operation.

Erika McConnell summarizes Tabs 17 and 18.

Brain Gauthier, current licensee, is present via phone. He testifies that this matter was addressed (City protests) two years ago. He states that he was open for the summer of 2017. He states that they “checked with the ABC Board” several times. They spoke with Jacqlene Drulis and Carrie Craig, and that they did the sale correctly. He states that as long as they entered into a lease with option to purchase it was acceptable. He summarizes a request to table consideration of the licenses to the next board meeting so that their lawyers could put together a rebuttal. He states that the transfer was delayed due to the purchaser not turning in the applications.

Bob Klein asks the applicant what will be brought before the board at the next meeting if this matter is tabled.

Brian Gauthier states that the lease agreement was a lease to purchase and that the board could look at that document. The licenses never operated. He discusses that their lawyer would be able to discuss this matter in more depth.

Bob Klein asks the board to table the matter of these licenses, he asks the applicant for the following:

- 1) Justification to find that the protest was unreasonable.*
- 2) Information regarding what exactly will happen with the license and the time table.*

Bob Klein states that he wants decent information regarding these inquiries.

Glenn Brady moves to table this application to the next board meeting.

Sara Erickson seconds the motion.

None opposed, motion carries.

- I. 4536 Oceanview Restaurant:** Oceanview Restaurant LLC
1831 Tongass Avenue, Ketchikan
License: Beverage Dispensary
From: Luis Orta

TAB 19

Transfer of ownership, renewal, and reinstatement request.

Local governing body action: pending City of Ketchikan

Pending: Department of Revenue

Approvals: Department of Labor

Background investigations: complete

Erika McConnell summarizes Tab 19.

Glenn Brady moves to reinstate, renew, and transfer the license, and approve 1st and 2nd waivers for 2017 and 2018.

Sara Erickson seconds the motion.

Luis Orta states that he has made mistakes on the application but that it will not happen again. Bob Klein confirms that the applicant understands what went wrong.

None opposed, motion carries.

J. 5191 Noodle World Alaska: Yuk's, LLC
2844 E Tudor Road, Unit A, Anchorage
License: Restaurant or Eating Place

TAB 20

Renewal application.

Restaurant or Eating Place license with less than 50% of sales from food.

Bob Klein and Erika McConnell summarize Tab 20.

Glenn Brady moves to renew.

Rex Leath seconds the motion.

None opposed, motion carries.

K. 5249 Totem Square Inn: JL Totem, Inc.
201 Katlian Street, Sitka
License: Beverage Dispensary –Tourism

TAB 21

Renewal application, previously approved with delegation.

City of Sitka requests conditions.

Erika McConnell summarizes Tab 21.

Glenn Brady moves to approve the renewal with the condition requested by the City of Sitka.

Charlie Cross seconds the motion.

None opposed, motion carries.

Sara Erickson states that the Fairbanks meeting may be one day but she likes the 2 day option.

Sara Erickson and Bob Klein discuss the timing.

● **RECESS to the next day**

5:00 pm

**Alcoholic Beverage Control Board
Meeting Minutes Continued
April 30, 2019**

● **ADMINISTRATION**

9:01 am

A. Call to Order

B. Roll Call

Board Members Present

*Bob Klein, Chair, Industry Member
Rex Leath, Vice Chair, Public Safety Member
Glenn Brady, Industry Member
Charlie Cross, Rural Member
Sara Erickson, Public Member*

Staff Present

*Erika McConnell, Director
Mikal Milton, Records and Licensing Supervisor*

Legal Counsel Present

Harriet Milks, Assistant Attorney General

● **BOARD CONSIDERATION**

9:01 am

- L. 5659 M/V Sound Endeavor: Phillips Cruises & Tours LLC**
Alaskan Waters
License: Common Carrier

TAB 22

Applicant is appealing staff decision regarding incomplete application for new license.

Erika McConnell summarizes Tab 22.

The phone is reset due to interference.

Bob Newman, applicant, is present via phone to testify. He states that his vessel is uninspected as designated between 100 and 300 tons in weight. 143 ton vessel is required to have a licensed mariner on board (200 ton captain).

Glenn Brady asks about the other licensed vessels held by this individual and he asks for clarification on why the applicant chose not to participate in the 5 star program.

Bob Newman stated that the remainder of his vessels are all "inspected" passenger vessels. There will be a "licensed mariner" who is authorized for 200 ton vessels. He states that the vessel would not pass a "regular" USCG inspection. He states that he does not have a problem getting a 5 star inspection but the safety requirements for the 5 star is substantially lower than the requirements already in place for his vessel.

Bob Klein states that the requirement is in place to confirm that the vessels are safe like a fire inspection. He states that if a 5 star is received the matter would be settled.

Bob Newman states that he can receive the inspection.

***Glenn Brady moves to approve with delegation (including receipt of the 5 Star inspection and rating).
Charlie Cross seconds the motion.***

Rex Leath states that he does not see where the applicant doesn't comply with the law.

Glenn Brady states that he also feels that nothing was done wrong by the licensee but that the only way for staff to determine the safety of the vessel is through some sort of inspection document.

Erika McConnell explains that for land-based premises the board's staff (enforcement) goes out and inspects the establishment. Additionally, the AMCO also receives approvals from inspecting authorities such as the Fire Marshal. However, at water-based premises (common carrier-vessels), AMCO staff does not perform an inspection and no approvals are received from additional safety authorities. While the vessel in question appears to have additional safety requirements (the 200 ton licensed captain) there will be a variety of vessels that fall under this category and staff is attempting to create a policy that assures vessel safety.

Rex Leath states that he doesn't support requiring a waiver (Bob Klein confirms that no waiver is required). He finds this operator not to be in violation of any type of law and doesn't see the 5 star inspection to be sufficient to prove safety of the vessel.

Glenn Brady states that he concurs that the applicant has not done anything wrong in this situation, but that this matter will be arising more in the future. He is hesitant to open a regulations project but a more coherent discussion may be necessary to address this matter. The Coast Guard may be interested in coming to speak to the board.

Sara Erickson asks how long it takes the Coast Guard to do the inspection. She asks how the 5 star rating requirement came about.

Erika McConnell states that when the board considered this matter previously, the board wouldn't approve licenses for vessels that fell outside the Certificate Of Inspection (COI) requirements. However, there are a variety of vessels that fall under this type of license. The 5 star/Certificate of Compliance (COC)/COI policy created by staff was a minimal policy to put in place to provide for public health and safety but also allow for other vessels that may not receive a COI.

Sarah Oates, individual, is present in person to discuss the matter. She provides additional information regarding the history of common carrier inspection licenses and previous board action. She states that there was a previous directive by former AMCO Director Cynthia Franklin that required all vessels to hold a COI under 3 AAC 304.155. This directive was issued due to a vessel being licensed that was parked in Kodiak waters that was a stationary platform and not an operating vessel.

Rex Leath states that the vessel Oates references would have passed a 5 Star inspection. He states that the 5 Star does not

Sara Erickson states that based on Rex Leath's testimony, requiring a 5 Star rating would not have prevented the licensure of the above mentioned vessel.

Sarah Oates clarifies that the previous directive was to only license vessels that had COI's which would have prevented the vessel from being licensed. However, Erika McConnell has since amended the directive to include COCs and 5 Star ratings to allow for more vessels to be licensed.

Glenn Brady states that without the amendment, the vessel that has requested consideration would not be eligible at all. He asks the applicant if the Coast Guard requires a liquor license for this vessel based on the proposed operations.

The applicant states that he is required to have the 200 ton Master on board, regardless of the liquor license. There are substantial consequences from the USCG if the requirements regarding his vessel are not met, possibly including the revocation of the masters license. The USCG does not have requirements regarding liquor license possession.

Regarding the main motion:

Motion carries 4-1. Sara Erickson votes no.

M. 5676 Fire Island Rustic Bake Shop: Fire Island Rustic Bake Shop, LLC

TAB 23

2530 E 16th Avenue, Anchorage

License: Restaurant or Eating Place

New license application.

Local governing body action: Municipality of Anchorage protests

Background investigations: complete

Applicant requests extension of abeyance period.

Erika McConnell summarizes Tab 23 and states that she brought this item for separate consideration due to the regulation change that would allow no further abeyance extensions.

Rachel Pennington, applicant, is present in person to discuss her request. She summarizes her request for extension. She discusses the 90 day deadline with the board.

Glenn Brady moves to approve the 90 day extension to the abeyance period.

Sara Erickson seconds the motion.

Rex Leath asks about a municipality's protest, and what the new regulation with the 180 day limit will mean.

Erika McConnell states that if the LGB does not lift the protest within the abeyance period, now constrained to 180 days, the application will be denied without being brought back to the board.

Rex Leath asks if a municipality wanted to eliminate licenses by protesting, is it possible. He discusses the protest procedure and requirements with Erika McConnell.

Glenn Brady states that he agrees with Rex Leath that it is concerning that Local Governing Bodies can unreasonably protest licenses but that it is up to the board to decide what is "arbitrary, capricious and unreasonable".

Sara Erickson states that, based on what Mr. Brady and Mr. Leath are stating at this time, the board made the M/V Sound Endeavor receive a safety rating, which could take substantial time, is a precedent she is uncomfortable setting. She states that the board's mentality from the last vote doesn't make sense.

Glenn Brady states that it doesn't cost anything to receive the 5 Star rating.

Bob Klein states that Sara Erickson's point is that the board created another situation where an approval from a different entity is required. He states that, for this license, the board may determine that a protest on the license is unreasonable.

