



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Meeting Agenda

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson*

*Interim Municipal Administrator: Hugh Bevan
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, December 10, 2019

6:00 PM

Assembly Chambers

WORK SESSION 5:00 PM

[19-255](#)

Work Session: Lincoln Street Paving Project

Attachments: [Memo Lincoln Street Paving Project](#)

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[19-265](#)

Reminders, Calendars, and General Correspondence

Attachments: [Reminders and Calendars](#)

[No Name Mtn-Granite Creek master plan- Status Report #1; 3Dec19](#)

[SeaplaneBase.Update.120419](#)

[Correspondence to Senator Murkowski](#)

V. CEREMONIAL MATTERS

None.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (five minute time limit)

VII. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

IX. CONSENT AGENDA

All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A** [19-256](#) Approve the minutes of the November 12 and November 26 Assembly meetings
 Attachments: [Consent and Minutes](#)
- B** [19-257](#) Approve a liquor license renewal application for Alejandro Vazquez dba Agave Restaurant at 236 Lincoln Street Suite 107
 Attachments: [Motion and Memos](#)
 [4854 Renewal Notice - LGB](#)
 [4854 Complete Renewal Applicatio](#)
- C** [19-258](#) Approve a liquor license renewal application for Ludvig's Bistro Inc. dba Ludvig's Bistro at 256 Katlian Street
 Attachments: [Motion and Memos](#)
 [AMCO Ludvigs Liquor License Renewal](#)
- D** [19-259](#) Approve a new retail marijuana store license application for AKO Farms, LLC at 1210 Beardslee Way
 Attachments: [Motion and Memos](#)
 [AMCO AKO Farms New Retail Marijuana Store](#)
- E** [19-262](#) Approve the Acting Administrator list for 2020: Melissa Haley, Michael Harmon, Dave Miller, and Sara Peterson
 Attachments: [Motion and Memo](#)
- X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**
- F** [19-260](#) Reappoint Dave Gordon to a three-year term on the Port and Harbors Commission
 Attachments: [Motion and Gordon Application](#)

- G [19-261](#) Reappoint Joseph D'Arienzo to a three-year term on the Tree and Landscape Committee

Attachments: [Motion and D'Arienzo Application](#)

XI. **UNFINISHED BUSINESS:**

- H [ORD 19-40](#) Making supplemental appropriations for Fiscal Year 2020 (GPIP Outside Counsel)

Attachments: [Motion Ord 2019-40](#)

[ORD 2019-40](#)

XII. **NEW BUSINESS:**

New Business First Reading

- I [ORD 19-41](#) Making supplemental appropriations for Fiscal Year 2020 (Administration - Personnel / Contract Services)

Attachments: [Motion Ord 2019-41](#)

[Ord 2019-41](#)

- J [ORD 19-42](#) Clarifying the Sitka General Code by amending Title 4 "Revenue and Finance" Chapter 4.09 "Sales Tax" and amending Title 15 "Public Utilities" Chapter 15 "Electric Utility Policies" (Clerical Inaccuracies)

Attachments: [Motion Ord 2019-42](#)

[Ord 2019-42](#)

Additional New Business Items

- K [19-263](#) Approve a Consent to Assignment of a lease for 725 Siginaka Way

Attachments: [Motion and Memo](#)

[Consent To Assignment lease 725 Signaka Way_Final](#)

[725 Siginaka Way Exhibit A](#)

- L [19-264](#) Authorize the Municipal Administrator to reject a bid from Little Susitna for refrigeration repairs at the Marine Service Center and execute a contract with Wyatt Refrigeration in the amount of \$99,980 to replace the primary condenser unit at the Marine Service Center

Attachments: [Motion and Memo](#)

- M** [RES 19-27](#) Authorizing the City and Borough of Sitka to join the Alaska Remote Seller Sales Tax Commission for the purpose of developing, implementing, and enforcing a remote sellers sales tax code and designating a City representative to the Commission

Attachments: [Motion Res 2019-27](#)

[Memo Finance Director](#)

[FAQ June 2019 from AML](#)

[AML September 2019 Public Informational Release](#)

[Res 2019-27](#)

[Attachment A Intergovernmental Agreement](#)

XIII. PERSONS TO BE HEARD:

Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.

XIV. EXECUTIVE SESSION

Not anticipated.

XV. ADJOURNMENT

Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. Assembly meetings are aired live on KCAW FM 104.7 and via video streaming from the City's website. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

*Sara Peterson, MMC, Municipal Clerk
Publish: December 6*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-255 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 12/4/2019 **In control:** City and Borough Assembly
On agenda: 12/10/2019 **Final action:**
Title: Work Session: Lincoln Street Paving Project
Sponsors:
Indexes:
Code sections:
Attachments: [Memo Lincoln Street Paving Project](#)

Date	Ver.	Action By	Action	Result
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City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Gary Paxton and Assembly Members

From: Hugh Bevan, Interim Municipal Administrator *HB*

Date: December 3, 2019

Subject: Lincoln Street Paving project

Background

When I started work as Interim Administrator I identified as many issues as possible that needed resolution with the intent of trying to resolve as many as possible. One project that fell into that category is the Lincoln Street Paving project.

I reviewed a portion of the record and concluded that staff needs clear direction from the Assembly before moving to the bidding and construction phase of the project.

The Lincoln Street project is funded solely with CBS funds as follows:

General Fund	\$1,955,000
Water Fund	80,000
Wastewater Fund	20,000
Marine Passenger Fee Fund	<u>105,000</u>
Total Budget	\$2,160,000

On July 9, 2019 the Assembly had a Discussion/Direction dialog with staff regarding the project. From reading the meeting minutes it seems there were a variety of concerns and opinions expressed by Assembly members and that no clear direction was given to staff.

Analysis

I have reviewed the paving project drawings and have several observations:

- The project is fundamentally a maintenance effort with improvements to storm drains and water mains. Another element of work are safety and ADA improvements to pedestrian cross walks. This work will be of value as Sitka's cruise passenger visitation increases in the future.
- The final maintenance element is the removal of the existing asphalt and

repaving with two lifts of new pavement.

- In my opinion the project is funded bare bones, meaning the bids will be very close to the available budget. This is due in part to the narrow nature of the street requiring expensive traffic and pedestrian control measures. Another pressure point on cost is the fact the project is being done over the winter. Construction productivity is lower when work is done during short days and using lights at night.

On December 3, 2019 I attended a meeting of the Tree and Landscape Committee for a discussion on the Lincoln Street project. The Committee has number of concerns:

- The loss of downtown businesses begs a creative process to revitalize the Lincoln Street business district and to enhance tourism visitors' experience.
- Additional input from Lincoln Street businesses should be obtained before moving forward with the maintenance project as it is currently designed.
- Before moving forward with the maintenance project, a portion of the budget should be allocated for a landscape architect to facilitate a development plan for Lincoln Street, a portion of this plan will include the necessary infrastructure improvements.

Fiscal Note

If the Assembly desires to delay the maintenance contract and perform the development plan, I suggest a budget of \$30,000 to cover consultant costs, advertising, etc.

The maintenance contract will have to be re-funded to compensate for this budget move later if the project goes to bid as currently designed.

Recommendation

Discuss the merits of proceeding with the maintenance project in fall 2020 as currently scheduled or hold it while a consultant facilitates a Lincoln Street revitalization plan.

Ideally, I would like to take the Assembly's guidance at the December 10, 2019 Work Session and bring it forward as an action item on the December 23, 2019 Assembly meeting agenda.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-265 Version: 1 Name:
Type: Correspondence Status: AGENDA READY
File created: 12/4/2019 In control: City and Borough Assembly
On agenda: 12/10/2019 Final action:
Title: Reminders, Calendars, and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments:

[Reminders and Calendars](#)
[No Name Mtn-Granite Creek master plan- Status Report #1; 3Dec19](#)
[SeaplaneBase.Update.120419](#)
[Correspondence to Senator Murkowski](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, December 10	Work Session <i>Lincoln Street Project</i>	5:00 PM
Tuesday, December 10	Regular Meeting	6:00 PM
Thursday, December 19	Special Meeting <i>FY21 Budget</i>	6:00 PM
Monday, December 23	Regular Meeting	6:00 PM



Assembly Calendar

2018 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2020

December 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Dec	2	3	4	5	6	7
		12:00pm Tree & Landscape - Liaison Wein	6:00pm Library Commission - Liaison Christianson 3:00pm GPIB Board - Liaison Christianson 6:00pm School Board - Liaison Mosher	1:30pm Health Needs & Human Services - Liaison Wein		
8	9	10	11	12	13	14
Eisenbeisz	Eisenbeisz	Eisenbeisz 12:00pm Parks & Rec - Liaison Knox 5:00pm Work Session: Lincoln Street Project 6:00pm Regular Assembly Mtg	Eisenbeisz 6:00pm Historic Preservation - Liaison Mosher 6:00pm Port & Harbors Commission - Liaison Knox	Eisenbeisz 12:00pm LEPC - Liaison Nelson	Eisenbeisz	
15	16	17	18	19	20	21
			6:00pm Police and Fire - Liaison Nelson 6:00pm School Board Work Session - Liaison Mosher 7:00pm Planning Commission - Liaison Mosher	6:00pm Special Budget Meeting		
22	23	24	25	26	27	28
	6:00pm Regular Assembly Mtg		HOLIDAY			
29	30	31	1 Jan	2	3	4
Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz 6:00pm Library Commission - Liaison Christianson HOLIDAY 7:00pm Planning Commission - Liaison Mosher	Eisenbeisz	Eisenbeisz	Eisenbeisz

Assembly Calendar

2019 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2021

January 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29 <u>Dec</u>	30	31	1 Jan	2	3	4
Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz 6:00pm Library Commission - Liaison Christianson HOLIDAY 7:00pm Planning Commission - Liaison Mosher	Eisenbeisz	Eisenbeisz	Eisenbeisz
5	6	7	8	9	10	11
Eisenbeisz	Eisenbeisz Paxton	Eisenbeisz Paxton	Eisenbeisz Paxton 6:00pm Historic Preservation - Liaison Mosher 6:00pm Port & Harbors Commission - Liaison Knox 6:00pm School Board - Liaison Mosher	Eisenbeisz Paxton 12:00pm LEPC - Liaison Nelson 1:30pm Health Needs & Human Services - Liaison Wein	Eisenbeisz Paxton	Paxton
12	13	14	15	16	17	18
Paxton	Paxton	Paxton 12:00pm Parks & Rec - Liaison Knox 5:00pm Work Session: Marine Service Center 6:00pm Regular Assembly Mtg	Paxton 7:00pm Planning Commission - Liaison Mosher	Paxton	Paxton	Paxton
19	20	21	22	23	24	25
Paxton	Paxton	Paxton 12:00pm Tree & Landscape - Liaison Wein	6:00pm Police and Fire - Liaison Nelson	Knox	Knox	Knox
26	27	28	29	30	31	1 Feb
Knox	Knox	5:00pm Work Session: CAFR / Audit 6:00pm Regular Assembly Mtg				



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Memorandum

To: Mayor Paxton and Assembly Members

Through: Hugh Bevan, Interim Administrator
Amy Ainslie, Director, Planning and Community Development *AA*

From: Scott Brylinsky, Planning Department Consultant *SB*

Subject: No Name Mountain/Granite Creek Master Plan Project

Date: December 3, 2019

No Name Mountain / Granite Creek - Master Land Use Plan Status Report #1

Background

Earlier this year the Assembly approved an action plan that included the creation of a Master Plan for No Name Mountain/Granite Creek development. On July 9 a capital appropriation was approved to hire a consultant to develop that plan. The parcel is approximately 830 acres, bounded on the north by No Name Mountain and on the south by the Granite Creek area. This is one of the last large, contiguous parcels of relatively undisturbed city land along the road system. Among other attributes of the parcel is that it appears to contain good rock sources for quarrying.

Status and Next Step(s)

After a competitive RFQ process, Jones and Jones, Landscape architects, along with subconsultants PND Engineers, McDowell Group, and Anderson Land Planning was selected to create the Master Plan. The Planning Commission's first meeting to discuss the project was November 20, 2019.

The kickoff meeting with the consultant, to be hosted by the Planning Commission, will take place January 22, 2020 at 6pm in Centennial Hall. The purpose of that meeting is to affirm project goals and objectives, lay out a schedule for additional public meetings, and establish a process for stakeholder and public involvement. There will be opportunity for the public to comment.

Jones and Jones was issued Notice to Proceed December 2, 2019. The project is anticipated to be completed by June 15, 2020.

Attachments:

Action plan
Budget ordinance
Map of study area

Action Plan

Strategy No. B

Plan No. 2

Date: 7/9/19

Strategy: We will identify and pursue Economic Development Opportunities.

Specific Result: To create a Master Plan for No Name/Granite Creek Development.

