

# Department of Commerce, Community, and Economic Development

ALCOHOL AND MARIJUANA CONTROL OFFICE

550 West 7th Ave, Suite 1600 Anchorage, AK 99501 Main: 907.269.0350

# **MEMORANDUM**

TO: Bob Klein, Chair, and Members of the

Alcoholic Beverage Control Board

DATE: August 14, 2018

FROM: Erika McConnell, Director RE: 2534 Alaskan Brewing Co

Requested Action:

Licensed premises diagram change

Statutory Authority:

3 AAC 304.185(a) and (c): "(a) A license is issued for a specific place which is the licensed premises and which must be clearly designated in a line drawing accompanying an application. The licensed premises must be one area, but may include separate rooms if the rooms are adjacent to one another or if they are rooms described in AS 04.11.090(d). The address of the licensed premises and the business name under which the licensee is doing business at that address must be indicated on the license application. If the licensed premises consist of more than one room in which a fixed counter or service bar is regularly maintained, a duplicate license is required for the additional rooms.

(c) A licensee may not alter the functional floor plan, reduce or expand the area, or change the business name of the licensed premises without the prior written approval of the director. The licensee must provide a new line drawing showing the proposed changes in the premises. A licensee must pay fee of \$250 for changing the business name of the licensee's licensed premises when the name change is not part of a transfer of ownership or location. A request for a business name change for licensed premises not part of a transfer must be made on a form prescribed by the board."

AS 04.21.080(b)(15): ""licensed premises" means any or all designated portions of a building or structure, rooms or enclosures in the building or structure, or real estate leased, used, controlled, or operated by a licensee in the conduct of business for which the licensee is licensed by the board at the specific address for which the license is issued;"

Staff Rec.:

Deny the diagram change; direct the licensee to file a new licensed premises diagram to remove the parking lot (and thus the second building) from the licensed premises, in accordance with AS 04.06.090(c): "When considering an application, the board may reduce the area to be designated the licensed premises below the area applied

2534 Alaskan Brewing Co ABC Board August 14, 2018 Page 2

> for when, in the judgment of the board, a reduction in area is necessary to ensure control over the sale and consumption of alcoholic beverages on the premises or is otherwise in the best interests of the public."

**Background:** This brewery license is requesting to amend its licensed premises diagram to add a second building and license their parking lot. The licensee plans to move the brewery tasting room into the second building. I denied this request because there are no controls on the parking lot portion of the proposed licenses premises to ensure that AS 04 and 3 AAC 304 will be followed in that area. The needs of Alaskan Brewing Co to expand are legitimate, and a way forward for them must be found. But allowing a parking lot to be part of a licensed premises is not the right path forward.

Note: Review of approved diagrams for this licensee show that what has actually been considered to be licensed premises may not be agreed upon. Prior to a recent license transfer, the approved premises diagram did not contain the "red line" showing the outline of the licensed premises that is now a standard requirement at AMCO. The label of the diagram approved on January 15, 2016, by then-Director Franklin (see "2016 approved diagram") states, "Grey buildings are existing brewery premise; yellow background is brewery owned property." AMCO understood this to mean that the grey buildings were the licensed premises. It seems possible that the licensee intended that the entire property be the licensed premises.

In February of 2018, the licensee submitted a transfer application to correct a past unapproved transfer of controlling interest. The AB-02 Premises Diagram form was reviewed by an inexperienced examiner, who did not catch that the entire site was proposed to be the licensed premises. As this transfer was brought to the board on the delegated consent agenda at the last meeting, the board did not view the premises diagram. The transfer has not been effectuated yet.

Although I have by no means reviewed every single premises diagram of all ±1,800 licenses, I can't think of an outside area that is licensed premises that isn't being used as an onsite consumption area. Of particular concern are the following statutes which apply to all licensed premises:

AS 04.16.010(c): "A licensee, an agent, or employee may not permit a person to enter and a person may not enter premises licensed under this title between the hours of 5:00 a.m. and 8:00 a.m. each day. This subsection does not apply to common carriers or to an employee of the licensee who is on the premises to prepare for the next day's business."

AS 04.16.030(a)(3): "A licensee, an agent, or employee may not with criminal negligence... (3) allow a drunken person to enter and remain within licensed premises or to consume an alcoholic beverage within licensed premises;"

AS 04.16.045: "Obligation to enforce restrictions in licensed premises. A licensee, an agent, or employee may not permit the consumption of alcoholic beverages by any person within licensed premises unless it is permitted by the license."

AS 04.16.049(a): "(a) A person under 21 years of age may not knowingly enter or remain in premises licensed under this title unless

2534 Alaskan Brewing Co ABC Board August 14, 2018 Page 3

- (1) accompanied by a parent, guardian, or spouse who has attained 21 years of age;
- (2) the person is at least 16 years of age, the premises are designated by the board as a restaurant for the purposes of this section, and the person enters and remains only for dining;
- (3) the person is under 16 years of age, is accompanied by a person over 21 years of age, the parent or guardian of the underaged person consents, the premises are designated by the board as a restaurant for the purposes of this section, and the person enters and remains only for dining;
- (4) the person is permitted on the premises under a club license issued under AS 04.11.110(g); or
- (5) otherwise provided under (c), (d), or (g) of this section."

