



**Alcoholic Beverage Control Board
Meeting Minutes
November 12, 2019**

All times are approximate.
Lunch from 12:00 noon to 1:00pm

● **ADMINISTRATION**

9:00 am

A. Call to Order

B. Roll Call

Board Members Present

Bob Klein, Chair, Industry Member

Glenn Brady, Vice Chair, Industry Member

Charlie Cross, Rural Member

Sara Erickson, Public Member

Rex Leath, Public Safety Member

Staff Present

Erika McConnell, Director

Mikal Martin, Records and Licensing Supervisor

Dan Wilkerson, Assistant Attorney General (Joan Wilson, Assistant Attorney General arrives later in the meeting)

James Hoelscher, Chief Investigator

C. Approval of Agenda

Bob Klein asks for corrections or changes, question to the group. He asks if the board wishes to address the regulations project "Definition of 'Recreational and Gaming Opportunities'" directly after OAH presentation scheduled for 1:00. He asks to announce the regulation item at 1:30.

Rex Leath states that he agrees.

No objections are raised to the change and no other comments are made, the agenda is approved.

D. Approval of the September 10, 2019, Meeting Minutes

TAB 1

E. Approval of the October 3, 2019, Meeting Minutes

TAB 2

The minutes from Tabs 1 & 2 are considered together. Glenn Brady states that Rex Leath keeps getting promoted to vice chair accidentally in the minutes, staff agrees to amend this. Sara Erickson states that she meant staff does not respond to questions in a timely manner, not the board.

Glenn Brady moves to approve the meeting minutes from the September 10, 2019 and October 3, 2019 ABC meetings (with the correction of the listing of Vice Chair).

Rex Leath seconds the motion.

None opposed, motion carries.

● **BOARD GOVERNANCE**

9:02am

Bob Klein asks for any relevant declarations.

Glenn Brady states that, regarding the discussion about public comment on the regulations project to define recreational or gaming opportunities, he was requested by manufacturers to meet with them and legislative staff to discuss the matter. Open comments were not discussed, but they discussed general regulatory practices including the process of comment on regulations.

No other changes in status or declarations are made at this time.

● **PUBLIC TESTIMONY**

9:06 am

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

Bob Klein declares public comment open.

No one comes forward at this time.

Bob Klein invites people to come forward at whatever time they wish to comment.

● **DIRECTOR'S REPORT**

9:07 am

- A. Director's Report**

TAB 3

Erika McConnell summarizes her report in Tab 3. She states that her new report, given to the board recently, has the regulations project status sheet.

Bob Klein asks about current city of Kassan Local Option.

Erika McConnell clarifies that no local option is held at this time.

B. Resolution of Appreciation for Harriet Milks

TAB 4

Bob Klein states that Harriet Milks provided lots of time, effort and wisdom and a resolution of appreciation would be appropriate. He asks for comment.

Sara Erickson states that the resolution is great and appropriate, and she appreciates that it's a draft. She is not sure that all statements are quantifiable. She would not approve this resolution as presented.

Bob Klein asks if the "nobody in the state" is the only change.

Sara Erickson states that she desires other changes and asks who wrote this.

Bob Klein states that Erika McConnell and Bob Klein collaborated.

Sara Erickson states that it's a gracious endorsement but that the board had some difficulties with Harriet Milks and while she appreciates the work and says that she would change the wording.

Bob Klein states that if Sara Erickson will take on the task of providing suggestions, the board can consider an amended draft.

Sara Erickson states that the 5th Whereas on the expertise of Harriet Milks was impossible to quantify and therefore an inaccurate statement.

Glenn Brady suggests that if that passage was the problem, perhaps removing that paragraph would be sufficient to resolve Sara Erickson's concerns.

Sara Erickson agrees.

Bob Klein asks for a motion or more discussion on the resolution with the 5th Whereas being removed per Sara Erickson's request.

Glenn Brady moves to approve the resolution as amended.

Sara Erickson seconds the motion.

Sarah Oates, individually, states that she worked with Ms. Milks and appreciated her time, knowledge, and assistance. She finds Ms. Milks work invaluable, and she thanks Harriet Milks.

Bob Klein asks for other discussion, none is brought forward, he states that as the old man on the board he has seen many AAGs, he ranks her very highly, and he looks forward to the resolution of appreciation.

None opposed, motion carries.

● ENFORCEMENT REPORT

9:16 am

TAB 5

James Hoelscher is present in person, he thanks Harriet Milks for her work, and summarizes his report in Tab 5. He is available for questions or concerns. He summarizes the new investigators qualifications.

Glenn Brady asks about how the enforcement time split between marijuana and alcohol is going and asks for an estimated percent of allocation of effort.

James Hoelscher states that it's always difficult to allocate effort based on the amount of time it takes to do a marijuana inspection versus alcohol. The marijuana inspections and enforcement actions tend to take more time than alcohol. He suggests a 70/30 split approximately. He states that the alcohol industry is currently more established than the marijuana industry. However, when reviewing the time split within a year it's closer to half and half.

Bob Klein asks James Hoelscher if they inspect all marijuana license types and if enforcement must be able to track plants from seeds to sale.

James Hoelscher confirms that they do, they do inspections to ensure compliance before plants go into a licensed premises and then do an additional stocked inspection.

Bob Klein asks about the NOVs and what the final disposition on the Creekbend matter was.

Erika McConnell states that the board took no action on the last agenda.

Bob Klein asks about the NOVs provided, and Erika McConnell discusses that it was included in this packet so that licensee responses were also included on the record.

Bob Klein confirms nothing else was needed.

Glenn Brady asks about the packet regarding recreational opportunities, there was a photo attached of a violation and asks if that violation was ever addressed.

The board discusses with James Hoelscher where in the regulations packet this picture was located. (Page 3 of tab 51)

James Hoelscher asks if it was a Fairbanks licensee and Erika McConnell confirms it was and it occurred in 2017. James Hoelscher states that he is unsure of the outcome.

Glenn Brady states that, in the public comments on recreational comments, there was massive feedback regarding what appears to be violations occurring within Beverage Dispensary licenses and he wasn't sure if James Hoelscher was tracking those things as a potential issue. He asks how the enforcement agency was paying attention to that feedback and if enforcement is holding licensees to task. If 1/10th of what's being described in the regulations is accurate, there is a problem.

James Hoelscher states that regulations staff, licensing staff, and the director, when they see violations, those items are forwarded to enforcement for review. He doesn't recall any specific forwarded information from these matters. He states that enforcement has difficulty investigating some allegations based on conjecture. The commenters that are stating there is a crime occurring should also be reporting to enforcement for investigation. Sometimes NOVs are written but NOVs don't carry as much weight as desired. Non-responses are occurring. He states that It would help the board to encourage the general public and licensees to report things as they arise. Enforcement is looking to coordinate with local law enforcement as much as possible.

Glenn Brady states that this gets to a concern, not with enforcement, but with the agency, and he would like to get the law enforcement colleagues to discuss the concept of community policing. He references

no compliance checks or shoulder taps or proactive outreach occurring at this time. The idea of fostering the licensee relationships with the community would be beneficial.

James Hoelscher states that compliance checks and shoulder taps are not proactive, they are reactive. The board should know that these numbers are low. When an officer safety concern occurs in the field and current special investigator commissions are not existing it makes it much more difficult. Not having APSIN makes it difficult to do something like a shoulder tap. They are working with HR to hire minors but there are lots of hoops. It's frustrating to have the numbers be low and finger pointing after he's worked so hard to attain the individuals for these. There is serious risk for the minors and the previous procedure to hire them was inappropriate. Additionally, if enforcement has the minor request someone purchase for them, if enforcement stops the adult, and is unable to know that the individual has a warrant, or is dangerous there are many issues that arise. Enforcement needs to be afforded the tools to do its job. He cites the 12,550 contacts with licensees for individual contacts. There have been multiple licensees where James Hoelscher introduced himself and contacted licensees. There are many times when he and staff try to open the door and be proactive, including the transitional violations, and best practices. He states that he is open to suggestions. The proactivity is at it's maximum possible given his resources.

Glenn Brady states that he was not disparaging enforcements work, but he was curious about the obstacles to enforcement and he would like to know more about what enforcement needs to be able to do their jobs. He senses James Hoelscher frustration and states that he hopes to knock down roadblocks.

James Hoelscher states that he is willing to do whatever it takes to allow enforcement to do their jobs. He'll bend over backwards if necessary. He's not trying to create walls, he wants to make things work.

Rex Leath asks Erika McConnell what is in place to resolve the matters discussed.

Erika McConnell states that there is a need to create Position Descriptions for interns. For compliance checks, HR has required that staff provide policies, procedures, and training documents before the positions are created. She is attempting to consolidate the existing policies and procedures. Regarding ARMS/APSIN access, no action is being taken at this time.

Rex Leath states that the challenge regarding shoulder taps is within AMCO. That's not a board problem, with the public concerns and safety he asks if AMCO has reached out to local law enforcement for safety or to communicate warrant issues.

James Hoelscher states that APD has been available at times but it is burdensome to attempt to get local law enforcement assistance for something AMCO should be able to do. Fairbanks and Anchorage would be the only places that this was possible. He clarifies that the minor holdup is not just within AMCO, it's a systemic 4 year issue. Coordinating with local law enforcement makes scheduling very difficult but if the minors can be attained he'd be able to ask for help.

Rex Leath asks, regarding the statistics, why every month there is a lack of training or public appearances to increase voluntary compliance. He would like to see, if possible, a way to increase public appearances and training to encourage voluntary compliance. He asks if the board makes this a priority if James can get his staff to do the trainings.

James Hoelscher states that there is a syllabus already in place for law enforcement. There was a class taught in Unalaska and other classes scheduled. Additionally, there have been syllabi provided and classes offered. The VPSO academy, when the class was held in Bethel, a 3-hour class was requested, but

the staff was not sent to them at that time due to travel funding. Regarding public appearances, the previous Local Government specialist felt that the education aspect was part of his job and so Enforcement backed off of the public discussions so that he could do his job. Regarding law enforcement trainings he looks forward to teaching and sharing with these individuals to be proactive.

A. Notices of Violation Issued and Licensee Responses

TAB 6

Discussed above, additional discussion later in the meeting regarding Creekbend.

B. Investigator Harry Lee Conway

TAB 7

1. Grant Peace Officer powers under AS 04.06.110

2. Recommendation to carry firearm under 3 AAC 304.505(b)

Erika McConnell requests that the board act on Tab 7.

Bob Klein entertains motion to grant Harry Lee Conway authority to exercise peace officer powers and approval to carry firearms.

Charlie Cross asks what sort of Alaska specific training Conway will attain and how his firearm competency is measured.