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	Hire a Planning Director	Chief Miller	6/25	7/26	
2	With consultant selected, develop a Scope of Work with the assistance of the Planning Commission.	New Planning Director	7/26	9/13	
3	Negotiate the fee, project schedule, and develop the budget with consultant.	Harmon	9/13	10/14	
4	Budget Ordinance Assembly approval and contract award.	Chief Miller	10/22	10/22	
5	Consultant works with CBS Staff and Planning Commission to develop draft Master Plan.	Harmon & Planning Director	10/22	4/24/20	
6	Planning Commission reviews and suggests edits to the Master Plan.	Planning Director	4/24/20	5/15/20	
7	Assembly review and edits of the Master Plan.	Chief Miller	5/15/20	7/28/20	
8	Adoption of the Master Plan by the Assembly.	Chief Miller	8/25/20	8/25/20	
9	Implementation of the Master Plan by the Planning Commission. Master Plan to include, but not limited to: 1. Zoning for Development; 2. Delineation and mitigation of wetlands; 3. Plan for access roads; 4. Rock quarry delineation; 5. Zoning Code changes; 6. Utilities Required and Timeline on Infrastructure Development(Water, Waste water, Electrical and Substation; 7. High Value Land Development (Water-side past Cove Marina; 8. SS Pit Area Recommendations	Planning Director	8/25/20	Ongoing	
		Responsible:	Chief Miller		

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2019-29
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2020
(No Name Mountain Master Plan)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental capital appropriation for Fiscal Year 2020.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriations for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

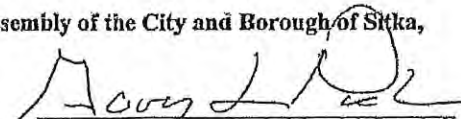
<u>FISCAL YEAR 2020 EXPENDITURE BUDGETS</u>
<u>GENERAL FUND CAPITAL</u>
Fund 700 – No Name Mountain Master Plan Project: Increase capital appropriation in the amount of \$165,000 to complete the master plan. These funds will come from the General Fund working capital.

EXPLANATION

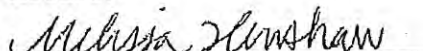
Staff has determined that the amount of the existing capital appropriation for the No Name Mountain Master Plan project is insufficient to accomplish all Assembly goals for the project. Accordingly, an additional supplemental capital appropriation is required.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 9th Day of July, 2019.


Gary L. Paxton, Mayor

ATTEST:


Melissa Henshaw, CMC
Acting Municipal Clerk

1st reading 6/25/19

2nd reading 7/9/19

Sponsor: Administrator

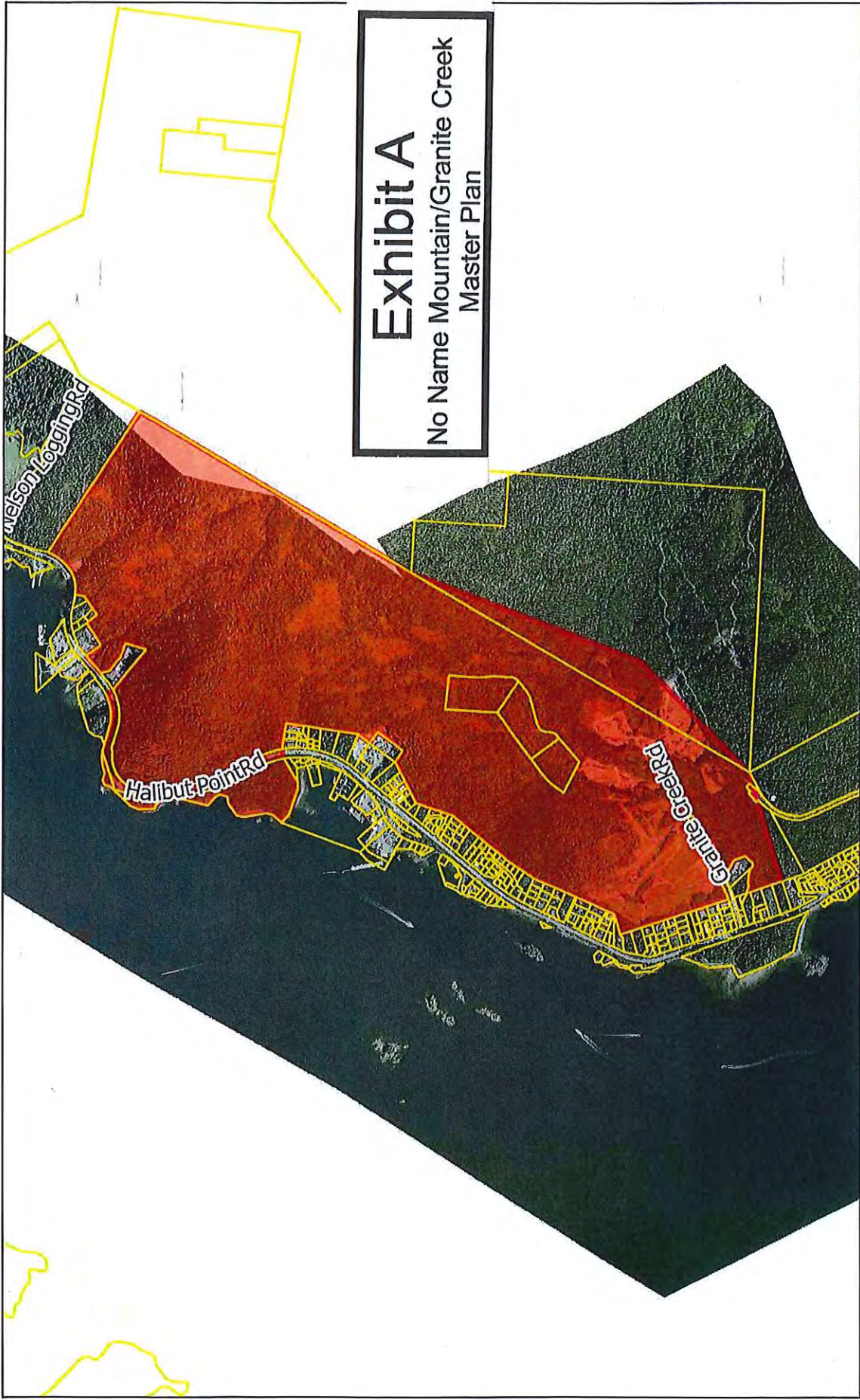
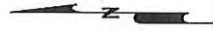


Exhibit A

No Name Mountain/Granite Creek
Master Plan

No Name Mountain Area

830 Acres



New Sitka Seaplane Base



UPCOMING

Sitka Seaplane Base Aviation Meetings

December 11 & 12, 2019

Harrigan Centennial Hall Sitka, Meeting Room 6

The City and Borough of Sitka (CBS), on behalf of the Federal Aviation Administration (FAA), is in the process of performing an environmental review pursuant to the National Environmental Policy Act (NEPA) to assess the environmental impacts of a proposed new seaplane base on Japonski Island, in Sitka, Alaska. The CBS would like you to participate in the environmental review and planning process for this project.

There are a number of ways to participate in the project. Be sure to join the [mailing list](#) (below) to get all the updates throughout the project development process and to find out about meetings and other opportunities for participation. The CBS is hosting three (3) project meetings in December, as described below. Other opportunities for participation will be sent to the mailing list as they are scheduled.

1. Aviation Stakeholder Meeting: This meeting is designed to update aviation stakeholders and businesses on the project and allow them to provide input on the size and layout of the various components of the new SPB. This meeting will be more technical in nature and focused on airport planning, engineering, and operations issues.

Date/Time: Wednesday, December 11, 2019 at 2:00 - 4:00 pm

2. Public Meeting on Sitka SPB Environmental Assessment and Aviation Planning Project overview. This meeting is intended for the general public and all interested parties to hear about the proposed project, the processes for planning and developing the new SPB, and the environmental review process. Input from the public will be solicited on the project, potential alternatives, and impacts that should be addressed in the environmental review.

Date/Time: Wednesday, December 11, 2019 at 5:30 - 7:30 pm

3. Agency Scoping Meeting on Sitka SPB Environmental Assessment. This meeting is intended for regulatory agencies to learn about the project and to provide technical input on the resource data and environmental review permitting processes for the project.

Date/Time: Thursday, December 12, 2019 at 2:00 - 4:00 pm

Information on the project is attached and also available at the CBS website: www.cityofsitka.com. If you can't attend, the meeting information will be posted on the CBS website after the meeting.

If you have any questions on the project, please email SitkaSPB@dowl.com or publicworks@cityofsitka.org.

Attachments:

[Project Fact Sheet](#)

[Public Meeting Invitation](#)

JOIN THE MAILING LIST - [CLICK HERE!](#)

Opportunities to be Involved in the Process



Attend the public meeting

Join us at 5:30-7:30pm on Wednesday, December 11, 2019 at the Harrigan Centennial Hall (Silver Meeting Room #6). Open house 5:30-6:00. Presentation at 6:30.



Submit a comment form

Submit your comments at the meeting or email it afterwards to SitkaSPB@dowl.com.



Comment on the Draft EA

You will have an opportunity to review and comment on the Draft EA once available.



Contact the Project Team

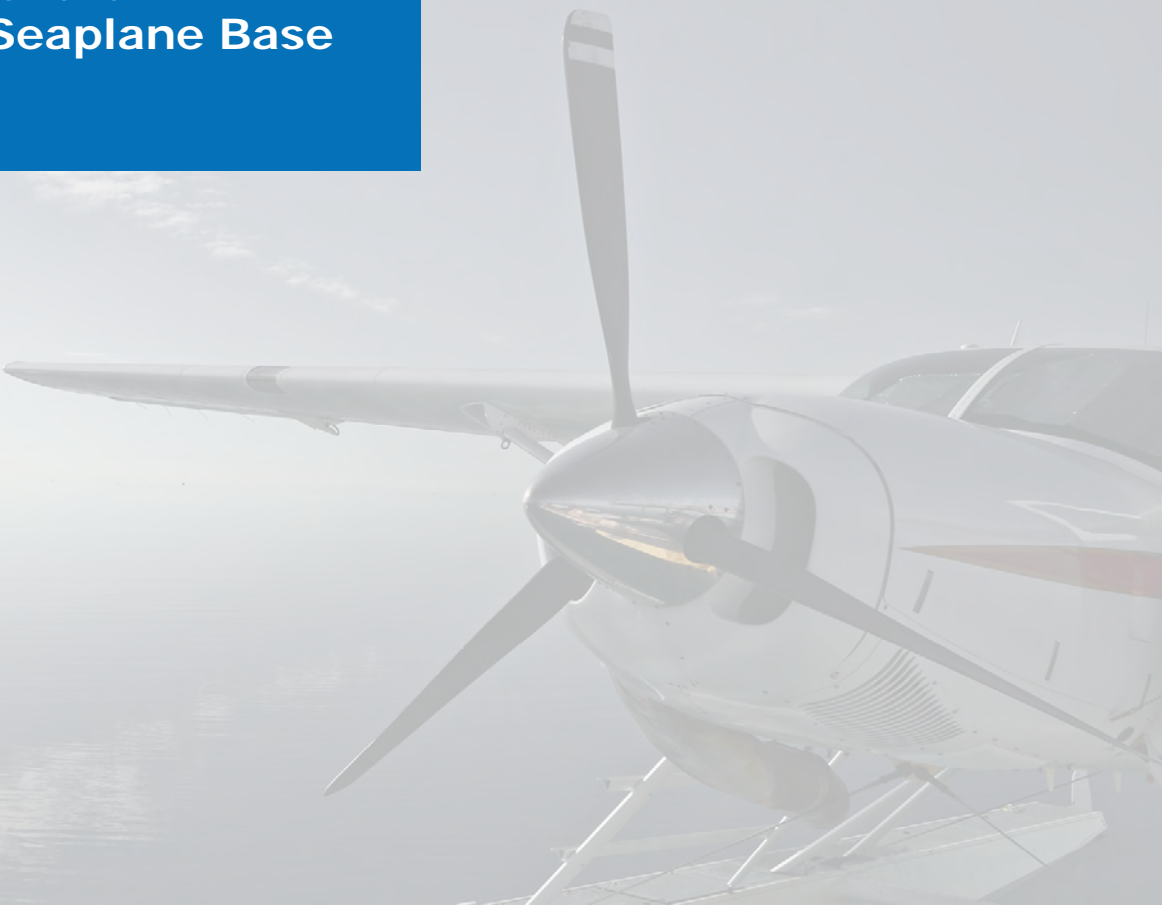
Email

SitkaSPB@dowl.com
-or-
publicworks@cityofsitka.org

Call

Kelli Cropper
CBS Project Manager
907.747.1804

CITY AND BOROUGH OF SITKA
New Sitka Seaplane Base



CITY AND BOROUGH OF SITKA
New Sitka Seaplane Base



The City and Borough of Sitka (CBS) is proposing development of a new Sitka Seaplane Base (SPB) on the north end of Japonski Island. The existing SPB, located on the east shore of the channel, has been operating for 65 years and is at the end of its useful life. CBS started evaluating new SPB locations in 2000, completing siting studies and preparing an airport master plan for the Japonski Island site in 2002. In January 2016, the existing SPB facility was temporarily closed because of storm damage to this aging seaplane base. After making temporary repairs it was reopened in Fall 2016. Recognizing the limited lifespan, poor condition, minimal amenities, and site constraints of the existing SPB, CBS updated it's siting analysis and reevaluated the layout and features for the new SPB in 2016. The updated siting and planning studies recommended a preliminary concept for the new SPB on Japonski Island shown in the figure below.

The new SPB would support the regional economy (fishing, tourism, government services, and access to remote communities and areas only accessible by water). Aviation and non-aviation businesses and government agencies have indicated support for a new seaplane base. An economic impact study estimated annual earnings by Sitka businesses from the new SPB would be approximately \$815,000 per year.

If approved, 93.75% of land acquisition, design, and construction costs are eligible for reimbursement from the Federal Aviation Administration (FAA).

Existing SPB



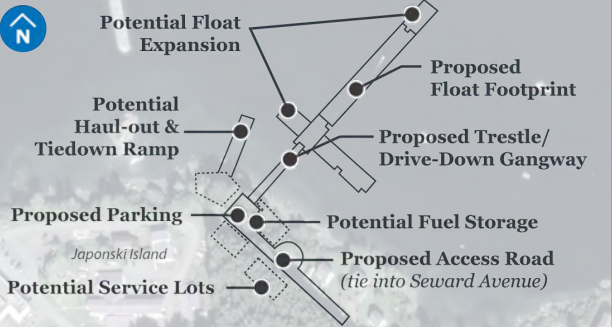
Features:

- Sixty-five year old float with 8 slips.
- Access to the floats from Katlian Street by an elevated gangway and ramp.
- Parking for 2 vehicles on Katlian Street.