AS 04.16.120: "Sec. 04.16.120. Removal or introduction of alcoholic beverages.

- (a) A person may not remove from licensed premises alcoholic beverages that have been sold or furnished for consumption only on the premises.
- (b) Except as provided in this subsection, a person may not bring an alcoholic beverage into licensed premises for use or consumption by oneself or another person on the premises unless that person is a licensee, an agent, employee, or common carrier in the regular course of employment...."

There may be other applicable statutes, but these significant ones raise questions such as, how will the licensee control access to the premises by persons under 21? How will the licensee prevent non-employees from entering the premises between 5am and 8am? How will the licensee ensure that all persons entering the premises are not drunken persons? Will patrons at the tasting room be allowed to take their drinks outside to consume in the parking lot if the parking lot is part of the licensed premises?

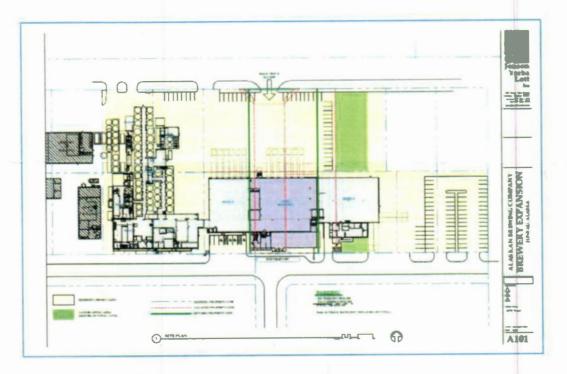
While the definition of "licensed premises" seems to contemplate that some real estate controlled by the licensee may be part of the licensed premises, the statutory limitations clearly prohibit this proposal and contemplate that part of the control over the manufacture, barter, possession, and sale of alcoholic beverages is managed by the walls and doors of a building.

Attachment: 2016 approved diagram

AB-02 with recent transfer

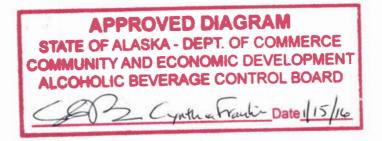
AB-14 submittal

LICENSE: 2534

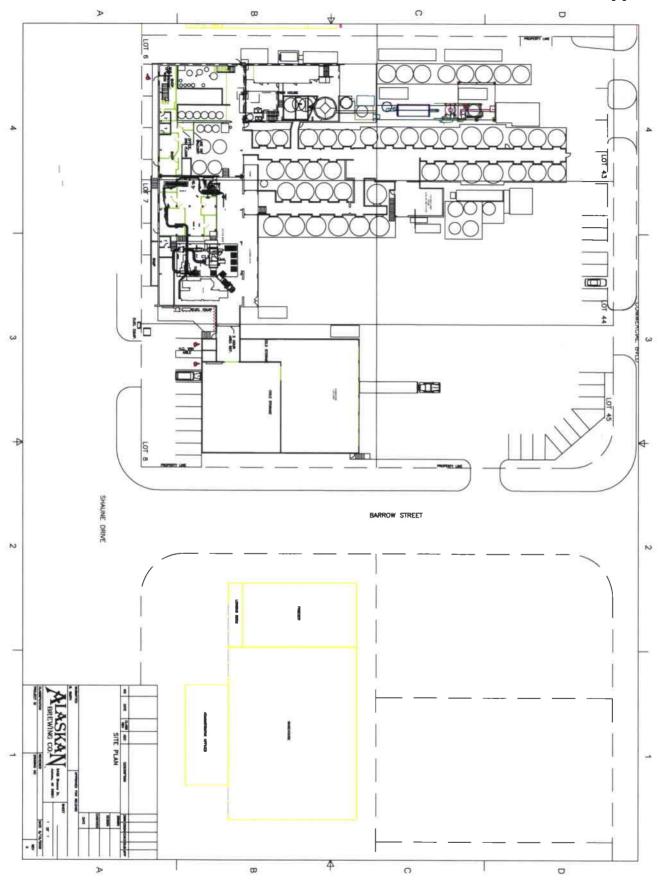


Site map from building permit; new warehouse shown in purple.

Grey buildings are existing brewery premise; yellow background is brewery owned property (lot lines approximate).



# 2016 approved diagram



## AB-02 with recent transfer

Alcohol and Marijuana Control Office 550 W 7th Avenue, Suite 1600 alcohol.licensing@alaska.gov https://www.commerce.alaska.gov/web/amco

Phone: 907.269.0350

Anchorage, AK 99501

# Alaska Alcoholic Beverage Control Board

# Form AB-02: Premises Diagram

## What is this form?

A detailed diagram of the proposed licensed premises is required for all liquor license applications, per AS 04.11.260 and 3 AAC 304.185. Your diagram must include dimensions and must show all entrances and boundaries of the premises, walls, bars, fixtures, and areas of storage, service, consumption, and manufacturing. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex.