James Hoelscher states that he will attend the APSC transition course and there is an APSC instructor that will run him through the firearm qualification class and the F3 was filled out and he will be subject to the psychological exam. He has also passed the background check. APSC standards are followed.

Erika McConnell states that Investigator Chiesa does firearms trainings for staff twice a year.

Rex Leath asks if James Hoelscher plans on providing use of force training to ensure use of force knowledge is consistent.

James Hoelscher that the new investigator will not be issued a firearm until after that class.

Rex Leath asks if any less lethal tools are provided.

James Hoelscher states that tasers and pepper spray are provided.

Bob Klein asks for pleasure of the board.

Charlie Cross moves to approve peace officer powers and the ability to carry a firearm for Investigator Conway.

Rex Leath seconds the motion.

None opposed, motion carries.

● LICENSING REPORT

9:54 am

TAB 8

Mikal Martin provides a summary of her report as written in Tab 8.

Sara Erickson discusses the feedback she has received from the public regarding the inconsistency of review for applications such as permit applications and references some applications being identical from year to year for a particular event and being denied after previous approvals.

Mikal Martin and Erika McConnell discuss the offices effort to standardize review.

● **BOARD INTERPRETATIONS**

9:59 am

A. Draft Policy on Hotels Offering Free Alcohol

TAB 9

Erika McConnell summarizes Tab 9, the genesis for this concept came out from a license renewal where a hotel had a restaurant or eating place license with no restaurant but free alcohol and food was offered 3 times a week. At the July board meeting the board was confused about whether a license was needed in the described situation. The board requested a draft policy that provided a threshold under which a license was not required. The board had directed staff to reach out to CHARR and the Hotel organizations. Both of these entities brought forward substantial concerns with a policy of this type.

Glenn Brady states that the idea of use of alcohol as a marketing tool makes him uncomfortable. He shares the concerns presented. He feels like there may be a cleaner way to address this, particularly regarding the food sales criteria. There are several situations that this may be applicable to. He suggests taking these draft guidelines and porting them into the existing framework to allow an exemption of the food sales requirement.

Rex Leath asks Erika McConnell what was broken and what the safety concerns were.

Erika McConnell clarifies the requirements for a restaurant or eating place license and the difference between those licenses and beverage dispensary-tourism licenses. The concern is that there is a requirement for a restaurant to be present in order for an establishment to hold a restaurant or eating place license. Department of Law could state if there is a way to waive statutory requirements.

Dan Wilkerson, AAG, states that there is a note from Joan suggesting that if questions arise the board defer this matter until she can be present.

Bob Klein states that this is a cop out, but agrees to delay. He is uncomfortable with this concept. Hotels get cart-blanche for beverage dispensary licenses but this perverts the intent of the restaurant or eating place license. CHARR's comment he agrees with but he agrees to see what Joan has to say.

Bob Klein asks for a motion to go into executive session.

Glenn Brady so moves.

Rex Leath seconds the motion.

None opposed, exec session is entered.

The board clarifies that Staff will also be present in the Executive Session.

● **EXECUTIVE SESSION – AS 44.62.310(c)(2)**

10:07 am

- A. 851 Gold Creek Salmon Bake:** Alaska Travel Adventures Inc.
No premises, Juneau
License Restaurant/Eating Place

From: 1061 Salmon Creek Lane

Transfer of location.

Local governing body action: pending City and Borough of Juneau

Approvals: Department of Revenue, Department of Labor

Pending: creditor

Background investigations: complete

Consideration: Criminal history report

The board exits executive session at 10:23 am

Regarding 851 Gold Creek Salmon Bake Bob Klein entertains a motion to postpone consideration until the next board meeting.

Glenn Brady so moves.

Rex Leath seconds the motion.

None opposed, motion carries.

● **BOARD CONSIDERATION**

10:24 am

A. Eric Sirilo: Request for Removal from Restricted Purchaser List

TAB 10

Mr. Sirilo has requested that this matter be considered on the public record.

Erika McConnell explains the request contained in Tab 10.

Bob Klein asks if someone can explain the shorthand in criminal history.

Charlie Cross clarifies the convictions listed, delivery of Marijuana, half ounce, the conviction above the date of conviction is a Bethel Court case number and that was bootlegging. James Hoelscher adds that at that time that was a felony conviction.

Bob Klein asks if it was Marijuana, James Hoelscher states he believes it was.

Charlie Cross states that without the charging document it's hard to say what the conviction is specifically for. Without a judgement it's hard to see what's happening with the convictions.

Bob Klein clarifies that it's two separate incidents.

Erika McConnell clarifies that section 1 was the original convictions to put the person on the restricted purchasers list and section 2 is the subsequent convictions.

Bob Klein asks for the boards thoughts.

Glenn Brady asks some questions regarding the convictions and asks what has changed.

The applicant is not present to discuss his request.

Bob Klein states that this petitioner is asking to be removed from the restricted purchasers list.

No motion occurs regarding this matter. Eric Sirilo remains on the restricted purchasers list.

**B. Gold Miners Lodge Restaurant and Motel LLC TAB 11
Renewal & transfer applications.**

Renewal Response: City of Houston lifted protest; Matanuska-Susitna Borough did not respond.
NOVs for violation of AS 04.11.450

1. **4380 Susitna Bar and Grill:** JAZCO Investment, LLC TAB 12
20333 W Parks Highway, Houston
License: Restaurant or Eating Place
From: Gold Miners Lodge and Restaurant and Motel, LLC

Transfer of ownership [with Security Interest] and DBA change.

Local governing body action: City of Houston does not protest; pending Matanuska-Susitna Borough

Approvals: Department of Revenue, Department of Labor Worker's Compensation
Background investigations: pending

Department of Labor Employment Security objects due to non-compliance.

2. **4526 Susitna Bar and Grill:** JAZCO Investment, LLC TAB 13
20333 W Parks Highway, Houston
License: Beverage Dispensary – Tourism
From: Gold Miners Lodge and Restaurant and Motel, LLC

Transfer of ownership [with Security Interest] and DBA change.

Local governing body action: City of Houston does not protest; pending Matanuska-Susitna Borough

Approvals: Department of Revenue, Department of Labor Worker's Compensation
Background investigations: pending

Department of Labor Employment Security objects due to non-compliance.

Erika McConnell summarizes tabs 11, 12, and 13 and clarifies that the transfers are with Security Interest. She states that through the transfer the licenses are no longer at the exact same location, and the areas are split between the two licenses.

Bob Klein asks the director what the recommendation of action is.

Erika McConnell states that the renewal is what she is proposing be denied. There was a violation of 04.11.450 where the licenses were leased.

Harold Thompson, counsel, and Mr. Zavachi (Transferee) are present in person, and the Transferor's lawyer, DanaLyn Dalrymple is present via phone.

Harold Thompson states that no liquor was sold under the "lease" of the licenses and they did not intend to sell any liquor. The comprehensive addendum clarified the matter. They always planned on not selling.

Harold Thompson states that on 10/3/19 Department of Labor-Employment Security sent back an approval.

DanaLyn Darlymple states that she believes this to be the case as well; Vicki Ryan shows this was approved. Additionally, she concurs with Mr. Thompson that the option to purchase was only to exercise during the option to purchase. The addendum provided should have resolved the lease issue. Contract law allows the contract to be changed to match the party's intent.

Harold Thompson stated that the waivers prove no alcohol was sold.

Bob Klein confirms with staff the operating years for the licenses.

Erika McConnell states that they are currently issued for 2019-2020.

Glenn Brady states that the lease of the licenses appears to be a drafting error and he moves to approve with delegation.

Sara Erickson seconds the motion.

Erika McConnell asks them to clarify if the approval is for the renewal, the transfer or for both.

Glenn Brady confirms it's for both the renewals and transfers.

Rex Leath states that it appears that the taxes, insurance and fees were also included in the lease. Why he would the proposed new licensees pay taxes but not be selling alcohol.

Mr. Zavachi states he was not aware of the specifics when they signed the contract. He thought it was the property taxes and then the insurance and additional license fees. He agreed to pay the cost he had put out. He didn't fully understand what was agreed to.

Rex Leath thanks him. He addresses to the other board members that he is confused about at what point the regulation is unclear. The lease of the license is what is prohibited, not just the sale of alcohol. This is about as clear of a violation as possible.

Glenn Brady states that as he motions and parses the history, it is very clear; but as a licensee, while ignorance is not a defense, the flip side is language resulting in disproportionate penalties with no financial gain or harm occurs that the board does not want to go down that slippery slope. A path forward to be reasonable in spite of the intent of 04.11.450, he feels like this is unintentional and uninformed rather than deceitful. There is no gain from this. The precedent would not be a way to circumvent the statute.

Bob Klein asks if there was a comment from the phone.

DanaLynn Darlymple asks if the addendum is in the packet.

Sara Erickson states that it would have been helpful to see.

Bob Klein asks what is in the addendum.

DanaLynn Darlymple states that it discusses the actual intent of the parties.

Harold Thompson discusses the intent of the lease amendment.

Bob Klein states in the interest of time they should proceed as though they are in possession of the document. The board can revisit this later if necessary.

Sara Erickson states that if agreements can be amended to change to reflect the intention, this discussion is moot because the amendment is very important to be able to see to adequately approve the transfer.

Bob Klein states that a copy is being provided to the board at this time.

Harold Thompson addresses the second whereas (c) that indicates the intent not to lease.

Rex Leath asks if the addendum was developed after the notification of the problem.

Harold Thompson states that it was executed during the transfer.

Sara Erickson states that this amendment makes the intent of the parties clear. The title four mistake could easily occur. Once it was brought to Goldminers attention, it was modified and amended. There was no ill intent or any deception that occurred.

Bob Klein states that Whereas "c" covers what was described.

Bob Klein states that the motion is to renew and transfer with Delegation for background checks.

Sara Erickson asks if the waivers are also part of the approval.

Staff confirms that those are handled separately.

Sara Erickson states that her second stands.

No further discussion, none opposed, motion carries.

C. 301 Lancaster's: Lancaster's, LLC

TAB 14

No Premises, Matanuska-Susitna Borough
License: Beverage Dispensary License
From: Foxglove LLC, No DBA

Fourth waiver; transfer of ownership and DBA change.

Local governing body action: pending Matanuska-Susitna Borough
Approvals: Department of Labor – Workers’ Compensation, Department of Revenue
Background investigations: complete

Department of Labor – Employment Security objects due to non-compliance.

Bob Klein & Erika McConnell summarize Tab 14. Staff recommendation is that they deny the 4th waiver but transfer could be approved and the new owner could appeal the denial of the waiver.