Rex Leath states that he wants to get the message to the applicants that if they feel like the LGB is being inappropriate in their protests, they can come back to the board.

Sara Erickson states that she feels that the board just added administrative burden to the previous applicant.

Bob Klein states that her comments are on the record.

Regarding the main motion-
Rex Leath seconds the motion. (Already seconded)
None opposed, motion carries.

- N. 5756 Fairbanks Drama Association and Fairbanks Children's Theatre: Delta Epsilon, Inc. TAB 24**
1852 Second Avenue, Fairbanks
License: Theatre

New license application.

Local governing body action: City of Fairbanks does not protest

Pending: Department of Environmental Conservation

Criminal background investigations: pending

Erika McConnell summarizes Tab 24. (The application is being brought before the board separately because it is a license type that is significantly less common.)

Glenn Brady moves to approve with delegation.
Rex Leath seconds the motion.
None opposed, motion carries.

- O. 5769 The Catch Restaurant and Bar & The Alaska Anglers Inn: Vernika 2 LLC TAB 25**
44715 Sterling Highway, Soldotna
License: Beverage Dispensary – Tourism

New license application.

Local governing body action: pending City of Soldotna

Pending: Department of Environmental Conservation

Background investigations: pending

Erika McConnell summarizes Tab 25.

Jana Weltzin, counsel, is present in person and applicant is present via phone.

Glenn Brady moves to approve with delegation (including the requirement that the 25 rooms are available for use by the public).
Rex Leath seconds the motion.
None opposed, motion carries.

- P. Request for Board Authorization to Allow Alcohol Sales under AS 04.11.020(a)** **TAB 26**
State Property Management Office; Juneau

Erika McConnell summarizes Tab 26.

Glenn Brady moves to approve the request.
Sara Erickson seconds the motion.
None opposed, motion carries.

● **REQUESTS FOR LICENSE REINSTATEMENT AND RENEWAL** **9:52am**

- A. 1205 V.F.W. Post #7056: V.F.W. Katmai Post #7056** **TAB 27**
7 Mile Monashka Bay Road, Kodiak Island Borough
License: Club

Renewal application; request for reinstatement.
Temporary issued.

Bob Klein summarizes Tab 27.

Glenn Brady moves to approve the reinstatement and renewal.
Charlie Cross seconds the motion.

Glenn Brady states that he wishes to re-visit the club operational parameters due to the NOV on this license.

Glenn Brady amends the motion to approve with delegation contingent upon a response to the NOV. The director may bring the response back to the board if necessary.

Mikal Milton clarifies that the response was received but that the response was not included in the packet. She summarizes the response.

Glenn Brady withdraws his amendment.

Sara Erickson seconds the original motion. (Already seconded.)
None opposed, motion carries

- B. 1244 Brown Bag Sandwich Company: Brown Bag Sandwich Co., LLC.** **TAB 28**
535 W 3rd Avenue, Anchorage
License: Beverage Dispensary

Renewal application; request for reinstatement.

Dan Coffey summarizes the request in Tab 28.

Bob Klein states that there is no recommendation in the file for this establishment and asks for the directors recommendation.

Erika McConnell states that she has no objection to the reinstatement of the license, the referenced Power of Attorney was not included with the current transfer and she further explains that all of the expiration warning letters are sent out to the current licensee for all licenses, the timing in this circumstance is unfortunate.

Glenn Brady moves to reinstate the license and approve the renewal.

Sara Erickson seconds the motion.

None opposed, motion carries.

Dan Coffey asks to take Tabs 48 and 57 at this time. (The board agrees.)

[Public Hearing-Protest]

5757 AK Alchemist: AK Alchemist, LLC

103 E 4th Avenue, Anchorage

License: Restaurant or Eating Place

T 48

New license application.

Local governing body action: Municipality of Anchorage protests

Background investigations: complete

Erika McConnell summarizes Tab 48.

Bob Klein states that all of the pending protest matters are close to resolution.

Glenn Brady moves to uphold the protest and grant a 180 day abeyance.

Charlie Cross seconds the motion.

Glenn Brady asks about why the menu for Brown Bag was submitted rather than a menu for AK Alchemist.

The applicant explains that they have a licensing agreement with Brown Bag to sell their sandwiches as "Brown Bag Sandwiches".

Main motion-

None opposed, motion carries.

[Security Interest Transfer]

4362 Settler's Bay Lodge: SB Restaurant, LLC

5801 S Knik Goose Bay Road, Matanuska-Susitna Borough

License: Beverage Dispensary

From: Settler's Bay Lodge Inc.

TAB 57

Transfer of ownership with security interest agreement.

Local governing body action: pending Matanuska-Susitna Borough

Approvals: Department of Labor, Department of Revenue

Background investigations: complete

Erika McConnell summarizes Tab 57.

Glenn Brady moves to approve with security interest and delegation.

Sara Erickson seconds the motion.

None opposed, motion carries.

[Return to Requests for Reinstatement and Renewal]

- C. 1794 Chitina Liquor:** Wayne A Robertson
33.5 Edgerton Highway, Chitina
License: Package Store

TAB 29

**Renewal application; request for reinstatement.
Temporary issued.**

Bob Klein and Erika McConnell summarize Tab 29.

Glenn Brady moves to reinstate and renew the license.

Charlie Cross seconds the motion.

Bob Klein asks if there were any issues discovered with the mail or email.

Erika McConnell confirms that there was no returned mail or emails to indicate that the documents were not received by the applicant.

None opposed, motion carries.

- D. 1796 Willie's Quick Mart:** Willie's Quick Mart, LLC.
11012 Rezanod Drive West, Kodiak Island Borough
License: Package Store

TAB 30

**Renewal application; request for reinstatement.
Temporary issued.**

Erika McConnell summarizes Tab 30.

Mark Alwert is present via phone and states that he has had the same address for over 35 years. He states that he believes that it is staff error in the application for this license.

Bob Klein asks about if there is action on the board's part necessary to address the request to refund fees for this application.

Erika McConnell states that she was going to provide the original application showing that it was an error on the applicant's part but that it did not make it into the board packet. Because it was an error on the applicant's part, she finds the assessed fees justified.

Bob Klein asks what the fees are in this situation.

Erika McConnell states that the fees are a \$500 late fee for not completing the application on time, and a \$1,000 reinstatement fee. She also includes information that there is a \$300 application fee and a license fee also assessed for all renewals.

Glenn Brady asks if the original renewal application was received prior to the deadline.

Applicant states that he never received notification about his renewal.

Sara Erickson moves to reinstate and renew and waive the penalty fees (late fee and reinstatement fee).

Glenn Brady asks if the renewal was late.

Erika McConnell confirms that the renewal was not received by AMCO staff until after the license was expired.

Charlie Cross seconds the motion.

None opposed, motion carries.

- E. 1962 The Silver Fox Inn:** Cassandra J Alley
Mile Post 50 Parks Highway, Matanuska – Susitna Borough
License: Beverage Dispensary - Tourism

TAB 31

**Renewal application; request for reinstatement.
Temporary issued.**

Erika McConnell summarizes Tab 31.

Glenn Brady moves to reinstate and renew the license.

Sara Erickson seconds the motion.

None opposed, motion carries.

- F. 4292 Clearwater Lodge:** Clearwater Ventures, Inc.
7028 Remington Road, Delta Junction
License: Beverage Dispensary

TAB 32

**Renewal application; request for reinstatement.
Temporary issued.**

Erika McConnell summarizes Tab 32.

Glenn Brady moves to reinstate and renew the license.

Sara Erickson seconds the motion.

None opposed, motion carries.

- G. 4481 ESS Support Services Worldwide (Anch-Gran-Whit):** Statewide Services, Inc.
Alaska Railroad
License: Common Carrier – Seasonal

TAB 33

Renewal Application; Request for reinstatement.

Considered below

- H. 4482 ESS Support Services Worldwide (Whit-Gran-Anch):** Statewide Services, Inc. **TAB 34**
Alaska Railroad
License: Common Carrier – Seasonal

Renewal Application; Request for reinstatement.

Glenn Brady moves to reinstate and renew license 4481 and 4482.

Charlie Cross seconds the motion.

None opposed, motion carries.

● **PUBLIC HEARINGS – PROTESTS** **10:20 am**

- A. 77 300 Club:** Karen A Meadows-Sours **TAB 35**
940 Cowles Street, Fairbanks
License: Beverage Dispensary

Renewal application.

Local governing body action: Fairbanks North Star Borough protests

Fairbanks North Star Borough protests due to delinquent tax payment.

Erika McConnell summarizes Tab 35.

Applicant, Karen A Meadows-Sours is present via phone. She testifies regarding her back-taxes owed to the borough.

Bob Klein and Erika McConnell summarize the conditions for the protest to be lifted.

Glenn Brady moves to uphold the Fairbanks North Star Borough protest with a 30 day abeyance to receive a lift of protest.

Charlie Cross seconds the motion.

None opposed, motion carries.

- B. 527 The Moose Creek Lodge:** H54B, Inc. **TAB 36**
3560 Old Richardson Highway, Fairbanks North Star Borough
License: Beverage Dispensary

Renewal application.

Local governing body action: Fairbanks North Star Borough protests

Fairbanks North Star Borough protests due to delinquent tax payment.

Erika McConnell summarizes Tab 36.

Annamarie Billingsley, representative of the Fairbanks North Star Borough, is present states that the Borough recommends that there should not be an abeyance for this particular matter.

Bob Klein states that the 30 days is customary.

Annamarie Billingsley states that the borough has given the licensee ample opportunity to resolve the matter and that extensive litigation has been required.