The second page of this form is not required. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form. The first page must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

This form must be completed and submitted to AMCO's main office before any license application will be considered complete.

	Yes	No
I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.	<b>√</b>	

## Section 1 - Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	Alaskan Brewing LLC	License	Number:	: 2534	
License Type:	Brewery				
Doing Business As:	Alaskan Brewing Co				
Premises Address:	5429 Shaune Dr				
City:	Juneau	State:	AK	ZIP:	99801



AB-02 with recent transfer
Alcohol and Marijuana Control Office
550 W 7<sup>th</sup> Avenue, Suite 1600 Anchorage, AK 99501

alcohol.licensing@alaska.gov https://www.commerce.alaska.gov/web/amco





Alaska Alcoholic Beverage Control Board

# Form AB-02: Premises Diagram

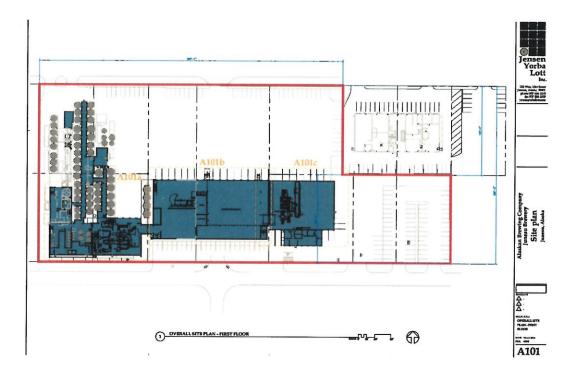
# **Section 2 - Detailed Premises Diagram**

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances and exits, walls, bars, and fixtures, and outline in red the perimeter of the areas designated for alcohol storage, service, consumption, and manufacturing. Include dimensions, crossstreets, and points of reference in your drawing. You may attach blueprints or other detailed drawings that meet the requirements of

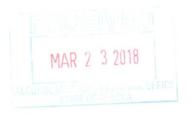
[Form AB-02] (rev 06/24/2016)

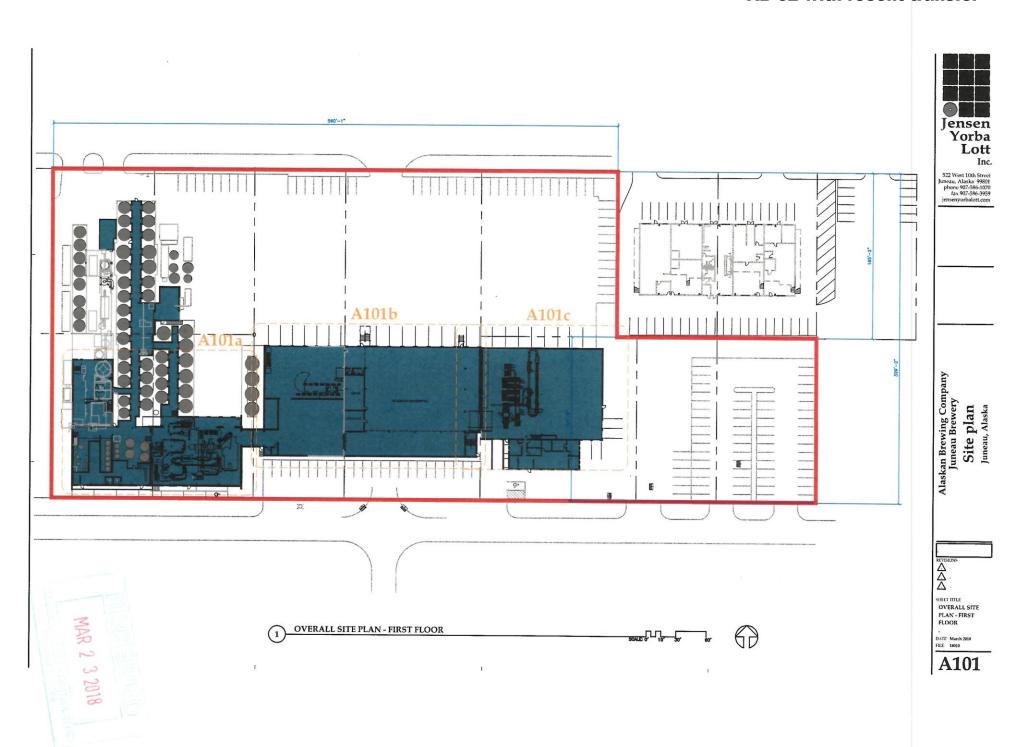
ALCOHOL MARIJUANA CONTROL OFFICE STATE OF ALASKA

LICENSE: 2534

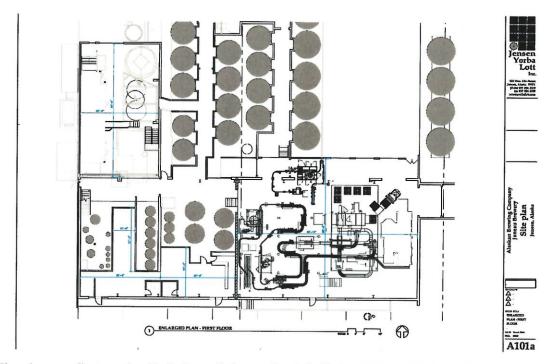


The above reflects current brewery premise. The redline denotes both premise outline and manufacturing area. A high quality, zoomable, PDF will be included with our submission.