Applicant asserts that the DOL-ES objection was lifted last week, staff confirms that if that is the case it can be resolved in delegation if appropriate.

Bob Klein asks if the board would approve the transfer of a license that doesn’t exist?

Erika McConnell clarifies that the license exists but that the waiver would allow the license not to be operated. However, the operating requirement matters at renewal rather than immediately. While waivers are filed at the end of each year, the action of non-renewal only occurs at renewal.

Glenn Brady asks if the proposed transfer is to no premises and the 4th waiver would have been for 2019 or 2020?

Erika McConnell clarifies its’ for 2019 and would be issued to Foxglove as the current licensee and applicant for waiver. However, as a no premises license, they could not operate the license.

Rex Leath asks Director McConnell when there is a no premises license what prevents no premises to no premises hopping.

Erika McConnell states that the board determined waivers go with licensees rather than license, a license could be not operated for many years. She provides this information due to the legislative intent that the licenses be operated.

Bob Klein states that when the old board approved the waivers to licensee rather than license, there was fear that this would occur. There was confidence that when the board saw it coming, they would stop it. Bob Klein recommends rejection of the waiver.

DeKay Bayliffe, counsel to Lance Hall of Lancaster’s (transferee) states that it’s to no premises because there is no liquor license yet and they don’t want to spend the money on the premises. It is their intent to use the license.

Bob Klein and DeKay Bayliffe discuss the transferee’s intent to operate by transferring the license as soon as the premises is purchased.

Rex Leath asks if there is a contingency agreement regarding a piece of property proving that the license is going to be used.

DeKay Bayliffe states that they can provide that information.

Sara Erickson asks if there is a property in mind.

DeKay Bayliffe states that there is a bid in on the property.

Sara Erickson states that she wishes to see the information to see that the license will be used.

DeKay Bayliffe states that that can be attained.

Bob Klein states it appears that the board wishes to postpone consideration of this matter.

Rex Leath states that he wishes to see the license being used. He doesn't want to fault anyone, but he doesn't want the license to be transferred and then have the license still at no premises.

Glenn Brady & Erika McConnell discuss the 4th waiver.

Sara Erickson states that it is unfortunate that this license has been on hold forever. It's not the applicants fault that this license has so many issues. She wishes for clarification that the intent to operate exists. She recommends postponing until the assurance is provided.

DeKay Bayliffe asks if it's postponed to January what happens to the waiver.

Erika McConnell states that the action would be back before the board in January.

Rex Leath asks if they anticipate having a license in this calendar year.

DeKay Bayliffe states not for 2019, but yes for 2020.

Rex Leath states that his concern is that unless assurance is provided in the functional capacity this license could continue non-operation. He references 04.11.360(1), the best interests of the public. It's not in the interest of the public to approve this based on what the license is intended for.

Bob Klein states that appropriate is a motion.

***Glenn Brady moves to postpone.
Charlie Cross seconds the motion.***

Sara Erickson asks if there is a delay for the applicant based on this decision.

Legal confirms that there would be.

Rex Leath clarifies that the board should clarify the intent of the motion/

Bob Klein states that the waiver is related to the renewal, not transfer. The transfer could go through.

Erika McConnell clarifies that the current waiver is from the current license holder. The waiver must be addressed before the transfer.

Rex Leath asks if the license is transferred, could the board deny the waiver but still transfer the license?

Erika McConnell clarifies that they could, and that the transferor and transferee could determine who wishes to appeal denial of the waiver. If the waiver is denied and the renewal is submitted next year, the renewal should be denied.

Rex Leath asks if this had not been brought before the board, when the board would hear about this matter.

Erika McConnell states that the board would not have known that it was not operated in 2019. At the end of 2020 the board would have learned of non-operation and a waiver would have been required to be submitted.

Rex Leath states that if the board didn't hear about it until next year what is the boards ability to take the license. He supports the license transferring and being used. He wants to find a way to make that work that is fair to other license holders. He doesn't see what the board loses if the board sees the license being operated. Can they draw the license back in at that point?

Erika McConnell clarifies that the board wishes to learn about these situations yearly rather than at renewal. One option is to deny the waiver with abeyance including that a transfer to a location be approved by the board by a certain date. She cautions the board regarding precedent.

Rex Leath asks when it was decided to disallow 4th waivers, was this type of scenario contemplated?

Bob Klein states that the consideration was not granting 4th waivers, no exceptions.

Sara Erickson asks if the waiver and transfer are denied, will the applicant have an opportunity to receive this license?

Sarah Oates, individual and previous staff member, provides historical information, there were two waivers from the former licensee due to extended bankruptcy to the first licensee, there was a similar situation many years ago, the license was approved with the stipulation that the license must be operated. She states that January meetings are crazy and in the interest of preserving time she recommends approving the transfer with the waiver abeyance or denial. But for the previous license she referenced, the license was in the off year for renewal and therefore the license was able to be renewed contingent on operation.

Bob Klein asks how the package store dealt with the final year.

Sarah Oates states that the license was just renewed.

Rex Leath asks if a license in 4th waiver status cannot be granted. The question before the board is to transfer the license and separately approve the waiver.

Bob Klein states that given the history and given that the license was forgiven the gap in the past, the transfer could be granted.

Rex Leath asks if there is any other business dealing between the current owner and new owner of the license; he hesitates to assume no premises can be obtained and would prefer to assume success.

Bob Klein states that his concern is the flip side, they would be allowing Foxglove to sell a non-operated license.

Rex Leath agrees, but he wants to know if they have the legal right to transfer the license.

Bob Klein states that they do not. They are playing fast and loose and he objects to that.

Sara Oates suggests that the board approve the transfer with the stipulation regarding a new transfer to a physical location by the end of the renewal period.

Bob Klein clarifies he believes that Foxglove doesn't have anything to sell anymore.

Sara Erickson asks why the previous waivers were requested. She asks if the board was not given all the relevant information at the original time of consideration.

Mikal Martin reads the reason given in the previous waiver. "Originally we planned on constructing a new facility at 450 Trent Circle, and have spent a few years trying to navigate some platting challenges with regard to development of the property. In recent months, we've determined we are unable to continue with the plan of constructing a new building due to limited financial resources. We have since listed the license with Mat-Su Realty & Appraisal Keller Williams Alaska Group for sale. We have been advised that there isn't enough data to determine how many 'Days on Market' the listing will be before sold. However, we have already been contacted by a few people interested in the license, and expect to continue monitoring the interest and activity and adjust the sales price accordingly to ensure that a transaction and complete transfer can be completed early in the year."

Sara Erickson states that the motion to table to January would be to receive more evidence that the license will be operated. But Bob Klein doesn't appear to want to approve

Bob Klein clarifies that he does not.

Glenn Brady states that the tabling to January doesn't address the fundamental issue.

Charlie Cross asks, based on the 3rd waiver approval, did it not intend to transfer the license during that period.

Bob Klein clarifies that the board gave them the 3rd waiver for the year.

Rex Leath states that if the 4th waiver is denied but the transfer is allowed it benefits the current license holder.

Sara Erickson states that he's selling it.

Bob Klein states that the year is 2019.

Sara Erickson and Bob Klein clarify that this applicant has until December 31.

Bob Klein clarifies the motion is to postpone.

Sara Erickson & Glenn Brady withdraw their motion and second.

Sara Erickson asks about the occurrence of the 4th waiver, Glenn Brady clarifies that the transfer would occur in 2020 not 2019.

Erika McConnell clarifies that the waiver was to not operate. The board said in February 2019 that it was okay that they did not operate in 2018 but that something had to be done in 2019. It had to be operated in 2019. Foxglove did not appear to have done it soon enough in 2019.

***Rex Leath states that he moves to deny. (Both the waiver and transfer applications)
Glenn Brady seconds the motion.***

None opposed, motion carries.

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

TAB 15

Renewal application.

Local governing body action: Municipality of Anchorage does not protest
Restaurant or eating place license with less than 50% of sales from food.

Erika McConnell summarizes Tab 15 and states that this is the license under consideration regarding the restaurant or eating place food sales requirement. She states that the board tabled consideration of the relevant draft policy until Joan Wilson, AAG is present.

Sherman Ernouf states that this has been tabled several times, he recommends approval or punting until January because this is not the only license situated this way.

Erika McConnell states that a couple meetings ago they researched and most other licenses operating in this manner were beverage dispensary-tourism licenses.

Sara Erickson states that he doesn't want his client to be penalized, if the policy ends up being against the restaurant or eating place then they could apply for a beverage dispensary-tourism. If they're amenable to get this off the agenda but the policy didn't appear to have traction.

Bob Klein states that in this case it's so unusual it appears they need a Beverage Dispensary license. The question is if the board will grant another year of operation?

Sherman Ernouf state that the proposal is a solution he is comfortable with. He commits on the record to apply for the beverage dispensary – tourism. 6-8 months or year will be necessary to complete the paperwork.

Glenn Brady agrees.

Bob Klein entertains a motion to renew for 1 year and recommend the license holder apply for a beverage dispensary license.

Glenn Brady so moves.

Rex Leath seconds the motion.

The motion is amended to approve the full renewal with a stipulation no other renewal will be approved for this license.

Sherman Ernouf agrees

None opposed, motion carries.

E. 4109 Fu Do Restaurant: Mong-Chen, Inc.

TAB 16

No premises, Anchorage

License: Beverage Dispensary

From: Dana Ma 100% at 2600 East Tudor Road

To: Edward Hsu 50% and Stephanie Hsu 50%

Reinstatement and renewal for 2019/2020; waivers for 2017-2019; transfer of controlling interest and location.

Local governing body action: pending Municipality of Anchorage

Approvals: Department of Labor, Department of Revenue

Background investigations: pending

Additional copies of documents are provided by the legal counsel, Dan Coffey and Sherman Ernouf, for this license.

Erika McConnell summarizes Tab 16.

Bob Klein asks about licenses being renewed at no premises. Bob Klein & Erika McConnell state that transfers to no premises usually occur before renewal rather than during as this application proposes.

Erika McConnell clarifies that what is proposed appears to be essentially applying for a new license due to all the changes but no renewing. This reinstatement requests is for the sale of the license, not to the original property. The situation does not appear to be the spirit of title 4.

Sara Erickson asks about the change in staff policy regarding no premises licenses.

Erika McConnell clarifies that staff practice has changed. No premises is not mentioned in statute or regulation. Statute says that the board must approve transfers of location. The concept of "No premises" makes sense but does not exist in statute or regulation. Previous directors or staff guidance has caused these transfers to be done administratively but it doesn't seem to be appropriate.

