CITY OF HOMER
HOMER, ALASKA

Venuti/Davis

RESOLUTION 25-016

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA PETITIONING THE ALASKA STATE ALCOHOLIC BEVERAGE CONTROL BOARD TO ISSUE TEN ADDITIONAL RESTAURANT OR EATING PLACE LICENSES WITHIN THE CITY OF HOMER AS AUTHORIZED BY ALASKA STATUTE 04.11.405

P1 WHEREAS, Alaska Statute 04.11.405 provides certain municipalities with the authorization to submit a resolution to the Alcohol Beverage Control Board, petitioning the Board for the issuance of additional Restaurant or Eating Place licenses; and

P2 WHEREAS, Local restaurant and eating place establishments have expressed the desire to acquire licenses to enable the sale of beer and wine and no additional licenses are available to the community of Homer from the State of Alaska; and

P3 WHEREAS, The City of Homer is petitioning the Alaska State Alcoholic Beverage Control Board to issue 10 additional Restaurant or Eating Place licenses within the City of Homer; and

P4 WHEREAS, The City of Homer is a first class municipality and based on AS 04.11.405(a) is eligible to petition for additional Restaurant or Eating Place licenses under AS 04. 09.210; and

P5 WHEREAS, The City of Homer submits this resolution from the Homer City Council (governing body) demonstrating the City meets the required criteria under Alaska Statute 04. 11.405: AS 04.11.405(b)1(A) and

P6 WHEREAS, The City meets the criteria of AS 04.11.405 (b)1(B) as City maintains a local law enforcement department and community jail, and the police department is responsible for maintaining public safety and order within the city, consisting of enforcing state statutes and city ordinances as well as providing aid and assistance to residents, visitors and the business community; and

P7 WHEREAS, The City meets the criteria of AS 04.11.405(b)1(C) as the City exercises planning and land use authority with an established Community Development Department that provides economic development and planning services to implement, administer and enforce the economic development and planning and zoning related policies of the city; and

P8 WHEREAS, The City currently exceeds the maximum limit under AS 04.11.400(a) for restaurant or eating place licenses issued under AS 04.09.210; and

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P9 WHEREAS, AS 04.11.405(c)(2)(A) Homer serves as regional hub for the southern Kenai Peninsula and attracts a large number of residents, visitors, and tourists by offering an array of services, commercial and health care related activities, and cultural attractions that make it a vibrant destination for both residents and visitors; and

P10 WHEREAS, The City serves as a center for commercial activity within and outside the boundaries of the city and provides goods and services to a population that exceeds the city' s permanent resident population of 5,500; and

P11 WHEREAS, The great area of Anchor Point, Diamond Ridge, East End Road, Kachemak City, Kachemak Selo, Rozdolna, Vosnesenka, Seldovia, Nanwalek Port Graham and surrounding areas all participate and contribute to the Homer economy as a hub for commercial and health care related activities and when included with the City of Homer have a resident population of 12,811 according to the 2024 State of Alaska population estimates; and

P12 WHEREAS, AS 04.11.405 (c)(2)(B) In 2024 between January and October there were 231,057 trips and 480,063 visitor days with an average length of stay of 2.1 days from visitors who traveled more than 50 miles to reach Homer; and

P13 WHEREAS, AS 04.11.405 (b)(1)(D) Currently, there are 15 Restaurant and Eating Place licenses in the City of Homer which exceeds the amount allowed under AS 04.11.400(a)(2)(A) and according to the regulations (AS O4.11.405 (b)(1)(D)), the city' s current number of restaurant and eating place licenses exceeds the limit, and by receiving additional licenses, the city can align with the mandated population- to- license ratio, ensuring there are enough licenses available to meet the needs of the local population and visitors; and

P14 WHEREAS, There are currently 35 Restaurant and Eating Place licenses within the unincorporated areas of the Kenai Peninsula Borough; and

P15 WHEREAS, AS 04.11.405 (c)(5) the additional ten Restaurant or Eating Place licenses would align with population ratios and visitors, and allow for effective regulation and enforcement of alcohol related policies, all of which benefit the city and its residents.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Homer, Alaska, that:

Section 1. The City of Homer petitions the State of Alaska Alcoholic Beverage Control Board for ten additional Restaurant and Eating Place licenses.

Section 2. This resolution shall become effective immediately upon its adoption.

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PASSED AND ADOPTED by the Homer City Council this 10th day of March, 2025.

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

Renee Krause

RENEE KRAUSE, MMC, CITY CLERK

Fiscal Note: NA

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CC-25-070

MEMORANDUM

Resolution 25-016, A Resolution of the City Council of Homer, Alaska, Petitioning the Alaska State Alcoholic Beverage Control Board to Issue Ten Additional Restaurant or Eating Place Licenses within the City of Homer as Authorized by Alaska Statute 04.11405. Davis/Venuti.

Item Type: Backup Memorandum

Prepared For: Mayor Lord and Homer City Council

Date: February 12, 2025

From: Julie Engebretsen, Community Development Director

Through: Melissa Jacobsen, City Manager

Background:

Councilmembers Venuti and Davis have been approached by local restaurants wishing to acquire liquor licenses that will allow the sale of beer and wine. Currently all of the licenses in Homer are in use. One mechanism to allow more licensed establishments is for a municipality to petition the Alaska State Alcohol Beverage Control Board (ABC). The purpose of Resolution 25-016 is to initiate that petition process. This memo and resolution specifically address beer and wine licenses for restaurants and eating establishments; this petition does not affect package stores, bars that serve hard alcohol, any type of brewery or seasonal licenses.

Until January of last year, when Alaska's new alcohol regulations went into effect, the number of restaurant beer and wine ("REPL") licenses a city was allowed to have was strictly limited by population. In many cities including in Homer, this created a situation where a person who wished to open a full service restaurant could not do so unless they were able to buy an existing beer and wine license in the secondary market, at prices often highly inflated due to the artificial shortage created by the population limits. With the new regulations that went into effect last year, legislators chose to address this barrier to new businesses by allowing cities that have run short of licenses to petition the state for additional licenses. Several cities in Alaska, including Soldotna and Haines have already done so. The City seeks an additional 10 licenses based on the volume of visitors from outside the region that visit Homer. According to cell phone data, more than 400,000 people visited Homer in 2024 from a distance 50 miles or more outside of Homer. These are visitors who do not live within the service area but are visitors to Homer. The tourism and visitor industry are strong drivers in Homer’s noteworthy restaurant scene and drive demand for the sale of beer and wine in local eateries.

Staff contacted ABC regarding the petition, and it was recommended that the City conduct extra public outreach as part of the petition process. Therefore, this resolution is scheduled to be introduce

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at the February 24th Council meeting, followed by a public hearing and adoption at the March 10, 2025 meeting.

RECOMMENDATION:
Introduce Resolution 25-016, conduct a public hearing at the following meeting, and adopt

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