



MEMORANDUM

TO: Alcoholic Beverage Control Board

DATE: September 10, 2019

FROM: Erika McConnell, Director

RE: 4380 and 4526 Gold Miners Lodge
Restaurant and Motel

Requested Action: License renewals

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

Staff Rec.: Deny the renewals under AS 04.11.330(a)(5)

Update: At the April board meeting, the board tabled the renewal of these licenses in order for the applicant to provide justification that the City of Houston protest is unreasonable and information regarding what will happen with the license and on what time table. Counsel for the Gauthiers provided additional information, included in this tab. The City of Houston also provided additional information, included in this tab.

At the July 9 board meeting, the licensee's attorney stated that transfers would be submitted in time for the September meeting. The board tabled consideration of the renewals to this meeting. At the July 29 board meeting, the board heard from the mayor of the City of Houston but did not take any additional action.

Transfer applications were received at the AMCO office on August 15, 2019. As of the writing of this memo, the applications are still being reviewed due to complicated security interest documents.

Background: License #4380 is a restaurant or eating place license, and license #4526 is a beverage dispensary—tourism license, both issued to Gold Miners Lodge Restaurant and Motel LLC with a premises at 20333 W. Parks Highway, in Houston. Gold Miners Lodge Restaurant and Motel LLC is limited liability company in good standing owned by Brian Gauthier 50% and Sandra Gauthier 50%.

On October 11, 2018, it came to AMCO's attention that Gold Miners Lodge Restaurant and Motel LLC had leased its property and two liquor licenses to John and Inthira Zavacky on October 1, 2017. This lease states on page 1, "Lessee [John A. Zavacky and Inthira Zavacky] leases from Lessor [Gold Miners Lodge and Restaurant & Motel, LLC] the business, liquor licenses related to, and real property ... more particularly described as ... 20333 W. Parks Highway, Houston, Alaska." An

NOV was issued for license #4526 on October 16, 2018, which was provided to the board along with the licensee response at the February 2019 meeting. In her response, Sandra Gauthier claims “John & Inthira Zavacky have never used or been offered temporarily to use our liquor licenses and they have not yet even opened their new business.” It is hard to understand how the licensee can claim that the Zavacky’s have never “been offered” the use of the liquor licenses when they have a signed lease stating that the licenses are leased to the Zavacky’s. (An identical NOV was issued for license #4380 on February 27, 2019.)

AS 04.11.450 states at (a), “A person other than a licensee may not have a direct or indirect financial interest in the business for which a license is issued,” and at (c), “A license may not be leased by a licensee to another person, partnership, limited liability organization, or corporation.”

AS 04.11.330(a)(5) states that the renewal of a license **shall be denied** if “the requirements of AS 04.11.420—04.11.450 relating to zoning, ownership of the license, and financing of the licensee have not been met.”

In addition to violating AS 04.11.450 by leasing the licenses, the licensee has lost right of possession of the property, which is a requirement for a license.

The City of Houston protests the renewal of both licenses, stating that the licensee did not meet the City’s ordinance for liquor license regulations and the applicant had not operated the licensed premises for at least 30 eight-hour days during the preceding calendar years.

The license is not currently being operated as the Zavacky’s are performing renovations on the property. The licensee submitted a waiver of operations for 2018.

Attachments: New information at July meeting

Letter from Dalrymple Law (counsel for Gauthiers)

City of Houston information

- 2017 City Business License issued to Gold Miners owned by Sandra Gauthier
- 2018 City Business License issued to ThaiStyx owned by John Zavacky
- Clerk’s Office Notes in Business License File (2017)
- 2015 Correspondence between City and Ms. Gauthier
- 2017 Correspondence between City and AMCO
- Minutes of all City Council meetings when licenses were on agenda since 2013

Information provided at April meeting

Lease dated September 27, 2017

4526 NOV

4380 NOV

City of Houston protest

4380 Renewal application (Tab 12)

4526 Renewal application (Tab 13)



June 21, 2019

VIA EMAIL ONLY

Alcohol & Marijuana Control Board
550 W. 7th Avenue, Suite 1600
Anchorage, AK 99501

Re: Gauthier Liquor License Renewal Application Nos. 4380 & 4526

Dear Alcohol & Marijuana Control Board:

I represent Brian and Sandra Gauthier. This letter is to update the Board on the issues presented at the April 2019 Board meeting regarding the liquor licenses held by the Gauthiers. The Board had asked for clarification on 1) justification to find that the Houston protest was unreasonable; and 2) information regarding what will happen with the licenses and specific time table.

The Gauthiers have been working with their tenants John and Inthira Zavacky with the ultimate goal of transferring title to the real property known as 20333 W. Parks Highway, Houston, Alaska, as well as transferring the above referenced liquor licenses. The Zavackys hold an option to purchase the real property under their lease and the parties are expecting to finalize the transfer of the real property in the upcoming months, with a projected closing during late October or November.

In conjunction with the conveyance of real property, the Gauthiers have agreed to the immediate transfer of the liquor licenses to the Zavackys. The transfer application is being prepared and publication is expected to begin prior to the Board's July 9th meeting. It is our understanding from the City of Houston, that this transfer application will resolve Houston's protest over the Gauthiers renewal application for the liquor licenses.

However, on the issue of "reasonableness," I'd like to direct the Board's attention to the fact that the basis of Houston's protest was as to "who" is operating the liquor license, not where or how. It was not based on any purported violation of applicable law by the Gauthiers. The City objected to the Gauthiers renewal but not to the proposed Zavackys' transfer application, which distinction is on its face unreasonable. The ABC Board statutes and regulations on "who" can be granted a liquor licenses or renewal have been fully satisfied by the Gauthiers in order to continue to operate the liquor licenses in this regard. The Gauthiers have no convictions for violations

927 South Cobb Street, Palmer, AK 99645 • Phone: (907) 745-6332 Fax: (907) 745-6331
danalyn@matsulaw.com • www.matsulaw.com

Business • Real Estate • Wills & Probate

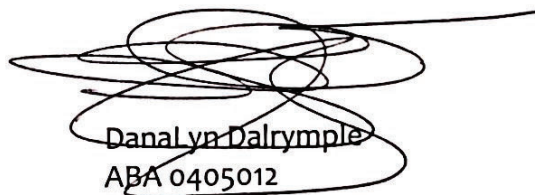
under the applicable statutes or regulations adopted thereunder; and there is no adverse criminal justice information about them on a state or national level.

The Zavackys did not reopen the lodge, due to repairs and/or improvements being made to the property since September 2017. And it should be emphasized that while the property was subject to the lease option, it was the parties' intent that the liquor licenses would be operated either 1) under a management agreement and sublease back to the Gauthiers; or 2) be transferred directly to the Zavackys. The lease is being amended to reflect this intent and to correct any scrivener's errors. The documentation required to amend the lease, properly maintain the liquor license pending transfer, and to complete the transfer application process will be prepared prior to the July 9th Board meeting.

The Gauthiers respectfully ask the ABC Board to accept their renewal application based upon the above information so that the liquor licenses can be transferred to the Zavackys and the City of Houston can continue to have this resource in its community. The Gauthiers expect to have further information to discuss at the upcoming Board meeting.

Very Truly Yours,

DALRYMPLE LAW, P.C.



Dana Lyn Dalrymple
ABA 0405012

Cc: Clients
File #02430



City Of Houston

Clerk's Office
13878 W. Armstrong Rd
PO Box 940027
Houston, AK 99694

Business License 2017

License Issue Date

12/7/2016

License Issued To:

Gold Miners Lodge Restaurant & Motel LLC
Sandra Gauthier
PO Box 940353
Houston AK 99694

Physical Address

Gold Miners Lodge Restaurant & Motel
20333 W Parks Hwy
Houston, AK 99694

Filing Period

Quarterly

License Number

16-122 17-024

Line of Business	Amount Paid
2017 Business License 722110- FULL-SERVICE RESTAURANTS 721110- HOTELS AND MOTELS	25.00

Dear Business Owner,

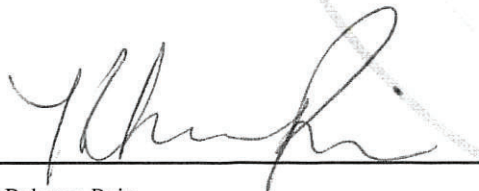
This is your 2017 City of Houston Business License.

This license covers all operations under the specified line of business, regardless of the number of establishments in the City.

Per Houston Municipal Code 5.04.010 C "The business license of any seller is automatically suspended when such seller fails to remit delinquent sales taxes, penalty and interest within 30 days after notice of delinquency is given or mailed."

Please post this license, or a copy of this license, in a conspicuous place.

For questions regarding your business license, filing sales tax, or laws governing doing business in Houston please contact the Clerk's office at 907-892-6869.


Rebecca Rein
Deputy City Clerk

Rev Jan. 2015

This license expires on 12/31/2017
Please renew by 12/31/2017





City of Houston
P.O. Box 940027
Houston, AK 99694

Business License 2018

License Issue Date

10/10/2017

PAID
10/10/2017

License Issued To:

Physical Address

ThaiStyx Toasted Subs
John Zavacky
1151 E 76th Avenue
Anchorage, Alaska 99518

ThaiStyx Toasted Subs
20333 W Parks Highway
Houston, Alaska 99694

Filing Period

Yearly

Customer Resale No.

18-003

Line of Business	Amount Paid
License Yearly January to December 2018 Sales Tax is to be Filed Monthly	25.00 0.00

Dear Business Owner,

This is your 2018 City of Houston Business License.

This license covers all operations under the specified line of business, regardless of the number of establishments in the City.

Per Houston Municipal Code 5.04.010 C "The business license of any seller is automatically suspended when such seller fails to remit delinquent sales taxes, penalty and interest within 30 days after notice of delinquency is given or mailed."

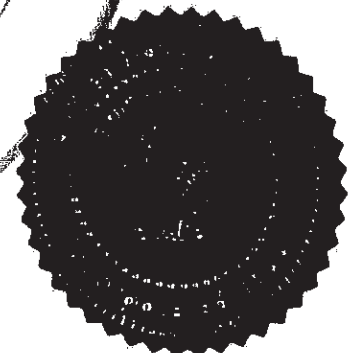
Please post this license, or a copy of this license, in a conspicuous place.

For questions regarding your business license, filing sales tax, or laws governing doing business in Houston please contact the Clerk's office at 907-892-6869.

Sonya Dukes
City Clerk

Rev Sept 2017

This license expires on 12/31/2018
Please renew by 12/31/2018



HOUSTON BUSINESS LICENSE

1 year \$25.00 January to December

New Business: ☒ Yes ☐ No
 Renewal: ☐ Yes ☒ No
 Sales Tax: ☒ Filing required by HMC
 Quarterly Filing ☒ 4.20.120 even if there are
 Monthly Filing ☐ \$0.00 sales during your filing
 period.

If a new business, what is expected open date? 11-15-17

- ☐ Check here if this business will be selling liquor.
- ☐ Check here if this is for a marijuana business.