Deficiencies:

- At end of useful life. Expensive to maintain.
- Not enough parking for aircraft and vehicles. Four aircraft slips not accessible at low tide.
- No on-site fueling, aircraft maintenance area, aircraft pull out ramp.
- Conflicts with boat traffic in narrow channel.
- Conflicts and bird hazards from adjacent seafood processing facility.

New Sitka SPB - Preliminary Concept



Features:

- New fuel storage and distribution system
- Vehicle parking area
- On-site aircraft maintenance capability
- A drive-down ramp to the SPB floats
- Electricity, water and sewer, and lighting
- Float slips for based seaplanes and positions for transient seaplanes
- Safe access between the parking positions and the water operating area, and
- Options to accommodate future growth



Overall Project Development Process

The process of developing the new SPB began in 2000 with a siting study, site selection, and development of an airport master plan for the Japonski Island site. Siting studies were updated and an economic impact study completed in 2016. In 2019, CBS received FAA approval of funding for an Environmental Assessment (EA) and airport planning tasks. The EA is required so that CBS can then apply for FAA funding for land acquisition, design, and construction of the SPB.

- **Siting Studies/Site Selection:** Previous efforts have recommended the property at the end of Seward Avenue that is subject of the current planning and environmental tasks.
- **Planning/Environmental Overview:** Planning efforts will focus on determining the required size and layout for the new facility including improvements for aircraft and ground vehicle access to/from shore and dock.
- **SPB Layout Plan:** Create a document that describes the facility, existing and future improvements, including the associated waterway for airplane use.

- **Design/Final Permitting:** Create detailed design and construction plans for parking, ramps, floats, pilings with optional phases for future expansion.
- **Construction:** After all permits are obtained, construction of the improvements will take place.

Environmental Review (NEPA) Process

CBS has received grant funding from the FAA for planning and environmental work on the SPB project. All projects that receive federal funding are required to be reviewed under the National Environmental Policy Act (NEPA) to ensure that the proposed approach complies with the Act. The potential environmental impacts of the proposed new SPB project will be evaluated through an EA process under NEPA.

- **Public and Agency Scoping:** This process solicits public and agency input on the purpose and need for the project, potential alternatives that might have less environmental impact, the environmental issues that should be evaluated in the EA, and possible mitigation measures to address environmental effects. (CBS is proposing to hold a public meeting on this project on

December 11, 2019 at 5:30-7:30 p.m. at Harrigan Centennial Hall. An agency scoping meeting will be held on December 12, 2019.)

- **Alternatives:** NEPA requires the EA to consider a reasonable range of alternatives to the proposed project, including the No Action Alternative. The No Action Alternative provides a baseline to compare the effects of the proposed alternative and any other alternatives carried forward for detailed study. The intent of the alternatives analysis is to identify whether there are alternatives that could meet the purpose and need but have less environmental impact than the proposed alternative. The alternatives section of the EA will discuss those alternatives that were evaluated but dismissed from further consideration because they did not meet the purpose and need or did not reduce environmental effects compared to the proposed project.
- **Environmental Consequences:** This section of the EA describes the environmental impacts of the proposal. It will discuss current environmental conditions and what impact the construction and operation of the SPB would have on environmental resources. This section will address air quality, noise, water quality, fish and wildlife, cultural resources, and socioeconomics among other issues. Potential measures that could be implemented to minimize or mitigate environmental effects will also be addressed.
- **Draft Environmental Assessment:** The draft EA will summarize the purpose and need for the project, the alternatives considered, describe the proposed project in detail, and summarize the environmental consequences. The document will compare the alternatives carried forward to the No Action alternative. This document provides information to the FAA and other agencies on the effects of the project for their consideration on determining what alternative should move forward. The public will have an opportunity to review and comment on the draft EA and a meeting will be held in Sitka to gather public input on the alternatives and the process.
- **Final Environmental Assessment:** After receiving agency and public input on the draft EA, the EA will be revised as appropriate to address substantive comments. Assuming that the EA documented that there would not be significant impacts to environmental resources, a Finding of No Significant Impact (FONSI) would be drafted. Once a FONSI is approved, the FAA can move forward with providing grants for land acquisition, design, and construction.

The City and Borough of Sitka’s Proposed Project



The purpose of the proposed project is to address capacity, safety, and operational and condition deficiencies at the existing Sitka SPB.

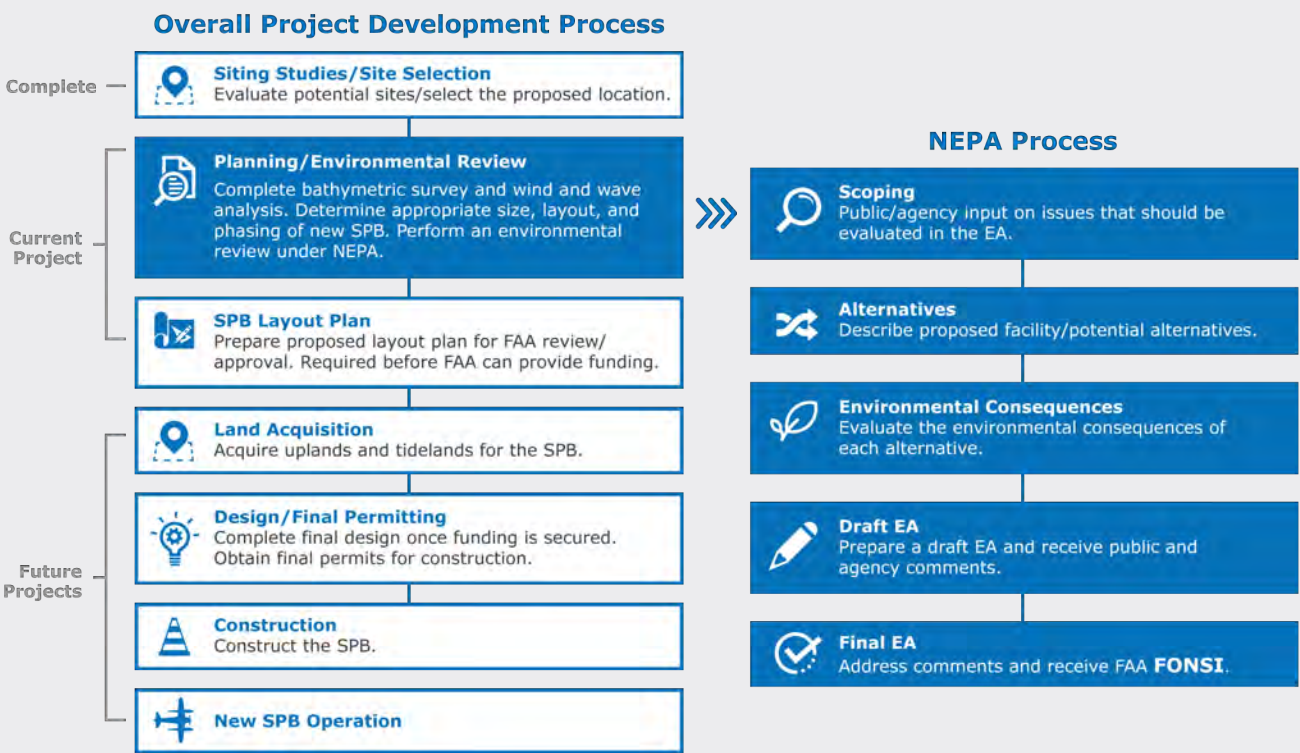
The primary reasons for relocating the SPB include insufficient capacity and space at the existing site to accommodate current and future demand; a congested location with conflicting adjacent uses; an unsafe operating area; poor, unsafe dock conditions for fueling and maneuvering on the docks; and a congested sea lane and bird hazard conditions in the immediate vicinity of the seaplane base, which affect the safety in the existing location.

The facility would include:

- a new fuel storage and distribution system;
- vehicle parking area;
- on-site aircraft maintenance capability;
- a drive-down ramp to the SPB floats;
- electricity, water and sewer, and lighting;
- float slips for based seaplanes and positions for transient seaplanes;
- safe access between the parking positions and the water operating area; and
- options to accommodate future growth.

CBS is proposing to construct a new SPB that will serve the community in the coming decades. The final size and layout of the various components are not yet determined and will be refined and finalized as we go through the planning and environmental process. The goal is to identify and address all the facilities needed for ultimate buildout of the facility, even if the improvements are phased over time as demand requires.

Since the EA must evaluate the impacts of all federally-funded actions associated with this project, the EA will also evaluate the CBS’s proposed land acquisition for the SPB and the demolition of the existing SPB.



CITY AND BOROUGH OF SITKA
New Sitka Seaplane Base



PUBLIC MEETING

Join Us

Wednesday, December 11, 2019
5:30 - 7:30 p.m.

Harrigan Centennial Hall
Meeting Room 6 (Silver Room)
330 Harbor Drive
Sitka, Alaska 99835



Come learn more
about the project and
provide your input.

About the Project

The City and Borough of Sitka (CBS) is proposing development of a new Sitka Seaplane Base (SPB) on the north end of Japonski Island. The current SPB, located on the east shore of Sitka channel, has been operating for 65 years and is at the end of its useful life.

Project Updates

Please join the project email list if you are interested in receiving email updates on the project as it proceeds. You can join the list by sending an email to SitkaSPB@dowl.com.

Meeting Schedule

5:30-6:00 p.m. >>> Public Open House
6:00-6:30 p.m. >>> Presentation
6:30-7:30 p.m. >>> Q&A and Discussion

City and Borough of Sitka
Public Works Department
100 Lincoln Street
Sitka, Alaska 99835

ECRWSS PRSRT STD PAID PERMIT 69 ANCHORAGE, AK

POSTAL PATRON
SITKA, AK 99835

For more information, visit our webpage:
www.cityofsitka.com

If you have any questions, require additional information, or would like to submit comments on the project, please call Kelli Cropper, CBS Project Manager at (907) 747-1804 or send an email to publicworks@cityofsitka.org.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

November 29, 2019

U.S. Senator Lisa Murkowski
522 Hart Senate Office Building
Washington, DC 20510

RE: Alaska Roadless Rule

Dear Senator Murkowski,

Attached is Resolution NO. 2019-26A of the City and Borough of Sitka Assembly that was passed on November 26, 2019.

The Resolution supports Alternative 1 to the 2001 Roadless Rule.

We would call your attention to the collaborative work that Sitka Conservation Society (SCS) has championed. As a member of the Federal Advisory Committee nominated by the Secretary of Agriculture, SCS has strived to create collaborative options to achieve multiuse land management options for the Tongass National Forest.

Examples of these options are creating opportunities for a timber industry, investments in salmon fisheries enhancement and continuing to chart a course for investment by the visitor industries.

It will be through such multi-party collaborations that a balance can be struck that serves all parties well with Alaska's federal land management.

Thank you for all that you do for our State,

Hugh R. Bevan
Interim Municipal Administrator

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2019-26A

A RESOLUTION BY THE CITY AND BOROUGH OF SITKA SUPPORTING THE NO ACTION ALTERNATIVE IN THE ALASKA ROADLESS RULEMAKING PROCESS

WHEREAS, the City and Borough of Sitka expands across Baranof Island and a portion of West Chichagof Island and contains extensive local use areas on Northern Baranof Island, Hoonah Sound, Kruzof Island, and islands throughout Sitka Sound; and,

WHEREAS, the sustainability of the future of Sitka's economy, the livelihoods of our citizens, the visitor industry and the commercial fishing industry are highly dependent on a pristine and productive natural setting throughout Southeast Alaska; and,

WHEREAS, salmon populations are facing increased challenges from changing ocean conditions, climate change, ocean acidification, rising water temperatures in streams, and ocean warming events in the Pacific Ocean, and freshwater habitat development in the contiguous United States; and,

WHEREAS, the approximate combined economic value of Southeast Alaska's ports, including commercial fishing, tourism, recreation, scientific research, fisheries enhancement and community subsistence totals over \$2 billion annually; and,

WHEREAS, Southeast Alaska is the most visited region in Alaska, with two-thirds of all visitors to the State coming to this region and therefore acting as a significant contribution to the local and regional economy; and,

WHEREAS, the Roadless Rule, first adopted in 2001, was widely supported then, and now overwhelmingly supported throughout Southeast Alaska, to protect 58 million acres of our nation's most essential and intact roadless areas in the National Forest system; and,

WHEREAS, the Sitka Fish and Game Advisory Committee opposed the Roadless exemption by supporting the no action alternative 1 without opposition at its November 13, 2019 meeting; and

WHEREAS, at a recent public comment session in Sitka with over 100 in attendance and 41 given testimony's, 100% in favor of supporting a no action alternative 1; and

WHEREAS, roadless areas on the Tongass are essential to Southeast Alaska's way of life and represent some of the most spectacular and unique roadless areas anywhere in the National Forest System that support hunting, fishing, customary and traditional uses, unparalleled outdoor recreation opportunities, and opportunities for businesses; and,

WHEREAS, the amount of carbon stored in the intact old growth forests and soils of the Tongass National Forest represent one of the highest carbon stores in the world, and the conservation of intact roadless areas and old growth forests on the Tongass are essential for maintaining local and national climate resilience and slowing down climate change throughout the world; and,