Glenn Brady asks how long the taxes have been delinquent on this license.

Annamarie Billingsley states that May 2014 was when taxes began to be delinquent.

Jason Weiner, counsel for the licensee, is present via phone to testify. He states that there is a complex history in this case and that the applicant is working closely with the borough. The applicant is involved in litigation regarding the ground water contamination in the area. Additionally, he finds that the protest violates the terms of the settlement with the borough. He references the confession of judgement that has been received. Bob Klein states that a copy of the judgement was not received by the AMCO.

Annamarie Billingsley states that there was a breach in the confession of judgement and that there is a new judgement by the court due to the breach.

Jason Weiner and Annmarie Billingsley discuss the judgement by the court.

Rex Leath states that based on the facts, the 30 day abeyance is appropriate to the situation and it is what has been done in the past.

***Rex Leath moves to deny the license with a 30 day abeyance to receive lift of protest.
Glenn Brady seconds the motion.***

Bob Klein asks if the director can get the judgement information.

Erika McConnell states that, if the additional information is brought back to the board, the 30 day abeyance will be up before the next board meeting.

***Rex Leath amends the motion extending the abeyance to 80 days.
Glenn Brady seconds the amendment.***

Applicant, Melanie Jordan, is present via phone and requests the extended abeyance period.

Annamarie Billingsley states that while there are many excuses, the underlying fact is that the LGB has the right to protest the application.

Jason Weiner states that bankruptcy is being considered for the applicant.

***Main Motion (as amended) as restated by the chair: uphold the protest and deny the renewal with an abeyance to the next board meeting.
None opposed, motion carries.***

- C. 743 Moose Lodge #224:** Ketchikan Loyal Order of the Moose Lodge #224
Walter Street 742-744, Ketchikan
License: Club

TAB 37

Renewal application.

Local governing body action: City of Ketchikan protests

City of Ketchikan protests due to delinquent tax payment and non-compliance with safety code requirements.

Bob Klein and Erika McConnell summarize Tab 37.

Glenn Brady moves to deny the license application and uphold the protest with a 180 day abeyance.

Charlie Cross seconds the motion.

None opposed, motion carries.

- D. 780 The Refinery Lounge: Red Pants, Inc.**
6th & Old Richardson Highway, North Pole
License: Beverage Dispensary

TAB 38

Renewal application.

Local governing body action: Fairbanks North Star Borough protests

Fairbanks North Star Borough protests due to delinquent tax payment.

Erika McConnell summarizes Tab 38 and states that the protest was lifted.

Glenn Brady moves to approve the renewal.

Rex Leath seconds the motion.

None opposed, motion carries.

- E. 795 Oaken Keg #0720: Safeway Inc.**
700 E Northern Lights Boulevard, Anchorage
License: Package Store
From: Carr-Gottstein Foods Co. dba Oaken Keg #1806
600 East Northern Lights Boulevard

TAB 39

Transfer of ownership and location, and DBA change.

Local governing body action: Municipality of Anchorage protests

Approvals: Department of Labor, Department of Revenue

Background investigations: complete

Municipality of Anchorage protests due to a pending special land use permit and certification from Anchorage Fire Department.

Erika McConnell summarizes Tab 39.

Stephanie Kennedy, store operations specialist for Carrs/Safeway is present in person to testify. She provides history of the SLUP permit process. She states that it will be considered on the May 21 2019 meeting. This location should be prepared in September of 2019. She is concerned about the 180 day abeyance. She requests that the board not rescind their approval of the license and summarizes the concerns that arise from the proposed abeyance.

Bob Klein states that the board is obligated to uphold the protest unless it's arbitrary, capricious or unreasonable. The applicant may ask the Municipality to lift the protest with conditions. Klein states that, what the applicant is asking, there is not room in the law for this matter.

Erika McConnell clarifies that it does not deny future applications.

Glenn Brady asks about the 180 day abeyance and discusses with Bob Klein the 180 day regulation that was put in place regarding abeyances.

Glenn Brady moves to rescind previous approval, deny the application and uphold the protest with a 180 day abeyance.

Rex Leath seconds the motion.

Sara Erickson asks about the function of the 180 day abeyance. The board discusses the concerns that arise from the 180 day abeyance limit.

Glenn Brady states that he sees this as a situation where an applicant trying to do the right thing is caught in bureaucratic timing issues.

None opposed, motion carries.

- F. 3467 Lin's Asian Bistro:** Lin's Panda Garden, Inc
1900 Airport Way, Fairbanks
License: Restaurant or Eating Place

TAB 40

Renewal application.

Local governing body action: City of Fairbanks protests

City of Fairbanks protests pending complete fire inspections.

Bob Klein and Erika McConnell summarize Tab 40 and Erika McConnell states that the protest has been lifted.

Glenn Brady moves to approve the renewal.

Charlie Cross seconds the motion.

None opposed, motion carries.

- G. 4528 YES International Bistro:** Birchtree, LLC
3801 Debarr Road, Anchorage
License: Restaurant or Eating Place
From: Kenny H Lee and Jong R Lee
To: Birchtree, LLC

TAB 41

Transfer of ownership.

Local governing body action: Municipality of Anchorage protests

Approvals: Department of Labor, Department of Revenue

Background investigations: complete

Municipality of Anchorage protests pending certification from Anchorage Fire Department.

Erika McConnell summarizes Tab 41

Glenn Brady asks if the protest was received within the protest period.

Staff confirms that it was.

Glenn Brady moves to rescind previous approval and uphold the protest with a 180 day abeyance.

Charlie Cross seconds the motion.
None opposed, motion carries.

- H. 5051 Asiana Restaurant:** Young Mi Jin
2001 Airport Way, Fairbanks
License: Restaurant or Eating Place

TAB 42

Renewal application.
Local governing body action: City of Fairbanks protests
City of Fairbanks protests pending complete fire inspections.

Erika McConnell summarizes Tab 42 and states that the protest has been lifted.

Glenn Brady moves to approve the renewal.
Rex Leath seconds the motion.
None opposed, motion carries.

- I. 5731 Bernie’s Bungalow Lounge:** Bernard I Souphanavong
626 D Street, Anchorage
License: Beverage Dispensary – Duplicate

TAB 43

New license application.
Local governing body action: Municipality of Anchorage protests
Background investigations: complete
Municipality of Anchorage protests pending certification from Anchorage Fire Department and special land use permit.

Considered with 5732 below.

- J. 5732 Bernie’s Bungalow Lounge:** Bernard I Souphanavong
626 D Street, Anchorage
License: Beverage Dispensary – Duplicate

TAB 44

New license application.
Local governing body action: Municipality of Anchorage protests
Background investigations: complete
Municipality of Anchorage protests pending certification from Anchorage Fire Department and special land use permit.

Erika McConnell summarizes Tabs 43 and 44.

Applicant, Bernard Souphanavong is present in person to testify. He discusses the duplicates that have been required to be applied for. He states that he feels that he should not have been required to hold a duplicate license. He states that he is close to addressing the protest concerns. He would like to ask if his license should really be required to hold these additional licenses.

Erika McConnell discusses with the applicant the duplicate requirement and diagram for the duplicate licenses. She addresses the request for board clarification of the requirements for a duplicate license brought before the board at the last meeting and the legislative intent of the duplicate license requirement.

Glenn Brady states that he has been involved in discussions surrounding these matters and he understands staffs concern regarding these matters. He interprets it that the applicant does not need duplicate licenses because the bars are not plumbed in.

Harriet Milks discusses the matter of the legislative history, "fixed" bar or counter means that the bar must not have wheels.

Glenn Brady discusses the matter with Harriet Milks, Erika McConnell and the board. He interprets regularly maintained as a bar that is inspected by regulatory agencies.

Glenn Brady states that there is an option to have the applications be withdrawn.

Bob Klein asks the director what happens to the money paid.

Erika McConnell agrees to refund all fees.

Glenn Brady moves to accept withdrawal of license applications and refund all fees.

Rex Leath seconds the motion.

None opposed, motion carries.

- K. 5744 49th State Brewing:** Alaska Pacific Beverage Company, LLC
721 W 1st Avenue, Suite #49, Anchorage
License: Brewery

TAB 45

New license application.

Local governing body action: Municipality of Anchorage protests

Background investigations: pending

Municipality of Anchorage protests pending conditional use permit and certification from Anchorage Fire Department.

Considered below

- L. 5745 49th State Brewing:** Alaska Pacific Beverage Company, LLC
721 W 1st Avenue, Suite #49, Anchorage
License: Winery

TAB 46

New license application.

Local governing body action: Municipality of Anchorage protests

Background investigations: pending

Municipality of Anchorage protests pending conditional use permit and certification from Anchorage Fire Department.

Bob Klein and Erika McConnell summarize Tabs 45 and 46

Glenn Brady states that offline he has discussed AS 04.11.450 prohibited financial interest 3AAC 304.980. 10% rule. He states that this application puts the applicants on the edge of prohibited financial interest. He knows that there have been licensees in the past that have been given significant bureaucratic grief for matters close to this issue. He is concerned with the ownership percentages.

Bob Klein and Charlie Cross discuss the prohibited financial interest requirements.

Sarah Oates, Alaska CHARR is present in person, she points out 3AAC 304.980 that states that 10 percent or more is required to provide prohibited financial interest. She states that the applicant is present on the phone.

Glenn Brady states that the 10% or more is prohibited. He is concerned about the greater than or equal to problem.

Bob Klein asks if the applicant wishes to speak.

Jason Motyka is present via phone to testify.