Sara Erickson states that as a member of the public it is a point of concern for her that staff is subjective in the way that they make decisions. Precedent must be made by the board but they are dependent on staff recommendation. She discusses that this is her problem with the AMCO staff providing different answers, based on the feelings of staff. As a member of the public she reminds staff that this is an issue with the public and if AMCO staff can't relate well with the public it's because of the staff decision to look at things differently. When the board is asked to make decisions on the whim on the staff it could have been that staff did not provide enough facts.

Bob Klein states that the legal counsel have been patient. Sherman Ernouf states that the facts are boiled down to the death of a licensee occurring and many issues including malpractice from previous

attorneys. The boards position on the death of a licensee has been loosened but the directors concern is not the death of a licensee, it's a lack of premises. He references 04.11.260. The board is caught between factual circumstance and Title 4. He references the contingent contract for purchase of this license. He states that they wish to get the approvals and transfer the license to be able to operate within 2020.

Bob Klein states that he instructs the board that this is the reason that the board is present. To interpret the law while considering the human factor.

**Glenn Brady moves to approve all the provided applications with delegation.
Charlie Cross seconds the motion.**

Dan Coffey states that this is the most difficult case he has ever handled.

Glenn Brady states that this comment is regarding the frustration regarding the no premises issue, he feels if the process itself should be allowed more flexibility for situations similar to this. He finds the motion appropriate. The no premises vehicle is an appropriate tool.

None opposed, motion carries.

Bob Klein states that he makes one comment, staff took exactly the right approach with this. Their recommendations are appropriate. It is the boards job to take other factors in consideration.

Dan Coffey states that he is retiring. He says that he said yes mam to his wife.

Board calls for lunch break at 11:56. They clarify that there are two items time certain for discussion after lunch. At 1:00 there is a presentation regarding OAH and then the recreational activities definition regulations project will be addressed.

Erika McConnell clarifies that the board is required to be out by 5:00.

Break is called 11:57am.

The meeting resumes 1:00pm.

● **Office of Administrative Hearings – Overview of Adjudication** **1:01 pm**

Judge Cheryl Mandala, Deputy Chief Administrative Law Judge and Chris Kennedy, Tax Qualified Administrative Law Judge provide an overview of the Office of Administrative Hearings (OAH) process.

Cheryl Mandala States that OAH is an independent agency that hears appeals. They provide legally trained adjudicators to hear disputes and help resolve them. The appeal is taken from a board decision to OAH, to review and provide a more in-depth look at the matter at hand. Then propose a decision to the board and then they work with the board deliberatively to help the board reach the best board decision before the matter is appealed to the court system.

Chris Kennedy states that board decisions are technically being appealed, however it is more of a requirement for a closer look. Lots is done in board meetings on the basis of applications, if someone has been grieved by that they can ask for a hearing. The hearing is the OAH gathering evidence to allow the board to better make their decisions with all possible information. The OAH proposes a decision and then goes into deliberation with the board. Usually the ultimate decision is a compromise.

Cheryl Mandala states that procedurally, appeals come to OAH in 2 ways. Either when the board acts on the license or if the license is denied. If a hearing is requested, it goes before OAH. The hearing is subject to the administrative procedure act that is much more like a trial where things such as burden of proof are required. The appellant has the requirements of burden of proof. The written proposal goes out to the parties and then they can file proposals for action where the parties can either request the board to accept the decision, remand the decision to the ALJ for more evidence, reject a factual finding, or request a different decision. Then the board provides a proposal for action and a cover letter. Then deliberation is scheduled if the board supports it. She refers to Chris Kennedy to allow him to discuss ex-parte communication.

Chris states that ex-parte is tricky for boards. Once the case goes before the ALJ the director becomes a party and separate from the board. The board becomes the jury. Neither side can discuss the case with the board while it's under advisement. This would put staff in a difficult position, and it can be a violation of the law. Members of the public should not discuss cases in formal hearing with the board or recusal may become necessary. This allows the board to refuse to speak on a matter during appeal. Once the case is over, they can communicate regarding the matter.

Cheryl Mandala states that the AAG assigned to the board can become tricky during these hearings, the board AAG stops being the board's attorney during a case that is before the board because the AAG is representing a party to the appeal. It's difficult to see the lawyer as a regular party appearing before the board.

Chris Kennedy clarifies that the AAG becomes an advocate during OAH hearings. Independent advice can be attained from the OAH or another AAG. The one person the board cannot get legal advice from during the procedures is their assigned AAG.

Cheryl Mandala states those are the biggest concerns that arise.

Erika McConnell requests that the OAH discuss the settlement and mediation options.

Cheryl Mandala states that this area can be weird and confusing and thanks Erika McConnell for the reminder. Usually either litigation or settlement can occur, but in cases before a board or commission the final approval of a settlement belongs to the board. The director and legal counsel may look at a case that has been appealed and the party may wish to mediate. Mediators can be used in a formally mediated context. If an agreement is reached it is presented to the board. If it is not approved, it goes back to hearing.

Chris Kennedy states that most often if a litigation is approved by staff and applicant, the mediator will discuss the mediation with the board. The board can either approve or deny, but not negotiate the settlement. Frequently settlement proposals are disapproved by boards.

Cheryl Mandala states that boards sometimes disapprove settlements because written decisions are needed, all decisions are published and there may be policy reasons that they wish to have a written decision on the record. She asks for questions.

Bob Klein states that the strength in the service that the OAH gives is that it's open microphone in board meetings but the OAH is under oath and proceeds like a trial.

Chris Kennedy states that the board could be provided a link to the board's prior decisions on the OAH website. This could give the board a sense of what occurs.

● REGULATION

1:22 pm

1. Definition of "Recreational and Gaming Opportunities"

Tab 51

Status: Public comment period closed September 24, 2019

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

Bob Klein summarizes that the period for comment is closed and the board will be considering it at this time.

Sara Erickson moves not to adopt this regulation.

Glenn Brady seconds the motion.

Glenn Brady provides some history for this matter. In July he asked this to be published to foster a discussion about this segment of the industry. He has been in the industry for 22 years, and he feels that he has a good sense of the legislative intent, it was not the intent for manufacturers to become "taprooms". The compromises articulated in the current statute were hard fought. While many comments received on this regulation were directed towards opening the restrictions, they show a lack of understanding of why the restrictions were in place. He encourages those folks to read their history, the idea of removing regulation completely is ultimately to the detriment of the industry itself. If you pay attention to the history of the 18th and 21st amendments, there are challenges within title 4, but in maintaining the restrictions, it maintains order in the marketplace. Having grown up as a small brewery he knows how difficult it is. He urges people, particularly in the "vibrant small manufacturing industry" to be mindful of the fellows in the larger industry. While he appreciates the promotion of business he thinks it is important to understand alcohol is not like other commodities. There are other issues regarding retail of alcohol. The restrictions are on retailing not regulations. He is not in favor of the modifications as proposed but he urges constituents to stay at the table to discuss this matter. It serves no one well to increase acrimony or make accusations regarding bribery or backroom deals. It was not the director that started this. He appreciates the thoughtful feedback and encourages the less thoughtful to reconsider words and attitudes. He reminds people that alcohol is not like other commodities. While tasting rooms are wonderful, they are part of a larger industry the board is charged with regulating.

Sara Erickson asks Glenn Brady if he doesn't want to accept the regulation as written, what is his suggestion?

Glenn Brady states that as SB-52 has the best compromise, he finds the struggle that licensees and their constituents don't understand the history. He knows there are some in the industry advocating for relaxing or removal of restrictions and he is not an advocate for that. The state is a pay to play system. These are not back room deals and he wants dialogue to occur in a constructive manner. What was proposed is not the final determination. What is in front of them on the books is not quite right. He is not in favor of removing regulation all together.

Sara Erickson states that it goes back to Title 4, it's left to the board to come up with explanations. She appreciates the staffs attempt but to add the details seems extremely burdensome. Alaska is changing

what consumers want such as Uber. Changes are going to be addressed at some point, she hopes the legislature addresses title 4 and she supports fewer restrictions. The public has made it clear what they want. The board and legislature must address this. She wants the board to be open and evolve regarding the changes suggested. Respectfully she understands but disagrees. As a public person she was not expected to know anything about it. She would like to see changes.

Glenn Brady states that the roll of the board is to address this. This is not a 100 year old rule. Manufacturing and tasting rooms were allowed in 2006. These rules are not in place to hinder the good operators and community centers and people who promote healthy norms regarding alcohol but he must be mindful of the longer term prospective. While it's good to ask for removal of rules, they're there for a reason. It's important the board educate itself. There were lots of people who worked very hard to get what they have now. To turn the boards back on that is not doing the state a service. It would be to the detriment of the industry and possibly ultimately the consumers as well to deregulate. He wants to take a broad stable approach while being pro industry and pro Alaska.

Bob Klein states that he was blown away with the volume of comments. Most comments were individuals who wrote letters on their feelings, only 2 form letters occurred. The rest were individuals, this gives lots of lessons. Manufacturers are well accepted by the public, and the number of municipalities, organizations and chambers indicated that the industry is embraced by the governments in the areas as an asset. Frequently the industry gets thrown in as vice but it has been embraced. There were only 4 comments in favor of the regulation change. One from the brewer's guild and one from CHARR stating that they are working together. Bob Klein states that the members have recommendations and those may be useful. He does not support the regulation as written.

Glenn Brady states that he encourages the lawmakers to stick with what the industry has worked so hard to reach comprises on and avoid the temptation to address this matter. Having spent significant time to craft these compromises, to throw the statute out without deference to the SB 52 compromise is going to create some profound unintended consequences. He echoes the comments regarding allowing the industry to reach compromise.

Sara Erickson states that on the current definition, the 9-8 am to pm restrictions don't allow for service in the time when money is made. They are so restricted it damages the businesses. It must work for Alaskans. Midnight doesn't seem like midnight in the summer in Alaska. She believes the legislature should address these matters.

None opposed, motion carries.

Erika McConnell asks 2 clarifying questions, does the vote mean the project is closed (yes, the project is closed) and does the vote direct staff to enforce the prohibitions listed in the existing statutes and ignore other opportunities. The board states that staff should enforce the prohibitions listed and in any case of gross misuse, cases should be brought to board.

F. 4283 PubHouse: Bistro IT, LLC
1020 W 12th Avenue, Anchorage
License: Beverage Dispensary - Tourism

TAB 17

Request for seasonal alternating premises.

Bob Klein summarizes Tab 17.

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

- G. 5095 Taku Lanes:** Taku Lanes, LLC
608 W Willoughby Avenue, Juneau
License: Recreational Site

TAB 18

Renewal application for reconsideration.

Local governing body action: pending City and Borough of Juneau

Bob Klein summarizes Tab 18.