WHEREAS, increased logging of old growth forests in existing roadless areas would incur a significant cost to taxpayers, as new reports estimate that the subsidization of logging on the

Tongass has cost taxpayers over \$600 million over the past twenty years, and the State of Alaska's own economic analysis states Tongass timber will be fundamentally uncompetitive on the world market; and,

WHEREAS, the City and Borough of Sitka has passed multiple resolutions in support of the the aforementioned Transition and revised Tongass Land Management Plan, including Resolution 2010-18, in Support of the USDA Transition Framework, and Resolution 2013-10, a Resolution of the City and Borough of Sitka Supporting Amendments to the U.S. Forest Service (USFS) 2008 Land and Resource Management Plan (Forest Plan) to Facilitate the Development of Adequate and Reliable Sources of Renewable Energy for Sitka and Southeast Alaska; and,

WHEREAS, the City and Borough of Sitka believes that the resources and time of the Forest Service is better spent improving and streamlining existing permitting process for projects in inventoried roadless areas without pursuing an exemption;

NOW, THEREFORE, BE IT RESOLVED, the City and Borough of Sitka strongly supports lasting protection for all inventoried roadless areas on the Tongass National Forest as provided for in the 2001 Roadless Rule alternative 1; and

BE IT FURTHER RESOLVED, that the economic livelihoods of Sitka residents would be irreparably harmed by the effects of any exemption from the Roadless Rule on the Tongass, which would lead to increased climate change, increased threats to fish habitat, and development occurring in pristine natural areas that showcase the tourism potential and natural beauty of the Tongass National Forest; and,

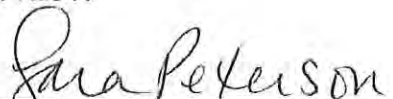
BE IT FINALLY RESOLVED, that the City and Borough of Sitka encourages the USFS to invest in programs, workforce development, and employment opportunities for Southeast Alaskan residents to restore the health and productivity of the Tongass National Forest's degraded watersheds and streams, as a means of supporting vital ecosystem services and economic opportunities such as carbon sequestration, small-scale timber production, fish and wildlife populations, natural vistas, visitor amenities, subsistence, hydrological resources, and more.

PASSED, APPROVED AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 26th day of November 2019.



Gary L. Paxton, Mayor

ATTEST:



Sara Peterson, MMC
Municipal Clerk

1st and final reading as amended 11/26/2019

Sponsors: Knox/Eisenbeisz



Sitka Conservation Society
Box 6533
Sitka, Alaska 99835
(907) 747-7509
info@sitkawild.org
www.sitkawild.org

*"Protecting the natural
environment of the Tongass while
supporting the development of
sustainable communities in
Southeast Alaska – since 1967."*

November 19th, 2019

Dear Senator Murkowski:

Greetings from Sitka, Alaska. I wanted to share a copy of the Sitka newspaper from Friday, November 15th, 2019. There are a bunch of articles on activities that the Sitka Conservation Society is working on and I wanted to make sure it was on your radar and express some of the difficulties and frustrations we have right now.

The main article I'll call your attention to is on a presentation I gave to the Sitka Chamber of Commerce. I outlined all of work seeking to find ways to create rural economic development while benefitting from and conserving the natural environment and ensuring that the ecological conditions that support the industries of our members (fishermen, hunting/fishing guides, subsistence resource users, small business owners, small mill owners) are preserved. Our members gathered at our wild foods potluck that weekend and we filled our Centennial Hall with over 300 people bringing in the bounty of the Tongass's lands and waters (2nd article). The third article is of a group of Sitkans who are so angry about the roadless rule and the politics involved that they demonstrated in front of the local district offices "in support of Forest Service staff but against Roadless Rule changes." These articles follow the article from the night before reporting on the 3 hours of testimony from Sitkans on not wanting the Roadless Rule changed and their fears on what it would mean for their subsistence use of Tongass resources.

There is a lot of tension and anxiety on these issues right now in Southeast Alaska. My frustration and the issue I want to express to you is the difficulty that I am having balancing the work we do collaborating across stakeholder groups (Tongass Advisory Committee, Tongass Transition Collaborative, Roadless Rule Advisory Committee) while also getting support and buy-in from the grassroots stakeholders, business owners, and other SE Alaska civic organizations. We've gone way out on a limb trying to find ways to keep a viable timber industry, create a collaborative environment where entities are willing to work in a "compromise" space, and build relationships where we can work together to create a common-ground future for our region and the State. The Roadless Rule Repeal effort is becoming a huge distraction, waste of time, waste of resources, and massive generator of conflict. It has become an obstacle and, as a community leader with 14 years of experience working on USDA policies, investments, and other rural development initiatives in Southeast Alaska, I can tell you that there are no projects or initiatives that repealing the Roadless rule will make possible that are currently unable to proceed. There is an ample list of projects that are allowed and a suite of projects that have been granted exemptions. The limiting factor for projects is the economics of doing them—not the roadless regulation.

In terms of timber—the actual sticking point on this process, opportunities for old growth were outlined in the State Advisory Committee process on a subset of lands that would have been of very limited conflict. Our recommendations could have solved this once-and-for-all and negated the sky-is-falling rhetoric on the extremes of each side. I worked hard to build the space for that opportunity and I was very eager to put our time and focus on implementing the

projects that actual result in economic opportunities, community viability, better Forest Service project implementation, viable long-term timber opportunities, and conservation of core ecological priority areas in ways that they also generate economic outputs.

Instead, the path that was chosen was full exemption and now the extreme voices have been empowered. The path forward will be dominated by lawsuits and attorneys and National groups will be using the Tongass as a poster child. It will be harder for me to build collaboration and create projects and investments that bring entities together for a stronger communities and region. The Forest Service will have to deal with the distraction and public scrutiny of lawsuits which will take valuable staff resources away from getting projects going on-the-ground. This will take away the energy and financial resources that we'll need to actually make projects happen, overcome the obstacles, change the nuts-and-bolts policies and procedures that are hampering/delaying projects, and fully staff the programs that are doing the work that is in demand and urgently needed right now.

I'm writing because your office plays a critical role in all these issues. I know that it is simpler to look at issues at a very broad scale and reduce them to black-and-white simplicities. The reality here in Southeast Alaska is that it is much greyer, there are more complexities, and that we need support for you and your staff to support our efforts in that more complex space. The whole roadless rule alternative 6 preferred alternative just feels like we've kicked a hornets nest that could have been left there and it would have been fine to just avoid it.

I don't how much space there will be in the next year to work in this space. We'll be trying. After the article and my Chamber of Commerce talk, the feedback I got from all sides was basically, "why are you trying to work with the timber industry, it is a losing proposition. We need to focus on other stuff and we need to make our district's priorities heard." I do have a forest management background and I am a wood-worker. There is space for timber harvest on the Tongass—but it will never be the boom industry or core economic driver that it once was. If it is going to be successful, we will all need to be working together to make the space for it to be viable--- there are management activities and investments that need to be made now to make the industry viable 10 years from now. I would encourage your office to support us here in the region on that work, and move away from the issues that put the Tongass in national headlines.

Sincerely,

A handwritten signature in cursive script, appearing to read "Andrew Thoms".

Andrew Thoms



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-256 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Approve the minutes of the November 12 and November 26 Assembly meetings

Sponsors:

Indexes:

Code sections:

Attachments: [Consent and Minutes](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS A, B, C, D, & E**

I wish to remove Item(s) _____

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the
November 12 and November 26 Assembly
meetings.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson*

*Interim Municipal Administrator: Hugh Bevan
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, November 12, 2019

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Christianson, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Knox

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. CEREMONIAL MATTERS

None.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (five minute time limit)

School Board Member Eric Van Cise provided an update on the work of the Board, school enrollment, and various programs within the District. He told of a budget work session tentatively scheduled for December 18.

19-236

Sitka Community Playground

Members of Sitka Community Playground Steering Committee members Lynne Brandon, Bridget Hitchcock, and Monique Anderson announced the Playground had

received a facility excellence award from the Alaska Recreation and Parks Association. A video of the project was shared and the award presented to the Mayor on behalf of the City and Borough of Sitka.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

Interim Municipal Administrator - Bevan noted a group from the Electric Department was focused on analyzing reservoirs and spoke to his response regarding the Humpback Whale Critical Habitat Proposed Rule.

Municipal Attorney - Hanson relayed he had been working on a multitude of projects.

Liaison Representatives - Mosher reported on his attendance at the School Board meeting, Christianson on the recent Investment Committee and Library Commission meetings, and Wein on the Health Needs and Human Services Commission and Planning Commission meetings.

IX. CONSENT AGENDA

A motion was made by Mosher that the Consent Agenda consisting of items A & B be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Christianson, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Knox

A 19-238 Approve the minutes of the October 22 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B 19-237 Approve a liquor license renewal application for DPJT, Inc. dba Nugget Restaurant at 600 Airport Road Suite A

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

C 19-239 Reappoint James Poulson to a three-year term on the Parks and Recreation Committee and appoint Sarah Lawrie to a three-year term on the Parks and Recreation Committee

Wein thanked the applicants for applying.

A motion was made by Christianson that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Christianson, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Knox

- D 19-240** Reappoint Deb Miller and Lisa Moore to three-year terms on the Tree and Landscape Committee
- Paxton and Wein thanked the applicants for reapplying.
- A motion was made by Nelson that this Item be APPROVED. The motion PASSED by the following vote.**

Yes: 5 - Christianson, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Knox

- E 19-241** Reappoint Michael Reif to a three-year term on the Investment Committee
- Wein and Christianson thanked Reif for reapplying.
- A motion was made by Mosher that this Item be APPROVED. The motion PASSED by the following vote.**

Yes: 5 - Christianson, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Knox

- F 19-242** Appoint Gregg Olson to a three-year term on the Police and Fire Commission
- Olson came forward and spoke to his qualifications.
- A motion was made by Nelson that this Item be APPROVED. The motion PASSED by the following vote.**

Yes: 5 - Christianson, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Knox

XI. UNFINISHED BUSINESS:

- G ORD 19-38** Making supplemental appropriations for fiscal year 2020 (Homeland Security Grants)
- Police Chief Robert Baty explained two grant awards had been received. In order to expend the grant funds, a supplemental appropriation was needed. Controller Melissa Haley clarified this was not an operating appropriation but rather an appropriation for a fixed asset. She added that the differentiation of appropriation was required by Charter.
- A motion was made by Nelson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**

Yes: 5 - Christianson, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Knox

- H 19-221** Update and Discussion / Direction on the possibility of Closed Captioning for Assembly meetings

Municipal Attorney Brian Hanson stated the City was obligated to provide this service upon receiving a citizen request. Hanson recommended staff meet with the requestor to ensure their needs were being met.

Consensus of the Assembly was to provide the service with a computerized option as demonstrated by the IT Director.

I 19-224

Approve the Purchase and Sale Agreement, and related documents, for the utility dock transaction between the City and Borough of Sitka and Hanson Maritime Company

Interim Municipal Administrator Hugh Bevan commented in 1999 when Sitka took over the Gary Paxton Industrial Park (GPIP) site from the Alaska Pulp Corporation (APC), one of the first actions the Sitka Economic Development Association took was to hire a consultant who had experience in developing industrial parks. Bevan shared there were two take-aways from that study: 1) the average build time for a park was 20 years, and, 2) 80% of the businesses would come from existing industry in Sitka.

Lee Hanson addressed the Assembly and stated he agreed with the sale agreement as written. Assembly members expressed support for the project. Wein noted there was no mention of eminent domain in the sale agreement, wondered if the City planned to exert eminent domain over the Hanson dock, and what those reasons may be. Municipal Attorney Brian Hanson relayed both parties had spent a great deal of work on the agreement since it was before the Assembly last. Consequently, changes had been made (e.g. mooring easement, and any reference to the mooring easement, were gone) and the agreement was back for approval. He noted there was no reference to eminent domain in the agreement citing Lee Hanson was not agreeable. Lee Hanson preferred to let it (eminent domain) come up, if that were to ever happen, in the future and allow the process to happen at that point. Attorney Hanson reminded that just because there was no reference to eminent domain in the agreement that it released the City's right to eminent domain. Wein also wondered why the right of first refusal was not included in the agreement. Attorney Hanson said it was not considered and hadn't been the charge of the GPIP Board. Christianson didn't feel strongly about including right of first refusal and didn't want to belabor the process with additional meetings. Wein inquired about "areas of concerns" when the property was transferred from APC to the City, which extended 500 feet off shore. Attorney Hanson stated it was his understanding those areas were no longer a concern at the Park.

A motion was made by Wein to include in the agreement that the City and Borough of Sitka have the right of first refusal. The motion FAILED by the following vote.

Yes: 2- Wein and Nelson

No: 3 - Paxton, Mosher, and Christianson

Absent: 2 - Knox and Eisenbeisz

From the public, Jeremy Serka, relayed the haulout would soon be lost at Halibut Point Marine and expressed concern selling the dock without a plan for a haulout. Mike Nurco noted there wasn't a comprehensive plan for the GPIP site and encouraged the Assembly to consider all options (e.g. haulout) before moving forward with the sale agreement. Garry White, Director of the GPIP Board, stated the Board was supportive of a haulout and looking for ways to fit it into the Park.

Nelson believed it important to protect the City. Bevan shared that plans of a haulout at GPIIP were being discussed and he was confident there was space for Lee Hanson's business venture and the haulout.

Mosher clarified that if the sale agreement were approved Lee Hanson could have his operation and a haulout would still be a possibility for another party. Attorney Hanson confirmed that the concern all along had been what kind of conflicts might be created for a haulout ramp if the property were sold to Hanson Maritime. Attorney Hanson relayed that provisions had been placed in the sale agreement that recognized there could be conflicts and that those conflicts would be resolved by strictly following the rules of the road and allowing the haulout to be properly used.