BUSINESS INFORMATION

Business Name: ThiStyx Trashed Subs
 Owner Name: John Zawacki
 Mailing: 203 1157 E 76th AVE Zip: 99518
 City: Anchorage State: AK
 Physical Location of Business: 3033 W. Parks Highway
☐ Rent ☐ Lease ☒ Own
 Landlord/Owner: John Zawacki
 Describe scope of business: Restaurant / hotel

CONTACT PERSON

Contact Name: John Zawacki
 Phone: 907 744 3634
 (business land line or business cell)
 Email Address: zawacki@pythra.com
 (Monthly reminder & newsletter)

Printed Name: John Zawacki Title: Owner
 Signature: John Zawacki Date: 10-9-17
 (Authorized person completing form) (Authorized person completing form)

Office Use Only

HMC 5.04.035 Review by Public Works Director - Required for Businesses Located in City Limits.
☒ Recommend Approval
☐ Action Required for Nonconformity
 Date Applicant Notified of Nonconformity _____ HMC _____

Revised 9/19/2017



CITY OF HOUSTON
 P.O. Box 940027
 Houston, AK 99694
 Phone: 907-892-6869
 Fax: 907-892-7677
 Depdier@houston-ak.gov
 www.houston-ak.gov

OWNERSHIP

Sole Proprietorship: ☒
 Partnership: ☐
 LLC: ☐
 Non-Profit (IRS documentation required): ☐
 Corporation: ☐

BUSINESS LOCATION

*Inside City Limits: ☒
 Outside City Limits: ☐

OTHER BUSINESS LICENSES

State of Alaska #: _____
 Expires: _____
 SIC Code if known: _____
 Professional License #: _____
 Expires: _____
 MSB License #: _____
 Expires: _____

Customer Notes

11/17/2017 2:46 PM

Notes for Customer: Job Gold Miners Lodge Restaurant & Motel LLC

Company: Gold Miners Lodge Restaurant & Motel LLC

Contact:

Phone: 907-892-2468

Sold the business as of 08.30.17 to Thaistyx Toasted Subs - John Zavacky.

Sonya Dukes

From: Sonya Dukes
Sent: Tuesday, April 07, 2015 4:34 PM
To: City Council
Subject: FW: Request for information

From: Sandra Gauthier [mailto:goldminerslodgealaska@gmail.com]
Sent: Tuesday, April 07, 2015 4:16 PM
To: Sonya Dukes
Subject: Re: Request for information

Gold Miners Lodge was open for business the 30 days in a row in 2014 as required by the ABC Board between Oct. 18th & Nov. 20th.

The reason we had so little taxes turned in was in proportion to the very few customers we had during the 30 days open for business and maintenance.

For 2015 & 2016 we are praying to have our best years ever. We intend to open at least for the summers and if we are able to lease it out with option to buy perhaps we can open yearly.

Brian and I live on the property full time and are always available when we are not working at our places of employment in the valley.

We are up to date on our property taxes and all the licenses required by the State, Borough and City of Houston. We also had the 5 year well survey performed and approved and is paid in full for the state requirements.

Once our remodeling is completed we plan to open in May. We plan to hire two new employees if we do not lease it out.

Please call if you have questions anytime, 892-2468.

Thank you!

Sandra Gauthier
Managing Member

On Mar 18, 2015 11:16 AM, "Sonya Dukes" <SDukes@houston-ak.gov> wrote:

Good Morning Brian and Sandra,

I had a council member request the following information.

Sally Schug

From: Smith, Jedediah R (CED) <jedediah.smith@alaska.gov>
Sent: Monday, November 20, 2017 8:21 AM
To: Sonya Dukes
Cc: Sally Schug; Alcohol Licensing, CED ABC (CED sponsored)
Subject: RE: liquor Licenses # 4380 & 4526

Sonya,

Nice to see you last week. Apparently there is a transfer application in the works but it isn't yet complete. Licensing staff says we'll definitely let you know when it's ready to go.

Thanks,

Jedediah R. Smith
Local Government Specialist
Alcohol and Marijuana Control Office
(907) 334-2195
<https://www.commerce.alaska.gov/web/amco/>

From: Sonya Dukes [mailto:SDukes@houston-ak.gov]
Sent: Friday, November 17, 2017 2:52 PM
To: Smith, Jedediah R (CED) <jedediah.smith@alaska.gov>
Cc: Sally Schug <SSchug@houston-ak.gov>
Subject: liquor Licenses # 4380 & 4526

Jed,

We had a business come in and open a new business license for the address of the attached liquor licenses. Do you have any information if a transfer will take place?

Thanks!

Sonya Dukes, CMC
City Clerk
City of Houston, Alaska
PO Box 940027, Houston, AK 99694
OFFICE: (907) 892-6869 FAX: (907) 892-7677
<http://www.houston-ak.gov/>



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1
2 **PUBLIC HEARING**

3 **Thursday, April 11, 2013- 6:30 p.m.**
4

5 1. Ordinance 13-04: An Ordinance of the Houston City Council establishing and amending Houston
6 Municipal Code Chapter 10.03 District Regulations
7

8 2. Ordinance 13-05: An Ordinance of the Houston City Council amending Houston Municipal Code, Section
9 4.20.100 Collection of Sales Tax
0

1
2
3 **HOUSTON CITY COUNCIL**
4 **REGULAR MEETING MINUTES**
5 **Thursday, April 11, 2013 – 7:00 p.m.**

6 **I. CALL TO ORDER**
7

8 Mayor Thompson called the meeting to order at 7:00 pm.
9

10 **II. ROLL CALL**
11

12 Council Members present and establishing a quorum were:
13

14 Mayor Thompson
15 Deputy Mayor Johansen
16 Council Member Jorgensen
17 Council Member Stout
18 Council Member Barney
19 Council Member Hartley
20 Council Member Wilson
21

22 Staff in attendance:
23

24 Sonya Dukes, City Clerk
25 Carolyn Grabowski, Treasurer
26 Garland Forschen, Public Works
27 Tom Hood, Fire Chief
28

29 **III. INVOCATION AND PLEDGE OF ALLEGIANCE**
30

31 Meeting attendees participated in the Invocation and the Pledge of Allegiance
32

33 **IV. PUBLIC PARTICIPATION**
34

- 35 • Robert Hall spoke on Ordinance 13-08.
36

37 **V. APPROVAL OF AGENDA**
38

39 Council Member Barney moved, to accept the Agenda.
40 Council Member Jorgensen seconded,
41

42 It was moved and seconded, to remove AM 13-06 item #1, from under New Business
43 indefinitely
44

45 There were no objections.
46

AM 13-06 was removed, from under new business indefinitely

It was moved and seconded, to add AM 13-07 to the Agenda under New Business

There were no objections.

AM 13-07 was added to the Agenda.

It was moved and seconded, to add Resolution 13-07 to the agenda under new business

There were no objections

Resolution 13-07 was added to the agenda

Ayes: Jorgensen, Stout, Wilson, Barney, Hartley, Johansen, Thompson

Nays: None

And the Agenda was accepted as amended, 7-0.

VI. CONSENT AGENDA

Council Member Wilson moved, to accept the Consent Agenda.

Council Member Barney seconded,

Ayes: Johansen, Stout, Jorgensen, Barney, Hartley, Wilson, Thompson

Nays: None

And the Consent Agenda was accepted, 7-0.

A. MINUTES OF PREVIOUS MEETING

1. March 14, 2013 Regular Meeting Minutes
2. March 26, 2013 Special Meeting Minutes

B. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION

1. Ordinance 13-06: An Ordinance of the Houston City Council amending and establishing Houston Municipal Code, Title 2, Administration and Personnel, Chapter 2.04, City Council and adopting new Houston Municipal Code (HMC) section(s) ,2.04.035 Vacancy on Council, 2.04.180 Meetings, 2.04.190 Public Meetings, 2.04.200 Executive Session, 2.04.210 Parliamentary Authority, 2.04.220 Quorum, 2.04.230 Agenda and Agenda packets 2.04.240 Persons to be Heard, 2.04.250 Council Voting, 2.04.260 Council Appointees and repealing the old section(s), 2.04.060, Meetings, 2.04.070 Organization, 2.04.080 Officers, 2.04.130 Recall, 2.04.150 Order of business 2.04.160 Conduct at meetings 2.04.170 Responsibilities (Recommend *Public Hearing May 9, 2013*)

2. Ordinance 13-08: An Ordinance of the Houston City Council amending and establishing Houston Municipal Code Chapter 5, Fireworks Control, Section 080 Building Requirements (*Recommend Public Hearing May 9, 2013*)

3. Ordinance 13-09: An Ordinance of the Houston City Council adopting a new Houston Municipal Code (HMC) Title 15, Buildings and Construction (*Recommend Public Hearing May 9, 2013*)

VII. REPORTS/CORRESPONDENCE

A. Mat-Su Borough Assembly Member Vern Halter

Assembly Member Vern Halter was unavailable for a report.

B. Mayor's Report

Mayor Thompson gave an oral report

C. Commission/Committee Reports

There were none

D. Department Head Reports

Department Head reports were available; City Clerk gave an oral report.

E. Informational Memorandums

VIII. PERSONS TO BE HEARD

1. Mark Van Dongen, Port Director / Port Engineer, Port MacKenzie,

- Gave a presentation on the Port MacKenzie progress.
- Mayor Thompson called the meeting to recess at 8:00 pm
- Mayor Thompson called the meeting back to order at 8:10 pm

X. SPECIAL ORDERS OF THE DAY

XI. ACTIVE AGENDA

A. UNFINISHED BUSINESS

1. Resolution 12-19: A Resolution of the Houston City Council approving a Conditional Use Permit for Natural Extraction at 11207 W. Big Lake Road, on MSB tax parcel # 17N03W12D013 for Robert Fisher, The Dirt Company.

Mayor Thompson moved, to table Resolution 12-19 until the May 9, 2013 Regular Council Meeting.
Council Member Barney seconded,

Ayes: Jorgensen, Stout, Wilson, Barney, Hartley, Johansen, Thompson
Nays: None

And Resolution 12-19 was tabled until the May 9, 2013 Regular Council Meeting.

2. Ordinance 13-04: An Ordinance of the Houston City Council amending and establishing Houston Municipal Code Chapter 10.03 District Regulations

Council Member Wilson moved, to adopt Ordinance 13-04.
Council Member Jorgensen seconded,

Ayes: Stout, Wilson, Johansen, Hartley, Jorgensen, Barney, Thompson
Nays: None

And Ordinance 13-04 was adopted, 7-0.

3. Ordinance 13-05: An Ordinance of the Houston City Council amending and establishing Houston

1 Municipal Code Section 4.20.100, Collection of Sales Tax

2
3 Mayor Thompson moved, to accept Ordinance 13-05.
4 Deputy Mayor Johansen seconded,

5
6 Discussion ensued.

7
8 Ayes: None

9 Nays: Stout, Wilson, Johansen, Hartley, Jorgensen, Barney, Thompson
0

1 And Ordinance 13-05 failed, 7-0.
2

3 **B. NEW BUSINESS**

4
5 1. AM 13-07: An Action Memorandum statement of non-objection to the renewal of Liquor Licenses
6 #4380 and # 4526, for the Gold Miners Lodge Restaurant and Motel located at 20333 W. Parks Hwy,
7 Houston.
8

9 Mayor Thompson moved, to approve AM 13-07.
10 Council Member Barney seconded,

11
12 Discussion ensued.

13
14 Ayes: Stout, Wilson, Johansen, Hartley, Jorgensen, Barney, Thompson

15 Nays: None
16

17 And AM-13-07 was approved, 7-0.
18

19 2. Resolution 13-07: A Resolution of the Houston City Council authorizing the Mayor to enter into agreement
20 with Escrow Services and Foreclosure LLC for full authority to act on behalf of the City regarding the cure or
21 completion of foreclosure matters against James Robert MCGEE on the property located at Lot 28, Block 23,
22 Enchanted Forest Subdivision
23

24 Deputy Mayor Johansen moved, to approve Resolution 13-07.
25 Council Member Barney seconded,

26
27 Discussion ensued.