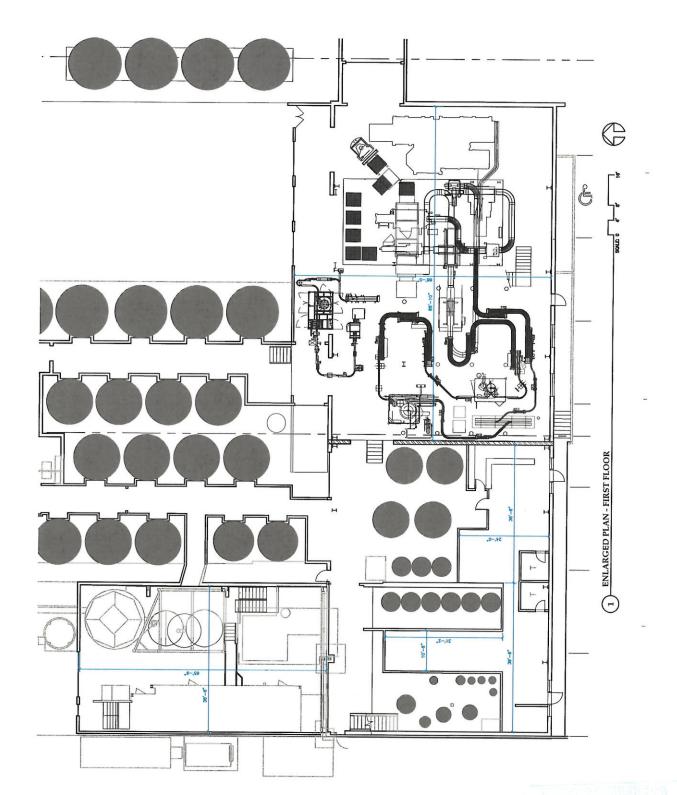
LICENSE: 2534



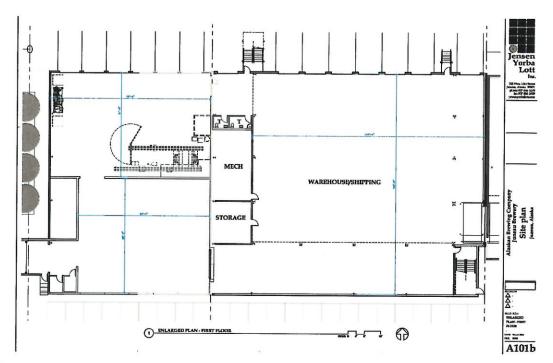
The above reflects a detailed view of the section labelled *A101a*. A high quality, zoomable, PDF will be included with our submission.

