



## MEMORANDUM

TO: Bob Klein, Chair,  
and Members of the Board

DATE: January 23, 2018

FROM: Erika McConnell, Director

RE: Beverage Dispensary – Tourism  
Licenses Report - Revised

**Requested Action:** Move to support a statutory change to grandfather licenses that were originally compliant with the number of rental rooms

**Statutory Authority:** N/A

**Staff Recommendation:** Support a statutory change

**Background:** On July 20, 2016, the board voted unanimously to open a regulations project “to clarify some of the parameters around AS 04.11.400(d) tourism licenses.” On October 26, 2016, Director Franklin asked the board for guidance regarding what it is looking for for tourism license parameters. The chair requested that staff provide data on the number of tourism licenses that do not meet current room requirements set forth in AS 04.11.400(d)(1).

In September I reported to the board that 34 BDL-tourism licenses did not meet the statutory requirements of AS 04.11.400(d)(1), and that nine licenses were questionable. The board requested that we do more analysis of the 43 licenses to determine whether they met statutory requirements at the time they were first issued.

It is important to note that this section of statute changed in 1985. Prior to June 6, 1985, the requirement was simply to have 10 hotel rooms. Beginning June 6, 1985, the requirement changed<sup>1</sup> to our current statutory language:

(1) a hotel, motel, resort, or similar business relating to the tourist trade with a dining facility or having kitchen facilities in a majority of its rental rooms and at least a minimum number of rental rooms required according to the population of the established village, incorporated city, unified municipality or population area established under AS 04.11.400 (a) in which the facility will be located, as follows:

- (A) 10 rental rooms if the population is less than 1,501;
- (B) 20 rental rooms if the population is between 1,501 and 2,500;
- (C) 25 rental rooms if the population is between 2,501 and 5,000;

<sup>1</sup> HB 34 of the 14<sup>th</sup> Legislature changed this requirement and became effective on June 6, 1985.

- (D) 30 rental rooms if the population is between 5,001 and 15,000;
  - (E) 35 rental rooms if the population is between 15,001 and 25,000;
  - (F) 40 rental rooms if the population is between 25,001 and 50,000; and
  - (G) 50 rental rooms if the population is greater than 50,000; or
- (2) an airport terminal.

The 34 licenses we reported as noncompliant fall into four categories (see attachment):

- 2 licenses were determined to be compliant
- 26 licenses were compliant (or likely compliant) at the time of issuance. Of those, 23 were issued prior to June 6, 1985, the date the rental room requirement was increased.
- 2 licenses do not contain enough information in the onsite files to determine when the license was first issued. However, given the license numbers, it is likely they were first issued prior to 1985, which would make them compliant at time of issuance.
- 4 licenses appear to not have been issued in compliance with statute

Of the nine licenses that were reported as questionable (see attachment), additional research has shown that:

- 6 licenses appear to be in compliance
- 1 license appears to have been issued without sufficient number of rental rooms
- 2 licenses are questionable as to their dining facilities

Statute does not provide for grandfathering licenses that were compliant at the time of issuance but that were transferred when out of compliance with the rental room requirement of AS 04.11.400(d). Staff thoroughly examined statute to determine whether another solution could be found, but we were unsuccessful.

Revocation of over 34 licenses, in the opinion of staff, is not in the best interest of the public and the communities in which these licenses are located. We suggest that a legislative solution be pursued for those licenses that were compliant at the time they were first issued.

All BDL - Tourism licenses will continue to be brought before the board for renewal. At renewal time, the board can determine how to address non-compliant licensees.

Attachment: List of Non-compliant and Questionable Licenses

Report to ABC Board January 23, 2018 -Revised

Beverage Dispensary – Tourism Licenses determined to be non-compliant with current requirements

	Lic #	DBA	Location	Lic originally issued	Number of Rooms when first licensed	Current Room Requirement	Current number of rooms	Number of transfers since mid-1985	Date of last transfer	Notes	Compliant when first licensed?
1.	10	Al's Alaskan Inn	Anchorage	1964	10	50	19	4	2011		Y
2.	45	Mykel's Restaurant	Soldotna	Before 1978	?	25	20	4	2004	In 2003 had 28 rooms and was compliant	Y
3.	207	Tustumena Lodge	Kasilof, KPB	1976	10	40	11	5	2015		Y
4.	402	Flight Deck Bar/Arctic Inn	Anchorage	1971	24?	50	24	1	1998		Y
5.	536	Howling Dog Saloon	Fox, FNSB	? – before 2003	?	50	10	1	2003		?
6.	537	Hunger Hut Bar	Nikiski, KPB	1966	10	40	10	3	1995		Y
7.	553	Indian House	Anchorage	1956	10	50	10	3	1994		Y
8.	555	Inlet View Restaurant & Bar	Ninilchik, KPB	1963	?	40	12	3	1990		Y likely
9.	624	Tailgaters Sports Bar & Grill	Wasilla	Before 1959	10	30	10	1	2003		Y
10.	691	Malemute Saloon/Ester Gold Camp	Ester, FNSB	Before 1962	23?	50	23	1	1999		Y
11.	742	Voyager Inn	Anchorage	1976	40	50	40	3	2014	New license issued in 1976 according to Lambert memo to ABC April 2013.	Y
12.	897	The Place Bar & Motel	Salamatof, KPB	1967	15	40	15	2	2016		Y
13.	941	Swiss Alaska Inn	Talkeetna, MSB	1962	?	50	21	1	2017		Y likely
14.	1096	Sunrise Inn	Cooper Landing, KPB	??? first date in file is 1988	?	40	10	8	2016		?
15.	1287	Talkeetna Motel	Talkeetna, MSB	1970	?	50	23	1	1993		Y likely
16.	1309	Anchor River Inn	Anchor Point, KPB	1962	17	40	17	0	1983		Y
17.	1563	Everett's	MSB	1980	15	50	15	5	2016		Y