28
29 Ayes: None

30 Nays: Johansen, Wilson, Stout, Jorgensen, Hartley, Barney, Thompson
31

32 And Resolution 13-07 was approved, 7-0.
33

34 **C. RECORD OF ITEMS LAID ON THE TABLE**

35 **XII. PUBLIC PARTICIPATION**

36 **XIII. EXECUTIVE SESSION**

37 **XIV. COUNCIL/MAYOR COMMENTS**

- 38
39
40
41
42 • **Barney:** Thanked everyone for their hard work. Commented on how nice City Hall looked. Invited the
43 council to attend the Big Lake Gun & Outdoor Show.
44 • **Stout:** Thanked Maureen Graham for speaking at the public hearing.
45 • **Hartley:** Thanked Maureen Graham for speaking at the public hearing.
46 • **Deputy Mayor Johansen:** Thanked Maureen Graham for coming. Informed the Council and public the USS


- 1 Anchorage would be arriving at the Anchorage port and to go check it out.
2 • **Mayor:** Set two budget work sessions for 23rd and 29th of May at 6:30 pm.
3

4 **XV. ADJOURNMENT**
5

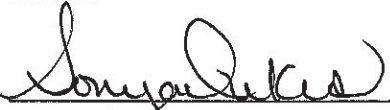
6 It was moved and seconded to adjourn the meeting.
7

8 Ayes: Wilson, Jorgensen, Barney, Stout, Hartley, Johansen, Thompson
9 Nays: None
0

1 And the Mayor adjourned the meeting at 8:31 pm.
2

3 
4 Virgie Thompson, Mayor
5

6 **ATTEST:**
7

8 
9 Sonya Dukes, City Clerk
10





I. CALL TO ORDER

The Regular Meeting of the Houston City Council was held on Thursday, April 9th, 2015 at City Hall, 13878 W. Armstrong Road, Houston Alaska.

Mayor Thompson called the meeting to order at 7:00 pm.

II. ROLL CALL

Council Members Present and establishing a quorum were:

Council Member Hartley
Council Member Johansen
Council Member Jorgensen
Council Member Barney
Deputy Mayor Wilson
Mayor Thompson
Council Member Stout was absent

City of Houston Staff and Officials in Attendance:

City Clerk, Sonya Dukes
Public Works Director Tom Copelin
Treasurer Carolyn Grabowski
Fire Chief Thomas Hood

III. Pledge of Allegiance

Mayor Thompson asked a member of the audience to lead the invocation. Carolyn Grabowski led the invocation. Fire Chief Hood led the Pledge of Allegiance.

IV. Approval of Agenda

MOTION: Deputy Mayor Wilson moved to approve the City Council Agenda of April 9th 2015.

VOTE: The motion was approved unanimously.

V. Consent Agenda

MOTION: Council Member Johansen moved to approve the Consent Agenda.

The Clerk read the following items on the Consent Agenda into Record:

- The minutes of the Special City Council Meeting of March 5th 2015
- The minutes of the Regular City Council Meeting of March 5th 2015
- The minutes of the Special City Council Meeting of March 27th 2015



- *Introduction of Ordinance 15-01: An ordinance of the Houston City Council amending Houston Municipal Code Chapter 2.04, City Council, Section 2.20 Terms. Public Hearing set for May 14, 2015.*
- *Introduction of Resolution 15-04: A Resolution of the Houston City Council approving Conditional Use Permit #01-2015 for natural resource extraction located at 12465 W. Parks Highway, Tax ID#17N03W01 Colaska DBA QAP. Public Hearing set for May 14, 2015.*
- *Resolution 15-05: A Resolution of the Houston City Council recognizing April as National Child Abuse Prevention month, and recognizing April 10, 2015 as Wear Blue Day.*
- *AM 15-04: Awarding a contract to Wolf Architecture Inc, in the amount of \$166,518 for architectural/engineering (A/E) services for a new fire station 9-2.*
- *AM 15-05: Approving Compensated hours for Mayor Thompson.*

VOTE: The motion was approved unanimously.

VI. Reports

- A. Mat-Su Borough Assembly Member Vern Halter
Assembly Member Halter was not present.
- B. Mayor's Report
Mayor Thompson gave an oral report.
- C. Commission/Committee Reports
 - 1. Planning Commission
 - [February 26, 2015 Regular Meeting Minutes](#)
 - [Resolution No. 15-PC-03](#)
- D. City Partners
There were no reports from City Partners.
- E. Department Head Reports
 - 1. [City Clerk's Report](#)
 - 2. [Treasurer's Report](#)
 - 3. [Public Works' Report](#)
 - 4. [Fire Chief's Report](#)
- E. Communications requested by Council
 - 1. [Email communication from Eugene Carl Haberman 2.17.15 \(Requested by Deputy Mayor Wilson\).](#)

VII. Public Participation

A. PUBLIC HEARINGS

There were no Public Hearings



B. PERSONS TO BE HEARD *(A person wishing to speak under persons to be heard must file an appearance request with the City Clerk specifying the topic on which he or she intends to speak).*

C. AUDIENCE COMMENTS

- Randall Kowalke introduced himself as a candidate for District 7 of the Matanuska-Susitna Borough.
- Cindy Buell requested the Council to consider the senior citizen and veteran tax exemption.
- Brent Smith commented on the budget process for the City. Spoke on the fire station budget for 9-2.

VIII. Special Orders of the Day

There were no Special Orders of the Day

IX. Committee of the Whole

FY15 and FY16 Budget discussions for Fire and Administration.

MOTION: Mayor Thompson moved to enter into Committee of the Whole at 7:16pm.

VOTE: There were no objections.

Discussion on the FY15 and FY16 Budget discussions for Fire and Administration ensued.

MOTION: Mayor Thompson moved to exit the Committee of the Whole at 8:30pm.

VOTE: There were no objections

IX. Unfinished Business

1. AM 15-02: City Council statement of non-protest to the renewal of liquor license # 4380 held by Gold Miners Lodge Restaurant and Motel, LLC.

MOTION: Council Member Barney moved to approve AM 15-02.

VOTE: AM 15-02 was approved unanimously.

2. AM 15-03: City Council statement of non-protest to the renewal of liquor license # 4526 held by Gold Miners Lodge Restaurant and Motel, LLC.

MOTION: Deputy Mayor Wilson moved to approve AM 15-03.

VOTE: AM 15-03 was approved unanimously.

X. New Business

There was no new Business.



XI. Record of Items Placed on the Table

There were no Items Placed on the Table.

XII. Audience Comments (3 Minutes Per Person)

There were no comments.

XIII. Council/Deputy Mayor Comments

- Council Member Barney
 - Thanked the audience. Spoke on the tax exemption for senior citizens and veterans.
- Council Member Hartley
 - No Comments.
- Council Member Johansen
 - No Comments.
- Council Member Jorgensen
 - Thanked the audience for coming.
- Deputy Mayor Wilson
 - Spoke on the additional tax exemption for senior citizens and veterans.
- Mayor Thompson
 - Spoke on setting a special meeting.

XIV. Executive Session

There was no executive session.


XV. Adjournment

MOTION: Council Member Jorgensen moved to adjourn the meeting.

VOTE: The motion passed unanimously and the meeting was adjourned at 8:42 pm.


Virgie Thompson, Mayor

ATTEST:


Sonya Dukes, CMC, City Clerk





I. CALL TO ORDER

The Regular Meeting of the Houston City Council was held on Thursday, March 9, 2017 at Houston City Hall, 13878 W. Armstrong Road, Houston Alaska.
Mayor Thompson called the meeting to order at 7:01 pm.

II. ROLL CALL

Council Members Present and establishing a quorum were:

Council Member Barney
Council Member Brunswick
Council Member Johnson
Mayor Thompson
Deputy Mayor Wilson
Council Member Jorgensen and Council Member Stout was absent and excused.

City of Houston Staff and Officials in Attendance:

City Clerk, Sonya Dukes
Deputy Clerk, Sally Schug
Fire Chief, Christian Hartley
Public Works Director, Tom Copelin

III. Pledge of Allegiance

Ron Jones led the invocation. Chief Hartley led the pledge of allegiance.

IV. Approval of Agenda

MOTION: Deputy Mayor Wilson moved to approve the City Council Agenda of March 09, 2017.

VOTE: There were no objections and the agenda was approved.

V. Consent Agenda

MOTION: Council Member Brunswick moved to approve the Consent Agenda.

MOTION: Mayor Thompson moved to remove Ordinance 17-06 from the Consent Agenda.

Vote: There were no objections and the Ordinance 17-06 was removed.

Discussion ensued.

The Clerk read the following items on the Consent Agenda into Record:

A. MINUTES OF PREVIOUS MEETING

1. The minutes of the Regular City Council Meeting of February 09, 2017

B. INTRODUCTION OF ORDINANCES (*Recommend setting Public Hearing for April 13, 2017*)

1. Ordinance 17-02: An ordinance of the Houston City Council amending Houston Municipal Code Title 10, Land Use Regulations, Chapter 10.03.110 Parks Highway District by repealing section 10.03.110 (D) (4), Alcohol beverages uses, and adopting new sections 10.03.110 (B) (13) and 10.03.110 (F) (8), by adding alcohol beverage uses to the list of permitted principal uses and structures in the Parks Highway District and establishing buffering requirements



thereof (Introduced by Deputy Mayor Wilson).

2. Ordinance 17-03: An ordinance of the Houston City Council amending Houston Municipal Code (HMC) Title 5, Business Licenses and Regulations, and Chapter 5.08 Liquor Regulations to include a public safety review of all applications for marijuana and liquor licenses (Introduced by Mayor Thompson).

3. Ordinance 17-04: An ordinance of the Houston City Council amending Houston Municipal Code Title 4 Revenue and Finance, Chapter 4.01 Financial Policies, Subsection 070 Accounting, Auditing, and reporting policies to amend designated check signers (Introduced by Council Member Barney).

4. Ordinance 17-05: A non-coded ordinance of the Houston City Council amending the FY17 budget by appropriating the additional two percent sales tax revenue generated from retail firework sales as one percent to the Fire Department's operating budget and one percent to the capital account for funding of the Police Department (Introduced by Mayor Thompson).

Pulled from Consent Agenda – Failed to be introduced

5. Ordinance 17-06: A non-coded ordinance of the Houston City Council amending the FY17 budget by appropriating \$41,550.00 from the State of Alaska Department of Revenue for FY17 first half liquor share tax as follows, \$12,000 to the Fire Station 9-2 operating budget, \$15,000 to the Reserve Account and \$8,565 to the General Fund.

Vote: There were no objections and the Consent Agenda was approved.

VI. Reports

A. Mat-Su Borough Assembly Member Randall Kowalke

1. Mr Kowalke gave a brief report on the Fishing Board and the Set Netters wanting to work together as a whole.
2. He gave a report on the Trapping Ordinance and the need for clarification and to clean it up.
3. He also spoke about a Gold Mine opening on the West side of Hatchers Pass and wanting to hire local.

B. Mayor's Report

1. The Mayor gave a verbal report on her trip to Juneau and having a breakfast meeting with the Governor and other Mayors. A small group gathering was nice and the Governor spoke about of the 90 day session and that he was not going to call a special session and if it does happen it is on them. She felt that they were all there to show their support and to have them all work together.
2. There were no questions of the Mayor.

C. Commission/Committee Reports

D. Planning Commission

1. January 26, 2017 Regular Meeting Minutes
2. Resolution 17-PC-01: A Resolution of the Houston Planning & Zoning Commission establishing their 2017 annual goals.

Discussion: The Mayor wanted to also add that the Fire Chief did a great job with the rescue of the 10 people suffering from carbon monoxide poisoning. The Chief said that 12 out of 16 showed up from Palmer to Willow, EMS crew on and off duty, ambulances, Police Officers from City and Borough came and great team work.



E. City Partners

There were no City Partners.

F. Department Head Reports

1. City Clerk's Report- There were no questions of the Clerk.
2. City Treasurer's Report- There were no questions of the Treasurer.
3. Public Work's Report- There were no questions of the Public Works.
4. Fire Chief's Report- There were no questions of the Fire Chief.

VII. Public Participation

A. PUBLIC HEARINGS

Mayor Thompson closed the Regular Meeting opened the public hearing at 7:27 pm.

