



## MEMORANDUM

TO: Robert Klein, Chair and  
Members of the Board

FROM: Cynthia Franklin  
Director, ABC Board

DATE: July 13, 2016

RE: 1<sup>st</sup> City Saloon #3213

This is an application for a renewal for a beverage dispensary license in the City of Ketchikan. The City of Ketchikan has protested the issuance of the license due to delinquent and unpaid taxes.

Date of application: February 26, 2016

Date of Protest: April 22, 2016

Basis of Protest: Delinquent taxes (\$12,311.33)

Requirements Met: Yes, protest was considered and discussed in a City Council hearing on April 7, 2016. Owner of license was present and discussed issues meeting the 3 AAC 304.145(d) requirement for the applicant's opportunity to defend their application before the local governing body.

Recommendation: Uphold protest and deny renewal with a 30 day abatement period with the stipulation that if the taxes are not paid within 30 days the license is not renewed and operations will immediately cease.

May 2, 2016

Alcohol Beverage Control Board  
State of Alaska  
550 West 7th Ave  
Suite 1600  
Anchorage, Alaska 99501

RE: License Protest – First City Saloon, Inc (#3213)

Dear Board Members:

At its April 28, 2016 meeting the Ketchikan City Council voted to protest the dispensary license renewal of First City Saloon, Inc. due to unpaid sales taxes. The amount is approximately \$10,000 and entails the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2015.

First City Saloon, Inc (d/b/a 1<sup>st</sup> City Saloon) has been in business in Ketchikan for approximately 25 years. As with the majority of businesses in Ketchikan and SE Alaska in general, we are highly dependent on the busy summer tourist seasons. Ketchikan is a community which goes from an influx of over one million visitors and seasonal workers in the high season to a stark contrast of 7,000-8,000 residents during the remaining months of the year. While we do operate on a year round basis it is during the late spring and summer months where we generate the majority of our revenues. With the changes seen in the local economic community over the past several years many businesses often struggle hoping to survive the winter months in order to recoup the losses during the more prosperous tourist season. We are no exception.

Upon realizing our dilemma with regards to the sales taxes I communicated with the Borough offices to determine what procedures to follow. I was advised to expect the penalties and interest which would accrue on any outstanding balance. However, I was not aware, nor advised that our liquor license would be subject to revocation due to our late payments. Please know, I am not questioning the council's right or authority to proceed as they have. As I mentioned in my testimony to the council members my request was not an attempt to avoid or sidestep our obligation and responsibility in paying our taxes, but a plea to allow me ample time or an opportunity to work out a payment plan in order to take advantage of the anticipated revenue stream which was only weeks away.

However, what concerned me most were the negative comments and the subsequent vote by a council member who may have influenced other members with his biased and partial viewpoints. During the April 7, 2016 Ketchikan City Council meeting council member Mr. K.J. Harris remarked and implied that the individuals who spoke on behalf of First City Saloon, Inc, namely myself and Ms. Carrie McLaughlin, gave blame to the city council itself "for putting them in this situation; we didn't tell them how to spend their money, I had nothing to do with it".

Contrary to his belief there was no evidence whatsoever to justify his feelings or comments. While I cannot speak for Ms. McLaughlin, nor do I condone or agree with a large portion of her testimony, at no point in either of our remarks did we reference or insinuate the city council or any city department, for that matter, was to blame for our predicament.

In my own testimony I tried to emphatically point out my lengthy involvement and large financial commitment (at this point close to \$270,000) in trying to turn around a neighborhood eyesore, with a terrible reputation. Instead, I would have hoped before making such disparaging remarks Mr. Harris and the

other council members might consider the fact that our establishment had not received any illegal violations which would warrant such negative feelings, such as drug sales or arrests, minors on premises, intoxicated employees on the job site, or any number of other such activities which would warrant the suspension or revocation of a license. Ours was strictly a financial issue.