Glenn Brady asks if anyone is available to speak for Taku Lanes.
No one is present.

Erika McConnell clarifies that this was done for several other licenses but not this one. The previous license holder now expresses interest in getting the license back.

*Glenn Brady states that there is limited recourse in this situation. **He moves to reconsider and approve this renewal.***

Charlie Cross seconds the motion.

None opposed, motion carries 4-0. (Rex Leath abstains)

- H. 5563 Homer Spit Oyster Bar:** Suvi Mirja Bayly
3851 Homer Spit Road, Homer
License: Restaurant or Eating Place-Public Convenience

TAB 19

Consideration of reduction of premises.

Bob Klein summarizes the information listed in item H, Erika McConnell clarifies and summarizes the information presented in Tab 19.

Erika McConnell states that it is unclear if the director has the authority to reduce the premises in this type of situation.

Bob Klein states that the issue is the unsigned license lease?

Erika McConnell states that it is an area where the license does not have right, title and interest.

Glenn Brady clarifies that once the lease is signed, the matter will be resolved. He opens the phone lines to hear from the licensee.

She is not present.

Glenn Brady states that once the lease is signed the problem goes away.

Bob Klein states that the premises currently includes the deck.

Glenn Brady asks if the board can move to temporarily delicense pending proof of right title and interest.

Erika McConnell proposes reduction of premises on March 1 if no signed amendment is received.

Glenn Brady so moves.

Erika McConnell summarizes that the motion would be reduction of the premises if the office has not received a signed lease by March 1 2020.

Rex Leath seconds the motion.

None opposed, motion carries.

Joan Wilson joins the meeting.

- I. 5856 Eucharistic Heart of Jesus Ministries: Sisters of the Eucharistic Heart of Jesus TAB 20**
11711 Old Seward Highway, Anchorage
License: Package Store

New license application.

Local governing body action: pending Municipality of Anchorage

Criminal background investigations: complete

Consideration of proposed licensed premises location and operations.

Erika McConnell summarizes Tab 20.

Bob Klein asks for introductions from the applicants.

Sister Genevieve and Sister Angela are present in person.

Bob Klein states that Brown Jug used to carry sacramental wine that was brought in just for them. He asks why they do not wish to use that. He asks why a current package store cannot work with them.

Sisters state that Mr. Francis contacted individuals and they were not interested in carrying the items.

Bob Klein states that the question was asked the wrong way. He states that a package store could carry these items for them. It would be easier for a package store to carry this item for the applicants and other churches. He offers to get the information after the meeting to broker an arrangement. Package Stores exist for the general public and not for this type of operation.

The applicants state that they have been trying to get someone to carry their alcohol but have not found someone that is willing to.

Bob Klein states that he would love to help them. He states that service can be found. The license being in a personal storage area is a problem, and not selling to public is a problem.

The applicants asks how this works, they have paid a lot of money and Francis from the Municipality told them that this was their last attempt to get the wine.

Bob Klein states that regarding the fees, the board can address the money paid to ABC, but not the municipality.

Erika McConnell states that Francis McLaughlin is a contact that they seem to have had at the municipality.

Bob Klein states that he is surprised at Francis' answer and direction.

No motion is made.

- J. 5857 Anchorage Senior Center:** Anchor-Age Center
1300 E 19th Avenue, Anchorage
License: Restaurant or Eating Place

TAB 21

New license application.

Local governing body action: pending Municipality of Anchorage

Criminal background investigations: pending

Consideration of proposed licensed premises.

Erika McConnell summarizes Tab 21.

Stephanie Brose and Gordon Blazer, applicants, are present to discuss the application.

Stephanie discusses the service at the Arctic Rose. It's not always used but service in rooms 101(b), 101(c) and the Sullivan room occurs on a regular basis. Evening events involve all areas with modular seating. The challenge is that by selling those items they're trying to provide for the senior center programs. Currently they use permits to allow alcohol.

Gordon states that something like the Friday Veterans day luncheon occurs in this area. Dances and classes are held in this area, there is a central kitchen and the space becomes bigger or smaller. It's a continuous room with line of sight. There are many different programs that need different size rooms based on response to events.

Bob Klein asks what the concern is.

Erika McConnell clarifies that the area is used for many things including non-restaurant activities. The restaurant or eating place regulation requires that the board determine the area that constitutes a restaurant only license that area. The area(s) do not always appear to be used for a restaurant. This is a board decision.

Rex Leath clarifies that there are many restaurant or eating place locations in Alaska that use their space for other purpose. The board must be cautious regarding whether the area will be used appropriately. He finds it reasonable for this license to be used in this way. The board has the ability to allow this type of thing if the request is reasonable.

Glenn Brady moves to approve the new license application with delegation.

Rex Leath seconds the motion.

None opposed, motion carries.

Gordon requests everyone attend the veterans luncheon.

● **PUBLIC HEARINGS – PROTESTS**

2:14 pm

A. 2159 Whisky & Ramen: Whisky & Ramen, LLC

TAB 22

436 W 4th Avenue, Anchorage

License: Beverage Dispensary

From: Fish or Cut Bait LLC, DBA Blues Central, at 609 F Street

Transfer of ownership and location, and DBA change.

Approvals: Department of Labor, Department of Revenue

Background investigations: complete

Municipality of Anchorage protests pending certification from Fire Department and issuance of conditional use permit; creditor objection.

Dylan Buchold, Fish or Cut Bait representative is present in person.

Bob Klein summarizes Tab 22.

Bob Klein asks what the difference is between a CUP and SLUP.

Erika McConnell clarifies that in some areas it's a CUP and others a SLUP.

Dylan Buchold states the CUP is on the assembly agenda. The property in question is a conversion of Mad Hatter near hard rock café. It's under construction. He states that the creditor objection related to Fish or Cut Bait is Hotwire, LLC and the objector is not opposed to delegation of this matter.

Bob Klein states that 5820 is also present in this group. The muni protests pending a SLUP. Tent City Taphouse is protested pending Certification from the Fire Department.

Bob Klein asks to reconsider the approvals for Tab 22, Tab 23 and Tab 24, and deny the applications with 180 day abeyances (and delegation).

Glenn Brady so moves.

Rex Leath seconds the motion.

Bob Klein clarifies it's a single abeyance period for each of these items that cannot be extended.

None opposed, motion carries.

B. 5820 Originale LLC: Originale LLC

TAB 23

400 D Street, Suite 1-B, Anchorage

License: Restaurant or Eating Place

New license application.

Background investigations: complete

Municipality of Anchorage protests pending issuance of special land use permit.

Considered above.

C. 5845 Tent City Taphouse: Tent City Taphouse LLC

TAB 24

343 W 6th Avenue, Anchorage

License: Restaurant or Eating Place

New license application.

Background investigations: complete

Municipality of Anchorage protests pending certification from Fire Department.

Considered above.

● **PUBLIC HEARINGS – OBJECTIONS**

Dylan Buchold addresses tabs 25 & 30, as he understands it it's the Hotwire LLC objection and they request delegation.

The board takes all objections, 217, 780, 3050, 3299, 4665 & 5374 as one motion.

Bob Klein reads the Public Hearings-Objection items into the record.

Glenn Brady moves to approve tabs 25-30 with delegation.

Rex Leath seconds the motion.

None opposed, motion carries.

Dylan Bucholdt asks about the new duplicate license on the agenda. He states that the Blues Central license was transferred out and that there needs to be a duplicate license put in place. There was a duplicate license there and then the club 210 license was purchased but now they're selling it. Now they are applying for 5843 Blues Central Duplicate.

Bob Klein clarifies the motions are with delegation.

A. 217 Williwaw: Fish or Cut Bait, LLC

TAB 25

609 F Street, Anchorage

License: Beverage Dispensary

From: Robert Jurasek 20%, Dylan Buchholdt 20%, James Pentlarge 20%, William Opinsky 20% and James Maurer 20%

To: Robert Jurasek 50% and Dylan Buchholdt 50%

Transfer of controlling interest.

Local governing body action: pending Municipality of Anchorage

Approvals: Department of Labor, Department of Revenue

Criminal background investigations: completed

Multiple creditor objections.

B. 780 North Pole Alehouse: The North Pole Pub, LLC

TAB 26

2643 Old Richardson Highway, North Pole

License: Beverage Dispensary

From: Red Pants, Inc., DBA The Refinery Lounge

Transfer of ownership and DBA change.

Local governing body action: pending City of North Pole and Fairbanks North Star Borough

Approvals: Department of Revenue, Department of Labor – Workers' Compensation

Pending: creditors

Background investigations: pending

Department of Labor – Employment Security objects due to non-compliance.

- C. 3050 Cushman Irashai:** Three Star, LLC TAB 27
1448 S Cushman Street, Fairbanks
License: Restaurant or Eating Place
From: 3Giro, Inc., DBA Irashai

Transfer ownership and DBA change.

Local governing body action: pending City of Fairbanks and Fairbanks North Star Borough
Approvals: Department of Labor – Employment Security, Department of Revenue
Background investigations: pending

Department of Labor – Workers’ Compensation objects due to non-compliance.

- D. 3299 El Chicano Mexican Restaurant:** El Chicano Inc. TAB 28
402 Marine Way, Suite 100, Kodiak
License: Beverage Dispensary
From: 103 Center Avenue

Transfer of location.

Local governing body action: pending City of Kodiak and Kodiak Island Borough
Approvals: Department of Revenue, Department of Labor
Pending: creditors
Background investigations: complete

Department of Environmental Conservation objects due to not receiving Food Service Application.

- E. 4665 Hutchinson Commercial, LLC:** Hutchinson Commercial, LLC TAB 29
Mile 161 Steese Highway, Circle
License: Package Store
From: Earla Hutchinson, DBA Hutchinson Commercial Co.

Transfer of ownership and DBA change.

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

Department of Labor – Employment Security objects due to non-compliance.

- F. 5374 Birch:** Fish or Cut Bait, LLC TAB 30
609 F Street, Anchorage
License: Beverage Dispensary - Duplicate
From: Robert Jurasek 20%, Dylan Buchholdt 20%, James Pentlarge 20%, William Opinsky 20%
and James Maurer 20%
To: Robert Jurasek 50% and Dylan Buchholdt 50%

Transfer of controlling interest.

Local governing body action: pending Municipality of Anchorage
Approvals: Department of Labor, Department of Revenue
Criminal background investigations: completed

Creditor objection.

● **OUTDOOR RECREATION LODGE – NEW APPLICATIONS**

2:26 pm

Bob Klein takes all 3 new outdoor Recreation lodges together. 5844, 5849 & 5853.