1. AM 17-05: City Council statement of protest to the renewal of a restaurant/eating place liquor license #4380 held by Gold Miners Lodge Restaurant and Motel, LLC.

No public comments

APPLICANT:

- Applicant, Sandra Gauthier, owner/manager and the Council Members spoke to the delays from the 2015 plans to the future plans of 2017.
- The Council Members also spoke to their concerns of the business being open to the public in order to be compliant with the renewal of the liquor license.

Mayor Thompson closed the public hearing at 7:35pm. There were no objections.

MOTION: Deputy Mayor Wilson moved to approve the AM 17-05.

MOTION: Mayor Thompson moved to amend the AM 17-05 by requesting the AMCO board to investigate compliance under Alaska Statue 04.11.330 that the business was open 30 days 8 hours a day.

Discussion ensued.

VOTE: There were none opposed and the motion passed.

VOTE: There were none opposed and AM 17-05 was approved.

2. AM 17-06: City Council statement of protest to the renewal of a beverage dispensary-tourism liquor license #4526 held by Gold Miners Lodge Restaurant and Motel, LLC.

Mayor Thompson closed the Regular Meeting opened the public hearing at 7:44 pm.



No public comments

APPLICANT:

- Mayor Thompson asked about the plans and the questions requested by the ABC Board.
- Applicant, Sandra Gauthier, owner/manager clarified that this license is grandfathered to the business and can't be sold as was told to her by the ABC Board. The repairs and funds has delayed the progress to open or to sell.
- Mayor Thompson stated that their concern is the proof of the business being open, days, hours and the amount of sales.

Mayor Thompson closed the public hearing at 7:48pm. There were no objections.

MOTION: Council Member Barney moved to approve AM 17-06.

MOTION: Mayor Thompson moved to amend the AM 17-06 by requesting the AMCO board to investigate compliance under Alaska Statute 04.11.330 that the business was open 30 days 8 hours a day.

DISCUSSION: NONE

VOTE: There were none opposed and the motion was approved.

DISCUSSION: NONE

VOTE: There were none opposed and AM 17-06 was approved as amended.

3. AM 17-07: City Council Statement of non-protest for a standard marijuana cultivation facility #10291 license #11050 held by Lazy Mountain Harvest LLC.

Mayor Thompson closed the Regular Meeting opened the public hearing at 7:54 pm.

Council Member Johnson recused himself from voting due to a conflict of interest.
There were no objections to Council Member being recused.

There were no public comments

APPLICANT:

- Applicant, Chad Hammond, part owner spoke to the questions from the Council.
- Questions from the Council of when they will open, square footage, and when inspected by the State.
- They plan to open no later than July 4th, 800 square feet and inspection is planned for April.

Mayor Thompson closed the public hearing at 7:58pm. There were no objections

MOTION: Council Member Barney moved to approve AM 17-07.



DISCUSSION: NONE

VOTE: There were none opposed and AM 17-07 was approved. Council Member Johnson did not vote he was in recusal.

B. PERSONS TO BE HEARD *(A person wishing to speak under persons to be heard must file an appearance request with the City Clerk specifying the topic on which he or she intends to speak).*

C. AUDIENCE COMMENTS

Chad Hammond thanked the Council.

Special Orders of the Day

There was no Special Orders of the Day.

IX. Committee of the Whole

There was not a Committee of the Whole.

Unfinished Business

There was no Unfinished Business.

XI. New Business

There was no New Business.

XII. Record of Items Placed on the Table

There was no Items Placed on the Table.

XIII. Audience Comments (3 Minutes Per Person)

There were no comments from the audience.

XIV. Council/ Mayor Comments

Council Member Barney-No Comment

Council Member Brunswick-No Comment

Council Member Johnson- Good to see people here. Full parking lot and it is good to see it full.

Mayor Thompson-Matanuska Borough is starting their budget process. There will be no EMS funds

and no grants. They will not be renewing the lease of the stall at the Fire Department. Revenue

sharing will be down. The City is working on the budget. Finance has made some changes to the

format and some new ideas to discuss with the Council. Cultivation Sales Excise Tax will be in April.

Three Bears gave their numbers for Sales Tax with their Business Plan of opening the middle of May.

Glad everyone is here and next time bring a friend and fill the place up!

Deputy Mayor Wilson-He stated Excellent Fire Department and good crew.

City Clerk Dukes- Spoke about making arrangements with the Mat Su Borough to have their person

who handles LIDS to come over and speak to the staff on the process of Enstar LID Project in order



1 to be able to present it the public. We should be able to report back to the Council on the meeting in
2 regards to the Enstar LID Project in 30 to 60 days. She has also had interest on the Council Seats.
3

4 **XV. EXECUTIVE SESSION**

5 There was no Executive Session.
6

7 **XVI. Adjournment**

8 MOTION: Deputy Mayor Wilson moved to adjourn the meeting.
9

10 Mayor Thompson adjourned the meeting at 8:04 pm. There were no objections.
11

12 
13 Virgie Thompson, Mayor
14

15 ATTEST:

16 
17 Sonya Dukes, CMC, City Clerk
18
19



CALL TO ORDER

The Regular Meeting of the Houston City Council was held on Thursday, April 11, 2019 at Houston City Hall, 13878 W. Armstrong Road, Houston Alaska.

Mayor Thompson called the meeting to order at 7:00 pm.

ROLL CALL

Council Members Present and establishing a quorum:

Council Member Barney
Council Member Jorgensen
Council Member Stavick
Council Member Stout
Deputy Mayor Wilson
Mayor Thompson
Council Member Brunswick was absent

City of Houston Staff and Officials in Attendance:

Sonya Dukes, City Clerk
Ray Russell, Public Works Director
Christian Hartley, Fire Chief
Sally Schug, Treasurer

Invocation and Pledge of Allegiance

There were no volunteers to lead the invocation. Dr. Monica Goyette, MSB Superintendent led the pledge of allegiance.

Approval of Agenda

MOTION: Council Member Barney moved to approve the City Council agenda of April 11, 2019.

MOTION: Mayor Thompson moved to amend the agenda by adding Ordinance 19-08 to the consent agenda for introduction as item No. 4.
{Clerks Note: The City Clerk read the title into record}.

VOTE: There were no objections to the motion.



VOTE: There were no objections and the agenda as amended was approved.

Consent Agenda

MOTION: Council Member Barney moved to approve the consent agenda.

The City Clerk read the following items on the consent agenda into record:

Minutes of the Previous Meeting(s).

1. Regular City Council Meeting Minutes of March 14, 2019

Introductions to Ordinances - Recommend setting Public Hearing for May 9, 2019

1). Ordinance 19-05: An ordinance of the Houston City Council amending the Fiscal Year 2019 budget by accepting and appropriating a \$7, 463.70 grant award from the State of Alaska Division Of Forestry Volunteer Fire Assistance Grant.

2). Ordinance 19-06: An ordinance of the Houston City Council amending the Fiscal Year 2019 Budget by accepting and appropriating a \$500.00 grant award from the National Fire Protection Agency (NFPA).

3). Ordinance 19-07: An ordinance of the Houston City Council amending the Houston Land Use District Map to rezone 29.16 acres, MSB tax parcel 18N03W21B005, 18293 W. Parks Highway, from Multifamily(MFR) District to Commercial (C) District Brad Ficklin as petitioner/applicant and adopting a new official Land Use Map.

4). Ordinance 19-08: An ordinance of the Houston City Council amending the fiscal year 2019 budget by adding expense line item 6401 Founders Day expenses and appropriating \$19,156.00 for Houston Founders Day

Resolutions

There were no Resolutions

Action Memorandums

There were no Action Memorandums

VOTE: There were no objections and the motion to approve the consent agenda was approved.



Reports/Correspondence

- a. Mat-Su Borough Assembly District 7 Representative Assembly Member Tam Boeve
 - i. Assembly Member Boeve was not present.
- b. Mayor's Report
 - Mayor Thompson: spoke on the City's cyber-attack .Mayor Thompson presented a thank you award to Sally Schug, City Treasurer for her quick action.

- c. Commission/Committee Reports

- 1. Planning Commission

- The Chair was present, nothing additional to report.

- February 28, 2019 Regular Meeting Minutes
 - Resolution 19-PC-03

- 2. Parks & Recreation Commission

- The Chair was present, reported the April meeting was cancelled. Mayor Thompson requested the Commission review a Bear Paw Plan on that their next meeting.

- d. City Partners

- Mat-Su Borough School District

- Dr. Monica Goyette, MSB Superintendent updated the council on the status of Houston Middle School and earthquake assessment damage. Spoke to different options in moving forward.

- Mayor Thompson inquired if there were any questions.

- Deputy Mayor inquired if there was a timeline.

- Dr. Monica Goyette responded.

- e. Department Head Reports

- 1. City Clerk did not provide a report.
 - 2. City Treasurer provided a written report.
 - 3. Public Works Director provided a verbal report.
 - 4. Fire Chief provided a written report. Fire Chief spoke to the appointment of the Willow Fire Chief. Reported on additional fires that were not included in his written report. Stated that Fire Damage was listed as high, firework stands remain closed.

- Mayor Thompson inquired if there were any questions of the Department Heads.
 - Councilmember Stavick thanked the Fire Department for their service.

Public Participation



a. Public Hearing(s) (3 minutes per person)

Mayor Thompson opened the public hearing on Ordinance 19-03

1). Ordinance 19-03: An ordinance of the Houston City Council authorizing the Mayor to negotiate a sale of city owned property, MSB Tax parcel 17N03W11, and referring a land use amendment question to the Planning & Zoning Commission for recommendations and approving the sale contingent upon a land use amendment.

Beth Fread spoke in favor of Ordinance 19-03.

With no one else requesting to speak Mayor Thompson closed the public hearing.

MOTION: Council Member Barney moved to approve Ordinance 19-03.

Discussion ensued.

VOTE: Ordinance 19-03 was approved 5-0.

YES: Barney, Jorgensen, Stavick, Stout, Thompson, Wilson

NO: None

ABSENT: Brunswick

Mayor Thompson opened the public hearing on Ordinance 19-04

2). Ordinance 19-04: An ordinance of the Houston City Council amending the Fiscal Year 2019 Budget by appropriating and transferring \$17,464.00 from the Capital Account to the General Account to pay for an unforeseen emergency expense for the Fire Department

There were no public comments on Ordinance 19-04.

With no one requesting to speak Mayor Thompson closed the public hearing.

MOTION: Deputy Mayor Wilson moved to approve Ordinance 19-04.

MOTION: Mayor Thompson moved to amend ordinance 19-04 by amending the title and section 3, "Appropriation of Funds" and section 4, "Source of Funds" by striking \$17, 464.00 and inserting \$19,901.00.

VOTE: The motion to amend was approved.



VOTE:	Ordinance 19-04 was approved as amended, 5-0.
YES:	Barney, Jorgensen, Stavick, Stout, Thompson, Wilson
NO:	None
ABSENT:	Brunswick

Mayor Thompson opened the public hearing on Action Memorandum 19-05.

3). **AM 19-05:** City Council statement of protest for the renewal of a Restaurant/Eating Place Liquor License #4380 held by Gold Miners Lodge Restaurant and Motel LLC.

- John Savacky spoke to AM 19-05.

The applicants attended by teleconference. The applicants opposed the protest and answered questions of the Council.

With no one else requesting to speak Mayor Thompson closed the public hearing.

MOTION: Council Member Stout moved to approve AM 19-05.

Discussion ensued.

VOTE:	AM 19-05 was approved 5-0.
YES:	Barney, Jorgensen, Stavick, Stout, Thompson, Wilson
NO:	None
ABSENT:	Brunswick

3). **AM 19-06:** City Council statement of protest for the renewal of a Beverage Dispensary License # 4526 held by Gold Miners Lodge Restaurant and Motel LLC.