	Lic #	DBA	Location	Lic originally issued	Number of Rooms when first licensed	Current Room Requirement	Current number of rooms	Number of transfers since mid-1985	Date of last transfer	Notes	Compliant when first licensed?
18.	1788	Latitude 62 Lodge	Talkeetna, MSB	1983	12	50	13	2	2001		Y
19.	1925	Windbreak Hotel, Cafe, Lounge, The Trout House	Wasilla	1984	11	30	10	1	2011		Y
20.	1962	The Silver Fox Inn	Meadow Lakes, MSB	1984	10	50	10	1	1994		Y
21.	1987	Brown Bear Saloon & Motel	Anchorage	1984	10?	50	10	3	1999		Y
22.	2063	Long Rifle Lodge	Sutton or Glacier View, MSB	1984	11	50	11	4	2006		Y
23.	2111	Roadside Inn	Meadow Lakes, MSB	1984	20	50	20	4	2004		Y
24.	2133	Sully's Sourdough Inn	Willow, MSB	1984	16	50	16	3	1995		Y
25.	2147	The Duck Inn	KPB	1985	20	40	20	5	2011	New license issued 11/21/85	N?
26.	2184	The Point Lodge	MSB	1984	17	50	17	5	2009		Y
27.	2791	Fort Seward Lodge	Haines	1988	12	20	12	2	2011	10 rooms required in 1988 due to population at time	Y
28.	3113	Trail Lake Lodge	Moose Pass, KPB	1991	22	40	22	3	2007		N
29.	3272	Chatanika Gold Camp	FNSB	1995	28	50	28	5	2008	According to Lambert memo on April 2013 ABC agenda, license first issued in 1995; at that time, 40 rooms would have been required	N
30.	3370	McKinley Denali Salmon Bake	McKinley Park, Denali Borough	1994	12	20	12	1	2005	10 rooms required in 1994 due to population at time	Y
31.	4458	Iris Café and Saloon	Fairbanks	2005	37	40	37	0		2/17/15 agenda states all statutory requirements met	N

	Lic #	DBA	Location	Lic originally issued	Number of Rooms when first licensed	Current Room Requirement	Current number of rooms	Number of transfers since mid-1985	Date of last transfer	Notes	Compliant when first licensed?
32.	4526	Gold Miners Lodge Restaurant and Motel	Houston	11/22/05	15	20	10	2	2007	License issued in 2005 on delegated consent agenda. Population in 2005 was 1,439 (Source: Census and DOL), making 10 rooms required at that time	Y
33.	5221	Tonglen Lake Lodge	McKinley Park, Denali Borough	2013	20	20	<del>10</del> 20	0		<del>It appears they have stopped providing the 10 rooms in the main house as initially offered in 2013, so have fallen out of compliance</del>	Y

Beverage Dispensary – Tourism Licenses listed as questionable in last report

	Lic #	DBA	Location	Notes	Compliant?
1.	442	Glacier Bear Lodge	Yakutat	Has sufficient rooms and dining facilities	Y
2.	531	Black Angus Steakhouse #2	Anchorage	Has sufficient rooms; dining facility mentioned in last tourism statement operates under separate license which has transferred location	?
3.	954	Reluctant Fisherman Inn	Cordova	Has sufficient rooms and dining facilities	Y
4.	2695	King Salmon Motel & Restaurant	Soldotna	Has sufficient rooms; unclear if dining facilities are operated by licensee	?
5.	2797	Kalgin Island Lodge	Kalgin Island, KPB	Originally licensed in 1989; room requirement at that time was 40; 20 rooms provided	N
6.	4354	Homewood Suites	Anchorage	Has sufficient rooms, all with kitchen facilities	Y
7.	4379	The Station Bar & Grill	Skagway	Has sufficient rooms and dining facilities	Y
8.	5180	Locals	Wasilla	Has sufficient rooms and dining facilities	Y
9.	5290	Katmai Lodge	Lake & Peninsula Borough	Has sufficient rooms and dining facilities	Y