Glenn Brady moves to approve with delegation.

Charlie Cross seconds the motion.

None opposed, motion carries.

- A. 5844 A Taste of Alaska Lodge:** A Taste of Alaska Lodge LLC
551 Eberhardt Road, Fairbanks
License: Outdoor Recreation Lodge

TAB 31

New license application.

Local governing body action: pending Fairbanks North Star Borough

Approvals: Department of Environmental Conservation, State Fire Marshal's Office

Background investigations: complete

- B. 5849 Borealis Basecamp:** Borealis Basecamp LLC
2640 Himalaya Road, Fairbanks
License: Outdoor Recreation Lodge

TAB 32

New license application.

Local governing body action: pending Fairbanks North Star Borough

Approvals: Department of Environmental Conservation

Pending: State Fire Marshal's Office

Background investigations: complete

- C. 5853 Wood River Lodge:** Wood River Lodge LLC
US Survey No. 4499, Healy
License: Outdoor Recreation Lodge - Seasonal

TAB 33

New license application.

Local governing body action: pending Denali Borough

Pending: Department of Environmental Conservation, State Fire Marshal's Office

Background investigations: complete

*Glenn Brady Moves to approve all tourism licenses Tabs 34-40 with delegation.
Rex Leath seconds the motion.
None opposed, motion carries.*

- A. 4403 Humpy’s Great Alaskan Alehouse:** Host Chen ANC FB, LLC TAB 34
Ted Stevens Anchorage International Airport, Ste. C2208, Anchorage
License: Beverage Dispensary – Tourism
From: Host International, Inc.

Transfer of ownership.

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

- B. 4987 Humpy’s Great Alaskan Alehouse:** Host Chen ANC FB, LLC TAB 35
Ted Stevens Anchorage International Airport, Ste. SB2750, Anchorage
License: Beverage Dispensary – Tourism Duplicate
From: Host International, Inc.

Transfer of ownership.

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

- C. 4988 Norton Sound Seafood House:** Host Chen ANC FB, LLC TAB 36
Ted Stevens Anchorage International Airport, Ste. C2052, Anchorage
License: Beverage Dispensary – Tourism
From: Host International, Inc.

Transfer of ownership.

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

- D. 5320 Norton Sound Seafood House:** Host Chen ANC FB, LLC TAB 37
Ted Stevens Anchorage International Airport, Ste. C2052B, Anchorage
License: Beverage Dispensary – Tourism Duplicate
From: Host International, Inc.

Transfer of ownership.

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

- E. 5334 Nome Nugget Inn:** JPS Enterprises, Inc. **TAB 38**
315 W Front Street, Nome
License: Beverage Dispensary – Tourism
From: SJY, Inc.

Transfer of ownership.

Local governing body action: pending City of Nome
Approvals: Department of Revenue, Department of Labor – Employment Security
Pending: Department of Labor – Workers’ Compensation
Background investigations: pending

- F. 5469 Sleeping Lady Airport Lounge:** Host Chen ANC FB, LLC **TAB 39**
Ted Stevens Anchorage International Airport, Ste. C3119, Anchorage
License: Beverage Dispensary – Tourism
From: Host International, Inc.

Transfer of ownership.

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

- G. 5846 Four Points by Sheraton, Anchorage:** YC Anchorage Hotel Group **TAB 40**
Limited Partnership
325 W 8th Avenue, Anchorage
License: Beverage Dispensary – Tourism

New license application.

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

● DELEGATED CONSENT AGENDA – NEW & TRANSFER APPLICATIONS **2:28pm** **TAB 41**

Bob Klein summarizes the Delegated Consent agenda.

- A. 810 108 Tap House & Burger Bar:** Cape Fox Lodge, LLC
108 Main Street, Ketchikan
License Beverage Dispensary
From: Abbott & Abbott, LLC, DBA Mike’s Elbow Room

Transfer of ownership and DBA change.

Local governing body action: City of Ketchikan does not protest; pending Ketchikan Gateway Borough
Approvals: Department of Labor, Department of Revenue
Background investigations: complete

- B. 1187 Upper One:** Host Chen ANC FB, LLC
Ted Stevens Anchorage International Airport, Ste. AS2350, Anchorage
License: Beverage Dispensary
From: Host International, Inc.

Transfer of ownership.

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

- C. 1475 Pizza Hut of Fairbanks:** MP2 Alaska, LLC
89 College Road, Fairbanks
License: Restaurant/Eating Place
From Kurani, Inc., DBA Pizza Hut #5

Transfer of ownership and DBA change.

Local governing body action: pending City of Fairbanks and Fairbanks North Star Borough
Approvals: Department of Labor, Department of Revenue
Background investigations: complete

- D. 1709 Pizza Hut of Eagle River:** MP2 Alaska, LLC
11740 Old Glenn Highway, Eagle River
License: Restaurant/Eating Place
From Kurani, Inc., DBA Pizza Hut #7

Transfer of ownership and DBA change.

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

- E. 1920 Salty's on 2nd:** Tres Amigas, LLC
706 2nd Avenue, City of Fairbanks
License: Beverage Dispensary
From: Gambardella's II, Inc., DBA Gambardella's Pasta Bella

Transfer of ownership and DBA change.

Local governing body action: pending City of Fairbanks and Fairbanks North Star Borough
Approvals: Department of Labor, Department of Revenue
Background investigations: complete

- F. **3210 Little Mermaid:** Voglco LLC
162 West Pioneer Avenue, Homer
License: Restaurant Eating Place
From Bivalves, Inc, DBA Café Cups

Transfer of ownership and DBA change.

Local governing body action: pending City of Homer and Kenai Peninsula Borough
Approvals: Department of Revenue
Pending: Department of Labor
Background investigations: pending

- G. **3302 Pizza Hut of Wasilla:** MP2 Alaska, LLC
851 Parks Highway, Wasilla
License: Restaurant/Eating Place
From Kurani, Inc., DBA Pizza Hut #12

Transfer of ownership and DBA change.

Local governing body action: City of Wasilla does not protest; pending Matanuska Susitna Borough
Approvals: Department of Labor, Department of Revenue
Background investigations: complete

- H. **4142 Bar Harbor Restaurant:** Martin Smith, James Jones
55 Schoenbar Court, Suite 104, Ketchikan
License: Restaurant/Eating Place
From: Martin Smith and Cammy Smith

2019/2020 Renewal and transfer of ownership.

Local governing body action: City of Ketchikan and Ketchikan Gateway Borough do not protest
Approvals: Department of Labor, Department of Revenue
Background investigations: pending

- I. **5543 Yama Sushi:** 3M3R LLC
351 – B Muldoon Road, Anchorage
License: Restaurant/Eating Place
From Jung Gue Lee

Transfer of ownership.

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

- J. **5837 Nanvek Café:** Heritage Lake, LLC
8800 Heritage Center Drive, Anchorage
License: Restaurant or Eating Place

New license application.

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

- K. 5840 Bell's Vinyard and Winery, LLC:** Bell's Vinyard and Winery, LLC
11900 Industry Way, Unit M-7, Anchorage
License: Winery

New license application.

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

- L. 5843 Blues Central:** Fish or Cut Bait, LLC
609 F Street, Anchorage
License: Beverage Dispensary - Duplicate

New license application.

Local governing body action: pending Municipality of Anchorage
Criminal background investigations: completed

- M. 5850 Target Store T2371:** Target Stores, Inc.
1200 North Muldoon Road, Suite F, Anchorage
License: Package Store

New license application.

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

- N. 5851 Target Store T2372:** Target Stores, Inc.
150 West 100th Avenue, Anchorage
License: Package Store

New license application.

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

- O. 5852 Moonstone Farm:** David and Michelle Church
2141 S Church Street, Palmer
License: Beverage Dispensary

New license application.

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

- P. 5854 Bleeding Heart Brewery:** Bleeding Heart Brewery, LLC
562 S Denali Street, Palmer
License: Brewery

New license application.

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

- Q. **5860 Magnetic North Brewing Co.:** Magnetic North Brewing Co., LLC
8861 Golovin Street, Anchorage
License: Brewery

New license application.

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

- R. **5867 Matanuska Brewing Company:** Matanuska Brewing Company, LLC
513 South Valley Way, Palmer
License: Winery

New license application.

Local governing body action: pending City of Palmer and Matanuska-Susitna Borough
Pending: Department of Environmental Conservation, State Fire Marshal's office
Background investigations: completed

All Delegated Consent Agenda Items are considered.

Glenn Brady Moves to approve with delegation.

Charlie Cross seconds the motion.

None opposed, motion carries.

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

2:33pm

TAB 42

Glenn Brady reads the Consent Agenda

- A. **1666 Pepper Mill, LLC:** Pepper Mill, LLC
No Premises, Anchorage
License: Beverage Dispensary
From Irwin Development Group, LLC, DBA Irwin Development

Transfer of ownership and DBA change.

Local governing body action: Municipality of Anchorage does not protest
Approvals: Department of Labor Worker's Compensation, Department of Revenue
Background investigations: complete

- B. **5841 Sea Star:** Alaska Travel Adventures, Inc.
Alaska Waters
License: Common Carrier – Vessel Seasonal

New license application.

Background investigations: complete

- C. **5842 North Star:** Alaska Travel Adventures, Inc.
Alaska Waters
License: Common Carrier – Vessel Seasonal

New license application.

Background investigations: complete

- D. 5863 Carnival Spirit:** Carnival License Holdings Limited
Alaska Waters
License: Common Carrier – Vessel Seasonal

New license application.

Background investigations: complete

- E. 5864 Carnival Miracle:** Carnival Licensing Holdings Limited
Alaska Waters
License: Common Carrier – Vessel Seasonal

New license application.

Background investigations: complete

- F. 5866 Star Breeze:** Windstar Cruises Marshall Islands, LLC
Alaska Waters
License: Common Carrier – Vessel Seasonal

New license application.

Background investigations: complete

All consent agenda items are considered.

Rex Leath moves to approve the Consent Agenda items.

Glenn Brady seconds the motion.

None opposed, motion carries.

● **RENEWAL APPLICATIONS FOR LICENSE WITH 2018 AND 2019 NOTICES OF VIOLATION 2:34 pm**

- A. 4044 Liquor Cabinet/Cost Savers:** Liquor Cabinet Inc **TAB 43**
2161 Mill Bay Road, Kodiak
Local governing body: City of Kodiak; Kodiak Island Borough
License: Package Store

04/02/2018- Lack of server education.

- B. 5356 Zudy's Cafe:** Zudy's Café LLC **TAB 44**
501 Railway Avenue, Seward
Local governing body: City of Seward; Kenai Peninsula Borough
License: Restaurant/Eating Place - Public Convenience

08/28/2019- Lack of server education.