- John Savacky spoke to AM 19-05.

The applicants attended by teleconference. The applicants opposed the protest and answered questions of the Council.

With no one else requesting to speak Mayor Thompson closed the public hearing.

MOTION: Deputy Mayor Wilson moved to approve AM 19-06.

Discussion ensued.

VOTE:	AM 19-06 was approved 5-0.
YES:	Barney, Jorgensen, Stavick, Stout, Thompson, Wilson



NO: None
ABSENT: Brunswick

b. Persons to be heard

There were no persons to be heard.

c. Audience Comments (3 minutes per person)

- Annemieke Powers spoke in favor of a plastic bag ban.
- Mollie Boyer spoke in favor of a plastic bag ban.
- Mary Wilbon spoke in favor of a plastic bag ban.
- Liz Jackson spoke in favor of a plastic bag ban.
- "Unknown first name" Montgomery spoke in favor of a plastic bag ban.
- Todd represented the Governor's office. Spoke to the proposed state budget.

Special Orders of the Day

Mayor Thompson read into record "A Proclamation Recognizing May 5 - May 11, 2019 as the 50th Anniversary of Municipal Clerks Week for the City of Houston".

Fire Chief Hartley read into record "A Proclamation Declaration May 4, 2019 as Wildfire Community Preparedness Day for the City Of Houston".

Unfinished Business

There was no unfinished business.

New Business

1). Resolution 19-08: A resolution of the Houston City Council protesting Liquor License renewals for the year 2019/2020 held by Gold Miners Lodge Restaurant and Motel LLC. License # 4380 for a Restaurant/Eating Place and #4526 for a Beverage Dispensary and requesting the 2018 application by the licensee for waiver of operation be denied.

The applicant was available by teleconference.

MOTION: Deputy Mayor Wilson moved to approve Resolution 19-08.

Discussion ensued.

VOTE: Resolution 19-08 was approved 5-0.



YES:	Barney, Jorgensen, Stavick, Stout, Thompson, Wilson
NO:	None
ABSENT:	Brunswick

Record of Items Placed On the Table

There were no items placed on the table.

Audience Comments (Three minutes per person)

Brian Gauthier Spoke by teleconference regarding Gold Miners Lodge Restaurant and Motel LLC. License # 4380 for a Restaurant/Eating Place and #4526 for a Beverage Dispensary, requested clarifications on concerns.

Mayor Thompson requested the applicant call the Clerk's office the following day.

Council/ Mayor Comments

Councilmember Stavick:

Spoke to the update on Houston Middle School.

Council Member Stout:

Spoke in favor of a plastic bag ban.

Council Member Barney

Thanked everyone for the information on plastic bags. Spoke on the Governors budget.
Spoke on Youth 360.

Council Member Jorgensen

No comment.

Deputy Mayor Wilson

Commented he would like to see an advisory question placed on the ballot for the ban of plastic bags.

Mayor Thompson inquired if the City Clerk would like to speak.

The City Clerk thanked the Council for supporting the proclamation.

Reported on sales tax revenue.

Mayor Thompson

Mayor spoke on a plastic bag ban. Mentioned that it was Council Member Brunswick's Birthday.

Adjournment



MOTION: Council Member Stout moved to adjourn the meeting.

Mayor Thompson adjourned the meeting at 8:44 pm. There were no objections.

Virgie Thompson

Virgie Thompson, Mayor

ATTEST:

Sonya Dukes

Sonya Dukes, CMC, City Clerk

COMMERCIAL LEASE AND OPTION TO PURCHASE AGREEMENT

THIS COMMERCIAL LEASE AND OPTION TO PURCHASE AGREEMENT (the "Lease") is made and entered into and effective as of the 15th day of OCTOBER 2017, by and between John A. Zavacky and Inthira Zavacky, a(n) _____ (hereinafter "Lessee"), whose address is 1151 E. 76th Avenue, Anchorage, Alaska 99518, and **Gold Miners Lodge and Restaurant & Motel, LLC**, an Alaskan Limited Liability Corporation (hereinafter "Lessor"), whose address is 20333 W. Parks Highway, Houston, Alaska 99694.

RECITALS

WHEREAS, Lessor is the owner of the certain real property in Houston, Alaska, and has two liquor licenses associated with the property, and Lessee desires to operate a business on such real property;

WHEREAS, the parties have agreed to the terms and conditions of the lease;

WHEREAS Lessee also desires to purchase the property from Lessor in the event their financial circumstances allow; and

WHEREAS the parties have agreed to the terms and conditions of the lease and the possible purchase of the property by Lessee;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. **Demise; Description of Premises.** Lessee leases from Lessor the business, liquor licenses related to, and real property located in the Palmer Recording District, Third Judicial District, State of Alaska, which real property is more particularly described as follows:

Address: 20333 W. Parks Highway, Houston, Alaska.

Property Description: TOWNSHIP 18N RANGE 3W SECTION 18

LOT D3

This real property (hereinafter referred to as the "Premises") rights granted under this Lease are also subject to all exceptions, agreements, easements, rights-of-way, conditions, covenants, reservations, terms, conditions, and restrictions of record against the real property. Lessee further acknowledges that the lessor makes no representations or warranties regarding any structures or improvements currently on the Premises, which are leased in an "AS-IS, WHERE IS, WITH ALL FAULTS" basis.



2. **Use of Premises.** Subject to the terms and conditions of this Lease, Lessee shall use the Premises solely for the purpose of operating a restaurant, lounge, lodge and related purposes, and for no other use unless Lessor has expressly agreed in advance by email.
3. **Term.** The term of this Lease shall be for five (5) years, commencing on October 1, 2017 ("Term").
4. **Rental.**
- a. Lessee agrees to pay Lessor a rental amount of One Thousand Nine Hundred Dollars (\$1,901.21) per month, in advance by the 25th of each month (for example, the payment for November 2017 is due by October 25, 2017), without demand.
 - b. Lessee also agrees to pay Lessor as additional rent, the Additional Rents identified in Section 30(b)(1)-(5), payable on the dates set forth therein.
 - c. Lessee also agrees to pay taxes, insurance and fees associated with the liquor license permits for the Term of the Lease, estimated to be in the amount of Four Hundred and Eighty Dollars (\$480.00) per month, payable in advance and without demand.
 - d. An escrow account with FNBA will be set up to manage such payments with all escrow fees to be paid by the Lessee.
 - e. If any payment is not received by the last day of each month for the next month's rent and fees, or for Additional Rents the due dates set forth for each Additional Rent payment, a 10% late fee for any amounts unpaid shall be paid by Lessee (for example, if the payment for November is not received by October 31, the late fee will be applied).
 - f. The first payment shall be paid on October 25, 2017 for November, 2017. No payment shall be owed for October.
5. **Utilities.** All costs for utilities and other activities necessary for the operation of the Premises, improvements thereon, and Lessee's activities thereon, including without limitation gas, heating oil, electric, water, sewer, garbage, internet and telephone, shall be provided by Lessee at Lessee's sole cost and expense.
6. **Acceptance of Premises.** Lessee has inspected the Premises and Lessee accepts the same "AS IS WITH ALL FAULTS." Lessor makes no specific warranties, expressed or implied, concerning the title, or condition of the Premises. Lessor shall have no liability or obligation with respect to the condition, maintenance or use of the Premises. This Commercial Lease and Option to Purchase Agreement does NOT include a purchase of the name, "Gold Miners Lodge Restaurant &



Motel,” nor the limited liability company “Gold Miners Lodge Restaurant & Motel, LLC.” Lessor retains both the name and LLC.

7. Indemnification.

a. **General.** Lessee shall save, protect, hold harmless, indemnify and defend Lessor, and Lessors officers, directors, employees, and shareholders, of, from and against any and all liability, damages, demands, penalties, fines, causes of action, losses, costs, or expenses, including attorney fees, arising from any act, omission, or negligence of Lessee or the officers, contractors, subcontractors, licensees, agents, servants, employees, guests, invitees, or visitors of Lessee in or about the Premises or improvements located thereon, or arising from any accident, injury or damages howsoever and by whomsoever caused, to any person or property, including but not limited to damage to the Premises itself, improvements thereon, or injury to or death of persons, occurring in or about the Premises or improvements located thereon, or in any manner arising out of Lessee's use and occupation of the Premises or improvements thereon, or as a result of the condition of the Premises or improvements thereon.

b. **Environmental.** Lessee shall abide by, and shall cause its employees, agents, any contractors or subcontractors it employs, to abide by, all applicable rules and regulations related to fire, safety, health and environmental protection. Without limiting the duty to indemnify as provided in (a) above, Lessee shall save, protect, defend, indemnify and hold harmless Lessor from and against any and all demands, claims, causes of action (whether in the nature-of-an-action for damages; indemnity, contribution, government cost recovery or otherwise), lawsuits, settlements, actions, damages, fines, penalties, judgments, costs and expenses (including without limitation costs of defense, settlement, and reasonable attorney's fees), charges, forfeitures, liens, liabilities or loses of any nature and kind whatsoever, which arise during or after the Term of this Lease from or in connection with the presence or suspected presence of Hazardous Substances in the soil, water, or otherwise on, above or in the Premises, or otherwise generating from the Premises, or operations or activities thereon (i) as a result of Lessee (or its employees, affiliates, parents, agents, contractors, subcontractors, guests, invitees, or assigns, and their respective employees, agents, contractors, or subcontractors) use and occupancy of the Premises; or (ii) from any alleged or actual violation of an Environmental Law by such persons on the Premises. This indemnification includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work. For purposes of this Lease, the term "Hazardous Substance" means any flammables, explosives, radioactive materials, crude or refined petroleum, pollutants, contaminants, or any hazardous, toxic, or dangerous waste, substance, or material, including asbestos, defined as such in (or for purposes of) the Comprehensive



Environmental Response, Compensation, and Liability Act (42 U.S.C.A. Sec. 9601 .), any so-called "Superfund" or "Superlien" law, or any other Environmental law, including, but not limited to, Alaska Statutes Title 46, Chapters .03, .08 and .09, as now or at any time hereafter in effect For purposes of this Lease, the term "Environmental Law" means any Federal, state, or local laws, ordinances, codes, regulations, rules, orders, or decrees, relating to, or imposing liability or standards of conduct concerning the treatment, Storage, use or disposal of any Hazardous Substances.

c. All of the foregoing indemnification defense and hold harmless obligations in (a) and (b) above shall survive the expiration or early termination of this Lease.

8. **Condemnation.** If all of the Premises or such portion as may be required for the reasonable use of the Premises, are taken by eminent domain, this Lease shall automatically terminate as of the date Lessee is required to vacate the Premises, and all rent shall be paid which is due and owing through that date. In the case of a taking of less than that portion of the Premises required for the reasonable use of the Premises, then this Lease shall continue in full force and effect, and the rent shall be equitably reduced based upon the proportion of the square footage by which the Premises is reduced, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority. Lessor reserves all rights to just compensation and/or damage for any taking of the Premises, and Lessee hereby assigns to Lessor, and Lessee shall make no claim against Lessor, for damages arising out of the condemnation, provided, Lessee shall have the right to claim and, recover from the condemning authority, to the extent permitted by law, compensation for any loss to which Lessee may be put for the improvements, for Lessee's moving expenses or for the interruption of or damage to Lessee's business, to the extent such damages may be claimed and awarded separately from the damages and/or compensation awarded to Lessor.