In a letter to the council members prior to the meeting, I acknowledged our obligation and responsibility in paying our sales tax. I also agreed they had every right to proceed as it had, according to the municipal code and was not asking for favoritism or to be treated differently than any other business entity. We are and continue to be penalized by the accruing interest and penalties that have been added to our outstanding debt. Revocation of our license would accomplish nothing more than closing another local business, taking away our only means of creating the revenue to pay our debts, and placing even more people on the unemployment list. Granted the city and borough would eventually receive their funds, but only after the business has closed, the property sold, and many people displaced including our numerous apartment tenants.

In addition, I am at a loss over Mr. Harris' particular demeanor and decision to comment on our situation in the first place. As a previous liquor establishment owner and beverage license holder (and a direct competitor of ours at the time) he should understand the pitfalls associated with our industry and the struggles local businesses have during extremely slow times of the year. Presently, Mr. Harris is employed by one of our fiercest competitors, owned by an individual who's made it publicly known of his disdain for me and our establishment. Our demise would be to his benefit.

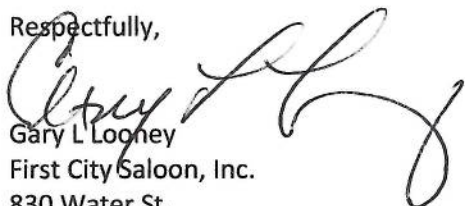
My issue is not with his experience but rather his lack of ethics and etiquette in deciding to reference our situation. Given his position I would have assumed Mr. Harris considered recusing himself from any involvement or deliberations, acknowledging his involvement would amount to a conflict of interest. Obviously, his negative comments could easily influence the other council member's opinions, thereby removing any sense of impartiality or objectivity.

I hold the utmost respect for individuals who take the time, initiative, and effort to serve on a governing body such as the city council in the hopes of bettering their communities and deciding what's best for their constituents. However, in this case I feel Mr. Harris has done a disservice and disrespected the position to which he represents.

In the meantime I am still attempting to resolve this matter in a quick and timely manner. The city's seasonal workers are slowly arriving in town, and our cruise season will be officially open in a matter of weeks. I only hope the ABC Board members will take this into consideration during your deliberations in determining the fate of our dispensary liquor license renewal.

Should you have any questions or comments please feel free to contact me at your convenience.

Respectfully,

  
Gary L. Looney

First City Saloon, Inc.

830 Water St.

Ketchikan, AK 99901

509-393-5252

[gloney2@frontier.com](mailto:gloney2@frontier.com)

MAY 20 '16 AM 11:33

May 05, 2015

Ketchikan City Council  
334 Front St.  
Ketchikan, Alaska 99901

Dear Council Members:

Attached you will find a copy of a correspondence I forwarded to the Alaska Alcohol Beverage Control Board regarding your recent protest of the dispensary license renewal of First City Saloon, Inc. As you will see I question the objectivity and impartiality of your vote due to a glaring conflict of interest by one of your members.

Additionally, in reviewing the Borough's online postings of businesses with delinquent sales taxes over the past few years I have found that ours is not an isolated instance. It seems as though there are numerous businesses that run in arrears during the meager winter months. In many cases, the amount of funds owed far exceeded the amount involved in our situation. Whereas we are now in our second quarter of delinquent payments, many of the accounts listed entailed payments that were not made for several quarters, in some cases years. In one particular instance, a business had not made payments for several years, resulting in a \$29,000 tax liability. As a result, a compromise was reached in which the business was asked to pay only \$20,000 with a promise to make future filings and payments, on time.


Granted, we have something of value which enables a government entity such as the city council to act as it has, a liquor license. Unfortunately for us, the council has used that authority to jeopardize our ability to generate the revenue needed in order to pay our obligations. In my research, I discovered two specific businesses who had amassed delinquent sales tax amounts and time frames which far exceeded that of ours, Holland America Cruise Lines and Princess Tours. According to the online report filed by the borough Holland America's fee was just under \$19,000 and listed as delinquent for 45+ days. Princess Tours also was listed for approximately \$19,000, with their delay as well for at least 45+ days. I question whether the city council voted to inhibit these two entities from docking at our ports until their delinquent taxes paid?