MAR 2 3 2018

AB-02 with recent transfer

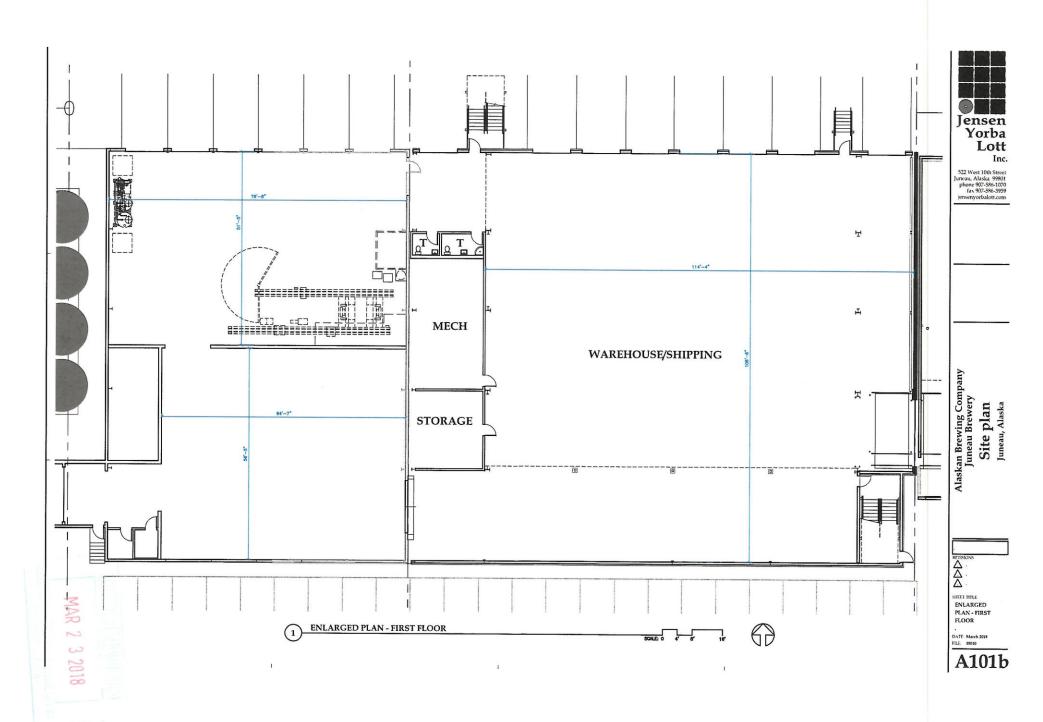


LICENSE: 2534

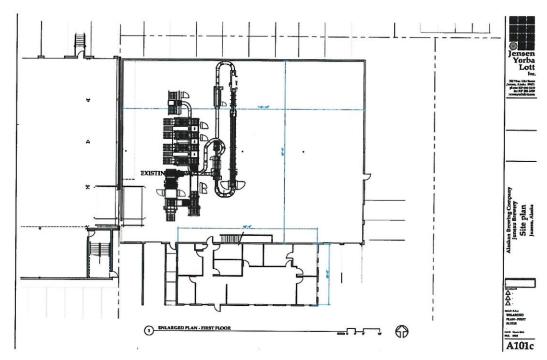


The above reflects a detailed view of the section labelled *A101b*. A high quality, zoomable, PDF will be included with our submission.

MAR 2 3 2018

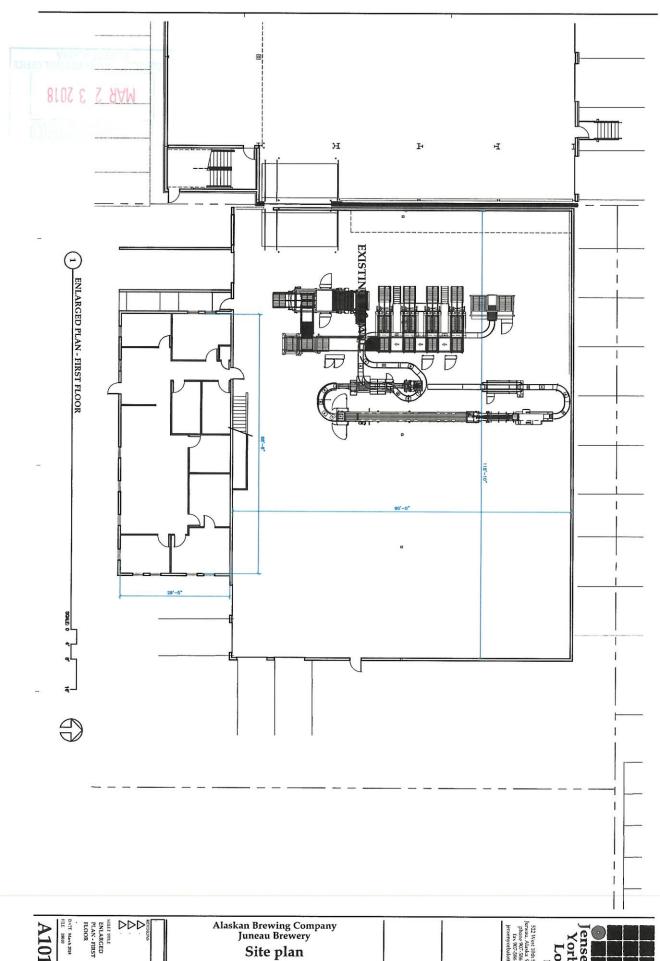


LICENSE: 2534



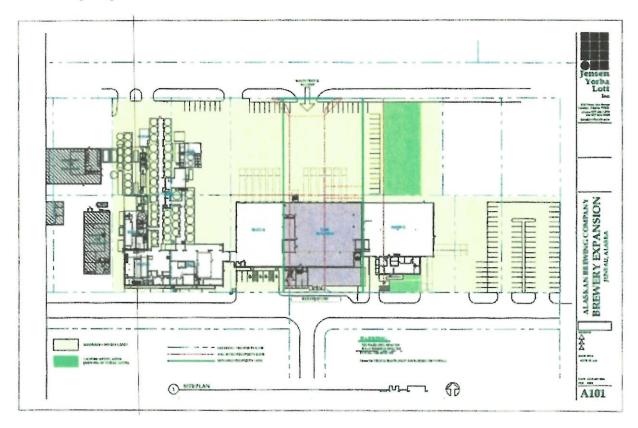
The above reflects a detailed view of the section labelled *A101c*. A high quality, zoomable, PDF will be included with our submission.