9. **Use, Occupancy and Care of the Leased Premises.** At all times during the Term hereof, Lessee shall, at Lessee's sole cost and expense:

a. Keep the Premises and improvements constructed thereon clean, safe and orderly;

b. Conduct activities upon and generally maintain the Premises and improvements in such a manner and with such care that injury to persons and damage to property does not result therefrom;



c. Not use or permit any part of the Premises or improvements to be used for any unlawful or unauthorized purpose nor perform, permit or suffer any act or omission upon or about the Premises or improvements which would result in a nuisance or a violation of any applicable laws, ordinances or regulations;

d. Comply with city, state, federal and other governmental laws, statutes, ordinances, rules, orders, and regulations of whatever type and nature, including but not limited to, zoning ordinances, health, fire, safety and environmental laws and regulations which in any manner affect the leased Premises, improvements, or activities thereon;

e. Not cause or permit any waste, damage or injury to the Premises or improvements; and

f. Not vacate or abandon the Premises at any time during the Term hereof; and

g. Storage and maintenance of vehicles on the Premises is limited to business use vehicles only and such vehicles must be licensed, registered, insured and operational. Any vehicle being actively worked on by Lessee will be kept out of view of any business access or roadway.

h. Lessee will maintain all applicable permits and licenses active and paid including, but not limited to, DEC, AMCO, State of Alaska, Mat-Su Borough, and any city license or permit.

10. Maintenance and Repair. Lessee covenants throughout the term hereof, at Lessee's sole cost and expense, to properly keep the Premises and improvements in good maintenance, repair order and condition. Lessee acknowledges that Lessor has no responsibility to maintain Premises or improvements during the Term hereof. Lessee is also responsible for snow plowing. Any onsite dumpster and surrounding area must be kept in a sanitary and tidy condition by Lessee. Lessee is responsible for replacement of all interior and exterior lights as necessary.

11. Fixtures and Improvements. Lessee shall pay all costs associated with locating, constructing, and maintaining all improvements and fixtures on the Premises. Any such improvement or fixtures is subject to prior approval by Lessor. Upon termination or expiration of this Lease, Lessee shall remove all improvements and fixtures from the Premises and restore the Premises to the condition that existed at the beginning of the Term of this Lease, provided that, Lessor and Lessee may otherwise mutually agree in writing that all improvements and fixtures erected on or attached to the Premises by Lessee shall become the property of Lessor. In such event, the parties agree that this Lease shall constitute a quitclaim, by Lessee to



Lessor, of all Lessee's right, title, and interest in such improvements and fixtures upon such termination or expiration. Lessee further agrees, at the request of Lessor, to execute such other or further documents necessary to transfer Lessee's interest in the improvements or fixtures should Lessor retain the improvements and fixtures.

Any sign installed by Lessee must be submitted to Lessor for prior approval and must meet any local regulatory requirements.

12. **Surrender of Premises.** Lessee on the last day of the Term, or upon earlier termination of this Lease, shall peaceably and quietly leave and surrender the Premises in as good condition as on commencement of the Term, ordinary wear and tear accepted.
13. **Access.** Lessor, Lessor's agents, employees, officers, and designees shall have the right to enter the Premises at all reasonable times to inspect the same, to post "Notices of Non-Responsibility," and to preserve and protect the Premises.
14. **Liens.** Lessee shall keep the Premises and any part thereof free from liens for labor or materials ordered or supplied upon the express or implied request of Lessee. Should any such lien be recorded or should a lien be recorded by Lessee, Lessee shall forthwith and within thirty (30) days of recording of said lien cause the same to be cancelled and discharged of record at Lessee's sole cost and expense.
15. **Taxes and Assessments.** Lessee shall be responsible for and deposit in the escrow account set up for this purpose, when due, any and all general, special, real property, sales, personal property, and possessory interest taxes and assessments, if any, levied against the Premises and/or the improvements thereon. At this time, the payment is anticipated to be \$480.00 per month.
16. **Holding Over.** If Lessee shall remain in possession of said Premises after the termination of this Lease or after the expiration of said Term without a proper extension or renewal of this Lease, Lessee shall be deemed to occupy the Premises as a Lessee from month-to-month at a monthly rate of one and one-half times the rental amount paid during the last month of the term.
17. **Insurance.** Lessee shall deposit when due, in the escrow account set up for such purpose, all amounts required to pay property insurance in an amount covering replacement value. Said insurance policy shall provide for 30 days' advance written notice to Lessor prior to cancellation. Lessee shall separately provide for general liability, naming Lessor as an additional insured, and worker's compensation



insurance to the extent required by law. Lessee acknowledges and agrees that Lessor is not providing and is not responsible for providing any additional insurance coverages, and Lessee waives any and all rights with respect to the same against Lessor.

18. **Notices.** Any and all notices required or permitted under this Lease, unless otherwise specified in writing by the party whose address is changed, shall be as follows:

Lessor:

GOLD MINERS LODGE RESTAURANT & MOTEL, LLC
PO Box 940353
Houston, Alaska 99694

Lessee:

John A. and Inthira Zavacky
1151 E. 76th Avenue
Anchorage, Alaska 99518

19. **Default.**

- a. The occurrence of one or more of the following events shall constitute a default and breach of this Lease by Lessee:
 - i. Violation or breach or failure to keep or perform any covenant, agreement, term or condition of this Lease which shall continue or not be remedied within five (5) days (or if no default in payment of rent is involved within thirty (30) days) after notice thereof is given by Lessor to Lessee specifying the matter or matters claimed to be in default.
 - ii. Filing by the Lessee in any court pursuant to any statute, either of the United States or any state, a petition in bankruptcy or insolvency, or for reorganization or for the appointment of a receiver or trustee of all or a portion of the Lessee's property, or an assignment by the Lessee for the benefit of creditors.



- iii. The taking possession of the property of Lessee by any governmental office or agency pursuant to statutory authority for the dissolution or liquidation of the Lessee.
- iv. An abandonment or vacation (7 consecutive days of non-use) of the Premises by Lessee;
- v. The use of the Premises for any purpose other than those specified in Section 2.
- vi. The transfer of title to the improvements located upon the Premises by foreclosure, sale, operation of law, gift or otherwise.

b. Upon the occurrence of a default as defined in "a." above, Lessor may at Lessor's option, declare Lessee's rights terminated and may re-enter the Premises and improvements, using such force as is necessary, and without further notice, remove all persons and property from the Premises and repossess Lessor of Lessor's former estate. In such case, Lessor shall be deemed to have an immediate right to possession of the Premises and improvements (if Lessor so desires) and Lessee shall peacefully surrender the same. No judicial action shall be necessary to affect such termination.

c. Such re-entry and termination notwithstanding, the liability of Lessee for payment of all amounts required to be paid by Lessee under this Lease, including payment of the full rental provided herein for what would otherwise have constituted the balance of the Term of this Lease shall not be extinguished and Lessee shall make good to Lessor all expenses and damages suffered by Lessor as a result of the default, repossession and reletting, including without limitation, legal expenses, renovation expense, alteration expense, and any rental deficiency resulting from the inability to relet the Premises or reletting at a lesser rate.

Lessor may, but shall not be obligated to, relet the Premises or any part thereof in the name of the lessor, or otherwise, for such term (which may be greater or less than the period which would otherwise have constituted the balance of the Term of this Lease) and on such conditions as Lessor may determine appropriate, and may collect and receive the rent therefrom; Lessor shall not be responsible or liable for any failure to relet the Premises, or any part thereof, or for any failure to collect rent due upon any such reletting.



d. In the event of default, as defined in subparagraph "a", Lessor shall have such further and additional rights as are provided by law or equity.

20. **Cure of Default by Lessor.** Lessor may, at the expense of Lessee, cure any default by Lessee hereunder, but shall not be required to do so. Lessee shall reimburse Lessor for all amounts expended in connection therewith, including attorney's fees and other incident expenses. Such amounts, together with interest at the maximum lawful rate of interest, shall be deemed additional rent payable within thirty (30) days of notification that such amount is due.

21. **Attorneys' Fees, Costs and Expenses.** In the event either party brings or commences legal proceedings to enforce any of the terms of this Lease, the prevailing party in such action shall receive from the other, in every action commenced, a reasonable sum for attorneys' fees and costs to be fixed by the court in the same action.

22. **Rights and Remedies.** No right or remedy herein conferred upon or reserved to a party hereunder is intended to be exclusive of any other right or remedy, and such and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereunder existing at law or in equity or by statute.

23. **Assignment and Subletting.** Except as provided below, Lessee shall not sublet, mortgage, pledge or assign its rights under this Lease without the prior written consent of Lessor, which consent may be withheld in Lessor's sole and absolute discretion, and any purported sublease, mortgage, pledge or assignment without such consent shall be null and void and of no force or effect. Lessee may assign his/her rights hereunder to an entity owned one-hundred percent (100%) by Lessee, without Lessor approval, provided that a personal guaranty is executed to insure performance under this Lease.

24. **Waiver and Forbearance.** No waiver by a party hereto of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by a party to seek a remedy for any breach of the other party be deemed a waiver by the party of its rights or remedies with respect to such breach.



25. **Successors in Interest.** This Lease shall be binding upon and inure to the benefit of the respective heirs, successors and permitted sublessees or assigns of the parties hereto.

26. **Applicable Law.** This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Alaska.

27. **No Partnership, Joint Venture, Etc.** Nothing in this Lease shall be intended or deemed to create a partnership, joint venture, association, or other similar relationship between the parties hereto.

28. **No Third-Party Beneficiaries.** This Lease does not create, and shall not be construed as creating, rights enforceable by any person not a party to this Lease.

29. **Severability.** If any provision of this Lease or any application thereof shall be held invalid, illegal or unenforceable, the remainder of this Lease or any other application of such provision shall not be affected thereby.

30. **Option to Purchase.**

a. **Grant of Option to Purchase Premises.** During the Term, Lessee shall have an option to purchase the Premises (the "Option"). The purchase price (the "Option Purchase Price") shall be Two Hundred Seventy Five Thousand Dollars (\$275,000.00). The Purchase Price shall be payable by cash or wire transfer on the Purchase Option Closing Date. The terms of the purchase shall be as set forth herein or, if mutually agreed to and executed by the Parties, in a separate Purchase and Sale Agreement. Further, Lessee acknowledges and agrees that it will undertake its due diligence and title review prior to the exercise of the Option to Purchase.

b. **Election to Exercise Option.** Provided the any payments due as set forth in Section 4 and this Section 30(b)(i)(1) through (5) have been timely received by Lessor, Lessee may exercise the Option by providing written notice to the Lessor of Lessee's intention to purchase the Premises in accordance with the terms and conditions of this Section 30 (the "Purchase Option Election Date"). Such written notice must be transmitted by Lessee by commercial overnight delivery service or in person, and received by the Lessor, at any time prior to October 1, 2022. The Option shall immediately terminate upon the early termination or the expiration of this Lease. Furthermore, Lessee shall have no right to exercise the Option during any period in which an event of default has occurred and is continuing under this Lease. As part of the election to exercise



option and payment terms, the following payment dates and discount terms apply:

- i. Lessee agrees to pay to Lessor the following additional rental amounts on the dates stated in (1) through (5) below ("Additional Rents"). Each payment amount will be considered additional rent unless the Purchase Option is elected by Lessee and actually closes as set forth in this agreement. In the event the Purchase Option is elected and closes, any amounts identified in (1) through (5) below that have actually been paid to Lessor will be considered in calculating a discounted Purchase Price at the time of Closing as detailed in 30(b)(ii):
 1. Five thousand dollars (\$5,000.00) upon execution of this agreement;
 2. Fifteen thousand dollars (\$15,000.00) not later than October 1, 2017;
 3. Ten thousand dollars (\$10,000.00) on or before December 15, 2017;
 4. Ten thousand dollars (\$10,000.00) on or before March 15, 2018;
 5. Fifteen thousand dollars (\$15,000.00) by October 1, 2019.
- ii. On the date that the Option is exercised by Lessee, a discount on the Purchase Price will be calculated based on the Additional Rents actually paid, and a portion of the \$1,901.21 rental payment as shown on the attached Exhibit A. For example, if Lessee elects to exercise the Option on November 25, 2019, and all payments have been timely received from Lessee by Lessor, the Purchase Price will be discounted to \$202,979.58. **Prior to the exercise and closing of the Option to purchase, Lessee shall not accrue equity or an interest in the Premises or assets.**
- iii. Any escrow to be held by First National Bank Alaska.
- iv. The parties agree that the Closing of the Purchase Option shall not occur until after the first deed of trust on the property has been paid in full, which may occur simultaneous with the option Closing.
- v. The parties agree that they will cooperate to transfer the Liquor Licenses as part of the Closing, with Lessee to pay all costs associated with said transfer.