A major frustration for me is that some of these businesses are seasonal in nature; they may close up shop for the winter season and never return. The City and Borough's only recourse is to file suit against the business owner in hopes of recouping the funds due. First City Saloon has been a viable business entity in this community since 1992. For almost twenty five years we have witnessed the economic ups and downs of this area, the constant flow of people coming and going, and the changes that have taken place due to Ketchikan's evolution from a three industry area to today's sole means of revenue, tourism.

As I continue to emphasize it is not my desire to circumvent or ignore our responsibility in making our payment. We are constantly monitoring and making every conceivable effort in bringing our

account current. I have every intention of making good on our obligation. We did make the effort to contact the presiding department in hopes of making arrangements to get the bill satisfied, but to no avail. I only asked that we be granted sufficient time to do so.

Respectfully,



Gary L. Looney  
First City Saloon, Inc.  
830 Water St.  
Ketchikan, AK 99901  
509-393-5252  
Glooney2@frontier.com

10/20/2011

## 2016/2017 Renewal Checklist

License # 3213 d.b.a 1st City Saloon

License Application Complete: 2/26/16 jps

DBA	No Change <input checked="" type="checkbox"/>	New:
Licensee	No Change <input checked="" type="checkbox"/>	New:
Premises Address	No Change <input checked="" type="checkbox"/>	New: Authorized:
Mailing Address	No Change <input checked="" type="checkbox"/>	New:

License questions answered correctly:  Yes  No  
 Corrections taken:

Corporation Information:

Sole Proprietor  Yes  
 In "good standing" – Div. of Corporation website  Yes  No  
 Stockholders and officers match our licensing database  Yes  No

Fees paid: License fee  Filing fee  FP fee  Late fee

fee notes  
 Corrections made:

## Division of Corporations, Business and Professional Licensing

### Name(s)

Type	Name
Legal Name	FIRST CITY SALOON, INC.

### Entity Details

**Entity Type:** Business Corporation

**Entity #:** 47442D

**Status:** Good Standing

**AK Formed Date:** 3/27/1991

**Duration/Expiration:** Perpetual

**Home State:** ALASKA

**Next Biennial Report Due:** 1/2/2017

**Entity Mailing Address:** 830 WATER ST, KETCHIKAN, AK 99901

**Entity Physical Address:** 830 WATER ST, KETCHIKAN, AK 99901

### Registered Agent

**Agent Name:** COMPLETE CORPORATE SERVICES OF ALASKA, INC.

**Registered Mailing Address:** PO BOX 33735, JUNEAU, AK 99803

**Registered Physical Address:** 3085 MOUNTAINWOOD CIRCLE, JUNEAU, AK 99801

### Officials

AK Entity#	Name	Titles	Percent Owned
	Carrie McLaughlin	Director, Treasurer, President, Shareholder	50
	Gary L Looney	Director, Shareholder, Vice President, Secretary	50

### Filed Documents

Date Filed	Type	Filing	Certificate
3/27/1991	Creation Filing		
11/18/1991	Biennial Report		
1/5/1993	Biennial Report		
1/9/1995	Biennial Report		
1/6/1997	Biennial Report		

## Renewal Liquor License 2016/2017

License is:  Full Year OR  Seasonal If seasonal, list dates of operation: \_\_\_\_\_

TR# 13831

SECTION A - LICENSE INFORMATION		
License Number: 3213	License Type: Beverage Dispensary	Statute Reference: Sec. 04.11.090
Local Governing Body: Ketchikan Ketchikan Gateway Borough		Community Council (if applicable):
Name of Licensee: First City Saloon, Inc.		Doing Business As (DBA): 1st City Saloon
Mailing Address: 830 Water St Ketchikan AK 99901		Street Address or Location of Premises: 830 Water Street
Phone: 907.225.1494	Fax:	Email: GLooney1@cox.net

