MEMORANDUM

TO: Alcoholic Beverage Control Board   DATE: September 16, 2021

FROM: Kristina Serezhenkov, OLE   RE: #5967 Midnight Sun Brewing Co

Requested Action: Rescind the previous approval with delegation, hold an informal hearing and deny the application with 180-day abeyance period.

Statutory & Regulation Authority:

AS 04.11.510(b)(1): “if an application is denied, the notice of denial shall be furnished the applicant immediately in writing stating the reason for the denial in clear and concise language; the notice of denial must inform the applicant that the applicant is entitled to an informal conference with either the director or the board, and that, if not satisfied by the informal conference, the applicant is then entitled to a formal hearing conducted by the office of administrative hearings (AS 44.64.010); if the applicant requests a formal hearing, the office of administrative hearings shall adhere to AS 44.62.330 — 44.62.630 (Administrative Procedure Act); all interested persons may be heard at the hearing and unless waived by the applicant and the board, the formal hearing shall be held in the area for which the application is requested”

3 AAC 304.145(h) “The board may uphold a protest of an application or continued operation with a single abeyance period not to exceed 180 days if the local governing body indicates that the protest is subject to rescission and that it will be withdrawn if the applicant meets conditions set by the local governing body. If the local governing body notifies the board within the period of the abeyance that the protest has been removed, the application or continued operation is approved when all other applicable requirements have been met. If the local governing body has not notified the board within the period of the abeyance that it has removed the protest, the application or continued operation is denied. The period of abeyance may not be extended or renewed.”

Background: At the August 17, 2021 ABC Board meeting, the Board approved the new license application with delegation. On August 25, 2021, the Municipality of Anchorage protested the application pending approval of a special land use permit by the Assembly.

Staff Recommendation: Rescind previous approval and deny the application with 180-day abeyance.

Attachment:
Municipality of Anchorage Protest
AB-00
AB-02
Form AB-00: New License Application

What is this form?

This new license application form is required for all individuals or entities seeking to apply for a new liquor license. Applicants should review Title 04 of Alaska Statutes and Chapter 304 of the Alaska Administrative Code. All fields of this form must be completed, per AS 04.11.260 and 3 AAC 304.105.

This form must be completed and submitted to AMCO's main office, along with all other required forms and documents, before any license application will be considered complete.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to be licensed.

Licensee: Midnight Sun Brewing LLC
License Type: Distillery
Statutory Reference: Sec. 04.11.170
Doing Business As: Midnight Sun Brewing Co.
Premises Address: 8111 Dimond Hook Dr
City: Anchorage State: AK ZIP: 99507
Local Governing Body: Municipality of Anchorage
Community Council: Abbott Loop

Mailing Address: 8111 Dimond Hook Dr
City: Anchorage State: AK ZIP: 99507

Designated Licensee: Lee Ellis
Contact Phone: (907)748-5427 Business Phone: (907)344-1119 x.3
Contact Email: lee@midnightsunbrewing.com
Seasonal License? Yes No If “Yes”, write your six-month operating period: __________ 

OFFICE USE ONLY

Complete Date: License Years: License #: 59167
Board Meeting Date: Transaction #: 100054215
Issue Date: BRE:

[Form AB-00] (rev 10/10/2016)
Section 2 – Premises Information

Premises to be licensed is:

☑ an existing facility    ☐ a new building    ☐ a proposed building

The next two questions must be completed by beverage dispensary (including tourism) and package store applicants only:

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the outer boundaries of the nearest school grounds? Include the unit of measurement in your answer.

What is the distance of the shortest pedestrian route from the public entrance of the building of your proposed premises to the public entrance of the nearest church building? Include the unit of measurement in your answer.

Section 3 – Sole Proprietor Ownership Information

This section must be completed by any sole proprietor who is applying for a license. Entities should skip to Section 4. If more space is needed, please attach a separate sheet with the required information.

The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: ☐ applicant    ☐ affiliate

Name:

Address:

City:            State:           ZIP:

This individual is an: ☐ applicant    ☐ affiliate

Name:

Address:

City:            State:           ZIP:
### Section 4 – Entity Ownership Information

This section must be completed by any entity, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for a license. Sole proprietors should skip to Section 5.

If more space is needed, please attach a separate sheet with the required information.