Glenn Brady summarizes the boards concerns with the application. He states that he is in favor of approval of these licenses and that prohibited financial interest is a long standing issue.

Glenn Brady moves to uphold protest with an 180 day abeyance.

Erika McConnell states that the aggregate interest is important and concerning as well.

Bob Klein states that the protest is holding up the license already.

Jason Motyka states that the protest was lifted last week. (Staff does not have a record of lifted protest.)

Rex Leath seconds the motion.

Bob Klein supports approving this license and upholding the protest at this time.

None opposed, motion carries.

Bob Klein asks the director to provide additional information regarding this matter at the next board meeting.

M. 5750 Two Seasons Meadery: Two Seasons Mead, LLC
801 E 82nd Avenue, Unit D3, Anchorage
License: Winery

TAB 47

New license application.

Local governing body action: Municipality of Anchorage protests

Background investigations: complete

Municipality of Anchorage protests pending certification from Building Safety Official and special land use permit.

Erika McConnell summarizes Tab 47.

Glenn Brady moves to reconsider previous approval, uphold the protest and deny the application with a 180 day abeyance.

Charlie Cross seconds the motion.

None opposed, motion carries.

N. 5757 AK Alchemist: AK Alchemist, LLC

TAB 48

103 E 4th Avenue, Anchorage
License: Restaurant or Eating Place

New license application.

Local governing body action: Municipality of Anchorage protests

Background investigations: complete

Municipality of Anchorage protests pending payment of all taxes, fees or fines; certification from Planning Department and approval of a conditional land use permit; certifications from Department of Health and Human Services, Building Safety Official, and Anchorage Fire Department.

Considered above.

● **PUBLIC HEARINGS – OBJECTIONS**

11:15 am (approx.)

- A. 975 Moosequito’s Bar: Moosequito Ventures LLC**
33590 Sterling Highway, Sterling
License: Beverage Dispensary

TAB 49

Renewal application.

Local governing body action: Kenai Peninsula Borough does not protest

Public objection received.

Erika McConnell summarizes Tab 49.

Stan Wells, objector, is present in person to testify. He addresses the statements in the licensee response to his objection.

He states that he saw no sign in the establishment for Marijuana, and that he was not the initiator of the anti-establishment petition against this license. Jerry Cornell is contracting with Bowing and works on national defense. He addresses the concerns brought up in his objection. He discusses decibel levels and the level of noise that the licensee puts out. He calls the Borough Mayor. [Charles Pierce, Kenai Peninsula Borough mayor.]

[Charles Pierce] Borough Mayor is present via phone. He discusses the problem having the owner being out of town for a substantial period of the operations. He states that there are residences along the river that are impacted by the volume of the establishment. He states that he is not a direct witness but that evidence has been presented that the complaints given to the licensed establishment have fallen on deaf ears. He requests that the applicant be a good neighbor and that the board should put pressure/responsibility on the applicant to be a good neighbor.

Glenn Brady asks if the individual could introduce himself for the record. Charles Pierce, Kenai Peninsula Borough mayor. Glenn Brady asks if the individual is speaking as an individual or mayor.

Charles Pierce states that the matter of the sound is a problem that has been brought to the attention of the mayor’s office.

Stan Wells states that he finds it to be that the applicant will shape up until the renewal is over and then be a problem again.

Sara Erickson states that she has heard a complaint. She asks why the borough assembly hasn't handled the matter.

Charles Pierce states that the issue is not easily handled by the Borough, the board's authority has more impact.

Rex Leath asks if the facility did not serve alcohol, how would the matter be handled by the borough?

Charles Pierce states that the troopers would be responsible.

Bob Klein asks about the no protest from the Borough regarding the license.

Charles Pierce states that they did not protest but that they request the license be dealt with appropriately by the board.

Stan Wells states that the clerk handles the no protest response automatically. He provides additional information regarding the process that has been used to file the objection.

Sara Erickson asks the mayor if there are other complaints filed against this license.

The Mayor is unable to confirm if additional objections were received.

Stan Wells states that the only objection was the petition that he helped submit to the Borough.

Paul Koval, licensee, is present in person to address his application. He states that he was blind-sided regarding the objection. He discusses his written response included in Tab 49. He iterates his proposal to communicate directly with all of the petition signers regarding their complaints. He again goes over his system for which his complaints are logged, trooper reports, his problem with the consideration of his objection without his response at the previous meeting. He does not intend to disrupt the neighborhood. He addresses the restrictions proposed by the director but that he asks for leeway in June-August because business is still busy during the week in those months. He asks that the speaker restrictions only be tied to the school year.

Bob Klein asks if Paul Koval has yet reached out to the petition signers and asks for specifications on the suggested amendments to the Directors recommendation.

Paul Koval states that he was waiting to see what the board's determination was and his requested amendments were to allow the speakers to run until 12:00 Midnight all nights of the week from June to August.

Sara Erickson asks how long the business has been operating (since 2002). She discusses the police reports with the director and licensee.

Bob Klein states that there is a recommendation by the Director and request for changes to the recommendation by the licensee (expand the summer months June-August to midnight).

Rex Leath states that based on the "work week" qualification it seems like midnight is late even during the summer. He is not sure if it is the purview of the board to put noise requirements on licensees.

Bob Klein asks for a motion.

Rex Leath moves to accept the director's recommendation to place conditions on the renewal of the license.

Charlie Cross seconds the motion.

Sara Erickson states that her hesitation is that it isn't the board's job to do this, she finds this to be a borough problem.

Harriet Milks states that the board does have the authority to protect the best interest of the public.

Glenn Brady states that from a community relations prospective that there are lots of unhappy neighbors and that the dialogue has gone sour. He encourages the licensee to reach out to neighbors and resolve the issues. As an operator, the licensee has the right but is it the right thing to do? He is in favor of adopting the conditions. Perhaps at the next renewal the conditions can be lifted.

Sara Erickson asks if 10 pm is a common cutoff.

Glenn Brady states that he is zoned to make noise whenever but 10 pm is the loud noise cutoff.

Sara Erickson states that 10 pm in the summer feels like noon and she is not in favor of putting restrictions on a particular license just because of where it is located.

Glenn Brady states that it is a pattern of complaints, not just one.

Stan Wells is not allowed by the board to make a comment at this time.

Rex Leath withdraws his motion.

Glenn Brady moves to approve the renewal.

Rex Leath seconds the motion.

None opposed, motion carries.

Regarding conditions:

Charlie Cross states that he finds it important to consider the economy and tourism, but that people live in this location as well. He does not find it necessary that the board talk to the licensee like a child.

Glenn Brady states that there is an interesting distinction that the business has existed longer than the residents.

Glenn Brady moves to adopt the director's recommendation of conditions for one year with the amendment to the allowable hours being midnight during June, July, and August, hopefully by the second year the matter will be resolved.

Sara Erickson seconds the motion.

Sara Erickson states that there has been only 1 petition brought to the board in 13 years. She addresses the objector and states that this is a neighborly matter. She states that this doesn't seem to be an ongoing issue.

Rex Leath asks if this is amended to be in place for 1 year, he is concerned that the 1 year problem will not be resolved after 1 year. He doesn't find the one year condition to be appropriate.

Glenn Brady states that the board would be hoping that the restrictions would become indoctrinated and that the dialogue will be improved after the single year.

Sara Erickson asks about the 1 year reconsideration.

Erika McConnell explains that staff would bring the licensee back to the board for consideration of conditions.

None opposed, motion carries.

Erika McConnell confirms that the application will be before the board at the board meeting before the conditions expire.

Paul Koval states that his biggest concern is the drug deal problem being brought to him a year later. He finds this to be a matter of community concern. He has many cameras and is happy to provide information to the troopers.

Discussion occurs between the board and staff regarding if lunch should be skipped. It was decided to not skip lunch.

Lunch is called.

Meeting resumes.

1:45 pm

- B. 1309 Anchor River Inn:** Anchor River Lodge, LLC
34358 Old Sterling Highway, Anchor Point
License: Beverage Dispensary - Tourism
From: Anchor River Inn, Inc.

TAB 50

Transfer of ownership.

Local governing body action: Kenai Peninsula Borough does not protest

Approvals: Department of Labor, Department of Revenue

Pending: creditor(s)

Background investigations: complete

Creditor's objections received.

Considered below

- C. 2313 Anchor River Inn:** Anchor River Lodge, LLC
34361 Old Sterling Highway, Anchor Point/Kenai Peninsula Borough
License: Package Store
From: Anchor River Inn, Inc.

TAB 51

Transfer of ownership.

Local governing body action: pending Kenai Peninsula Borough

Approvals: Department of Labor, Department of Revenue

Pending: creditor(s)

Background investigations: complete

Creditor's objections received.

Bob Klein and Erika McConnell summarize Tabs 50 and 51.

**Glenn Brady moves to approve with delegation including satisfaction of creditors.
Charlie Cross seconds the motion.
None opposed, motion carries.**

● **WAIVERS OF MINIMUM OPERATING REQUIREMENTS**

A. Third Waiver Applications

1. **414 No DBA:** David Worel
No Premises, Fairbanks North Star Borough
License: Beverage Dispensary

TAB 52

Waiver for 2018 and renewal application.

Bob Klein summarizes Tab 52.

Erika McConnell states that previously the board has approved 3rd waiver with the caveat about not approving a 4th waiver.