SECTION B – OWNERSHIP INFORMATION – CORPORATION (if owner is a sole proprietor, skip to SECTION C)				
<i>Corporations, LLCs, LLPs and LPs must be registered with the Alaska Division of Corporations.</i>				
Name of Entity (Corporation/LLC/LLP/LP): First City Saloon, Inc.				
Is the Entity in "Good Standing" with the Alaska Division of Corporations? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, attach written explanation. Your entity <i>must</i> be in compliance with Title 10 of the Alaska Statutes to be a valid liquor licensee.				
<b>Entity Members</b> (Must include President, Secretary, Treasurer, Vice-President, Manager and Shareholder/Member with 10% or more of stock)				
Name	Title	%	Mailing Address	Telephone Number
Carrie McLaughlin	Pres	50	630 Nickey Way Ketchikan AK 99901	
Gary Looney	V. Pres	50	2226 E FRYE RD, CHANDLER, AZ 85225	909.393.5252
<b>NOTE:</b> If you need additional space, please attach a separate sheet.				

FEB 26 '16 AM 8:42



**SECTION C – OWNERSHIP INFORMATION – SOLE PROPRIETORSHIP (INDIVIDUAL OWNER & SPOUSE)**

**Individual Licensees/Affiliates (The ABC Board defines an "affiliate" as the spouse or significant other of a licensee. Each affiliate must be listed.)**

Name: Address: <i>N/A</i> Phone:	Applicant <input type="checkbox"/> Affiliate <input type="checkbox"/> Date of Birth:	Name: Address: Phone:	Applicant <input type="checkbox"/> Affiliate <input type="checkbox"/> Date of Birth:
Name: Address: Phone:	Applicant <input type="checkbox"/> Affiliate <input type="checkbox"/> Date of Birth:	Name: Address: Phone:	Applicant <input type="checkbox"/> Affiliate <input type="checkbox"/> Date of Birth:

**SECTION D – SUPPLEMENTAL QUESTIONS**

Was your business open at least 30 days for 8 hours each day in 2014?  Yes  No

Was your business open at least 30 days for 8 hours each day in 2015?  Yes  No

Has any person named in this application been convicted of a felony or Title 4 violation?  Yes  No  
If yes, attach a written explanation.

Has the licensed premises changed from the last diagram submitted?  Yes  No  
If yes, attach a new diagram with designated premises areas outlined in red.

**DECLARATION**

- I declare under penalty of perjury that I have examined this application, including the accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete.
- I hereby certify that there have been no changes in officers or stockholders that have not been reported to the Alcoholic Beverage Control Board. The undersigned certifies on behalf of the organized entity, it is understood that a misrepresentation of fact is cause for rejection of this application or revocation of any license issued.
- I further certify that I have read and am familiar with Title 4 of the Alaska statutes and its regulations, and that in accordance with AS 04.11.450, no person other than the licensee(s) has any direct or indirect financial interest in the licensed business.
- I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.
- As a licensee (sole proprietor or partner), I certify that I have received Alaska alcohol server training and my certification is currently valid.
- As a corporate/LLC licensee, I certify that all agents and employees who serve, sell, or are otherwise responsible for the service, sale, or storage of alcoholic beverages have received Alaska alcohol server training and their certification is currently valid. I further certify that certain shareholders, officers, directors, or members of the entity who are not directly or indirectly responsible for the service, sale, or storage of alcoholic beverages are not Alaska alcohol server training certified and will not be required to be certified.
- As a licensee, I certify that all of my agents and employees tasked with patron identification verification have received alcohol server training and their certification is currently valid.