Glenn Brady moves to approve the renewal applications for license 4044 & 5356 with delegation.

Rex Leath seconds the motion.

None opposed, motion carries.

*Glenn Brady moves to approve all renewals in Tab 45 with delegation.
 Charlie Cross seconds the motion.
 None opposed, motion carries.*

Lic #	Doing Business As	License Type	Local Governing Body
275	Copper Rail Depot	Beverage Dispensary	None
475	Denali Grizzly Bear	Package Store-Seasonal	Denali Borough
589	Kito's Kave Bar & Liquor	Beverage Dispensary	Petersburg Borough
590	Kito's Kave Bar & Liquor	Package Store	Petersburg Borough
704	Costco Wholesale #1342	Package Store	City of Fairbanks; Fairbanks North Star Borough
727	Lavelle's Bistro	Beverage Dispensary	City of Fairbanks; Fairbanks North Star Borough
790	Nugget Restaurant	Beverage Dispensary	City & Borough of Sitka
1019	Seldovia Liquor Store	Package Store	City of Seldovia; Kenai Peninsula Borough
1067	Sourdough Liquor Store	Package Store	City of Ketchikan; Ketchikan Gateway Borough
1207	V.F.W. Post #9365	Club	City of Wasilla; Matanuska-Susitna Borough
1731	Pleasant Valley Store	Package Store	Fairbanks North Star Borough
1811	Ralf's Sports Bar	Beverage Dispensary	Municipality of Anchorage
1836	Knik Kountry Liquor #1	Package Store	Matanuska-Susitna Borough
2301	Grog Shop East End	Package Store	City of Homer; Kenai Peninsula Borough
2587	The Moose Caboose	Beverage Dispensary - Seasonal	City of Cordova
2613	Shogun Hibachi Japanese Steakhouse	Restaurant/Eating Place	Fairbanks North Star Borough
2851	Pagoda Chinese Restaurant	Beverage Dispensary	City of North Pole; Fairbanks North Star Borough
3174	Harbor Grill	Beverage Dispensary - Seasonal	City of Homer; Kenai Peninsula Borough
3489	Arctic Fox Bar	Beverage Dispensary	City of Fairbanks; Fairbanks North Star Borough
3855	Kenai Backcountry Lodge	Restaurant/Eating Place-Seasonal	Kenai Peninsula Borough
3957	Coho's	Beverage Dispensary - Seasonal	None
3982	Tokyo Restaurant & Sushi Bar	Restaurant/Eating Place	City of Wasilla; Matanuska-Susitna Borough
3995	Minute Mart	Package Store	Fairbanks North Star Borough

Lic #	Doing Business As	License Type	Local Governing Body
4048	Amelia's Restaurant	Restaurant/Eating Place- Public Convenience	City of Unalaska
4136	Homer Brewing Company	Brewery	City of Homer; Kenai Peninsula Borough
4161	Benihana	Beverage Dispensary	Municipality of Anchorage
4184	12 Mile Roadhouse	Beverage Dispensary	Fairbanks North Star Borough
4290	Half Rack Liquor	Package Store	Matanuska-Susitna Borough
4424	Anvik River Lodge	Outdoor Recreation Lodge - Seasonal	None
4557	Northern Lights Pizzeria	Restaurant/Eating Place- Public Convenience	Municipality of Skagway Borough
4750	Anchorage Billiard Palace	Beverage Dispensary	Municipality of Anchorage
4782	Kingfisher Roadhouse	Restaurant/Eating Place- Public Convenience Seasonal	Kenai Peninsula Borough
5188	Alaska Berries	Winery	Kenai Peninsula Borough
5234	Rustic Goat	Restaurant/Eating Place	Municipality of Anchorage
5263	Lemongrass Thai Cuisine	Restaurant/Eating Place	Fairbanks North Star Borough
5266	Fushimi	Restaurant/Eating Place	City of Fairbanks; Fairbanks North Star Borough
5287	Seward Brewing Company	Restaurant/Eating Place- Public Convenience Seasonal	City of Seward; Kenai Peninsula Borough
5288	Seward Brewing Company	Brewpub - Seasonal	City of Seward; Kenai Peninsula Borough
5467	Alpine Creek Lodge	Restaurant/Eating Place	Matanuska-Susitna Borough
5611	Bawden Street Brewing Company	Brewery	City of Ketchikan; Ketchikan Gateway Borough
5621	The Highliner Restaurant	Restaurant/Eating Place- Public Convenience	City of Seward; Kenai Peninsula Borough
5653	Baja Taco	Restaurant/Eating Place	City of Cordova

● REGULATIONS

A. Proposed Regulations Projects

1. Combined Tasting Rooms

TAB 46

Status: Initial proposal for board consideration

Potential Board Actions: Open a regulations project; amend and/or put out for public
Comment

Erika McConnell summaries Tab 46.

Bob Klein asks for the boards input.

Rex Leath asks for clarification regarding the intent of this regulation.

Erika McConnell states that it is addressing co-located tasting rooms for manufacturing licenses. She takes the point that the licensed premises could be separated to get around the limits. This was intended to be related to overlapping licenses, not just licenses near each other.

Rex Leath states that this must be addressed as though the individual does not have knowledge of the intent.

Bob Klein asks for suggestions.

Rex Leath states that “the same physical location” needs to be clarified to specify physical street address or physical buildings.

Glenn Brady agrees with Rex Leath, given the last public comment regarding manufacturers and the intent in the industry to create larger retail outlets, there should be language to clarify the intent.

Rex Leath states that he wants to know if there are abutted premises if this applies.

Glenn Brady states that one way to do this is through the fire marshal code. There can be a fire separation that implies a physical barrier. That would be a simpler way to address that concern.

Bob Klein states that this will be sent back to staff for rewording.

Sara Erickson asks if the proposal is to require separation.

Bob Klein clarifies that they can have multiple manufacturing licenses in the same place and this is to clarify the tasting room rights in these situations.

Rex Leath states that if there is a mall, and there are breweries and wineries in the mall do the combined drinks limits apply?

Sara Erickson states that it is not clear. She does not understand the separation issue. She asks if the separation is a way to allow higher drink limits

Glenn Brady states that it is a slippery slope. He finds the co-location to be the main issue versus nearby but separate facilities. He believes this is regarding overlapping facilities.

Bob Klein states that this is related to the advent of combined tasting rooms.

Rex Leath states that the “sharing of tasting rooms” is what is addressed.

Erika McConnell clarifies that it will be “shared tasting rooms” but it will be a work-around to have two separate tasting rooms in one facility.

Glenn Brady states that this will be a problem to resolve later.

Sara Erickson asks about 3 drinks being added over and over in different facilities. Separating them doesn't make sense.

The board discusses the intent of the regulation.

Bob Klein states that the board puts the onus on the license holder not to overserve.

2. Board Requests

None presented.

B. Open Regulations Projects

2. Server Education Course

TAB 47

Status: Board amended and adopted on 7/29/19; at 9/10/19 meeting,
Board reconsidered and sent back to staff for clarification.

Potential Board Actions: Amend and/or put out for public comment

Erika McConnell summarizes Tab 47.

Glenn Brady states that he thinks about seasonal employees from out of state. The place of residence may be Croatia but the online course may have been taken while the individual was in Fairbanks. He is more concerned about where the classes are being delivered.

Rex Leath states that he has two comments, one, are the zip codes reviewed in any way?

Glenn Brady states that in Title 4, the board must review server education courses. The board when they reviewed the course provider renewals, must review the zip codes.

Rex Leath asks if they could simplify it to: if the server education course is adequate in rural why not urban? Why is it good enough for some areas but not others? They're creating something to work through that may not be necessary.

Bob Klein states that the online is second place from in person classes. These trainings are important. The reason some areas may do online education is accessibility.

Rex Leath asks, what's stopping him from lying about his zip code?

Glenn Brady states that is what they're trying to get to, an efficient means of preventing that.

Rex Leath states that time and money for travel isn't sufficient and enforcement is going to need to investigate these zip codes. He is cautious to come up with this procedure, people are getting online degrees in licensed professions. What's the point of regulation without enforcement?

Glenn Brady states that a zip code is archaic in this context. IP address for online delivery may be more appropriate.

Rex Leath says that's going to be very difficult to enforce.

Glenn Brady states that it's a board function, they're attempting to get course providers to comply.

Rex Leath asks that there be a working group formed for an electronic standardized training program. He is concerned with the "second best" issue and he finds it a burden to the board to provide sufficient training online and standardize it. If a server is not trained as well and someone dies, it's a weak spot for the board. He proposes that this be brought up again later. The validation of zip code is difficult.

Sara Erickson states that she took the online course and has taken the in-person course. The internet course is much more difficult. She is unsure why the board finds it to be second best. She agrees with state wide internet training.

Bob Klein states that the most effective things in the classroom setting were teaching recognition of drunkenness and handling people. He's not willing to give up the classroom.

Rex Leath states his point isn't to push for electronic training. It's to standardize through the state. The best training must occur for the entire state. The attached fiscal note must be handled.

Bob Klein states that great thoughts were provided. All it takes is money.

Rex Leath states that the governor is pro public safety and promotion of this type of thing. This is the chance to be brought forward to the administration.

Bob Klein states that the board will move on. Erika McConnell asks for clarification.

Erika McConnell recommends elimination of the zip code requirement because it's not providing the board with the appropriate information. Her understanding is that the board wishes to see the zip codes of the individuals trained. She finds it hard to review compliance and verify the zip codes.

Glenn Brady states that it is a valid point. The real implementation of that will be confusing at best. He asks about the IT resources to the department where the ISPs can be tracked.

Erika McConnell states that it's about the living place of the individual rather than the premises.

Glenn Brady states that his concern is where the training occurred.

Rex Leath states that the challenge with that is if the takes the class in Chicago while on vacation, providing the zip code won't help. Maybe adding a certification to the online training would be more beneficial. He suggests reaching out to ADF&G regarding their process.

Erika McConnell suggests eliminating the bolded language and adopting the regulation.

Bob Klein and Erika McConnell confirm that the rest is approved. Erika McConnell clarifies it was approved with the amendment.

Glenn Brady moves to remove the language that is bolded in section 1 including (A) and (B), and then adopt the regulation.

Rex Leath seconds the motion.

None opposed, motion carries.

3. When Petition is Required

TAB 48

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

Erika McConnell summarizes Tab 48.

Glenn Brady moves to put regulations project “When Petition is Required” out for public comment. Charlie Cross seconds the motion.