c. Closing of Option. The closing of the sale shall occur at Mat-Su Title Company on a date and time (the "Purchase Option Closing Date"), and at such place, as the parties may mutually agree, provided, that, in no event shall the



Purchase Option Closing Date be later than October 6, 2022, or the next business day, unless mutually agreed by the parties. During the period between the Purchase Option Election Date and the Purchase Option Closing Date, all terms and conditions of this Lease, including, but not limited to, Lessee's various payment obligations, shall continue in full force and effect. Furthermore, if for any reason the sale does not close, the terms and conditions of this Lease shall continue in full force and effect (subject to Lessor's rights upon the occurrence of an event of default, and any expiration of this Lease).

d. Conveyance of Title. Conveyance of title to the Premises at the closing of the Purchase Option shall be by statutory warranty deed, in a form satisfactory to Lessee, free of all liens, mortgages and encumbrances except those otherwise agreed to by Lessee as part of its title review. At the closing of the sale, this Lease shall terminate, except that any provisions which are designated as surviving termination, including all indemnity provisions, and this Section, shall survive such termination and not merge into the deed to be delivered pursuant hereto.

e. Conveyance of Items Listed on Inventory List. Attached to this Lease is a copy of an Inventory List of items associated with the property described herein. At the time of closing, these items will be transferred to Lessee by Lessor by Bill of Sale in the condition in which they have been maintained by Lessee. Lessee has inspected the Inventory List items and Lessee accepts the same "AS IS WITH ALL FAULTS." Lessor makes no specific warranties, expressed or implied, concerning the condition of the Items. Lessor shall have no liability or obligation with respect to the condition, maintenance or use of the Items.

f. Closing Costs. Lessee shall be responsible for all costs associated with their chosen financing option. Lessor shall pay for the standard title commitment for the real property. All other closing costs associated with Mat-Su Title Insurance Company will be divided 50/50 between the Parties.

g. Sale of Premises. In the event the Option is not exercised by October 1, 2022, the Lessors may show the Premises for the purpose of sale at reasonable times with notice to Lessee.

31. Miscellaneous Provisions.

- a. This Lease constitutes all of the agreements and conditions made between the parties and may not be modified orally or in any manner other than by an agreement in writing signed by both parties or their respective successors in interest.



- b. Each term and such provision of this Lease shall be construed to be both a covenant and a condition of this Lease.
- c. Time is of the essence in each term and provision of this Lease.
- d. This Lease may be executed in any number of counterparts, including by facsimile signature, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the undersigned have caused this Commercial Lease Agreement to be executed effective as of the date and year herein above first written.

Lessee:

John A. Zavacky

John A. Zavacky 9-27-17

Inthira Zavacky

Inthira Zavacky

Lessor:

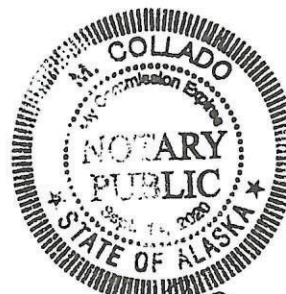
Gold Miners Lodge Restaurant & Motel, LLC

By: Brian A. Gauthier 9-27-17

Brian Gauthier, Manager/Member

By: Sandra Gauthier 9/27/17

Sandra Gauthier, Manager/Member



[Signature] 9/14/20
DP

Notice of Violation

(3AAC 304.525)

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

Date: 10-16-18

License #/Type: #4526 / Beverage Dispensary Touris

Licensee: Gold Miners Lodge Restaurant & Motel

Address: 20333 W. Parks Hwy, Houston, AK

DBA: Gold Miners Lodge Restaurant & Motel

AMCO Case #: AB18-1263

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

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

On 10-11-18, AMCO Investigators learned that Gold Miners Lodge and Restaurant & Motel had leased their property and liquor license to John & Inthira Zavacky on 10-1-17.

Your attention is referred to AS 04.11.450: Prohibited financial interest, AS 04.11.580: Surrender or destruction of license, AS 04.16.150: Licensee Responsible for violations, AS 04.21.030: Responsibility of licensees, agents, and employees, AS 04.11.400: Populations limitations, 3 AAC 304.105: Application generally, 3 AAC 304.325: Licensee issued to encourage tourism

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

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

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

Alcohol & Marijuana Control Office

ATTN: Enforcement

550 W. 7th Ave, Suite 1600

Anchorage, Alaska 99501

amco.enforcement@alaska.gov

Issuing Investigator: J. Hamilton

Received by:

SIGNATURE:

SIGNATURE:

Delivered VIA: Mail

Date:

From: [Hoelscher, James C \(CED\)](#)
To: [Davies, Jason M \(CED\)](#); [Hamilton, Joe \(CED\)](#)
Subject: FW: Gold Miners Lodge Restaurant and Motel, LLC, AMCO Case #: AB18-1263
Date: Monday, December 10, 2018 7:35:59 AM
Attachments: [image001.png](#)
[image003.png](#)

FYI

From: Sandra Gauthier [mailto:goldminerslodgealaska@gmail.com]
Sent: Sunday, December 9, 2018 7:32 PM
To: Hoelscher, James C (CED) <james.hoelscher@alaska.gov>
Subject: RE: Gold Miners Lodge Restaurant and Motel, LLC, AMCO Case #: AB18-1263

Licensee: Gold Miners Lodge Restaurant and Motel, LLC

License #/Type: #4526/Beverage Dispensary-Tourism

AMCO Case #: AB18-1263

Mr. Hoelscher,

Per my telephone call on 12/5/18 you had asked me to put in writing what we had discussed per our conversation and forward it to you.

On October 1, 2017 Gold Miners Lodge Restaurant and Motel LLC entered into a lease with option to buy agreement with John & Inthira Zavacky. You had asked if we had a "Manager's Agreement" with the Zavacky's. Mr. & Mrs. Zavacky do not have a financial business interest in Goldminers Lodge Restaurant and Motel but only the property and will be starting their own business under a different business name and License or LLC. Mr. & Mrs. Zavacky have been performing a major renovation of the restaurant and motel buildings. In our original agreement with Mr. & Mrs. Zavacky we were not intending to apply for a waiver. They originally planned to be able to open in 2018 after applying to transfer the liquor licenses into their new business name prior to opening a new restaurant/bar & motel. It has taken them much longer on the renovation and they have not opened yet! Since speaking with Mr. & Mrs. Zavacky the first week in November 2018 they agreed the waiver option would be necessary according to the handbook and assured us that they would turn in their necessary paperwork and applications to transfer and renew the liquor licenses into their new business name before the deadline date of December 31, 2018.

Prior to moving out of Alaska on October 1, 2017 Brian and I were communicating with Sarah Oates via telephone and email in the month of September 2017. I had come into the AMCO Anchorage Office at least 4 times prior to leaving because we were not having our calls returned. I repeatedly communicated with Sarah at the office regarding the process of the transferring of the liquor licenses and before leaving we turned in our necessary paperwork with her.

Two months later on December 22, 2017, I received an email from Jacqlene Drulis. The letter dated December 22, 2017 stated "At this time, your application is considered incomplete for the following

reason: AB-01 Transfer License Application - We have not received the remainder of the Transfer Application Forms." Jacqlene Drulis had returned our transfer license paperwork that we had turned in prior to leaving Alaska. I called Jacqlene Drulis and talked with her to get accurate instructions on how to proceed. She suggested that we send our completed paperwork to Mr. & Mrs. Zavacky so that when they turned in their applications they would have everything AMCO needed. On 1/30/18 I sent them our necessary completed portion of paperwork for the transfer applications.

On November 5, 2018, I began to inquire via an email to AMCO regarding the waiver application process. I received a response email from Carrie Craig on November 6, 2018. I sent another email to Carrie on November 13, 2018 asking her a few more questions regarding the transfer and renewal applications, and asked her if she would email us when John Zavacky turned in his applications as it is sometimes hard to get ahold of him. I also asked if she would please let me know if someone else was taking care of his application if she would let me know their name and email address since the deadline was drawing near. I received a response email from Carrie November 13, 2018. I sent another email to Carrie on November 14, 2018 asking her a question regarding the Notary Public. I did not get a response email from Carrie so I called AMCO and she was the one who answered the phone so I was able to get my answer with that phone call.

I mailed the waivers for License #4526 Beverage Dispensary - Tourism and License # 4380 - Restaurant or Eating Place to AMCO and the City of Houston on November 14, 2018 via certified mail with return receipt. The signed return receipts received by AMCO and the City of Houston states the waivers were received on November 19, 2018 and the checks were cashed on November 20, 2018 per my bank account.

I believe this latest misunderstanding stems from a phone call I made on October 11, 2018, I called AMCO asking to talk to with Jacqlene Drulis and talked to a Mr. Campbell as he asked if he help. I explained some details regarding our lease with option to buy agreement and asked if Mr. & Mrs. Zavacky's transfer application was turned in. He checked and said that "no transfer application had been turned in." I also told him that Mr. Zavacky was in the process of a major renovation. I had some questions regarding applying for a waiver for the first time. He explained the fees and to also send a copy of the waivers to the Local governing body the City of Houston AK.

Soon after that phone call on October 11, 2018 on November 29, 2018, we received an email from Jason Davies to our goldminerslodgealaska@gmail.com showing a Notice of Violation for failure to communicate. That next evening Brian called to find out what the Notice of Violation was pertaining to and talked to John Hamilton. The next day we received another email from Jason Davies again on November 30, 2018 stating he had talked with Mr. Hamilton and found his original letter was never received in the mail because it was sent to our physical address and not our mailing address and apparently was not sent as certified mail. That is what prompted my call to you on December 5, 2018.

We have continually been trying to comply with all AMCO requirements and as you can see with all the above communication, I have been in contact with AMCO before and after we moved from Alaska in 2017 extensively. With regards to the violations listed in the Notice of Violation letter sent via email we believe there was a misunderstanding. John & Inthira Zavacky have never used or been

offered temporarily to use our liquor licenses and they have not yet even opened their new business. Mr. Zavacky has been trying to complete a major renovation of the restaurant and motel and have assured us they will not open until all required applications are granted by and through the AMCO authorization.

Sandra Gauthier
Managing Member
Gold Miners Lodge Restaurant and Motel, LLC
907-355-9132

Sent from [Mail](#) for Windows 10

From: [Hoelscher, James C \(CED\)](#)
Sent: Wednesday, December 5, 2018 2:28 PM
To: goldminerslodgealaska@gmail.com
Subject: Contact Information

James Hoelscher
Special Investigator II
Enforcement Supervisor
Alcohol & Marijuana Control Office

550 W. 7th Ave, Suite 1600
Anchorage, Ak 99501
Office (907)269-0353
Cell (907) 891-9660
James.hoelscher@alaska.gov

Notice of Violation

(3AAC 304.525)

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

Date: 2/27/19

License #/Type: Restaurant / Eating Place - #4380

Licensee: Gold Miners Lodge Restaurant and Motel

Address: 20333 W. Parks Hwy, Houston, AK

DBA: Gold Miners Lodge Restaurant and Motel

AMCO Case #: AB19-0351

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

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

On 10-11-18, AMCO Investigators learned that Gold Miners Lodge Restaurant and Motel had leased their property and liquor license to John & Inthira Zavacky on 10-1-17.