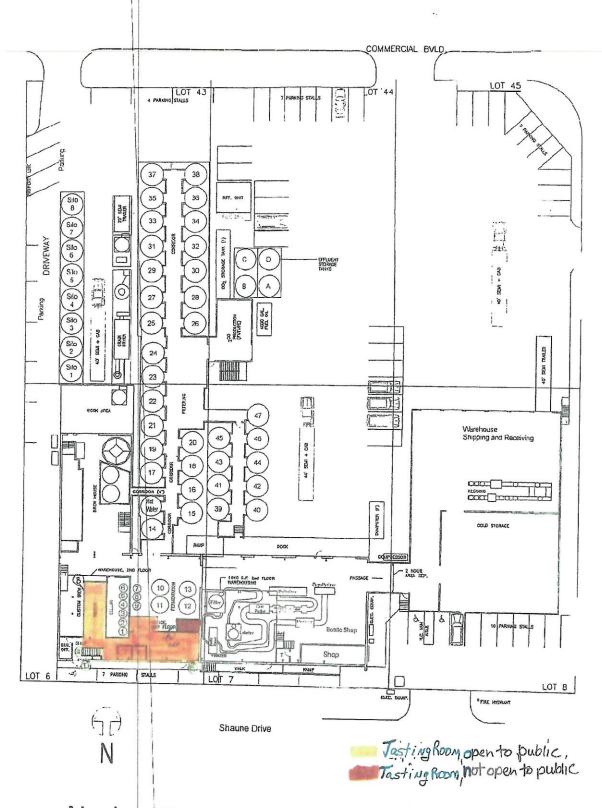
Juneau, Alaska

DATE: 2/15/2018



Site map of existing brewery premise, building in grey, white, and purple; Tasting Room located on first floor of first grey building. Yellow background is brewery owned property (lot lines approximate).





Alaskan Brewing Company - Juneau, Alaska First Floor and Master Site Plan

FEB 2 2 2018

ALCOHOL MARIJUANA CONTROL OFFICE STATE OF ALASKA



Date: July 26, 2018

To: Bob Klein, Chair and Members of the Alcoholic Beverage Control Board

From: Marcy Larson, Manager of Alaskan Brewing, LLC

Re: Licensed Premise Diagram Change Application AB-14, License #2534

In anticipation of the denial of our AB-14 by AMCO staff, we would like to appeal to the board to approve our AB-14, submitted July 26<sup>th</sup>.

3 AAC 304.185(a) states: "The licensed premises must be one area but may include separate rooms if the rooms are adjacent to one another..." We have been advised that AMCO staff interprets this regulation language as meaning the definition of "one area" must be a single building, under the same roof with no outside area to connect two or more buildings, in order to be a single premise.

We understand the regulatory requirement to confine our defined premises to one area, however we are appealing the current AMCO interpretation of what is identified as "one area." We feel that the definition of "one area" should also include the contiguous property of the licensed premises, and not be limited to the building premises.

Alaskan Brewing's manufacturing growth is starting to exceed our currently licensed premise, and the size of our current licensed manufacturing operations will soon not fit within the bounds of one contiguous building. Our current brewing operations are housed under one roof, within 7 acres encompassing 7 lots and 1 vacated City street. The lots (including the change in premise property being added) are connected and controlled by our central manufacturing and business area with the single business address of 5429 Shaune Drive, Juneau, Alaska. Continuing to expand our brewhouse, CO2 recovery, Biomass boiler, bottling line, canning line, variety pack line, warehousing, loading docks, van staging areas, offices, conference rooms, and tasting room operations all under one roof is **no longer a viable option** from both a manufacturing and economic viewpoint.



As identified on our submitted AB-14 application, the recently purchased property by Alaskan Brewing, located in the yellow highlighted section on page 4, is in-fact a contiguous property to the currently approved brewery premise. Purchasing this property was essential for us to continue to grow and meet our capacity needs for manufacturing in our current location.

We understand that the ABC Board and AMCO staff focus primarily on the retail operations of licenses, but in order to facilitate growth at our brewery we must balance the complex needs of our manufacturing side in addition to the retail needs. Please be assured that systems and operations are constantly upgraded to guarantee compliance of both retail and manufacturing rules and regulations, so that we can maintain the high level of regulatory standards we have always followed for the last 30+ years.

We appreciate your efforts in reviewing this appeal and will be available to answer any questions the Board may have. We thank you for your time and consideration.

Sincerely,

On behalf of Alaskan Brewing LLC

Marcy Larson



# Alcohol and Marijuana Control Office **ABW14 ASubmittal**0

Anchorage, AK 99501

alcohol.licensing@alaska.gov https://www.commerce.alaska.gov/web/amco

Phone: 907.269.0350

## **Alaska Alcoholic Beverage Control Board**

# Form AB-14: Licensed Premises Diagram Change

## What is this form?

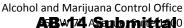
This licensed premises diagram change form is required for all liquor licensees seeking to alter the functional floor plan or reduce or expand the area of the establishment's existing licensed premises, under 3 AAC 304.185. The required \$250 licensed premises diagram change fee may be made by check, cashier's check, money order, or credit card (VISA or MasterCard).