Rex Leath states that the idea of limiting the amount of movement without a petition is good, but in some communities can be impactful. He would like public input from smaller communities regarding how far a license needs to move before the community needs a vote. One mile is too far. He agrees to send the 1 mile out for public comment.

None opposed, motion carries.

4. Alcohol Permits

TAB 49

Status: Public comment period closed October 30, 2019
Potential Board Actions: Vote to adopt; OR
Substantially amend and put out for public comment

Erika McConnell summarizes Tab 49.

Sara Erickson asks if permits are available to manufacturers.

Erika McConnell summarizes the types of licenses that can attain permits at this time.

Rex Leath states that the memo states that this project was started in 2018, particularly for wine walks and number of locations permitted. His concern is that the comments address the restaurant or eating place permit request. There was a NOV related to this discussed earlier in the meeting.

Erika McConnell states that in response to Rex Leath, Sara Erickson has stated that things need to change with how staff handles permits. There is not much guidance in Statute or Regulation. She reads the type of event a Restaurant or Eating Place Caterer’s Permit may be used for. She clarifies that there are two types of licenses that can get permits but other types are allowed in regulation. She references music festivals being licensed during this type of permit. There are multiple reasonable interpretations. The best way to keep the public and applicants is to get clarity in regulation, it gives clarity for what the rules are. Otherwise, the interpretation can change significantly.

Glenn Brady states that he understands and senses the director’s frustration, he’s not a proponent of regulation but he’s seen examples of abuses of this as a result of stretched loopholes and gray areas. The previous approvals were mistakes.

Rex Leath states that when clarity is requested it means that these items are not clear. The public will also need to interpret these laws. He asks how formal is defined, multi course meal, table. The more definitions the harder to interpret. He wants what is provided to the public be understandable. He asks if there is a way to provide this verbiage in layman’s terms. He asks for something the public can understand.

Erika McConnell states that this definition was one that she struggles with, she welcomes improvements to the language.

Glenn Brady states that he concurs with Rex Leath, the intent is good, but clarification is needed. He is struggling with how to get to the right language. It's beyond the purview of staff to create that language.

Erika McConnell states that there were good points in the comment, if Rex Leath wants to work on the project language could be proposed.

Rex Leath states that he finds this to be a simple matter. Just a couple sentences.

Erika McConnell states that CHARR submitted some good comments and she wishes to address them.

Sara Erickson asks if there are permits such as these in other states.

Erika McConnell states she is unsure at this time. She states that the regulation of alcohol varies widely between states.

Joan Wilson states that if it would be a service to the director and board, she could do a legislative history deep dive. She asks if the review would be requested. She states that this might slow the progress but regulations must interpret the statute.

Bob Klein states that this project needs more work including AAG review.

5. Death of a Licensee

TAB 50

Status: Public comment period closed October 30, 2019

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

Erika McConnell summarizes Tab 50.

Rex Leath states that the matter has been discussed multiple times, with the death of a license holder creating a legal challenge. He asks if AMCO provides a guidance document in the case of death.

Erika McConnell states that they do not.

Rex Leath asks for a pamphlet to be provided by staff to help improve the knowledge of the public. AMCO has a duty to educate licensees. Somehow the public is not being educated. Outreach is needed.

Erika McConnell states that education is a great idea, but she is concerned regarding the difference of opinion in whether A and B are separable in 030. If there is a 99% shareholder and 1%. If the 99% dies, what occurs. All situations may not be covered. Outside of 100% shareholder, the rules are unclear.

Rex Leath states if that is the case, when people don't know, staff has a duty to provide them with this information. License holders are going to be astute and take steps to mitigate that challenge. Otherwise the office is stuck holding the bag. If training and education is not happening this might need to be addressed.

Bob Klein states that with respect to these regulations, on one hand what is being asked is impractical, on the other, it is concerning who is running the show.

Rex Leath states that there are two groups of people, license holders and future license holders. There needs to be a grace period for someone to manage the licenses. There needs to be an educational pamphlet and then a grace period provided.

Bob Klein states he is more understanding of the requests regarding extensions. He is still concerned about the sole proprietor who dies and leaves no responsible individual.

Rex Leath states that not everything can be addressed. He would feel better if an educational pamphlet was provided. He understands 90 days is not enough and wishes to be able to provide 90-day extensions.

Bob Klein asks how the pamphlet can be created.

Rex Leath states that training and education is an enforcement issue.

Joan Wilson asks how changes to state law regarding deaths are being included in these regulations.

Erika McConnell states very little.

Joan Wilson states that people no longer have Personal Representatives, especially in rural communities. No one executes that authority. The other extreme is that there are super sophisticated entities where one person can die without change. She asks if the board wishes a Department of Law review.

Erika McConnell suggests given Joan Wilsons experience she can work with the director looking at the comments received to make changes.

No additional action is taken.

~~6. Definition of "Recreational and Gaming Opportunities" TAB 51~~

~~— **Status:** Public comment period closed September 24, 2019~~

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

Considered above.

● ALCOHOL MAILBOX

TAB 52

All correspondence received in the alcohol@alaska.gov inbox from August 24, 2019 – October 25, 2019.

Bob Klein states that this is the mailbox, there were a number of public comments on the regulation project addressed in tab 51. However, there is a comment from an individual who owns a Meadery, 4th comment down, the individual asks that the board review the Alcohol by Volume (ABV) of meads in the same way as Cider regarding the limits.

Glenn Brady states it is a valid point and gets into the slippery slope of absolute ethanol in beverages but a delineation of categories with reasonable, a discussion about this would be a good idea. He references 15% ABV and higher beers. He is a proponent for the less restrictive approach.

The board discusses the review of liquor based on ABV.

Rex Leath states that the terms for different alcohol should be reviewed by alcohol content and then by volume. Could the board discuss this down the road? ABV vs beer vs wine vs mead. Percentage would be beneficial.

Bob Klein finds this important to discuss down the road. Percentage is important.

Glenn Brady states that the correct language would be cider or "other beverages produced under winery license".

Bob Klein clarifies this was postponed until JW discussed the matter.

● **BOARD INTERPRETATIONS ADDITIONAL CONSIDERATION**

A. Draft Policy on Hotels Offering Free Alcohol

TAB 9

Erika McConnell and Joan Wilson discuss Tab 15, the consideration of a restaurant eating place license 3934 Residence Inn by Marriott that spurred the board to request this draft policy.

Joan Wilson asks if Residence Inn is a member of CHARR.

Erika McConnell states that she is unsure of their membership and she is unsure if Residence Inn even was aware of this additional discussion.

Sarah Oates, Alaska CHARR, discusses the conversations regarding the matter. She states that conversations were had regarding the concerns that the organizations could have regarding liability. If an amended policy occurs after this, the individuals could be liable. She finds this dangerous to remove enforcement and she finds it a violation of the prohibition of bottle clubs. She states this is a dangerous precedent.

Joan Wilson asks if the board had a specific question. She states that "For Consideration" is part of the contract. Being part of the room rental is "for consideration".

Glenn Brady states that anytime alcohol is involved in commerce activities, it should be regulated. He concurs with Sarah Oates. Maybe a specific exception to the food requirement may be a better approach.

Joan Wilson asks if it's just the Residence Inn that offers this.

Glenn Brady states that the Hilton hotel the board is in allows free alcohol.

Erika McConnell states that generally the "free" alcohol/food hotels have beverage dispensary-tourism licenses.

Rex Leath states he is good with small free provisions, he is unsure if the beverage dispensary-tourism license is available and if there is a "dining facility".

Sara Erickson states that the dining facility is "buffet breakfast".

Erika McConnell states that the board has accepted this type of "dining facility" in previous applications.

Joan Wilson states that as long as it's a dining facility, there should be an avenue for licensure.

***Bob Klein states he is fine with making this go away.
No objections are raised, he directs the director to make this go away.***

Glenn Brady wishes to re-address Tab 6.

He addresses the Creekbend License in Hope. He is concerned about the misrepresentation of information on permits. It appears to be willful disregard of staff direction.

Erika McConnell states that in September a memo was written, and she believes the staff was intentionally misled. The board took no action in September and she was not directed to take any additional action.

Glenn Brady states that his concern is that no action has been taken regarding direct misdirection of staff. He feels that the NOV packet shows it to be intentional.

Rex Leath states that he sees this event in Hope, the intentional misleading is a problem and must be addressed.

Glenn Brady states that the board could suspend or revoke the license if the board finds fact misrepresented. Mistakes in approval not providing clarity is one thing but intentional misrepresentation is another.

Jana Weltzin, Creekbend attorney states that the only thing not provided previously was the statement by the licensee. This hasn't been noticed and she finds appropriate notice necessary.

Bob Klein states that he read the September meeting minutes that address this issue. Most of the focus was on the complaints from neighbors.

Glenn Brady states that the discussion was on community complaints rather than the misrepresentations.

Bob Klein states that if the issue is wished to be reopened they can address in January.

Glenn Brady recommends this matter be added to the next agenda.

Erika McConnell states that if those matters are to be addressed at the next agenda the item can be an accusation.

Rex Leath asks the matter to be sent back to the enforcement office.

Erika McConnell asks for clarity from the board.

Rex Leath states that with the facts, is Erika aware of is she aware of circumstances that warrant a violation?

Erika McConnell states that the information she finds to be factual misrepresentation.

Rex Leath asks if there was a NOV issued.

Erika McConnell states that the board was informed of these items previously but based on the September discussion she believed the board would not have looked favorably on an accusation.

Glenn Brady states that the board doesn't direct enforcement to issue NOVs. He wishes to hear from the licensee.

Bob Klein asks for the director to schedule this matter for review at the January meeting.

● **NEXT ABC BOARD MEETING**

4:13 pm

The next meeting is January 21-22, 2020, in Juneau. All applications must be deemed complete and all other information for inclusion in the board's packets must be received by **January 3, 2020**.

● **ADJOURN**

Glenn Brady moves to adjourn.

Rex Leath asks to comment, he backs up to the Creekbend issue. He finds that the factual statement issue versus qualification for Banquet or dinner event are different topics. He wants to know what the NOV pertains to. The root of the problem must be addressed.

Glenn Brady clarifies that this is two disconnected violations/issues. One more severe than the other. He doesn't know if there is evidence. He knows that staff has a hard-enough time as it is and the board must back up staff as possible. If it's unintended vs intentional, it's two different matters. He is unsure if it's a second NOV or strongly worded letter that is part of the discussion in January. He defers to the chair or director.

Bob Klein states that it is part of the boards responsibility to address how licenses are being conducted. The board can call the licensee in front of them to discuss the issue. Public notice must occur by being on the agenda.

*Rex Leath seconds to adjourn.
None opposed, motion carries.*

Meeting is adjourned at 4:17 pm.