**Glenn Brady moves to approve the waiver with notification that no 4th waiver will be approved.
Charlie Cross seconds the motion.
None opposed, motion carries.**

● **SECURITY INTEREST TRANSFERS and INVOLUNTARY RETRANSFERS**

- A. 100 Beachcomber Lodge LLC:** Beachcomber Lodge LLC
384 Mitkof Highway, Petersburg
License: Beverage Dispensary
From: Sigurd R and Cynthia L Mathisen DBA Beachcomber Inn

TAB 53

Transfer of ownership and DBA change, with security interest agreement.
Local governing body action: Petersburg Borough does not protest
Approvals: Department of Labor, Department of Revenue
Background investigations: pending

Bob Klein summarizes Tab 53.

**Glenn Brady moves to approve the transfer with delegation and Security Interest.
Rex Leath seconds the motion.
None opposed, motion carries.**

Erika McConnell clarifies that the licensee must submit signed, recorded copies of documents to finalize the Security Interest.

- B. 626 Kenai Joe's Taphouse, LLC:** Kenai Joe's Taphouse, LLC
800 Cook Avenue, Kenai
License: Beverage Dispensary
From: Kenai Joe's Alaskan Roadhouse Company DBA Kenai Joe's

TAB 54

Transfer of ownership and DBA change, with security interest agreement.

Local governing body action: City of Kenai does not protest

Approvals: Department of Labor, Department of Revenue

Background investigations: pending

Bob Klein summarizes Tab 54.

Glenn Brady moves to approve the transfer with delegation and security interest.

Charlie Cross seconds the motion.

None opposed, motion carries.

C. 2502 Swiftwater Seafood Café: Whittier Lodging, LLC

TAB 55

Lot 8 Triangle Lease Area, Whittier

License: Restaurant or Eating Place

From: Varley's Whittier Delights, LLC

Transfer of ownership with security interest agreement.

Local governing body action: pending City of Whittier

Approvals: Department of Labor, Department of Revenue

Background investigations: complete

Bob Klein summarizes Tab 55.

Margaret Varlamos, transferor, is present in person to discuss the application. She states that the lift of protest has been received.

Bob Klein states that the recommendation is to approve the transfer. He entertains motion to approve with delegation and Security Interest.

Glenn Brady moves to approve with delegation and Security Interest.

Charlie Cross seconds the motion.

None opposed, motion carries.

D. 3195 Blue Loon: Hand Made LLC

TAB 56

2999 Parks Highway, Fairbanks North Star Borough

License: Beverage Dispensary

From: Blue Loon Inc.

Transfer of ownership with security interest agreement.

Local governing body action: Fairbanks North Star Borough does not protest

Approvals: Department of Labor, Department of Revenue

Background investigations: complete

Considered below with license 4834.

- E. **4362 Settler’s Bay Lodge:** SB Restaurant, LLC
5801 S Knik Goose Bay Road, Matanuska-Susitna Borough
License: Beverage Dispensary
From: Settler’s Bay Lodge Inc.

TAB 57

Transfer of ownership with security interest agreement.
Local governing body action: pending Matanuska-Susitna Borough
Approvals: Department of Labor, Department of Revenue
Background investigations: complete

Considered above.

- F. **4834 Blue Loon:** Hand Made LLC
2999 Parks Highway, Fairbanks
License: Beverage Dispensary – Duplicate
From: Blue Loon Inc.

TAB 58

Transfer of ownership with security interest agreement.
Local governing body action: Fairbanks North Star Borough does not protest
Approvals: Department of Labor, Department of Revenue
Background investigations: complete

Bob Klein summarizes Tab 56 and 58.

***Glenn Brady moves to approve transfers with security interest.
Rex Leath seconds the motion.
None opposed, motion carries.***

● **PUBLIC CONVENIENCE– NEW APPLICATIONS**

- A. **5763 Moose-Aka’s:** M&M Moose-Aka’s Inc.
238.9 George Parks Highway, Denali
License: Restaurant or Eating Place – Public Convenience

TAB 59

New license application.
Local governing body action: Denali Borough does not protest
Approvals: Department of Environmental Conservation, State Fire Marshal
Background investigations: complete

***Glenn Brady moves to approve the license application.
Charlie Cross seconds the motion.
None opposed, motion carries.***

● **TOURISM LICENSES – NEW and TRANSFER APPLICATIONS**

- A. **941 Swiss Alaska Inn LLC:** Swiss Alaska Inn LLC
22056 South F Street, Talkeetna
License: Beverage Dispensary - Tourism
From: Christopher Shawn Byrd

TAB 60

Transfer of ownership and renewal application.

Local governing body action: pending Matanuska-Susitna Borough
Approvals: Department of Labor
Pending: Department of Revenue
Background investigations: complete

Bob Klein summarizes Tab 60.

Glenn Brady moves to approve the transfer and renewal with delegation.

Charlie Cross seconds the motion.

None opposed, motion carries.

- B. 1287 Talkeetna Inn:** Talkeetna Inn LLC **TAB 61**
22328 B Street, Talkeetna
License: Beverage Dispensary - Tourism
From: Talkeetna Motel, Inc.

Transfer of ownership.

Local governing body action: pending Matanuska-Susitna Borough
Pending: Department of Labor, Department of Revenue
Background investigations: complete

Bob Klein summarizes Tab 61.

Glenn Brady moves to approve with delegation.

Rex Leath seconds the motion.

None opposed, motion carries.

● **OUTDOOR RECREATION LODGE – NEW LICENSE APPLICATIONS**

- A. 5762 Skwentna Services:** Skwentna Roadhouse LLC **TAB 62**
100 Happiness Lane, Skwentna
License: Outdoor Recreation Lodge

New license application.

Local governing body action: pending Matanuska-Susitna Borough
Approvals: State Fire Marshal
Pending: Department of Environmental Conservation
Background investigations: complete

Glenn Brady moves to approve with delegation.

Charlie Cross seconds the motion.

Glenn Brady asks about the location. It is confirmed that the establishment is off of the road system.

None opposed, motion carries.

- B. 5796 Rapids Camp Lodge:** Rapids Camp Lodge Inc. **TAB 63**
One Rainbow Run, Bristol Bay Borough

License: Outdoor Recreation Lodge

New license application.

Local governing body action: pending Bristol Bay Borough
Pending: State Fire Marshal, Department of Environmental Conservation
Background investigations: complete

Glenn Brady moves to approve with delegation.

Charlie Cross seconds the motion.

Sara Erickson asks about Bristol Bay Borough being a dry community.

Rex Leath confirms that it is only in specific areas of the borough.

None opposed, motion carries.

● DELEGATED CONSENT AGENDA – NEW and TRANSFER APPLICATIONS

TAB 64

All items considered below, all of Tab 64 considered together.

- A. 1450 Milano's Pizzeria:** Milano's Pizzeria, Inc.
110 Front Street (Old Federal Building) #102,
License: Restaurant or Eating Place
From: Chul Woo Kang

Transfer of ownership.

Local governing body action: pending City of Nome
Approvals: Department of Labor, Department of Revenue
Background investigations: complete

- B. 2535 Vitus Energy LLC:** Vitus Energy LLC
19223 Old Glenn Highway, Chugiak
License: Package Store
From Shoppers Cache Inc., DBA Shoppers Cache Inc.

Transfer of ownership and DBA change.

Local governing body action: pending Municipality of Anchorage
Approvals: Department of Labor, Department of Revenue
Background investigations: complete

- C. 2795 Vitus Energy LLC:** Vitus Energy LLC
39056 Sterling Highway, Soldotna
License: Package Store
From JFS Inc., DBA Log Cabin Liquor, 37133 Funny River Road

Transfer of ownership and location, and DBA change.

Local governing body action: pending Kenai Peninsula Borough
Approvals: Department of Labor, Department of Revenue
Pending: Department of Environmental Conservation; State Fire Marshal

Background investigations: complete

- D. **5450 Denny's:** D. of Alaska, Inc.
3950 Debarr Road, Anchorage
License: Restaurant or Eating Place
From: David Fickes 50%, Casey Tetzlaff 50%
To: David Fickes 100%

Transfer of controlling interest.

Local governing body action: pending Municipality of Anchorage
Approvals: Department of Labor, Department of Revenue
Background investigations: complete

- E. **5755 Ski Land:** Far North Alpine Ventures, LLC
2315 Skiland Road, Fairbanks
License: Restaurant or Eating Place

New license application.

Local governing body action: pending Fairbanks North Star Borough
Approvals: Department of Environmental Conservation
Pending: State Fire Marshal
Background investigations: complete

- F. **5758 Spoonline:** Spoons LLC
174 Hightower Road, Girdwood
License: Restaurant or Eating Place

New license application.

Local governing body action: pending Municipality of Anchorage
Background investigations: complete

- G. **5760 Bear Tooth Theatrepub and Bear Tooth Grill:** Film-On Productions LLC
1230 W 27th Avenue, Anchorage
License: Package Store

New license application.

Local governing body action: pending Municipality of Anchorage
Background investigations: complete

- H. **5761 Rebels Roost Lodge:** Jesse L Atkinson
Mile 22 Yentna River, Matanuska-Susitna Borough
License: Restaurant or Eating Place

New license application.

Local governing body action: pending Matanuska-Susitna Borough
Pending: Department of Environmental Conservation; State Fire Marshal
Background investigations: complete

- I. **5764 Midnite Mine Brewing Company:** Midnite Mine, LLC

308 Wendell Avenue, Fairbanks

License: Brewpub

New license application.

Local governing body action: City of Fairbanks does not protest

Pending: Department of Environmental Conservation

Background investigations: complete

J. 5765 Dirty Skillet: Six Mile Mermaid LLC

19702 Hope Highway, Hope

License: Restaurant or Eating Place

New license application.