License Fee	\$ 2500.00
Filing Fee	\$ 200.00
<b>TOTAL</b>	<b>\$ 2700.00</b>
Late Fee of <b>\$500.00</b> – if received or postmarked after 12/31/2015	\$ <i>500</i> -
Fingerprint Fee – \$49.75 per person (only for new owners/members)	\$ -
<b>GRAND TOTAL</b>	<b>\$ <i>3200</i> -</b>

Licensee Signature <i>Gary Looney</i>	Printed Name & Title: <i>Gary Looney Vice President</i>
Notary Signature <i>Michelle Brown</i>	Subscribed and sworn to before me this <i>4th</i> day of <i>January</i> , <i>2016</i>
Notary Public in and for the State of ALASKA <i>Alaska</i> MICHELLE BROWN My Commission Expires August 1, 2018	My commission expires: <i>8-1-18</i>



THE STATE  
of **ALASKA**

GOVERNOR BILL WALKER

Department of Commerce, Community,  
and Economic Development

ALCOHOLIC BEVERAGE CONTROL BOARD

Sarah Daulton Oates  
550 W 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Phone: 907.269.0350

[Amco.localgovernmentonly@alaska.gov](mailto:Amco.localgovernmentonly@alaska.gov)

March 2, 2016

Ms. Katy M. Suiter

City of Ketchikan

VIA Email: [katys@city.ketchikan.ak.us](mailto:katys@city.ketchikan.ak.us)

Cc: [kims@city.ketchikan.ak.us](mailto:kims@city.ketchikan.ak.us)  
[boroclerk@kgbak.us](mailto:boroclerk@kgbak.us)  
[deputyclerk@kgbak.us](mailto:deputyclerk@kgbak.us)

Re: Notice of 2016/2017 Liquor License Renewal Applications

Dear Ms. Suiter,

We have received a renewal application for each of the following licenses within your jurisdiction:

Lic. #	Doing Business As	License Type	Licensee	Premises Address
3213	1 <sup>st</sup> City Saloon	Beverage Dispensary	First City Saloon, Inc.	830 Water Street

A local governing body as defined under AS 04.21.080(b)(18) may protest the approval of an application(s) pursuant to AS 04.11.480 by providing the board and the applicant with a clear and concise written statement of reasons in support of a protest within 60 days of receipt of this notice. If a protest is filed, the board will not approve the application unless it finds that the protest is arbitrary, capricious, and unreasonable. Instead, in accordance with AS 04.11.510(b), the board will notify the applicant that the application is denied for reasons stated in the protest. The applicant is entitled to an informal conference with either the director or the board and, if not satisfied by the informal conference, is entitled to a formal hearing in accordance with AS 44.62.330-44.62-630. **IF THE APPLICANT REQUESTS A HEARING, THE LOCAL GOVERNING BODY MUST ASSIST IN OR UNDERTAKE THE DEFENSE OF ITS PROTEST.**

Under AS 04.11.420(a), the board may not issue a license or permit for premises in a municipality where a zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages, unless a variance of the regulation or ordinance has been approved. Under AS 04.11.420(b) municipalities must inform the board of zoning regulations or ordinances which prohibit the sale or consumption of alcoholic beverages. If a municipal zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages at the proposed premises and no variance of the regulation or ordinance has been approved, please



April 22, 2016

Alcoholic Beverage Control Board  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, Alaska 99501

Gary L. Looney  
2226 E. Frye Road  
Chandler, AZ 85225

Carrie McLaughlin  
636 Nickey Way  
Ketchikan, AK 99901

**PROTEST OF BEVERAGE DISPENSARY LICENSE RENEWAL**

First City Saloon, Inc. d/b/a 1<sup>st</sup> City Saloon

Pursuant to Alaska Statutes 04.11.480, the City Council of the City of Ketchikan, Alaska, hereby protests the renewal of the following license for the sale of alcoholic beverages:

Beverage Dispensary Liquor License Number 3213  
First City Saloon, Inc. d/b/a 1<sup>st</sup> City Saloon  
830 Water Street, Ketchikan, AK 99901

This protest is based upon each and all of the following facts and conclusions:

1. The business operated under this license for the sale of alcoholic beverages is known as 1<sup>st</sup> City Saloon operating at 830 Water Street, Ketchikan, Alaska 99901;
2. Pursuant to the Ketchikan Municipal Code Chapter 3.20 and the Ketchikan Gateway Borough Code Chapter 4.45, 1<sup>st</sup> City Saloon is required to pay the entire taxes imposed by these chapters on or before the due date as set by ordinance. In the event the tax is not paid on or before the due date, the tax shall become delinquent, a penalty as set forth hereinafter shall be added to all delinquent taxes, and interest accrue on the amount of unpaid tax, not including penalty, from the due date until paid in full;
3. 1<sup>st</sup> City Saloon is delinquent on City and Borough sales taxes in the amounts represented below as of March 9, 2016:

<u>Tax</u>	<u>Penalty</u>	<u>Interest</u>	<u>Total</u>
\$9,770.06	\$2,259.99	\$281.28	\$12,311.33

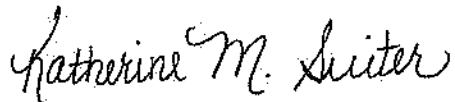
with interest continuing to accumulate;

City Clerk's Office • City of Ketchikan • 334 Front Street • Ketchikan, AK 99901  
Ph: 907-228-5658 | Fx: 907-225-5075

4. On April 7, 2016 the City Council of the City of Ketchikan conducted a hearing on whether to protest the renewal of this license. The protest was again considered at the Council meeting of April 21, 2016. The minutes of all the Council meetings are attached for your review;
5. Sales and rental taxes are owed by the property owner to the City of Ketchikan and Ketchikan Gateway Borough. Such taxes due have become delinquent and continue to accrue penalties and interest;
6. Under KMC 5.20.050(b) the City Council may protest the renewal of a license for the sale of alcoholic beverages if the business operated under that license is delinquent in the payment of any taxes arising out of the operation of the licensed premises.

For each and all of the above reasons, the City Council hereby protests the renewal of the Beverage Dispensary license for the sale of alcoholic beverages issued to First City Saloon, Inc. d/b/a 1<sup>st</sup> City Saloon, 830 Water Street, Ketchikan, Alaska.

Sincerely,



Katherine M. Suiter  
City Clerk

March 17, 2016

**NEW BUSINESS**

**Resolution No. 16-2619 - Issuance of General Obligation Bond of \$2 Million for Harbor Facilities Improvements as Ratified by Voters on June 26, 2012**

Moved by Sivertsen, seconded by Zenge the City Council approve Resolution No. 16-2619 authorizing the issuance of a general obligation bond of the City in a principal amount not to exceed \$2,000,000 to finance the cost of certain improvements to the harbor facilities of the City as authorized by Ordinance No. 12-1697 and ratified by the City's voters at a special election held on June 26, 2012; authorizing tax levies to pay the principal thereof and interest thereon; authorizing the sale of the bond to the Alaska Municipal Bond Bank on the terms and conditions provided in this resolution; and establishing an effective date.

Motion passed with Coose, Gage, Harris, Sivertsen, Zenge voting yea; Kiffer and Isom absent.

**Ordinance No. 16-1814 - Creating a New Chapter 9.54 Entitled "Off-Premises Commercial Solicitation Restrictions" - First Reading**

Moved by Coose, seconded by Zenge the City Council approve in first reading Ordinance No. 16-1814 creating a new Chapter 9.54 entitled "Off-Premises Commercial Solicitation Restrictions"; and establishing an effective date.

Motion passed with Coose, Gage, Harris, Sivertsen, Zenge voting yea; Kiffer and Isom absent.