Your diagram must include dimensions and must show all entrances and boundaries of the premises, walls, bars, fixtures, and areas of storage, service, and consumption. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex.

If approved, this form will <u>replace</u> the existing licensed premises diagram on file. All sections of the currently licensed area that you wish to remain licensed must be included in the outlined area, as described on Page 2 of this form. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form, as long as it meets the requirements listed on this form. The first and third pages must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

This form must be completed and submitted to AMCO's main office <u>prior to altering the existing floor plan</u>. The licensed premises may not be altered unless and until the AMCO director has given written approval on this form. Please note that licensees seeking to change licensed premises diagrams for multiple licenses must submit a separate completed copy of this form and pay a separate fee for <u>each license</u>.

# Section 1 – Establishment Information Enter information for the licensed establishment. Licensee: License Number: License Type: Doing Business As: Premises Address: City: State: ZIP: Section 2 – Summary of Changes Provide a summary of the changes for which you are requesting approval.





Anchorage, AK 99501

alcohol.licensing@alaska.gov

https://www.commerce.alaska.gov/web/amco

Phone: 907.269.0350

## **Alaska Alcoholic Beverage Control Board**

# Form AB-14: Licensed Premises Diagram Change

# **Section 3 – Detailed Premises Diagram**

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances and exits, walls, bars, and fixtures, and outline in red the perimeter of the areas designated for alcohol storage, service, and consumption. Include dimensions, cross-streets, and points of reference in your drawing. You may attach blueprints or other detailed drawings that meet the requirements of this form.

See Attached	



AMCO CONTROL OFFICE

550 W 7<sup>th</sup> Avenue, Suite 1600 Anchorage, AK 99501

alcohol.licensing@alaska.gov https://www.commerce.alaska.gov/web/amco

Phone: 907.269.0350

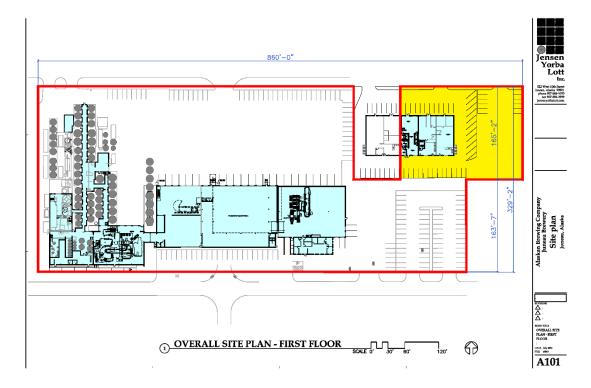
## Alaska Alcoholic Beverage Control Board

# Form AB-14: Licensed Premises Diagram Change

	Section 4 - Declarations	
Read the statement below, and then sign yo	our initials in the box to the right:	Initials
The proposed changes conform to all applica	able public health, fire, and safety laws.	MAL
As a liquor licensee, I declare under penalty of	of perjury that this form, including all attachments, is true,	, correct, and complete.
Signature of licensee	NOTARY PUBLIC	and for the State of Alaska.
Printed name of licensee	Subscribed and sworn to before me this 26 day of	
Section 5	- Local Government & AMCO Revie	w
Local Government Review (to be completed	by an appropriate local government official):	Yes No Pending
The proposed changes shown on this form co		
A local building permit is required for the pro		
Signature of local government official	Building Permit #	Date
Printed name of local government official	Title	-
AMCO Review:		Approved Disapproved
Signature of AMCO Enforcement Supervisor	Signature of Director	
Printed name of AMCO Enforcement Supervi	sor Printed name of Director	Date

[Form AB-14] (rev 06/29/2018)

**LICENSE: 2534** 



The above drawing reflects previously permitted, as well as newly purchased contiguous brewery property (highlighted in yellow). Our newly proposed premise includes the following:

The newly purchased properties shown in yellow consist of:

- A commercial building with 3 units, that will be configured to house our proposed tasting room and expanded manufacturing space as described in further detail in this application. The unit addresses are 5360, 5362, and 5364 Commercial Boulevard, Juneau, AK 99801
- An empty parking lot shown in the Northeast corner of the drawing, currently listed as lot NHN Commercial Blvd, Juneau, AK 99801

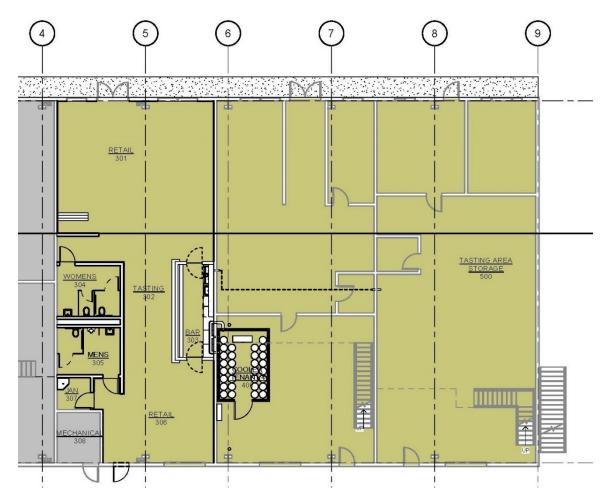
LICENSE: 2534



The above drawing reflects our intentions for the commercial building located at addressed 5360 through 5364 Commercial Blvd. that Alaskan Brewing has purchased as of May 2018. The green section denotes the location of our current occupancy. The plan for these spaces will include an additional brewery tasting room, keg storage, and apparel storage spaces to support the new tasting room. The areas marked in green have addresses of 5360, 5362, and 5364 Commercial Blvd.