Local governing body action: Kenai Peninsula Borough does not protest

Approvals: Department of Environmental Conservation

Pending: State Fire Marshal

Background investigations: pending

K. 5766 Onsite Brewing Company: Onsite Brewing Company, LLC

3211 Denali Street, Anchorage

License: Brewery

New license application.

Local governing body action: pending Municipality of Anchorage

Background investigations: pending

L. 5767 Denny's: D. of Alaska, Inc.

1929 Airport Way, Fairbanks

License: Restaurant or Eating Place

New license application.

Local governing body action: pending City of Fairbanks

Approvals: Department of Environmental Conservation

Background investigations: complete

M. 5768 First and Main Brew: First and Main Brew, LLC

107 First Street, Craig

License: Brewery

New license application.

Local governing body action: pending City of Craig

Pending: Department of Environmental Conservation, State Fire Marshal

Background investigations: pending

N. 5772 Northern China Restaurant: Moon K Hwang

353 Muldoon Road, Anchorage

License: Restaurant or Eating Place

New license application.

Local governing body action: pending Municipality of Anchorage
Background investigations: pending

- O. 5773 Alaskan Legend Yacht Charters LLC:** Alaskan Legend Yacht Charters LLC
Alaskan Waters

License: Common Carrier - Seasonal

New license application.

Pending: USCG Inspection Document
Background investigations: complete

- P. 5776 Ovation of the Seas:** Royal Alaska Beverage Cruise Sales, LLC
Alaskan Waters

License: Common Carrier - Seasonal

New license application.

Pending: USCG Inspection Document
Background investigations: complete

- Q. 5777 Azamara Quest:** Royal Alaska Beverage Cruise Sales, LLC
Alaskan Waters

License: Common Carrier - Seasonal

New license application.

Pending: USCG Inspection Document
Background investigations: complete

- R. 5778 Celebrity Eclipse:** Royal Alaska Beverage Cruise Sales, LLC
Alaskan Waters

License: Common Carrier - Seasonal

New license application.

Pending: USCG Inspection Document
Background investigations: complete

- S. 5780 Jazz Bistro "Havana Nights":** Bluenote Create Inc.
529 4th Avenue, Fairbanks

License: Restaurant or Eating Place

New license application.

Local governing body action: pending City of Fairbanks
Pending: Department of Environmental Conservation Approval and Permit
Background investigations: pending

- T. 5782 M/V Tazlina:** Alaska Marine Highway System
Alaskan Waters

License: Common Carrier - Vessel

New license application.

Pending: USCG Inspection Document
Background investigations: not applicable

Bob Klein reads the Delegated Consent agenda.

Glenn Brady moves to approve all licenses on the Delegated Consent agenda.

Charlie Cross seconds the motion.

None opposed, motion carries.

● **CONSENT AGENDA – NEW and TRANSFER APPLICATIONS**

TAB 65

All items in Tab 65 considered below.

A. 867 Coldwater Market: Creekbend Company LLC

19742 Hope Highway, Hope

License: Package Store

From: Dean Davidson, DBA Pioneer Liquor & Gas, 17959 Hope Highway

Transfer of ownership and location, and DBA change.

Local governing body action: Kenai Peninsula Borough does not protest

Approvals: Department of Labor, Department of Revenue, Department of Environmental Conservation,
State Fire Marshal

Background investigations: complete

B. 4597 Boon Dox Liquor: Downriver Inc.

7271 Richardson Highway, Fairbanks North Star Borough

License: Package Store

From: Michael C Stormont

Transfer of ownership.

Local governing body action: Fairbanks North Star Borough does not protest

Approvals: Department of Labor, Department of Revenue

Background investigations: complete

C. 4747 Howling Wolf Brewpub: Howling Wolf Brewpub, LLC

No Premises, Kenai Peninsula Borough

License: Beverage Dispensary

From: Kyllonen Enterprises, Inc., DBA Fireweed Meadows, 72749 Milo Fritz Avenue

Transfer of ownership and location, and DBA Change.

Local governing body action: Kenai Peninsula Borough does not protest

Approvals: Department of Labor, Department of Revenue

Background investigations: complete

D. 5798 M/V Bravest: Phillips Cruises & Tours, LLC

Alaskan Waters

License: Common Carrier – Vessel

New license application.

Background investigations: complete

Bob Klein reads the Consent Agenda.

Glenn Brady moves to approve all licenses on the consent agenda.

Charlie Cross seconds the motion.

None opposed, motion carries.

● **TOURISM LICENSES – RENEWALS**

A. Renewal Applications for Licensees with 2017 and 2018 Notices of Violation

- 1. 2486 The Lakefront Anchorage – A Millennium Hotel:** **TAB 66**
Anchorage-Lakefront Ltd Partnership
4800 Spenard Road, Anchorage
License: Beverage Dispensary – Tourism

08/07/18 – Unapproved transfer of controlling interest

Bob Klein summarizes Tab 66

Glenn Brady moves to approve the application.

Rex Leath seconds the motion.

None opposed, motion carries.

B. Other Tourism Renewals

All items in section B (#1-7) considered below.

- 1. 624 Tailgaters Sports Bar & Grill:** Kashim, Inc. **TAB 67**
161 Parks Highway, City of Wasilla
License: Beverage Dispensary – Tourism
- 2. 1290 Icy Strait Lodge:** ISL Enterprises, LLC **TAB 68**
435 Airport Road, Hoonah
License: Beverage Dispensary – Tourism
- 3. 3694 Courtyard by Marriot:** JL Airport Hotel, LLC **TAB 69**
4901 Spenard Road, Anchorage
License: Beverage Dispensary – Tourism
- 4. 4283 Pubhouse:** Bistro IT, LLC **TAB 70**
1020 W 12th Avenue, Anchorage
License: Beverage Dispensary – Tourism
- 5. 4898 Panorama Pizza Pub:** Leslie LeQuire **TAB 71**
Mile 224 Parks Highway, Denali
License: Beverage Dispensary – Tourism

6. **5391 Edgewater Inn:** Edgewater Hotel Group, LLC TAB 72
4871 N Tongass Highway, Ketchikan
License: **Beverage Dispensary – Tourism**
7. **5397 Sushi on the Fly:** JSJ Group, LLC TAB 73
9430 Musketball Place, Anchorage
License: **Beverage Dispensary – Tourism**

Bob Klein reads the Tourism renewals items 1-7.

Glenn Brady moves to approve all tourism renewals with delegation.

Rex Leath seconds the motion.

None opposed, motion carries.

● **RECREATIONAL SITE LICENSES - RENEWALS**

- A. **4895 AK Tuesday Night Fights:** AK Entertainment, LLC TAB 74
1001 S Mack Drive, Wasilla
License: **Recreational Site**

Erika McConnell summarizes Tab 74.

Glenn Brady moves to approve with director-suggested condition listed in Tab 74.

Charlie Cross seconds the motion.

Phone line is opened to determine if anyone wishing to speak regarding Tab 74 is present.

Landon Morgan – licensee for Tab 74 is present via phone to discuss the protest on his license.

Bob Klein states that the license was already denied with a 180 day abeyance to receive lift of protest.

None opposed, motion carries.

● **RENEWAL APPLICATIONS FOR LICENSEES WITH 2017 AND 2018 NOTICES OF VIOLATION**

Tabs 75-77 considered together.

- A. **649 Klondike Mike’s Saloon:** U-Line Beverage Company, Inc. TAB 75
820 S Colony Way, Palmer
License: **Beverage Dispensary**

07/25/2018- Violation of Caterer’s Permit

- B. **3964 K&L Beverage Company:** K&L Beverage Company, LLC TAB 76
6307 Arctic Spur Road, Anchorage
License: **Wholesale - General**

12/11/17- Sale to non-licensee

- C. **4493 Little Tokyo:** Kwang LLC
140 Seward Street, Juneau
License: Restaurant or Eating Place

TAB 77

06/14/2017- Sales w/o valid license

Bob Klein summarizes Tabs 75-77.

Glenn Brady moves to approve these renewals with delegation.

Charlie Cross seconds the motion.

None opposed, motion carries.

- D. **4353 Playhouse:** Latin Connection Entertainment LLC
333 W 4th Avenue, Suite 207, Anchorage
License: Beverage Dispensary

TAB 78

07/13/2017- Illegal activity on premises.

Erika McConnell summarizes Tab 78 and her recommendation to postpone.

John Colver, counsel, and Ken Fuller, proposed applicant for transfer are present in person. Hector Ortiz, licensee, is present via phone.

John Colver states that a transfer application is currently pending. He says that the protest is completely related to the operations of the license and leasehold location in 2017. He states that the protests currently lodged will not be relevant if the transfer is effectuated because Ken Fuller is a different operator.

Ken Fuller discusses the situation with Hector Ortiz and states that the license should be renewed.

Erika McConnell discusses that the Municipality of Anchorage still protests until the transfer is notified. She recommends the renewal and transfer be addressed in July.

Ken Fuller states that the city attorney and assemblymen agreed to discuss the matter again with Mr. Fuller.

Bob Klein and Ken Fuller discuss the operational parameters.

Erika McConnell states that she still sees no reason for the board not to hold consideration until July.

Sara Erickson and Erika McConnell discuss the protests being received after the board deadline.

Glenn Brady asks about upholding the protests with an abeyance.

Erika McConnell states that it is optional to approve the renewal with delegation and the protest will be brought back to the board in July anyway.

Glenn Brady moves to approve with delegation.

John Weddleton asks about the protest being received on the deadline (it was within the deadline). He speaks as a member of the assembly and that as a group they still have concerns.