- If the applicant is a corporation, the following information must be completed for each stockholder who owns 10% or more of the stock in the corporation, and for each president, vice-president, secretary, and managing officer.
- If the applicant is a limited liability organization, the following information must be completed for each member with an ownership interest of 10% or more, and for each manager.
- If the applicant is a partnership, including a limited partnership, the following information must be completed for each partner with an interest of 10% or more, and for each general partner.

<table>
<thead>
<tr>
<th>Entity Official:</th>
<th>Title(s):</th>
<th>Phone:</th>
<th>% Owned:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lee Ellis</td>
<td>Member</td>
<td>(907)748-5427</td>
<td>.719</td>
</tr>
<tr>
<td>PO Box 754</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Girdwood</td>
<td>State: AK</td>
<td>ZIP: 99587</td>
<td></td>
</tr>
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<thead>
<tr>
<th>Entity Official:</th>
<th>Title(s):</th>
<th>Phone:</th>
<th>% Owned:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamie Schmitt</td>
<td>Member</td>
<td>(530)318-6887</td>
<td>.719</td>
</tr>
<tr>
<td>6446 Nenana Pl</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anchorage</td>
<td>State: AK</td>
<td>ZIP: 99516</td>
<td></td>
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<table>
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<th>Entity Official:</th>
<th>Title(s):</th>
<th>Phone:</th>
<th>% Owned:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Staples</td>
<td>Member</td>
<td>(907)317-3454</td>
<td>22.33</td>
</tr>
<tr>
<td>14911 Dancers Image</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Antonio</td>
<td>State: TX</td>
<td>ZIP: 78248</td>
<td></td>
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<table>
<thead>
<tr>
<th>Entity Official:</th>
<th>Title(s):</th>
<th>Phone:</th>
<th>% Owned:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barbara Miller</td>
<td>Member</td>
<td>(907)230-4161</td>
<td>21.15</td>
</tr>
<tr>
<td>300 Arroyo Ave.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ajo</td>
<td>State: AZ</td>
<td>ZIP: 85321</td>
<td></td>
</tr>
</tbody>
</table>
Alaska Alcoholic Beverage Control Board

Form AB-00: New License Application

This subsection must be completed by any applicant that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC) and have a registered agent who is an individual resident of the state of Alaska.

<table>
<thead>
<tr>
<th>DOC Entity #:</th>
<th>60191D</th>
<th>AK Formed Date:</th>
<th>01/30/1997</th>
<th>Home State:</th>
<th>Alaska</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Agent:</td>
<td>Lee Ellis</td>
<td>Agent’s Phone:</td>
<td>(907)748-5427</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agent’s Mailing Address:</td>
<td>PO Box 754</td>
<td>City:</td>
<td>Girdwood</td>
<td>State:</td>
<td>AK</td>
</tr>
<tr>
<td>ZIP:</td>
<td>99587</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Residency of Agent:

Yes  No

<table>
<thead>
<tr>
<th>Is your corporation or LLC’s registered agent an individual resident of the state of Alaska?</th>
</tr>
</thead>
<tbody>
<tr>
<td>[✓] No</td>
</tr>
</tbody>
</table>

Section 5 – Other Licenses

Ownership and financial interest in other alcoholic beverage businesses:

Yes  No

Does any representative or owner named in this application have any direct or indirect financial interest in any other alcoholic beverage business that does business in or is licensed in Alaska?

Yes  No

If "Yes", disclose which individual(s) has the financial interest, what the type of business is, and if licensed in Alaska, which license number(s) and license type(s):

Midnight Sun Brewing Co. is operated currently as a brewery. License number is 4866 and it is a brewery license.

Section 6 – Authorization

Communication with AMCO staff:

Yes  No

Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?

Yes  No

If "Yes", disclose the name of the individual and the reason for this authorization:

Gary Busse, owner and Midnight Sun Brewing LLC Board member
Jamie Schmitt, Member Manager
Section 7 - Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

I certify that all proposed licensees (as defined in AS 04.11.260) and affiliates have been listed on this application.

I certify that all proposed licensees have been listed with the Division of Corporations.

I certify that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check the identification of a patron will complete an approved alcohol server education course, if required by AS 04.21.025, and, while selling or serving alcoholic beverages, will carry or have available to show a current course card or a photocopy of the card certifying completion of approved alcohol server education course, if required by 3 AAC 304.465.

I agree to provide all information required by the Alcoholic Beverage Control Board in support of this application.