**Resolution No. 16-2621 - Objecting to the Issuance or Renewal of Certain Conditional Use Permits by the Ketchikan Gateway Borough**

Moved by Coose, seconded by Zenge the City Council approve Resolution No. 16-2621 objecting to the issuance or renewal of certain Conditional Use Permits by the Ketchikan Gateway Borough and establishing an effective date.

Motion passed with Coose, Gage, Harris, Sivertsen, Zenge voting yea; Kiffer and Isom absent.

**Liquor License Renewal - 1st City Saloon - Beverage Dispensary**

Moved by Sivertsen, seconded by Gage pursuant to Ketchikan Municipal Code 5.20.050(b), the City Council protest the renewal of Beverage Dispensary - 1st City Saloon liquor license, direct the city clerk to schedule a public hearing on the protest at 7:00 p.m. on April 7, 2016 in the Council Chambers, and notify the license applicant in accordance with Ketchikan Municipal Code Section 5.20.050(b).

Motion passed with Coose, Gage, Harris, Sivertsen, Zenge voting yea; Kiffer and Isom absent.

April 7, 2016

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Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:00 p.m., April 7, 2016, with the following members present: Dick Coose, Janalee Gage, Kj Harris, Julie Isom, David Kiffer, Robert Sivertsen and Judy Zenge.

The Pledge of Allegiance was given by all persons in the Chambers.

Staff present were Manager Amylon, Assistant Manager Martin, Finance Director Newell, Public Works Director Hilson, Attorney Seaver, Police Chief Bengaard, Electric Division Manager Donato, Information Technology Director Thomas, Water Division Manager Kleinegger and City Clerk Suiter.



**POTENTIAL PROTEST OF LIQUOR LICENSE RENEWAL –  
1ST CITY SALOON**

Mayor Williams called the public hearing on the potential protest of the beverage dispensary liquor license renewal for the 1st City Saloon to order at 7:00 p.m. and requested public testimony.

Carrie McLaughlin said she has owned the 1st City Saloon for 25 years during which time she has never been late on a tax payment. She informed today she made a payment on the taxes due, but she has been unemployed for 20 months trying to finalize a buy out agreement with Mr. Looney. She thought he would manage the business but it has faltered since he has taken over. She said she was promised three weeks ago by one of the banks to purchase Mr. Looney's share but it fell through because of the shape of the business. She has since secured financing which will be here on Monday. She said she hasn't been appraised of the late payments, and she should hopefully be taking the business back over. She asked the Council to table the protest for two weeks during which time she will make every effort to clean up the sales tax.

Gary Looney, the other owner of 1st City Saloon, admitted the sales tax is late. He said he contacted the Borough Finance Department when he found out the taxes were late to find out the proper way to proceed. He mentioned he was advised to proceed with submitting the paperwork without the payment since they knew it was going to be an extended period of time, but to expect the penalties and arrears. He said at no time was there any mention that the license was up for protest. He noted he is aware of the obligations relative to tax, and it is the intention to pay them at first possible opportunity. He explained like many businesses in town during the winter, they struggle. He explained he came back to Ketchikan in the summer of 2014 when he found the business in trouble in many different ways. He said the work since then has been ongoing. He said he has put in over \$250,000 to get it back up and running, although there is still lots of work to do. He emphasized the liquor license is main source of revenue, saying the loss will affect their ability to pay taxes and bills. He requested the Council reconsider the protest, and work with the Borough and the City toward paying this off in a timely fashion. In response to Councilmember Zenge, he said he has five full time employees.

As there was no further testimony, Mayor Williams declared the public hearing closed at 7:08 p.m.



April 7, 2016

Motion passed with Coose, Gage, Harris, Isom, Kiffer, Sivertsen and Zenge voting yea.

**UNFINISHED BUSINESS**

**Ordinance No. 16-1814 - Off-Premises Commercial Solicitation  
Restrictions - Second Reading**

Mayor Williams said he would like to defer this to the next meeting. He said he has been talking to business owners around town and there was one concern expressed that he would like to deal with. He noted there is a meeting set up to discuss this with the owner and he would to deal with this now instead of after the ordinance is adopted.