A motion was made by Nelson that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Christianson, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Knox

XII. NEW BUSINESS:

New Business First Reading

- J ORD 19-39** Amending Title 2 "Administration" of the Sitka General Code by modifying Chapter 2.38 "Gary Paxton Industrial Park" at Section 2.38.110 "Gary Paxton Industrial Park Director Designated Appointment"

Interim Municipal Administrator relayed the contractor, SEDA, would be responsible for managing and marketing. The City would be responsible for engineering and maintenance. Garry White, SEDA Director, spoke in support of the ordinance.

A motion was made by Christianson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Christianson, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Knox

Additional New Business Items

- K 19-243** Approve the promotion of Amy Ainslie from Planner I to Planning Director

Interim Municipal Administrator Bevan relayed there were currently five department head vacancies. After having worked with Ainslie, he believed Ainslie to be an applicant worthy of promoting. Wein concurred and believed Ainslie would do a wonderful job and grow into the position. Nelson wondered of the salary. Bevan reported it was lower than what had been budgeted.

A motion was made by Mosher that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Christianson, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Knox

L 19-244

Discussion / Direction / Decision of the engagement letter and fee proposal submitted by Blank Rome Government Relations, LLC to perform Congressional lobbying and agency coordination on behalf of the City and Borough of Sitka

Interim Municipal Administrator Hugh Bevan explained funding for this agreement would come from the unexpended salary due to the vacancy of the Community Affairs Director. His recommendation was Blank Rome focus on three issues: renovation of the Green Lake powerhouse, infrastructure to serve Japonski Island, and opportunities to restructure the Blue Lake Bonds to our advantage. Mosher disclosed he worked for Shee Atika but was unaware of the firm. Assembly members expressed support with the caveat that current fiscal year funds available for the Community Affairs Director position be reappropriated for lobbying efforts.

Cedar Mayo spoke in opposition to entering into the agreement.

A motion was made by Mosher to accept the terms of the engagement letter submitted by Blank Rome Government Relations, LLC to perform Congressional lobbying and agency coordination on behalf of the City and Borough of Sitka, authorize Mayor Paxton to execute the document noting that funds expended for Blank Rome Government Relations is contingent on not filling the position of Community Affairs Director this fiscal year. The motion PASSED by the following vote.

Yes: 5 - Christianson, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Eisenbeisz, and Knox

M 19-245

Discussion / Direction / Decision on moving forward with the Marine Service Center Action Plan

Interim Municipal Administrator Hugh Bevan stated after reviewing the July 2019 Assembly approved Marine Services Center (MSC) Action Plan he was concerned the Action Plan was not a viable solution. The Action Plan envisioned a \$2.8 million budget to perform the needed work on the seawall - insufficient funding according to a 2011 condition assessment which estimated total reconstruction costs to be between \$6.7 million to \$8.3 million. It was his recommendation that the Assembly hold a work session to discuss in detail and decided on whether to keep the MSC or sell. Staff could then come back with recommendations for the preferred option.

The Assembly agreed to a work session in the near future.

N 19-246

Reschedule the second regular meeting in December due to the Christmas Eve holiday

Consensus of the Assembly was to reschedule the second regular meeting of the month to December 23.

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

O 19-247

1) Legal Matter - Alaska Public Entity Insurance Proposed Assignment Agreement, and, 2) Financial Matter - Baranof Island Brewing Company Debt Collection

A motion was made by Mosher to go into executive session to discuss a legal matter affecting the municipality, i.e., a proposed assignment of claims to the City and Borough of Sitka insurer Alaska Public Entity Insurance against various other insurers related to the cases and claims arising out of the Kramer Avenue landslide of 2015. The motion PASSED by the following vote.

Yes: 5 - Paxton, Christianson, Mosher, Wein, and Nelson

Absent: 2 - Knox and Eisenbeisz

The Assembly was in executive session from 8:25 p.m. to 8:55 p.m.

A motion was made by Nelson to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

A motion was made by Nelson to direct the Municipal Attorney to proceed with the assignment of claims with Alaska Public Entity Insurance as discussed in executive session. The motion PASSED by the following vote.

Yes: 5 - Christianson, Wein, Nelson, Mosher, and Paxton

Absent: 2 - Knox and Eisenbeisz

A motion was made by Nelson to go into executive session with Chief Finance and Administrative Officer Jay Sweeney to discuss matters related to Baranof Island Brewing Company debt collection, the immediate knowledge of which would adversely affect the finances of the City and Borough of Sitka. The motion PASSED by the following vote.

Yes: 5 - Wein, Mosher, Paxton, Nelson, and Christianson

Absent: 2 - Knox and Eisenbeisz

The Assembly was in executive session from 9:00 p.m. to 9:30 p.m.

A motion was made by Mosher to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

A motion was made by Nelson to direct the Interim Administrator to negotiate a possible agreement with intentional investors and give him the authority to sign said agreement. The motion PASSED by the following vote.

Yes: 4 - Mosher, Nelson, Christianson, and Paxton

No: 1 - Wein

Absent: 2 - Knox and Christianson

XV. ADJOURNMENT

A motion was made by Nelson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:32 p.m.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson*

*Interim Municipal Administrator: Hugh Bevan
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, November 26, 2019

6:00 PM

Assembly Chambers

WORK SESSION - 5:00 PM FY 21 Budget Process

19-249 FY21 Budget Process

Interim Municipal Administrator Hugh Bevan shared ideas for the FY21 budget process and schedule.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

19-250 Reminders, Calendars, and General Correspondence

V. CEREMONIAL MATTERS

19-251 Proclamation - Small Business Saturday

Deputy Mayor Eisenbeisz read a proclamation in recognition of Small Business Saturday, November 30.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (five minute time limit)

19-252 Sitka Health Summit Coalition - Robert Wood Johnson Foundation 2019 RWJF Culture of Health Prize

Sitka Health Summit Coalition members Doug Osborne, Loyd Platson, Tina Bachmeier, and Denise Ewing reported to the Assembly on the \$25,000 cash award Sitka received from the Robert Wood Johnson Foundation - 2019 RWJF Culture of Health Prize. Sitka was one of five communities in the nation to win the award.

VII. PERSONS TO BE HEARD

Maegan Bosak, Director of Marketing and Communications for SEARHC, provided an update on Sitka's Integrated Health Care team: November marked the first meeting of the Sitka Community Health Council Committee, Joint Commission Certification for Mt. Edgecumbe Medical Center, Behavioral Health, outpatient clinics, and Home Health was completed, recognition was given to SEARHC Registered Nurse Teresa Remington who recently earned the national infusion nurse certification, and it was announced the Health Insurance Marketplace open enrollment period for obtaining or changing insurance plans through the Affordable Care Act ends December 15.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

Mayor - Paxton reported on his attendance at the Alaska Municipal Conference.

Interim Administrator - Bevan told of the construction phase soon to begin at Crescent Harbor. He reported the project was to be completed before the herring fishery.

Attorney - Hanson provided a summary of the sessions he attended at Alaska Municipal League.

Liaison Representatives - Mosher reported on the Planning Commission meeting, Christianson on the Library Commission retreat, Wein on SEDA, Port and Harbors Commission, and the Sitka Community Health Council meeting. Knox and Christianson spoke to the sessions they attended at Alaska Municipal League.

Clerk - Peterson told of the December meeting schedule.

Other - Wein stated a Tree and Landscape Committee meeting was scheduled for December 3. The subject of the meeting was the Lincoln Street Improvement Project.

IX. CONSENT AGENDA

A 19-253 Approve a liquor license renewal application for Bayview Pub LLC at 407 Lincoln Street, Suite 201

A motion was made by Knox that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B 19-254** Appoint Denise Ewing to a three-year term on the Health Needs and Human Services Commission

Wein thanked Ewing for her willingness to serve.

A motion was made by Mosher that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

XI. UNFINISHED BUSINESS:

- C ORD 19-39** Amending Title 2 "Administration" of the Sitka General Code by modifying Chapter 2.38 "Gary Paxton Industrial Park" at Section 2.38.110 "Gary Paxton Industrial Park Director Designated Appointment"

A motion was made by Mosher that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

XII. NEW BUSINESS:

New Business First Reading

- D ORD 19-40** Making supplemental appropriations for Fiscal Year 2020 (GPIP Outside Counsel) 1st reading

Municipal Attorney Brian Hanson explained this was an additional appropriation beyond the \$20,000 appropriation approved previously. Eisenbeisz noted in the future he hoped for better efficiencies to save money. Hanson reminded of the length of time the utility dock sale had taken and the changes that had been made to the project over time. Hanson stated approximately 145 hours had been spent on the project which he believed to be reasonable and necessary to complete the project. He stated the additional appropriation being requested was for work already done. Further, he stated outside counsel would finish the remainder of the work would be pro bono - completion of the subdivision and closing of the transaction. Interim Municipal Administrator Hugh Bevan also reminded of the number of iterations made by the GPIP Board and Administration over the last 12 months and was no fault of the Legal Department. Christianson spoke in support and noted the project had been a moving target likening it to that of building a house- when changes were made the costs were higher. Wein spoke in opposition and didn't believe the City was well served nor was the idea of the project that was conveyed.

A motion was made by Knox that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Christianson, Eisenbeisz, Knox, Paxton, and Mosher

No: 1 - Wein

Absent: 1 - Nelson

Additional New Business Items

E RES 19-26 Supporting the No Action Alternative in the Alaska Roadless Rulemaking Process

Interim Municipal Administrator Hugh Bevan noted Sitka had to be able to do work associated with its hydroelectric systems including a future powerline corridor across Baranof Island to Takatz Lake without excessive permitting expense due to Roadless Rule regulations and stated the final resolution of the Roadless Rule must make accommodations for such activities.

Speaking in support of the resolution were Linda Behnken, Joel Hanson, Jay Stelzenmuller, Lance Preston, Andrew Thoms, Elizabeth Borneman, Larry Edwards, Michael Thompson, John Skeelee, Lynn Wilbur, and Marsh Skeelee. Behnken recommended clarifying amendments be made.

Theresa Helem spoke in opposition to the resolution.

A motion was made by Knox to AMEND the resolution: on line 66 remove the word "wholesale", on line 70 add the words "alternative 1" after the words "2001 Roadless Rule", and on line 73 remove the word "full" and replace with "any". The amendment PASSED by the following vote.

Yes: 5 - Christianson, Wein, Eisenbeisz, Knox, and Mosher

No: 1 - Paxton

Absent: 1 - Nelson

Knox read a list of communities wishing to keep the Roadless Rule in tact. Paxton stated the Alaska Congressional Delegation was in favor of removing the Roadless Rule and believed communities would still have control. He mentioned Andrew Thoms of the Sitka Conservation Society was working on some collaborative efforts to reach solutions.

A motion was made by Knox that this Resolution be APPROVED AS AMENDED on FIRST AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - Christianson, Eisenbeisz, Knox, Wein, and Mosher

No: 1 - Paxton

Absent: 1 - Nelson

XIII. PERSONS TO BE HEARD:

Chamber of Commerce Executive Director, Rachel Roy, reminded of Small Business

Saturday November 30 and commented on the Visit Sitka quarterly report included in correspondence.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Mosher to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:57 p.m.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-257 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Approve a liquor license renewal application for Alejandro Vazquez dba Agave Restaurant at 236 Lincoln Street Suite 107

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memos](#)
[4854 Renewal Notice - LGB](#)
[4854 Complete Renewal Applicatio](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve a liquor license renewal application for Alejandro Vazquez dba Agave Restaurant at 236 Lincoln Street Suite 107 and forward this approval to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
Hugh Bevan, Interim Municipal Administrator

From: Sara Peterson, Municipal Clerk

Date: December 4, 2019

Subject: Approve a liquor license renewal application for Alejandro Vazquez dba Agave Restaurant

Our office has received notification of the following liquor license renewal application:

Lic #: 4854
DBA: Agave Restaurant
License Type: Restaurant or Eating Place
Licensee: Alejandro Vazquez
Premises Address: 236 Lincoln Street Suite 107

A memo was circulated to the various departments who may have a reason to protest the renewal of this license. No departmental objections were received.

Recommendation:

Approve a liquor license renewal application for Alejandro Vazquez dba Agave Restaurant at 236 Lincoln Street Suite 107 and forward this approval to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Utility Billing Clerk – Diana
Collections - Carolyn
Municipal Billings – Lindsey
Sales Tax/Property Tax – Justin
Fire Department
Police Department
Building Official

From: Sara Peterson, Municipal Clerk

Date: November 13, 2019

Subject: Liquor License Renewal Application – Agave Restaurant

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of the following liquor license renewal application submitted by:

Lic #: 4854
DBA: Agave Restaurant
License Type: Restaurant or Eating Place
Licensee: Alejandro Vazquez
Premises Address: 236 Lincoln Street Suite 107

Please notify by noon on Wednesday, November 27 of any reason to protest this renewal request. This request is scheduled to go before the Assembly on December 10, 2019.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

November 13, 2019

City & Borough of Sitka

Via Email: sara.peterson@cityofsitka.org
melissa.henshaw@cityofsitka.org

Re: Notice of 2020/2021 Liquor License Renewal Application

License Type:	Restaurant or Eating Place	License Number:	4854
Licensee:	Alejandro Vazques		
Doing Business As:	Agave Restaurant		

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

A handwritten signature in cursive script that reads "Erika McConnell".