As an applicant for a liquor license, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

LEE ELLIS

Printed name of licensee

Signature of Notary Public

Notary Public in and for the State of ALASKA

My commission expires: Nov 6, 2024

Subscribed and sworn to before me this 23 day of Feb, 2021.
Re: Ownership Shares

Dear Sir or Madam:

With regards to Distillery application [redacted], Midnight Sun Brewing LLC is owned by a large number of members, only two of which own more than 10% of Midnight Sun Brewing LLC. The two members that own more than 10% are listed on form AB-00. No other members or entities own a share value over 10%.

Lee Ellis
President
Midnight Sun Brewing Company LLC
8111 Dimond Hook Dr
Anchorage AK 99507
Alaska Alcoholic Beverage Control Board

Form AB-02: Premises Diagram

What is this form?

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

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

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

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.

Section 1 – Establishment Information

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

<table>
<thead>
<tr>
<th>Licensee:</th>
<th>Midnight Sun Brewing LLC</th>
<th>License Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>License Type:</td>
<td>Distillery</td>
<td></td>
</tr>
<tr>
<td>Doing Business As:</td>
<td>Midnight Sun Brewing Co.</td>
<td></td>
</tr>
<tr>
<td>Premises Address:</td>
<td>8111 Dimond Hook Dr</td>
<td></td>
</tr>
<tr>
<td>City:</td>
<td>Anchorage</td>
<td>State: AK</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ZIP: 99507</td>
</tr>
</tbody>
</table>

[Form AB-02] (rev 06/24/2016)
Section 2 - Detailed Premises Diagram

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

PLEASE SEE ATTACHED
Midnight Sun Brewing Co.
Outdoor/Indoor Serving Security Plan

1. All minors must be accompanied by an adult (age over 21) while in the restricted area when any alcohol is being served/sold/consumed.
2. All new patrons are carded upon ordering alcohol.
3. All staff is trained in the identification of fake IDs.
4. A second story deck with 42" railing is the outdoor servicing area.
5. Underaged persons will be monitored closely by our professionally trained alcohol servers.
6. Proper egress from the outdoor service area will always remain unobstructed.
7. ABC mandated posters as required by law are posted inside Midnight Sun Brewing Co. and at the entrances of the outdoor seating area.
8. All entrances and exits will provide clear notice that NO ALCOHOL IS ALLOWED BEYOND THE OUTDOOR SEATING AREA.
9. Keeping outdoor seating area viable without any increased risk to minors exposed to alcohol WILL continue to be a part of our training for our staff.
10. All safety related operations for our current liquor service will additionally be enforced in the new service area.
11. Proper signage at points of entry indicating no minors without a parent or legal guardian will be posted.
12. All servers will closely monitor that only the guests that have been carded will have alcoholic beverages.
13. Our top priority continues in providing safety for all guests regarding the service of alcoholic beverages.
14. Servers will be present in the outdoor area to monitor consumption.
Description of Non-contiguous Location

The non-contiguous warehouse building is 14,939 sq/ft according to the records of the Municipality of Anchorage. It is constructed of wood and steel framing with sheetrock interior and concrete slab floor through the space. The non-contiguous premise at 8173 is secured with a 24 hour monitored security system with door alarms at every entrance and OH door opening. The security system also has motion detection monitors throughout the facility. The building is oriented in a North/South direction lengthwise. Starting from the Northwest corner, moving south 5 feet, there is 1 roll up door, 1 more feet south there is a roll up door, 8 feet south of that is two steel man doors, 38 feet south of that is a set of double glass doors. South of that by 10 feet is a dock high roll up door, 8 feet south of that door is another dock high roll up door. 40 feet south of that is two steel man doors. South of those doors 12 feet is a roll up door. On the south wall there is one steel man door 40 feet east of the southwest corner. On the east wall there is one steel man door 80 feet from the south east corner, 60 feet north of that door is another steel man door. On the north wall there is one steel man door 60 feet west of the north east corner. All man doors are steel construction and have TTB approved deadbolt locks along with knob locks and are security wired. All roll up doors are steel construction, have a bolt lockin mechanism and are wired for security. DSP storage has own entrance/exit, and separated from general premises by floor to ceiling wall, and from brewery premise by partition.

Driving distance from the primary operation

0.1

Description of proposed Operation(s)

Storage of bulk distilled spirits and finished package product prior to shipment