Glenn Brady clarifies that the protest was still going to be considered at the next meeting if the protest is not resolved prior.

Bob Klein states that the city's wishes would be re-considered in July.

Sara Erickson asks to speak with Mr. Ortiz. Ortiz apologizes for not attending in person for personal reasons.

Bob Klein asks that Ortiz submit a letter before the next meeting regarding the situation, and Mr. Ortiz agrees to send a letter.

Rex Leath seconds the motion.
None opposed, motion carries.

- E. 5105 Denali Family Restaurant:** Denali Family Restaurant LLC
 121 S Lamont Way, Wasilla
License: Restaurant or Eating Place

TAB 79

07/25/2018- Server education

Glenn Brady moves to approve with delegation.
Charlie Cross seconds the motion.
None opposed, motion carries.

● DELEGATED CONSENT AGENDA – RENEWAL APPLICATIONS

TAB 80

All delegated consent items considered below.

Lic #	Doing Business As	License Type	Local Governing Body
59	American Legion Post #28	Club	Municipality of Anchorage
61	Anchor Bar & Grill	Beverage Dispensary	City of Cordova
62	Anchor Liquor Store	Package Store	City of Cordova
172	Breakers Bar	Beverage Dispensary	City of Nome
217	Williwaw	Beverage Dispensary	Municipality of Anchorage
274	Community Tavern	Package Store	City of Saint Paul
300	DeHarts Grocery	Package Store	City and Borough of Juneau
364	BPO Elks Lodge #1772	Club	City of Kodiak (Kodiak Island Borough)
417	4 Royle Parkers	Beverage Dispensary	Kenai Peninsula Borough
447	No DBA	Beverage Dispensary	City and Borough of Juneau
465	The Vallata	Beverage Dispensary	Fairbanks North Star Borough
499	Harbor Bar & Lighthouse Restaurant	Beverage Dispensary	City and Borough of Haines
544	Brown Bear Bar and Grill	Beverage Dispensary	None
567	Jack's Liquor & Service	Package Store	City of Delta Junction
620	Kake Community Liquor Store	Package Store - Community	City of Kake
643	Lamplight Liquor Store	Package Store	Kenai Peninsula Borough

Lic #	Doing Business As	License Type	Local Governing Body
670	Long Branch Saloon	Beverage Dispensary	Municipality of Anchorage
713	Last Frontier	Beverage Dispensary	Ketchikan Gateway Borough
744	Loyal Order of Moose Lodge #793	Club	City of Palmer (Matanuska-Susitna Borough)
757	Liquor Locker	Package Store	Municipality of Anchorage
816	El Sombrero Mexican & American Food	Restaurant or Eating Place	City and Borough of Juneau
831	Monroe's Monderosa	Package Store	None
876	The Pit	Beverage Dispensary	Kenai Peninsula Borough
877	The Pit	Package Store	Kenai Peninsula Borough
904	Polaris Bar	Beverage Dispensary	City of Nome
905	Polaris Liquor Store	Package Store	City of Nome
979	Rosie's Bar & Grill	Beverage Dispensary - Seasonal	City of Pelican
1140	Time Out Lounge	Beverage Dispensary	Municipality of Anchorage
1240	Willow Trading Post Lodge	Beverage Dispensary	Matanuska-Susitna Borough
1241	Willow Trading Post Lodge	Package Store	Matanuska-Susitna Borough
1267	Yes Bay Lodge	Beverage Dispensary - Seasonal	None
1268	Yes Bay Lodge	Package Store - Seasonal	None
1295	4 Royle Parkers	Package Store	Kenai Peninsula Borough
1346	Shell Lake Lodge	Beverage Dispensary	Matanuska-Susitna Borough
1690	Bullwinkle's Pizza	Restaurant or Eating Place	City and Borough of Juneau
1775	Mountain View Liquor	Package Store	None
1805	Shanghai Tea Garden	Restaurant or Eating Place	Municipality of Anchorage
1821	Peggy's Restaurant	Restaurant or Eating Place	Municipality of Anchorage
1894	V.F.W. Post #10252	Club	Municipality of Anchorage
2124	McCoy's on 28th	Beverage Dispensary	City of Fairbanks (Fairbanks North Star Borough)
2159	Blues Central	Beverage Dispensary	Municipality of Anchorage
2175	Lupo	Restaurant or Eating Place	City and Borough of Juneau
2386	Sam's Club #6602	Package Store	Municipality of Anchorage
2444	Fort Yukon Community Liquor	Package Store - Community	City of Fort Yukon
2489	Wilderness Place Lodge	Restaurant or Eating Place - Seasonal	Matanuska-Susitna Borough
2568	Today's Pizza	Restaurant or Eating Place	Municipality of Anchorage
2706	V.F.W. Post #9981	Club	Municipality of Anchorage
2844	The Sandbar	Beverage Dispensary	City and Borough of Juneau

Lic #	Doing Business As	License Type	Local Governing Body
2867	Loyal Order of Moose #911	Club	City of Delta Junction
2985	Moody Brews BBQ & Catering	Restaurant or Eating Place	City of North Pole (Fairbanks North Star Borough)
3050	Gambardella's Pasta Bella	Restaurant or Eating Place	City of Fairbanks (Fairbanks North Star Borough)
3179	Outfitter Liquor Store	Package Store	City and Borough of Haines
3282	Sam's Club #6603	Package Store	City of Fairbanks (Fairbanks North Star Borough)
3303	Sam's Club #6601	Package Store	Municipality of Anchorage
3389	Gould's Liquor Store	Package Store	City of King Cove (Aleutians East Borough)
3518	Jalapenos Mexican Restaurant	Beverage Dispensary	Municipality of Anchorage
3538	Jalapenos Mexican Restaurant	Beverage Dispensary	Municipality of Anchorage
3554	BPO Elks Lodge #1429	Club	City Ketchikan (Ketchikan Gateway Borough)
3572	Gallo's Mexican Restaurant #2	Beverage Dispensary	Municipality of Anchorage
3630	Good Fortune Restaurant	Restaurant or Eating Place	City Ketchikan (Ketchikan Gateway Borough)
3736	Winterlake Lodge	Restaurant or Eating Place	Matanuska-Susitna Borough
3745	College Town Pizzeria	Restaurant or Eating Place	Fairbanks North Star Borough
3820	Igloo Liquor	Package Store	Matanuska-Susitna Borough
3891	Skagway Fish Company	Restaurant or Eating Place - Seasonal	Municipality of Skagway Borough
3940	King Point Lodge	Restaurant or Eating Place - Seasonal	Matanuska-Susitna Borough
3965	K & L Beverage Company	Wholesale - General	City of Fairbanks (Fairbanks North Star Borough)
4034	Loyal Order of Moose #700	Club	City and Borough of Juneau
4056	Cottonwood Fishing Lodge	Restaurant or Eating Place - Seasonal	Matanuska-Susitna Borough
4142	Bar Harbor Restaurant	Restaurant or Eating Place	City Ketchikan (Ketchikan Gateway Borough)
4158	Bombay Deluxe Restaurant	Restaurant or Eating Place	Municipality of Anchorage
4225	Coldfoot Camp	Beverage Dispensary	None
4251	Settler's Bay Golf Course	Golf Course	Matanuska-Susitna Borough
4270	Alaska Rendezvous	Beverage Dispensary	None
4271	Alaska Rendezvous	Package Store	None

Lic #	Doing Business As	License Type	Local Governing Body
4350	Coyote Santo	Beverage Dispensary	Municipality of Anchorage
4414	Turnagain Vines	Wholesale - Malt Beverage and Wine	Municipality of Anchorage
4445	Community Tavern	Beverage Dispensary	City of Saint Paul
4465	Roundup Steak House	Beverage Dispensary	City of Fairbanks (Fairbanks North Star Borough)
4476	Grand View Café & RV Campground	Restaurant or Eating Place - Seasonal	Matanuska-Susitna Borough
4548	Brewsters	Beverage Dispensary	City of Fairbanks (Fairbanks North Star Borough)
4713	Boardwalk Fish & Chips	Restaurant or Eating Place - Public Convenience Seasonal	City of Homer (Kenai Peninsula Borough)
4728	Mermaid Café	Restaurant or Eating Place - Public Convenience	City of Homer (Kenai Peninsula Borough)
4731	Asiana Gardens	Restaurant or Eating Place	City and Borough of Juneau
4825	Spenard Roadhouse	Beverage Dispensary	Municipality of Anchorage
4836	Wal-Mart Supercenter #2071	Package Store	Municipality of Anchorage
4912	Baranof Island Brewing Company	Brewery	City and Borough of Sitka
4933	Hula Hands Restaurant	Restaurant or Eating Place	Municipality of Anchorage
4991	Turnagain Arm BBQ Pit	Restaurant or Eating Place	Municipality of Anchorage
5016	Kodiak Raspberry Island Remote Lodge	Outdoor Recreation Lodge	Kodiak Island Borough
5090	Alaska Denali Winery	Winery	Municipality of Anchorage
5102	Taco's Cancun	Restaurant or Eating Place - Public Convenience	City of Wasilla (Matanuska-Susitna Borough)
5206	Thirty Six Bistro	Restaurant or Eating Place	Municipality of Anchorage
5239	Woody's Thai Kitchen	Restaurant or Eating Place - Public Convenience	City of Seward (Kenai Peninsula Borough)
5245	Fat Ptarmigan Wood Fired Pizza	Restaurant or Eating Place	Municipality of Anchorage
5365	Icy Strait Brewing Company	Brewery	City of Hoonah
5374	Birch	Beverage Dispensary - Duplicate	Municipality of Anchorage
5376	Waterfall Resort	Outdoor Recreation Lodge - Seasonal	None
5399	The Sea Bean	Restaurant or Eating Place - Public Convenience	City of Seward (Kenai Peninsula Borough)
5409	Alaska Coffee Roasting Co.	Restaurant or Eating Place	Fairbanks North Star Borough
5411	Akutan Roadhouse	Beverage Dispensary	City of Akutan (Aleutians East Borough)

Lic #	Doing Business As	License Type	Local Governing Body
5510	Halibut Point Crab & Brew	Restaurant or Eating Place	City and Borough of Sitka
5523	Wingstop	Restaurant or Eating Place	Municipality of Anchorage
5526	Taco Azteca Dos	Restaurant or Eating Place	Fairbanks North Star Borough
5529	Basil Ginger	Restaurant or Eating Place - Public Convenience	City of Wasilla (Matanuska-Susitna Borough)
5567	Ramen House by Saijo	Restaurant or Eating Place	Municipality of Anchorage

Bob Klein entertains motion to approve with delegation.