Erika McConnell, Director
amco.localgovernmentonly@alaska.gov



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Master Checklist: Renewal Liquor License Application

Doing Business As:	Agave Mexican Restaurant	License Number:	4854
License Type:	Restaurant/Eating Place		
Examiner:	John	Transaction #:	1156919

Document	Received	Completed	Notes
AB-17: Renewal Application	10/11	11/8	
App and License Fees	10/11	10/14	

Supplemental Document	Received	Completed	Notes
Tourism/Rec Site Statement			
AB-25: Supplier Cert (WS)			
AB-29: Waiver of Operation			
AB-30: Minimum Operation			
AB-33: Restaurant Affidavit	10/11	10/11	
COI / COC / 5 Star			
FP Cards & Fees / AB-08a			
Late Fee			

Names on FP Cards:	
--------------------	--

	Yes	No
Selling alcohol in response to written order (package stores)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mailing address and contact information different than in database (if yes, update database)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
In "Good Standing" with CBPL (skip this and next question for sole proprietor)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Officers and stockholders match CBPL and database (if "No", determine if transfer necessary)?	<input type="checkbox"/>	<input type="checkbox"/>

LGB 1 Response:

☐ Waive ☐ Protest ☐ Lapsed

LGB 2 Response:

☐ Waive ☐ Protest ☐ Lapsed



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board
Restaurant or Eating Place License
Form AB-17a: 2020/2021 Renewal License Application

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing restaurant or eating place liquor license that is due to renew by December 31, 2019. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed and submitted to AMCO's main office before any license renewal application will be reviewed. Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees that an application will be considered complete, or that a license will be renewed.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

Licensee:	Alejandro Vazquez	License #:	4854
License Type:	Restaurant/Eating Place		
Doing Business As:	Agave Mexican Restaurant		
Premises Address:	236 Lincoln Street Ste.107		
Local Governing Body:	City & Borough of Sitka		
Community Council:	None		
Mailing Address:	236 LINCOLN ST #107		
City:	SITKA	State:	AK
		ZIP:	99835

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual **must be a licensee** who is required to be listed in and authorized to sign this application.

Contact Licensee:	ALEJANDRO VAZQUEZ	Contact Phone:	907 966 3333
Contact Email:	HERNANDESSITKA@YAHOO.COM		

Optional: If you wish for AMCO staff to communicate with an individual who is not a licensee named on this form (eg: legal counsel) about this application and other matters pertaining to the license, please provide that person's contact information in the fields below.

Name of Contact:		Contact Phone:	
Contact Email:			

AMCO
NOV - 8 2019

AMCO
NOV 11 2019

**Form AB-17a: 2020/2021 Restaurant Renewal License Application****Section 2 – Entity or Community Ownership Information**

Licensees who directly hold a license as an individual or individuals should skip to Section 3. General partnerships and local governments should skip to the second half of this page. All licensees that are **corporations** or **LLCs** must complete this section. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). The CBPL Entity # below is **neither** your EIN/tax ID number, **nor** your business license number. You may view your entity's status or find your CBPL entity number by using the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	
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You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

--

This subsection must be completed by any **community** or **entity**, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

- If the applicant is a **corporation**, the following information must be completed for each **shareholder 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**.

Important Note: The information provided in the below fields (including spelling of names, specific titles, and percentages held) must match that which is listed with CBPL. If one individual holds multiple titles mentioned in the bullets above, all titles must be listed for that individual on this application and with CBPL. Failure to list all required titles constitutes an incomplete application. You must list **ALL of your qualifying officials, additional copies of this page or a separate sheet of paper may be submitted if necessary.**

Name of Official:					
Title(s):		Phone:		% Owned:	
Mailing Address:					
City:		State:		ZIP:	

Name of Official:					
Title(s):		Phone:		% Owned:	
Mailing Address:					
City:		State:		ZIP:	

Name of Official:					
Title(s):		Phone:		% Owned:	
Mailing Address:					
City:		State:		ZIP:	

**Form AB-17a: 2020/2021 Restaurant Renewal License Application****Section 3 – Sole Proprietor Ownership Information**

Entities, such as corporations or LLCs, should skip this section. This section must be completed by any licensee who directly holds the license as an **individual or multiple individuals** and is applying for license renewal. If more space is needed, please attach a separate sheet that includes all of the required information.

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

This individual is an: ☒ applicant ☐ affiliate

Name:	ALEJANDRO VAZQUEZ		Contact Phone:	907 966 3333	
Mailing Address:	236 LINCOLN ST #107				
City:	SITKA	State:	AK	ZIP:	99835
Email:	HERNANOSITKA@YAHOO.COM				

This individual is an: ☐ applicant ☐ affiliate

Name:			Contact Phone:		
Mailing Address:					
City:		State:		ZIP:	
Email:					

Section 4 – Alcohol Server Education

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

Initials

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as set forth in AS 04.21.025 and 3 AAC 304.465.

[Handwritten initials]

Section 5 – License Operation

Check a **single box** for each calendar year that best describes how this liquor license was operated:

2018 2019

The license was regularly operated continuously throughout each year.

☒ ☒

The license was regularly operated during a specific season each year.

☐ ☐

The license was only operated to meet the minimum requirement of 240 total hours each calendar year.

If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.

☐ ☐

The license was not operated at all or was not operated for at least the minimum requirement of 240 total hours each year, during one or both of the calendar years.

If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement, unless a complete copy of the form (including fees) has already been submitted for that year.

☐ ☐

**Form AB-17a: 2020/2021 Restaurant Renewal License Application****Section 6 – Violations and Convictions****Applicant violations and convictions in calendar years 2018 and 2019:**

Yes No

Have any notices of violation (NOVs) been issued for this license in the calendar years 2018 or 2019?☐ ☒

Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2018 or 2019?

☐ ☒

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

Section 7 – Certifications**Read each line below, and then sign your initials in the box to the right of each statement:**

Initials

I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

☒

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently approved and on file with the Alcoholic Beverage Control (ABC) Board.

☒

I certify on behalf of myself or of the organized entity 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 am submitting as part of this application a completed copy of Form AB-33: Restaurant Receipts Affidavit, to provide evidence to the ABC Board that this establishment met the food sales requirement set forth in AS 04.11.100(e).

☒

As an applicant for a liquor license renewal, 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. I agree to provide all information required by the Alcoholic Beverage Control Board or AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned to me as incomplete.

Signature of licensee

Signature of Notary Public

ALEXANDRO VAZQUEZ
Printed name of licenseeNotary Public in and for the State of AlaskaMy commission expires: September 17, 2022Subscribed and sworn to before me this 9th day of October, 2019.Seasonal License? Yes ☐ No ☒

If "Yes", write your six-month operating period: _____

License Fee:	\$ 600.00	Application Fee:	\$ 300.00	TOTAL:	\$ 900.00
Miscellaneous Fees:					
GRAND TOTAL (if different than TOTAL):					



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-258 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Approve a liquor license renewal application for Ludvig's Bistro Inc. dba Ludvig's Bistro at 256 Katlian Street

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memos](#)
[AMCO Ludvigs Liquor License Renewal](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve a liquor license renewal application for Ludvig's Bistro Inc. dba Ludvig's Bistro at 256 Katlian Street and forward this approval to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
Hugh Bevan, Interim Municipal Administrator

From: Sara Peterson, Municipal Clerk

Date: December 4, 2019

Subject: Approve a liquor license renewal application for Ludvig's Bistro

Our office has received notification of the following liquor license renewal application:

Lic #: 4246
DBA: Ludvig's Bistro
License Type: Restaurant/Eating Place
Licensee: Ludvig's Bistro Inc.
Premises Address: 256 Katlian Street

A memo was circulated to the various departments who may have a reason to protest the renewal of this license. No departmental objections were received.

Recommendation:

Approve a liquor license renewal application for Ludvig's Bistro, Inc. dba Ludvig's Bistro at 256 Katlian Street and forward this approval to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Utility Billing Clerk – Diana
Collections - Carolyn
Municipal Billings – Lindsey
Sales Tax/Property Tax - Justin
Fire Department
Police Department
Building Official(s)

From: Sara Peterson, Municipal Clerk

Date: November 27, 2019

Subject: Liquor License Renewal Application – Ludvig's Bistro

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of the following liquor license renewal application submitted by:

Lic #: 4246
DBA: Ludvig's Bistro
License Type: Restaurant/Eating Place
Licensee: Ludvig's Bistro Inc.
Premises Address: 256 Katlian Street

Please notify no later than **noon on Wednesday, December 4** of any reason to protest this renewal request. This request is scheduled to go before the Assembly on December 10.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

November 22, 2019

Ludvig's Bistro Inc.

Via Email: sara.peterson@cityofsitka.org ; melissa.henshaw@cityofsitka.org

Re: Notice of 2020/2021 Liquor License Renewal Application

License Type:	Restaurant/ Eating Place	License Number:	4246
Licensee:	Ludvig's Bistro Inc.		
Doing Business As:	Ludvig's Bistro		

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

A handwritten signature in black ink, appearing to read "Glen Klinkhart".

Glen Klinkhart, Director

amco.localgovernmentonly@alaska.gov



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Restaurant or Eating Place License

Form AB-17a: 2020/2021 Renewal License Application

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing restaurant or eating place liquor license that is due to renew by December 31, 2019. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed and submitted to AMCO's main office before any license renewal application will be reviewed. Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees that an application will be considered complete, or that a license will be renewed.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

Licensee:	Ludvig's Bistro Inc.	License #:	4246
License Type:	Restaurant/Eating Place		
Doing Business As:	Ludvig's Bistro		
Premises Address:	256 Katlian Street		
Local Governing Body:	City & Borough of Sitka		
Community Council:	None		

Mailing Address:	256 Katlian St.		
City:	Sitka	State:	AK
		ZIP:	99835

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual **must be a licensee** who is required to be listed in and authorized to sign this application.

Contact Licensee:	Colette Nelson	Contact Phone:	907-738-3603
Contact Email:	ludvigsbistro@hotmail.com		

Optional: If you wish for AMCO staff to communicate with an individual who is not a licensee named on this form (eg: legal counsel) about this application and other matters pertaining to the license, please provide that person's contact information in the fields below.

Name of Contact:		Contact Phone:	
Contact Email:			

**Form AB-17a: 2020/2021 Restaurant Renewal License Application****Section 2 – Entity or Community Ownership Information**

Licensees who directly hold a license as an individual or individuals should skip to Section 3. General partnerships and local governments should skip to the second half of this page. All licensees that are **corporations** or **LLCs** must complete this section. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). The CBPL Entity # below is **neither** your EIN/tax ID number, **nor** your business license number. **You may view your entity's status or find your CBPL entity number by visiting the following site:** <https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	76667D
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You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

Initials
CW

This subsection must be completed by any **community** or **entity**, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

- If the applicant is a **corporation**, the following information must be completed for each **shareholder 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**.

Important Note: The information provided in the below fields (including spelling of names, specific titles, and percentages held) must match that which is listed with CBPL. If one individual holds multiple titles mentioned in the bullets above, all titles must be listed for that individual on this application and with CBPL. Failure to list all required titles constitutes an incomplete application. **You must list ALL of your qualifying officials, additional copies of this page or a separate sheet of paper may be submitted if necessary.**

Name of Official:	Colette Nelson			
Title(s):	President, Secretary, Treasurer	Phone:	907-738-3603	% Owned: 100%
Mailing Address:	256 Kathleen St.			
City:	Sitka	State:	AK	ZIP: 99835

Name of Official:				
Title(s):		Phone:		% Owned:
Mailing Address:				
City:		State:		ZIP:

Name of Official:				
Title(s):		Phone:		% Owned:
Mailing Address:				
City:		State:		ZIP:

**Form AB-17a: 2020/2021 Restaurant Renewal License Application****Section 3 – Sole Proprietor Ownership Information**

Entities, such as corporations or LLCs, should skip this section. This section must be completed by any licensee who directly holds the license as an **individual or multiple individuals** and is applying for license renewal. If more space is needed, please attach a separate sheet that includes all of the required information.

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

This individual is an: ☐ applicant ☐ affiliate

Name:	MA			Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

This individual is an: ☐ applicant ☐ affiliate

Name:	Haf			Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

Section 4 – Alcohol Server Education

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

Initials

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as set forth in AS 04.21.025 and 3 AAC 304.465.

CW

Section 5 – License Operation

Check a **single box** for each calendar year that best describes how this liquor license was operated:

2018 2019

The license was regularly operated continuously throughout each year.

☒ ☒

The license was regularly operated during a specific season each year.

☐ ☐

The license was only operated to meet the minimum requirement of 240 total hours each calendar year.

☐ ☐

If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.

The license was not operated at all or was not operated for at least the minimum requirement of 240 total hours each year, during one or both of the calendar years.

☐ ☐

If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement, unless a complete copy of the form (including fees) has already been submitted for that year.



Alaska Alcoholic Beverage Control Board

Form AB-17a: 2020/2021 Restaurant Renewal License Application

Section 6 – Violations and Convictions

Applicant violations and convictions in calendar years 2018 and 2019:

Yes No

Have any notices of violation (NOVs) been issued for this license in the calendar years 2018 or 2019?

☐ ☒

Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2018 or 2019?

☐ ☒

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

Section 7 – Certifications

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

Initials

I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

ca

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently approved and on file with the Alcoholic Beverage Control (ABC) Board.

ca

I certify on behalf of myself or of the organized entity 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.

ca

I am submitting as part of this application a completed copy of Form AB-33: Restaurant Receipts Affidavit, to provide evidence to the ABC Board that this establishment met the food sales requirement set forth in AS 04.11.100(e).