Moved by Coose, seconded by Zenge to defer this item until the next regular Council meeting.

Motion passed with Coose, Gage, Harris, Isom, Sivertsen and Zenge voting yea; Kiffer voting nay.

**Potential Protest of Liquor License Renewal - 1st City Saloon**

Moved by Coose, seconded by Sivertsen the City Council withdraw the protest of the renewal of beverage dispensary license for 1st City Saloon and approve the renewal of said license contingent upon satisfactory payment of delinquent sales and rental taxes.

Moved by Sivertsen, seconded by Isom to defer until the second meeting in April.

Motion to defer failed with Coose, Gage and Zenge voting yea; Harris, Isom, Kiffer and Sivertsen voting nay.

Motion passed with Coose, Isom, Kiffer and Zenge voting yea; Gage, Harris and Sivertsen voting nay.

Moved by Isom, seconded by Harris for immediate reconsideration.

Motion to reconsider failed with Harris, Isom and Sivertsen voting yea; Coose, Gage, Kiffer and Zenge voting nay.

Clerk Suiter said she would provide a status update to the Council at its meeting of April 21, 2016.

**Award of Contract No. 16-16 - Planning and Design of Port  
Improvements**

Moved by Sivertsen, seconded by Harris the City Council approve Contract No. 16-16, Planning and Design of Port Improvements, between the City and PND Engineers, Inc. in an amount not to exceed \$140,000; authorize funding from the Port Department's 2016 Planning & Design of Port Improvements Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Manager Amylon and Port and Harbors Director Corporon answered questions from the Council.

April 21, 2016

**Change Order No. 2 to Contract No. 15-23 - Thomas Basin Harbor Improvements Project, BAM LLC**

Moved by Sivertsen, seconded by Coose I move the City Council approve Change Order No. 2 to Contract No. 15-23, Thomas Basin Harbor Improvements Project, in the amount of \$45,907.72 and adding seven days and six days to the dates of substantial completion and final completion respectively between the City of Ketchikan and BAM LLC; authorize funding from the previously approved capital account contingency; and direct the city manager to execute the change order on behalf of the City Council.

Motion passed with Sivertsen, Kiffer, Harris, Gage, Coose, Zenge voting yea; None voting nay.

**UNFINISHED BUSINESS**

**Ordinance No. 16-1814 - Creating a New Chapter 9.54 Entitled "Off-Premises Commercial Solicitation Restrictions" - Second Reading**

Moved by Sivertsen, seconded by Zenge the City Council approve in second reading Ordinance No. 16-1814 creating a new Chapter 9.54 entitled "Off-Premises Commercial Solicitation Restrictions"; and establishing an effective date.

Mayor Williams said after discussing the ordinance with private properties, the reference to private property was taken out of the ordinance. He continued he has talked to people all this week on the issue and he felt we were ready to put it into place, with a re-evaluation at the end of the season.

Motion passed with Sivertsen, Kiffer, Harris, Gage, Coose, Zenge voting yea; None voting nay.

**Protest of Beverage Dispensary License - 1st City Saloon**

Moved by Harris, seconded by Zenge that, pursuant to KMC 5.20.050(a)(12) and (b), the City Council proceed with the protest of the renewal of the Beverage Dispensary license #3213 issued to 1st City Saloon on the basis set forth in the proposed protest attached to the city clerk's memorandum of April 13, 2016 and to notify the Alcoholic Beverage Control Board of such protest.

Motion passed with Sivertsen, Harris, Gage, Coose, Zenge voting yea; Kiffer voting nay.

**NEW BUSINESS**

**Fifty-Percent Schematic Design and Cost Estimate for Contract No. 15-14 - Centennial Building Gallery Expansion and Restroom Renovations**