*Erika McConnell states that there was a protest received for 5374 DBA Birch.
Erika McConnell and the board discuss duplicate licenses.*

***Glenn Brady moves to approve all renewals in Tab 80 with delegation.
Rex Leath seconds the motion.
None opposed, motion carries.***

● **REGULATIONS**

A. Proposed Regulations Projects

1. Board Requests

2. Issuance of License Late in Year

TAB 81

Status: Initial draft for board consideration
Potential Board Actions: Amend and/or put out for public comment

Erika McConnell summarizes Tab 81.

***Glenn Brady moves to put out for public comment.
Rex Leath seconds the motion.
None opposed, motion carries.***

B. Open Regulations Projects

1. Definition of Moral Turpitude

TAB 82

Status: Public comment period closed April 12, 2019
Potential Board Actions: Vote to adopt; OR
Substantially amend and put out for public comment

Erika McConnell summarizes Tab 82.

Erika McConnell and Bob Klein discuss the public notice requirement for oral public comment.

Harriet Milks states that there is no specific requirement to allow oral public comment.

Sara Erickson comments on Sarah Oates' public comment submitted on this matter. She asks about removing the term Moral Turpitude from the regulation.

Harriet Milks states that Moral turpitude is "old fashioned". Moral turpitude is supposed to be something that is bad or wrong in and of itself. Many boards have adopted definitions of moral turpitude. Open or closed lists must be considered. She says that taking it out is okay.

Charlie Cross states that what is concerning is the part that says "at any time in the individuals life". He asks about juvenile records.

Erika McConnell asks if someone has committed a crime like murder, arson or kidnapping, the board must consider how far back they want to go.

Glenn Brady clarifies that the determination is not automatically disqualifying, it's about what the board sees in order to make a determination and not a specific disqualifier.

Rex Leath asks about background checks run through the troopers.

The board and director discuss the reasoning behind the moral turpitude changes.

Sarah Oates, individual, states that she does not recall licenses being denied based on criminal history.

Rex Leath asks if the board should be able to trust the court system to sufficiently punish individuals.

Sara Erickson agrees with Rex Leath's comment and states that she would like to just remove the moral turpitude language.

Bob Klein states that it is the responsibility of the board to ensure that unfit individuals do not hold licenses.

Rex Leath states that he can imagine scenarios where he is not comfortable with the criminal history, but he represents law enforcement and he states that law enforcement determines what an appropriate sentence is.

Glenn Brady states that this type of thing is similar to a security clearance for an airport and he finds it to be in the public interest to consider these matters.

Erika McConnell references the statute at AS 04.11.295 that states that the board will consider the criminal history of applicants.

Sara Erickson asks if this is "for life".

Harriet Milks states that it does not say "for life" and does not imply that these constitute "barrier crimes" only that all applicants must be considered.

Sarah Oates amends her previous testimony to say that previously there were two people pending on a court case, that there was fraud, and the licensees were required to be removed as a condition of renewal.

Sara Erickson asks how far back the criminal history checks go.

Rex Leath states that he finds youth records to be sealed, and that background checks are insufficient.

Rex Leath moves to put out for public comment and then rescinds.

Sara Erickson states that it should be sent back to staff to "fix it".

The board and Erika McConnell discuss the current regulatory language and the regulations project.

Erika McConnell summarizes where the list originated.

Charlie Cross asks that robbery be added due to the personal physical force of taking something from some person vs theft from a business. He finds it to be a personal crime.

Rex Leath states that there were cases where 3 million dollars stolen, and that these cases would not be considered on this list.

Rex Leath states that to simplify this matter, felony level convictions should be considered.

Glenn Brady states that the only caveat is that there may be specific felony-level crimes that occurred more than 10 years ago that may have bearing.

Bob Klein states that the concern is that individuals who need to be considered may not be brought to the board.

Sara Erickson speaks in favor of removing the moral turpitude language.

Glenn Brady asks, regarding the items listed in the current amended language, if there are any non-felonies listed. He proposes moving it to 15 years and to keep it at just felony convictions.

Rex Leath speaks about the employees of the licensee not needing background checks and how they are the ones actually serving alcohol.

Charlie Cross asks about the policies in other states.

Harriet Milks states that boards usually form a working group for matters like this.

Bob Klein states that the board is not quite to the point that they need a working group. He states that felonies in 15 years will catch all the bad issues.

Glenn Brady moves to amend the regulation, to remove the moral turpitude and keep the felony to 15 years for consideration and put back out for public comment.

Rex Leath seconds the motion.

None opposed, motion carries.

2. Online Server Education Course; Fee for Server Education Course

TAB 83

Status: Public comment period closed April 19, 2019

Potential Board Actions: Vote to adopt; OR
Substantially amend and put out for public comment

Erika McConnell summarizes Tab 83.

Glenn Brady states that the 800 fee seems inappropriate for re-review. He asks if the renewal fee can be separated from the base fee. He asks to add a section regarding the records maintenance. He would like to add a bullet point regarding record keeping. He considers proposing a requirement that the providers provide upon renewal the zipcodes for all attendees who cards have been issued to in order to ensure that online training is not being allowed for non-qualifying individuals. He suggests that the re-review fee be 250.

Rex Leath asks about how many hours it takes to review a server education course.

Erika McConnell states that it depends on the course quality and the responsiveness of the provider.

Glenn Brady moves to amend the 4th bullet point to change to a \$250 renewal fee and add a 5th bullet point that renewal will require zip codes of all cards issued. [And put out for public comment.]

Sara Erickson seconds the motion.

Erika McConnell and Glenn Brady confirm that it should go back out for public comment.

None opposed, motion carries.

● **ALCOHOL MAILBOX**

3:28 pm

TAB 84

All correspondence received in the alcohol@alaska.gov inbox from February 2, 2019 – April 12, 2019.

Bob Klein addresses the Alcohol Mailbox and states that he is not comfortable seeing communication between staff and license holders. He asks that the contents of the alcohol inbox be reviewed by staff and that comments be brought to the board in a different manner.

Sara Oates, Alaska CHARR speaks to the matter, she stated that Jackovich gave her express permission to cc the alcohol mailbox in the communication. She states that there was a DBA Concern with the International Hotel and Bar and that this was present in the mailbox because the Facebook account was required to be deleted which she finds inappropriate. It is her opinion that his business will be effected. They were concerned with the type of precedent it could set for other businesses.

Erika McConnell states that the license doing business under the board approved DBA is the first issue. Mr Jackovich's case particulars are relevant because he stated that he would be deleting his Facebook page. She apologizes for the inappropriate tone of her email to Mr. Jackovich. McConnell states that it is possible to issue another NOV. The underlying issue is the business name concern. She finds this DBA concern different in this matter to be different from the one discussed previously (regarding Gavora's, discussed above).

Bob Klein states that he is uncomfortable receiving information regarding ABC Board issues, and that it is not be brought to the board in this manner.

Sarah Oates apologizes and states that she will present additional issues in a different manner. She states that the matter has been resolved to the satisfaction of the licensee. She states that this is a problem with DBA and not related to a Facebook account.

Glenn Brady asks if something could come into the mailbox that would jeopardize the outcome of a board decision.

Harriet Milks states that if it comes in to the alcohol mailbox and the matter is on the agenda yes, but other than that, it isn't a problem.

Rex Leath states that this matter seems to be the Director taking direct enforcement action.

Erika McConnell states that she is the head of the enforcement for the agency. She references AS 04.06.475.

Bob Klein states that the director is acting on behalf of the board.

Rex Leath states that his concern is that if the director gets involved in enforcement action, review of the matter goes above the AMCO office.

Erika McConnell states that the decision/action could be appealed to the board.

Glenn Brady states that it's an important point, all of the directors authority is delegated from the board.

Harriet Milks states that individuals can go to the Office of Administrative Hearing if necessary.

● **NEXT ABC BOARD MEETING**

3:41pm

Agenda deadline for July 8-9, 2019, meeting: June 21, 2019

Bob Klein and Erika McConnell state that it is now scheduled for the 9th only.

Bob Klein entertains motion to go into executive session for a matter of personal reputation.

Glenn Brady moves to enter executive session.

Charlie Cross seconds the motion.

None opposed, motion carries.

All attendees and staff exit the room, only the board remains.

● **EXECUTIVE SESSION UNDER AS 44.62.310(c): Director Evaluation**

Executive session is ended, no board action is taken regarding executive session.

Glenn Brady moves to adjourn.

Charlie Cross seconds the motion.

None opposed, motion carries.

● **ADJOURN**

4:40 pm