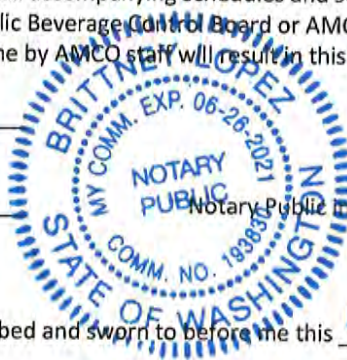
ca

As an applicant for a liquor license renewal, 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. I agree to provide all information required by the Alcoholic Beverage Control Board or AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned to me as incomplete.

Signature of licensee

Colette Nelson

Printed name of licensee



Signature of Notary Public

B. Lopez

Notary Public in and for the State of Washington

My commission expires: 06/28/2021

Subscribed and sworn to before me this 4 day of November, 2019.

Seasonal License? Yes ☐ No ☒

If "Yes", write your six-month operating period: _____

License Fee:	\$ 600.00	Application Fee:	\$ 300.00	TOTAL:	\$ 900.00
Miscellaneous Fees:					
GRAND TOTAL (if different than TOTAL):	<u>900.00</u>				



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-259 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Approve a new retail marijuana store license application for AKO Farms, LLC at 1210 Beardslee Way

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memos](#)
[AMCO AKO Farms New Retail Marijuana Store](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve an application for a new retail marijuana store license for AKO Farms, LLC at 1210 Beardslee Way and forward this approval to the Alcohol and Marijuana Control Office without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
Hugh Bevan, Interim Municipal Administrator

From: Sara Peterson, Municipal Clerk

Date: December 4, 2019

Subject: Approval of new retail marijuana store license application for AKO Farms

Attached you will find a notification, and additional information, from the Alcohol and Marijuana Control Office of an application for a new retail marijuana store license for the following applicant:

License #:	19898
License Type:	Retail Marijuana Store
Licensee/Applicant:	AKO Farms, LLC
D.B.A.:	AKO Farms LLC
Physical Address:	1210 Beardslee Way; Sitka, AK
Designated Licensee:	Justin Brown

The applicant was granted a conditional use permit for a marijuana retail facility by the Planning Commission on July 2, 2019. The motion passed by a 3-0 vote.

A notice was published in the local newspaper and posted to the establishment. In addition, a memo was circulated to the various municipal departments who may have a reason to protest. No departmental objections were received.

Recommendation:

Approve a new retail marijuana store license application for AKO Farms, LLC at 1210 Beardslee Way and forward this approval to the Alcohol and Marijuana Control Office without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Memorandum

To: Planning Department
Collections - Carolyn
Municipal Billings – Lindsey
Sales Tax/Property Tax – Justin
Utility Billing Clerk – Diana
Public Works Department – Shilo
Fire Department
Police Department
Electric Department
Building Official

From: Sara Peterson, Municipal Clerk

Date: November 27, 2019

Subject: New Retail Marijuana Store License

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of a new retail marijuana store license submitted by:

License #: 19898
License Type: Retail Marijuana Store
Licensee/Applicant: AKO Farms, LLC
D.B.A.: AKO Farms, LLC
Physical Address: 1210 Beardslee Way; Sitka, AK
Designated Licensee: Justin Brown

Please notify me **no later than noon on Wednesday, December 4** of any reason to protest this request. This license is scheduled to go before the Assembly on December 10.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Commerce, Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West 7th Avenue, Suite 1600

Anchorage, AK 99501

Main: 907.269.0350

November 21, 2019

City & Borough of Sitka

Attn: City & Borough of Sitka

Via Email: sara.peterson@cityofsitka.org
melissa.henshaw@cityofsitka.org
planning@cityofsitka.org
brian.hanson@cityofsitka.org

License Number:	19898
License Type:	Retail Marijuana Store
Licensee:	AKO Farms, LLC
Doing Business As:	AKO FARMS, LLC.
Physical Address:	1210 Beardslee Way Sitka, AK 99835
Designated Licensee:	Justin Brown
Phone Number:	907-623-0417
Email Address:	akofarmsllc@gmail.com

☒ **New Application** ☐ **New Onsite Consumption Endorsement Application (Retail Only)**

AMCO has received a complete application for a marijuana establishment within your jurisdiction. This notice is required under 3 AAC 306.025(d)(2). Application documents will be sent to you separately via ZendTo.

To protest the approval of this application pursuant to 3 AAC 306.060, you must furnish the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of the date of this notice, and provide AMCO proof of service of the protest upon the applicant. If the protest is a "conditional protest" as defined in 3 AAC 306.060(d)(2) and the application otherwise meets all the criteria set forth by the regulations, the Marijuana Control Board may approve the license, but require the applicant to show to the board's satisfaction that the requirements of the local government have been met before the director issues the license.

3 AAC 306.010, 3 AAC 306.080, and 3 AAC 306.250 provide that the board will deny an application for a new license if the board finds that the license is prohibited under AS 17.38 as a result of an ordinance or election conducted under AS 17.38 and 3 AAC 306.200, or when a local government protests an application on the grounds that the proposed licensed premises are located in a place within the local government where a local zoning ordinance prohibits the marijuana establishment, unless the local government has approved a variance from the local ordinance.

This application will be in front of the Marijuana Control Board at our January 23-24, 2020 meeting.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Glen Klinkhart', with a stylized, cursive script.

Glen Klinkhart, Interim Director

amco.localgovernmentonly@alaska.gov

Department of Commerce, Community, and Economic Development

CORPORATIONS, BUSINESS & PROFESSIONAL LICENSING

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[Download](#) / [Corporations](#) / [Entity Details](#)

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	AKO Farms, LLC

Entity Type: Limited Liability Company

Entity #: 10037708

Status: Good Standing

AK Formed Date: 4/15/2016

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2020 [File Biennial Report](#)

Entity Mailing Address: PO BOX 2426, SITKA, AK 99835

Entity Physical Address: 1210 BEARDSLEY WAY, SITKA, AK 99835

Registered Agent

Agent Name: Justin Brown

Registered Mailing Address: BOX 2426, SITKA, AK 99835

Registered Physical Address: 1210 BEARDSLEY WAY, SITKA, AK 99835

Officials

☐ Show Former

AK Entity #	Name	Titles	Owned
	Justin Brown	Manager, Member	50.00
	Marty & Elizabeth Martin	Member	50.00

Filed Documents

Date Filed	Type	Filing	Certificate
4/15/2016	Creation Filing	Click to View	Click to View
5/02/2016	Initial Report	Click to View	
10/10/2017	Biennial Report	Click to View	
11/01/2017	Agent Change	Click to View	

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Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms, LLC			License # 19898		
License Type:	Retail Marijuana Store					
Doing Business As:	AKO FARMS, LLC.					
Physical Address:	1210 Beardslee Way					
City:	Sitka	State:	AK	Zip Code:	99835	
Designated Licensee:	Justin Brown					
Email Address:	akofarmsllc@gmail.com					

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<p>ENTITY PAPERS</p>
-----------------	----------------------

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Department of Commerce, Community, and Economic Development
**CORPORATIONS, BUSINESS &
PROFESSIONAL LICENSING**

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ENTITY DETAILS

Name(s)

Type	Name
Legal Name	AKO Farms, LLC

Entity Type: **Limited Liability Company**

Entity #: **10037708**

Status: **Good Standing**

AK Formed Date: **4/15/2016**

Duration/Expiration: **Perpetual**

Home State: **ALASKA**

Next Biennial Report Due: **1/2/2020**

Entity Mailing Address: **PO BOX 2426, SITKA, AK 99835**

Entity Physical Address: **1210 BEARDSLEY WAY, SITKA, AK 99835**

Registered Agent

Agent Name: **Justin Brown**

Registered Mailing Address: **BOX 2426, SITKA, AK 99835**

Registered Physical Address: **1210 BEARDSLEY WAY, SITKA, AK 99835**

Officials

AK Entity #	Name	Titles	Show Former Owned
	Justin Brown	Member, Manager	50
	Marty & Elizabeth Martin	Member	50

**AKO FARMS, LLC
OPERATING AGREEMENT**

This Agreement is entered into this 15th day of April, 2016, by and among JUSTIN BROWN, of 103 Metlakatla Street, Sitka, Alaska 99835, MARTY MARTIN, of PO Box 437, Sitka, Alaska 99835, and ELIZABETH MARTIN, of PO Box 437, Sitka, Alaska 99835.

The parties have agreed to organize and operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the parties, intending legally to be bound, agree as follows:

**Article I
Definitions**

The following italicized terms shall have the meaning specified in this *Article I*. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them:

"Act" means the Alaska Limited Liability Company Act, as amended from time to time.

"Adjusted Capital Account Deficit" means, with respect to any Interest Holder, the deficit balance, if any, in the Interest Holder's Capital Account as of the end of the relevant taxable year, after giving effect to the following adjustments:

(i) the Capital Account shall be credited with the amounts which the Interest Holder is deemed obligated to restore pursuant to Regulation Sections 1.704-2(g)(1) and (i)(5) (i.e., the Interest Holder's share of Minimum Gain and Member Minimum Gain); and

(ii) the Capital Account shall be debited with the items described in Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

"Adjusted Capital Balance" means, as of any day, an Interest Holder's total Capital Contributions less all amounts actually distributed to the Interest Holder pursuant to *Sections* 4.2.3.4.1 and 4.4 hereof. If any Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Adjusted Capital Balance of the transferor to the extent the Adjusted Capital Balance relates to the Interest transferred.

"Affiliate" means, with respect to any Member, any Person: (i) which owns more than 50% of the voting interests in the Member; or (ii) in which the Member owns more than 50% of

the voting interests; or (iii) in which more than 50% of the voting interests are owned by a Person who has a relationship with the Member described in clause (i) or (ii) above.

"Agreement" means this Operating Agreement, as amended from time to time.

"Capital Account" means the account to be maintained by the Company for each Interest Holder in accordance with the following provisions:

(i) an Interest Holder's Capital Account shall be credited with the Interest Holder's Capital Contributions, the amount of any Company liabilities assumed by the Interest Holder (other than liabilities secured by Company property distributed to the Interest Holder), the Interest Holder's allocable share of Profit and any item in the nature of income or gain specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*); and

(ii) an Interest Holder's Capital Account shall be debited with the amount of money and the fair market value of any Company property distributed to the Interest Holder (net of liabilities secured by such distributed property that such Interest Holder is considered to assume or take subject to under Section 752 of the Code), the amount of the Interest Holder's individual liabilities that are assumed by the Company (other than liabilities that reduce the amount of any Capital Contribution made by such Interest Holder), the Interest Holder's allocable share of Loss, and any item in the nature of expenses or losses specially allocated to the Interest Holder pursuant to the provisions of *Article IV* (other than *Section 4.3.3*).

If any Interest is transferred pursuant to the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent the Capital Account is attributable to the transferred Interest. If the book value of Company property is adjusted as provided herein, the Capital Account of each Interest Holder shall be adjusted to reflect the aggregate adjustment in the same manner as if the Company had recognized gain or loss equal to the amount of such aggregate adjustment. It is intended that the Capital Accounts of all Interest Holders shall be maintained in compliance with the provisions of Regulation Section 1.704-1(b), and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent with that Regulation.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed (or deemed contributed under Regulation Section 1.704-1(b)(2)(iv)(d)) to the Company by a Member, net of liabilities assumed by the Company or to which the assets are subject.

"Capital Proceeds" means the gross receipts received by the Company from a Capital Transaction.

"Capital Transaction" means any transaction not in the ordinary course of business which results in the Company's receipt of cash or other consideration other than Capital Contributions, including, without limitation, proceeds of sales or exchanges or other dispositions of property not in the ordinary course of business, financings, refinancings, condemnations, recoveries of damage awards, and insurance proceeds.

"Cash Flow" means all cash funds derived from operations of the Company (including interest received on reserves), without reduction for any noncash charges, but less cash funds used to pay current operating expenses and to pay or establish reasonable reserves for future expenses, debt payments, capital improvements, and replacements as determined by the General Manager. Cash Flow shall not include Capital Proceeds but shall be increased by the reduction of any reserve previously established.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

"Company" means the limited liability company formed in accordance with this Agreement.

"Department" means the Department of Commerce and Economic Development.

"General Manager" means the Person or his successor.

"Interest" means a Person's share of the profits and losses of, and the right to receive distributions from, the Company.

"Interest Holder" means any Person who holds an Interest, whether as a Member or an unadmitted assignee of a Member.

"Involuntary Withdrawal" of a Member shall mean the death, retirement, resignation, expulsion or bankruptcy of such Member and any other event which terminates the continued membership of such Member in the Company.

"Member" means each Person signing this Agreement and any Person who subsequently is admitted as a member of the Company.

"Member Minimum Gain" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse debt minimum gain".

"Member Nonrecourse Deductions" has the meaning and shall be determined as set forth in Regulation Section 1.704-2(i) for "partner nonrecourse deductions".

"Minimum Gain" has the meaning and shall be determined as set forth in Regulation Sections 1.704-2(b)(2) and 1.704-2(d) for "partnership minimum gain".

"Membership Rights" means all of the rights of a Member in the Company, including a Member's: (i) Interest; (ii) right to inspect the Company's books and records; (iii) right to participate in the management of and vote on matters coming before the Company; and (iv) unless this Agreement or the Articles of Organization provide to the contrary, right to act as an agent of the Company.

"Negative Capital Account" means a Capital Account with a balance of less than zero.

"Nonrecourse Deductions" has the meaning set forth in Regulation Section 1.704-2(b)(1).

"Nonrecourse Liability" has the meaning set forth in Regulation Sections 1.704-2(b)(3) and 1.752-1(a)(2).