Physical Building Description: Steel frame, mixed use commercial building that is 156' by 70'. Concrete foundation with 6" concrete slab throughout. Two above ground 500 gallon fuel tanks fueling seven oil fired furnaces located in two mechanical rooms. Metal siding and roofing, with various types of insulation including spray foam in the front of the building. Three 10'x14' garage doors in the rear of the building as well as back entrances to each space.

LICENSE: 2534



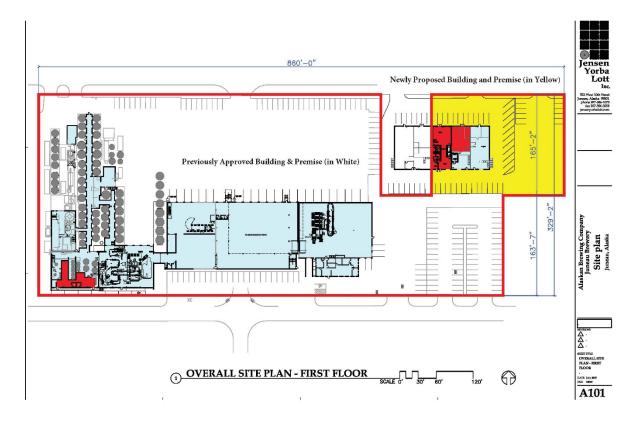
The above drawing reflects a more detailed rendering of our tasting room space at 5360, 5362, and 5364 Commercial Blvd.. Public entrances will be at both the North and South ends of the 5364 space (this area is located between cross section 4 and 6 on this drawing). At the entrance to the North, there will be movable tables and chairs for public seating. There will also be some additional seating and tables at the South end of this space past the bar area. In the center of the space, 25 ft. from the entrance, will be two gender specific bathrooms. Women's bathroom will have two stalls and one sink, the men's bathroom will have one urinal, one stall, and one sink.

The bar area for customers to receive drinks will sit directly east from the bathrooms. There is no seating at the bar. Behind the bar will be 2 high temperature dishwashers that will accommodate both glassware and growler washing. There will also be a 3 basin sink and a "crowler" machine. The keg tap pouring system will come off the east wall behind the bar, and will have 20 keg spouts. The beer lines will run through the wall into a walk-in cooler in the adjacent space to the east of the bar. A garage door currently sits at the South end of this tasting room, which is intended to stay in place. There is a

cleaning closet next to the bathrooms where all cleaning supplies and other store supply needs will be kept.

The spaces in the rest of the Commercial Drive building that are shown here to the east of cross sectional area #6 through to area #9 will be for storage of kegs and gift shop materials needed for operations, and office space.

**LICENSE: 2534** 



In the above site plan, you will see our designated public tasting spaces shaded in Red, that are considered a part of our manufacturing license permit.

In these spaces, the consumers sample our products in a monitored and controlled environment in accordance with state regulations for manufacturing tasting rooms, as we have been doing for over 30 years. In the blue, you will see our current buildings used for manufacturing operations and offices (brewing, bottling, canning, kegging, warehousing, grain handling, lab and shipment staging), and the grey for our tanks and silos, which contain beer and malt. The remaining areas of land (in white) are used for van staging, movement and storage of equipment, product and supplies, and other manufacturing activities.

All public tasting will take place within the confines of our building areas shaded in red, unless we have a special permit designated for an outside tasting. Due to the nature of our highly controlled facility, the only place where alcohol is available on our premise for public consumption or sale is in our public tasting spaces. Within these public spaces, our TAP certified employees take the necessary steps to ensure that any public consumption has met the state requirements for our tasting room, and that those under the age of 21 are not served. We also monitor the introduction/removal of alcohol from our public tasting areas through limited access, employees, and camera monitoring.

In our manufacturing spaces, we have inherent limited access due to safety concerns and we monitor public access through use of employees and limited control points of public entry. These limited control points prohibit access to members of the public from entering manufacturing production areas. We are required to taste our product in our manufacturing part of the plant and do not have designated tasting

areas within the manufacturing areas, as we sample at most stages of production. We also conduct regular taste panels for lab and quality assurance purposes.

Our proposed brewery premise change for this request includes all of our outside properties, lots, and the buildings. We have always included the exterior areas in past site plan change requests. But as we have always done, we will continue to restrict any public consumption of alcohol to stay within the public consumption boundaries of our application. In this case, the areas marked in RED.