Your attention is referred to AS04.11.450: Prohibited financial interest, AS04.11.580: Surrender of destruction of license, AS04.16.150: Licensee responsible for violations, AS04.21.030: Responsibility of licensees, agents, and employees and 3AAC 304.105: Application generally

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

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

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

Alcohol & Marijuana Control Office

ATTN: Enforcement

550 W. 7th Ave, Suite 1600

Anchorage, Alaska 99501

amco.enforcement@alaska.gov

Issuing Investigator: J. Hamilton

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Mail

Date:

Introduced by: Deputy Mayor Wilson
Adoption Date: April 11, 2019
Vote: Barney, Jorgensen, Stavick, Stout, Wilson and Thompson in favor
Brunswick absent

**CITY OF HOUSTON, ALASKA
RESOLUTION 19-08**

**A RESOLUTION OF THE HOUSTON CITY COUNCIL PROTESTING LIQUOR
LICENSE RENEWALS FOR THE YEAR 2019/2020 HELD BY GOLD MINERS LODGE
RESTAURANT AND MOTEL LLC. LICENSE # 4380 FOR A RESTAURANT/EATING
PLACE AND # 4526 FOR A BEVERAGE DISPENSARY AND REQUESTING THE 2018
APPLICATION BY THE LICENSEE FOR WAIVER OF OPERATION BE DENIED**

WHEREAS, Ordinance 16-07 (HMC 05.08) adopted in 2016 allows the City to regulate liquor and liquor establishments within the broadest range of municipal control allowed by state statute; and

WHEREAS, on February 28, 2019 the Alcohol & Marijuana Control Office noticed the City of liquor license renewals #4380 and #4526 held by Gold Miners Lodge Restaurant and Motel LLC.(licensee) as required under 04.11.480; and

WHEREAS, the City Council is protesting the renewal of both licenses pursuant to AS 04.11.480 and HMC 05.08.030; and

WHEREAS, the City is also requesting the licensee's request for waiver of operation for 2018 be denied; and

WHEREAS, on April 11, 2019 the City Council held a public hearing on the liquor license applications; and

WHEREAS, the licensee was provided an opportunity to defend the application; and

WHEREAS, on April 11, 2019 the City Council approved Action Memorandum No. 19-05 forwarding a protest to the State on license # 4380; and

WHEREAS, the determination for the protest is that the licensee did not meet the City's ordinance for liquor license regulations and the applicant had not operated the licensed premises for at least 30 eight-hour days during the preceding calendar years; and

WHEREAS, on April 11, 2019 the City Council approved Action Memorandum No. 19-06 forwarding a protest to the State on license # 4526; and

WHEREAS, the determination for protest is that the licensee did not meet the City's ordinance for liquor license regulations and the applicant had not operated the licensed premises for at least 30 eight-hour days during the preceding calendar years; and;

Bold and Underline, added. ~~Strike through~~, deleted.

WHEREAS, On November 19, 2018 the City was notified that the applicant submitted AB-29's for both licenses for 2018; and

WHEREAS, the AB-29 allows the licensee to request that the ABC Board "Board" waive the operating requirements of AS 04.11.330; and

WHEREAS, the licensee did not apply for a 2018 business license; and

WHEREAS, on November 21, 2018 the City requested Director McConnell deny the waivers;

WHEREAS, the City has established a growth and economic goal in its 2016 Comprehensive Plan that states "the City aims to provide new opportunities for employment, community and commercial services and economic growth and allowing commercial and industrial development that is consistent with the community character and will be to the benefit of city residents" and

WHEREAS, pursuant to AS 04.11.400 the City has no additional Restaurant/Eating Place or Beverage Dispensary licenses available; and

WHEREAS, failure of the licensee to comply with the operational guidelines is not in the best interest of the city's economic growth; and

WHEREAS, on March 9, 2017 the City Council approved Action Memorandums No. 17-05 and 17-06 forwarding protests to the State on license # 4380 and 4526; and

WHEREAS, the determination for the protests is that the licensee did not meet the City's ordinance for liquor license regulations and the applicant had not operated the licensed premises for at least 30 eight-hour days during the preceding calendar years; and;

WHEREAS, the City also requested the AMCO board to investigate compliance under AS 04.11.330 that the business was opened 30 days for 8 hours a day; and

WHEREAS, On May 21, 2017 the City received a copy of a memorandum from Joe Hamilton, AMCO Investigator to Director McConnell that includes a statement "that the applicant was unable to provide the investigator a list of alcohol sold pursuant to 3 AAC 304.170(j)(6)" ; and

WHEREAS, pursuant to AS 04.11.1009(e) a restaurant or eating place license may be renewed if the licensee provides evidence to the board satisfaction that gross receipts **from the sale of food** upon the licensed premises constitute no less than 50 percent of the gross receipts of the licenses premises for each of the two proceeding calendar years; and

Bold and Underline, added. ~~Strike through~~, deleted.

WHEREAS, on October 2, 2017, the city received the last sales tax report from Gold Miners Lodge Restaurant and Motel LLC. for the period ending August 2017; and

WHEREAS, the licensee has been notified of the City's concerns of failure to operate since 2014; and

WHEREAS, the Board has been notified of the City's concerns of failure to operate since 2017.

WHEREAS, the City Council directs staff to coordinate with AMCO investigators if so requested by the Board; and

WHEREAS, the City does not believe the request that the Board deny the renewal is arbitrary, capricious unreasonable and that the denial is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED, that the Houston City Council hereby protests license #4380 and #4526 held by Gold Miners Lodge Restaurant and Motel LLC. and directs the Mayor to provide notice of such protest to the board and applicant.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Houston City Council request the waivers be denied for 2018.


ADOPTED AND APPROVED by the Houston City Council on April 11, 2019.

THE CITY OF HOUSTON, ALASKA



Virgie Thompson, Mayor

ATTEST:



Sonya Dukes, CMC, City Clerk

Bold and Underline, added. ~~Strike through~~, deleted.



Approved:	Denied:
Public Hearing:	April 11, 2019
Date Action Taken	April 11, 2019
Attest:	Sonyia Ouelles, City Clerk

**CITY OF HOUSTON
ACTION MEMORANDUM NO. 19-05**

Title: City Council statement of protest for the renewal of a Restaurant/Eating Place Liquor License #4380 held by Gold Miners Lodge Restaurant and Motel LLC.

Agenda of: April 11, 2019

Originator: Mayor Thompson

Approved for presentation by:

City Clerk
Public Works Director
Treasurer
Fire Chief
Police Chief/Mayor

Sonyia Ouelles
Randy Russell
Sally Schug
Ch. L. G.
Virgie Thompson

Reviewed by Mayor: *Virgie Thompson*

Attachment(s):

- Application Notice
- Staff referrals under HMC 5.08.020
- Notice of Public Hearing

Summary statement:

Gold Miners Lodge Restaurant and Motel LLC. has applied for a renewal for a Restaurant/Eating Place Liquor License #4380. State law requires local governing bodies to review requests pertaining to liquor licenses within their municipalities. The City may waive the right to protest or may file a protest to a request.

Before taking action on a liquor license application, the Mayor shall provide for a public hearing before the City Council. Within 15 business days after the referrals under HMC 5.08.020, the Mayor shall schedule each liquor license application for consideration by the City Council at its next City Council meeting and send written notice to the applicant.

A review of the referrals relating to liquor license application has been completed. Based on that review, The Mayor recommends the following action:

	WAIVE THE RIGHT TO PROTEST
X	PROTEST the issuance of the license for the following factor(s). (HMC 5.08.030).
	➤ Staff referrals.
	➤ Concentration of other licenses of the same and other types in the area.
X	➤ Other factors.
X	➤ HMC 5.08.030 (C) (3) Any other factors the City Council determines are relevant to a particular application, including a reasonable expectation that the applicant will exercise the license for the duration of the term of the license.
X	➤ AS 04.11.330 (3) the applicant has not operated the licensed premises for at least 30 eight- hour days during the preceding calendar years.
	CONDITIONS recommend the issuance of the license with the following condition(s). (HMC 5.08.030).
	➤
	SUSPENSION OR REVOCATION request a suspension or revocation of the license pursuant to AS 04.11.370;

If the City Council protests an application or recommends conditions on which the application shall be granted, the City Council shall state on record the reasons for its decisions, and the Mayor shall notify the Board and the applicant in writing of the decision.

If the City Council finds that the basis for its decision to protest an application, or to recommend conditions on which the application should be granted, no longer exists, the City Council may rescind its decision and direct the Mayor to notify the Board and the applicant of the decision.

Administration recommendation: Approve Action Memorandum 19-05.

Office of the City Clerk Use Only

Applicant noticed of Public Hearing: € Applicant noticed of decision: € AMCO noticed of decision: €
MSB Noticed (Relocation only) € Houston Planning Commission noticed of decision €



Approved:	Denied:
Public Hearing: April 11, 2019	
Date Action Taken: April 11, 2019	
Attest: Sonya Cullis, City Clerk	

**CITY OF HOUSTON
ACTION MEMORANDUM NO. 19-06**

Title: City Council statement of protest for the renewal of a Beverage Dispensary License #4526 held by Gold Miners Lodge Restaurant and Motel LLC.

Agenda of: April 11, 2019

Originator: Mayor Thompson

Approved for presentation by:

City Clerk
Public Works Director
Treasurer
Fire Chief
Police Chief/Mayor

Sonya Cullis
Paul Russell
Sally Schug
Virgie Thompson

Reviewed by Mayor:

Virgie Thompson

Attachment(s):

- Application Notice
- Staff referrals under HMC 5.08.020
- Notice of Public Hearing

Summary statement:

Gold Miners Lodge Restaurant and Motel LLC. has applied for a renewal for a Beverage Dispensary Liquor License #4526. State law requires local governing bodies to review requests pertaining to liquor licenses within their municipalities. The City may waive the right to protest or may file a protest to a request.

Before taking action on a liquor license application, the Mayor shall provide for a public hearing before the City Council. Within 15 business days after the referrals under HMC 5.08.020, the Mayor shall schedule each liquor license application for consideration by the City Council at its next City Council meeting and send written notice to the applicant.

A review of the referrals relating to liquor license application has been completed. Based on that review, The Mayor recommends the following action:

	WAIVE THE RIGHT TO PROTEST
X	PROTEST the issuance of the license for the following factor(s). (HMC 5.08.030).
	➤ Staff referrals.
	➤ Concentration of other licenses of the same and other types in the area.
X	➤ Other factors.
X	➤ HMC 5.08.030 (C) (3) Any other factors the City Council determines are relevant to a particular application, including a reasonable expectation that the applicant will exercise the license for the duration of the term of the license.
X	➤ AS 04.11.330 (3) the applicant has not operated the licensed premises for at least 30 eight- hour days during the preceding calendar years.
	CONDITIONS recommend the issuance of the license with the following conditions(s). (HMC 5.08.030).
	➤
	SUSPENSION OR REVOCATION request a suspension or revocation of the license pursuant to AS 04.11.370;

If the City Council protests an application or recommends conditions on which the application shall be granted, the City Council shall state on record the reasons for its decisions, and the Mayor shall notify the Board and the applicant in writing of the decision.

If the City Council finds that the basis for its decision to protest an application, or to recommend conditions on which the application should be granted, no longer exists, the City Council may rescind its decision and direct the Mayor to notify the Board and the applicant of the decision.

Administration recommendation: Approve Action Memorandum 19-06.

Office of the City Clerk Use Only

Applicant noticed of Public Hearing: € Applicant noticed of decision: € AMCO noticed of decision: €
MSB Noticed (Relocation only) € Houston Planning Commission noticed of decision €