"Percentage" means, as to a Member, the percentage set forth after the Member's name on *Exhibit A*, as amended from time to time, and as to an Interest Holder who is not a Member, the Percentage of the Member whose Interest has been acquired by such Interest Holder, to the extent the Interest Holder has succeeded to that Member's Interest.

"Person" means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

"Positive Capital Account" means a Capital Account with a balance of zero or greater.

"Profit" and *"Loss"* means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company's taxable income or loss determined in accordance with Section 703(a) of the Code, with the following adjustments:

(i) all items of income, gain, loss, deduction, or credit required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included; and

(ii) any tax-exempt income of the Company, not otherwise taken into account in computing Profit or Loss, shall be included; and

(iii) any expenditures of the Company described in Section 705(a)(2)(B) of the Code (or treated as such pursuant to Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profit or Loss, shall be subtracted; and

(iv) gain or loss resulting from any taxable disposition of Company property shall be computed by reference to the adjusted book value of the property disposed of, notwithstanding the fact that the adjusted book value differs from the adjusted basis of the property for federal income tax purposes; and

(v) in lieu of the depreciation, amortization, or cost recovery deductions allowable in computing taxable income or loss, there shall be taken into account the depreciation or amortization computed for book purposes; and

(vi) notwithstanding any other provision of this definition, any items which are specially allocated pursuant to *Section 4.3* hereof shall not be taken into account.

"Regulation" or *"Regulations"* means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

"Transfer" means, when used as a noun, any voluntary sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, means voluntarily to sell, hypothecate, pledge, assign, or otherwise transfer.

Article II Organization and Purpose

2.1 *Organization.* The parties shall organize a limited liability company pursuant to the Act and the provisions of this Agreement.

2.2. *Name of the Company.* The name of the Company shall be "AKO Farms, LLC". The Company may do business under that name and under any other name or names which the General Manager selects. If the Company does business under a name other than that set forth in its Articles of Organization, then the Company shall file an assumed business name as required by law.

2.3. *Purpose.* The Company is organized to conduct any or all lawful affairs for which an LLC may be organized under AS 10.50. The Company may do any and all things necessary, convenient, or incidental to that purpose.

2.4. *Term.* The term of the Company shall begin upon the acceptance of the Articles of Organization by the Department and shall be perpetual, unless its existence is sooner terminated pursuant to *Article VII* of this Agreement or the mandatory provisions of the Act.

2.5. *Principal Office.* The principal office of the Company in the State of Alaska shall be located at 713-B Sawmill Creek Road, Sitka, Alaska 99835, or at any other place within the State of Alaska that the General Manager selects.

2.6. *Registered Agent.* The name and address of the Company's registered agent in the State of Alaska shall be Justin Brown, 103 Metlakatla Street, Sitka, Alaska 99835.

2.7. *Members.* The name, present mailing address, taxpayer identification number, and Percentage of each Member are set forth on *Exhibit A*.

Article III Capital

3.1. *Initial Capital Contributions.* Upon the execution of this Agreement, the Members shall contribute to the Company cash in the amounts or assets with the value set forth on *Exhibit A*. The amount of the initial contribution of each Member shall be recorded by the General Manager as a contribution to the capital of the Company.

3.2. *No Additional Capital Contributions Required.* No Member shall be obligated, nor shall any Member have a right, to contribute any additional capital to the Company, other than as specified in *Exhibit A*, and no Member shall have any personal liability for any obligation of the Company.

3.3. *No Interest on Capital Contributions.* Interest Holders shall not be paid interest on their Capital Contributions.

3.4. *Return of Capital Contributions.* Except as otherwise provided in this Agreement, no Interest Holder shall have the right to receive any return of any Capital Contribution.

3.5. *Form of Return of Capital.* If an Interest Holder is entitled to receive a return of a Capital Contribution, the Interest Holder shall not have the right to receive anything but cash in return of the Interest Holder's Capital Contribution.

3.6. *Capital Accounts.* A separate Capital Account shall be maintained for each Interest Holder.

Article IV Allocations and Distributions

4.1. *Allocation of Profit or Loss and Distributions of Cash Flow.*

4.1.1. *Profit or Loss Other Than from a Capital Transaction.* After giving effect to the special allocations set forth in *Section 4.3*, for any taxable year of the Company, Profit or Loss (other than Profit or Loss resulting from a Capital Transaction, which Profit or Loss shall be allocated in accordance with the provisions of *Sections 4.2.1* and *4.2.2*) shall be allocated to the Interest Holders in proportion to their Percentages.

4.1.2. *Cash Flow.* Cash Flow for each taxable year of the Company shall be distributed to the Interest Holders in proportion to their Percentages no later than seventy-five (75) days after the end of the taxable year.

4.2. *Allocation of Profit or Loss from a Capital Transaction.*

4.2.1. *Profit.* After giving effect to the special allocations set forth in *Section 4.3*, Profit from a Capital Transaction shall be allocated as follows:

4.2.1.1. If one or more Interest Holders has a Negative Capital Account, to those Interest Holders, in proportion to their Negative Capital Accounts, until all Negative Capital Accounts have been reduced to zero.

4.2.1.2. Any Profit not allocated pursuant to *Section 4.2.1.1* shall be allocated to the Interest Holders in proportion to, and to the extent of, the amounts distributed or distributable to them pursuant to *Section 4.2.3.4.3*.

4.2.1.3. Any Profit in excess of the foregoing allocations shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.2. *Loss.* After giving effect to the special allocations set forth in *Section 4.3*, Loss from a Capital Transaction shall be allocated as follows:

4.2.2.1. If one or more Interest Holders has a Positive Capital Account, to those Interest Holders, in proportion to their Positive Capital Accounts, until all Positive Capital Accounts have been reduced to zero.

4.2.2.2. Any Loss not allocated to reduce Positive Capital Accounts to zero pursuant to *Section 4.2.2.1* shall be allocated to the Interest Holders in proportion to their Percentages.

4.2.3. *Capital Proceeds.* Capital Proceeds shall be distributed and applied by the Company in the following order and priority:

4.2.3.1. to the payment of all expenses of the Company incident to the Capital Transaction; then

4.2.3.2. to the payment of debts and liabilities of the Company then due and outstanding (including all debts due to any Interest Holder); then

4.2.3.3. to the establishment of any reserves which the General Manager deems necessary for liabilities or obligations of the Company; then

4.2.3.4. the balance shall be distributed as follows:

4.2.3.4.1. to the Interest Holders in proportion to their Adjusted Capital Balances, until their remaining Adjusted Capital Balances have been paid in full;

4.2.3.4.2. if any Interest Holder has a Positive Capital Account after the distributions made pursuant to *Section 4.2.3.4.1* and before any further allocation of Profit pursuant to *Section 4.2.1.3*, to those Interest Holders in proportion to their Positive Capital Accounts; then

4.2.3.4.3. the balance, to the Interest Holders in proportion to their Percentages.

4.3. *Regulatory Allocations.* The allocations set forth in *Sections 4.3.1* and *4.3.2* are included to comply with the requirements of the Regulations. If allocations under such provisions are different from the allocations which would be made under *Section 4.1* or *4.2*, as appropriate, then the General Manager shall make appropriate allocations, consistent with the Regulations, so that the net allocations are, as much as possible, consistent with those under *Sections 4.1* and *4.2*.

4.3.1. *Qualified Income Offset.* No Interest Holder shall be allocated Losses or deductions if the allocation causes the Interest Holder to have an Adjusted Capital Account Deficit. If an Interest Holder unexpectedly receives any adjustments, allocations, or distributions described in Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) which results in or increases an Adjusted Capital Account Deficit at the end of any taxable year, then all items of income and gain of the Company for that taxable year shall be allocated to that Interest Holder, before any other allocation pursuant to this *Article IV* (other than those pursuant to *Sections 4.3.2.1* and *4.3.2.2*), in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This *Section 4.3.1* is intended to comply with, and shall be interpreted consistently with, the "qualified income offset" provisions of the Regulation Section 1.704-1(b)(2)(ii)(d) and all other Regulation Sections relating thereto.

4.3.2. *Minimum Gain.*

4.3.2.1. *Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(f), if, during any taxable year, there is a net decrease in Minimum Gain, each Interest Holder, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Minimum Gain, computed in accordance with Regulation Section 1.704-2(g). Allocations of items of gross income and gain pursuant to this *Section 4.3.2.1* shall be made as described in Regulation Sections 1.704-2(f) and (j). This *Section 4.3.2.1* is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(f) and all other Regulation Sections relating thereto.

4.3.2.2. *Member Minimum Gain Chargeback.* Except as set forth in Regulation Section 1.704-2(i)(4), if, during any taxable year, there is a net decrease in Member Minimum Gain, each Interest Holder with a share of that Member Minimum Gain as of the beginning of such year, prior to any other allocation pursuant to this *Article V*, shall be specially allocated items of gross income and gain for such taxable year (and, if necessary, subsequent taxable years) in an amount equal to that Interest Holder's share of the net decrease of Member Minimum Gain, computed in accordance with Regulation Section 1.704-2(i)(4). Allocations of items of gross income and gain pursuant to this *Section 4.3.2.2* shall be made as described in Regulation Sections 1.704-2(i)(4) and (j). This *Section 4.3.2.2* is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Regulation Section 1.704-2(i)(4) and all other Regulation Sections relating thereto.

4.3.3. *Contributed Property and Book-ups.* To the extent permitted or required by Section 704(c) of the Code and the Regulations thereunder, Regulation Section 1.704-1(b)(2)(iv)(d)(3) and Regulation Section 1-704-1(b)(2)(iv)(f), income, gain, loss, and deduction with respect to any property contributed (or deemed contributed) to the Company shall, solely for tax purposes, be allocated among the Interest Holders so as to take account of any variation between the adjusted basis of the property to the Company for federal income tax purposes and its fair market value at the date of contribution (or deemed contribution) under the rules of Regulation Section 704-3(b)(1). If the adjusted book value of any Company asset is adjusted as provided herein, subsequent allocations of income, gain, loss, and deduction with respect to the asset shall take account of any variation between the adjusted basis of the asset for federal income tax purposes and its adjusted book value in the manner required under Section 704(c) of the Code and the Regulations thereunder.

4.3.4. *Election under Section 754 of the Code.* To the extent an adjustment to the tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required, pursuant to Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of the adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases basis), and the gain or loss shall be specially allocated to the Interest Holders in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to that Section of the Regulations.

4.3.5. *Nonrecourse Deductions.* Nonrecourse Deductions for a taxable year or other period shall be specially allocated among the Interest Holders in proportion to their Percentages.

4.3.6. *Member Nonrecourse Deductions.* Any Member Nonrecourse Deduction for any taxable year or other period shall be specially allocated to the Interest Holder who bears the risk of loss with respect to the liability to which the Member Nonrecourse Deduction is attributable in accordance with Regulation Section 1.704-2(i).

4.3.7. *Guaranteed Payments.* To the extent any compensation paid to any Member by the Company, is determined by the Internal Revenue Service not to be a guaranteed payment under Section 707(c) of the Code or is not paid to the Member other than in the Person's capacity as a Member within the meaning of Section 707(a) of the Code, the Member shall be specially allocated gross income of the Company in an amount equal to the amount of that compensation, and the Member's Capital Account shall be adjusted to treat the payment of that compensation as a distribution.

4.3.8. *Recapture.* In making any allocation among the Members of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Members who were previously allocated (or whose predecessors-in-interest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

4.3.9. *Withholding.* All amounts required to be withheld pursuant to Section 1446 of the Code or any other provision of federal, state, or local tax law shall be treated as amounts actually distributed to the affected Interest Holders for all purposes under this Agreement.

4.3.10. *Other Allocations.* All items of Company income, gain, loss, deduction and credit the allocation of which is not otherwise provided for in this Agreement, including allocation of such items for tax purposes, shall be allocated among the Members in the same proportions as they share Profits or Losses for the taxable year pursuant to this *Article IV*.

4.4. *Liquidation and Dissolution.*

4.4.1. If the Company is liquidated, the assets of the Company shall be distributed to the Interest Holders in accordance with the balances in their respective Capital Accounts, after taking into account the allocations of Profit or Loss pursuant to *Sections 4.1 or 4.2*.

4.4.2. No Interest Holder shall be obligated to restore a Negative Capital Account.

4.5. *General.*

4.5.1. Except as otherwise provided in this Agreement, the timing and amount of all distributions shall be determined by the General Manager.

4.5.2. If any assets of the Company are distributed in kind to the Interest Holders, those assets shall be valued on the basis of their fair market value, and any Interest

Holder entitled to any interest in those assets shall receive that interest as a tenant-in-common with all other Interest Holders so entitled. Unless the Members otherwise agree, the fair market value of the assets shall be determined by an independent appraiser who shall be selected by the General Manager. The Profit or Loss for each unsold asset shall be determined as if the asset had been sold at its fair market value, and the Profit or Loss shall be allocated as provided in *Section 4.2* and shall be properly credited or charged to the Capital Accounts of the Interest Holders prior to the distribution of the assets in liquidation pursuant to *Section 4.4*.

4.5.3. All Profit and Loss shall be allocated, and all distributions shall be made, to the Persons shown on the records of the Company to have been Interest Holders as of the last day of the taxable year for which the allocation or distribution is to be made. Notwithstanding the foregoing, unless the Company's taxable year is separated into segments, if there is a Transfer or an Involuntary Withdrawal during the taxable year, the Profit and Loss shall be allocated between the original Interest Holder and the successor on the basis of the number of days each was an Interest Holder during the taxable year; provided, however, to the extent permitted under *Section 706* of the Code the Company's taxable year shall be segregated into two or more segments in order to account for Profit, Loss, or proceeds attributable to a Capital Transaction or to any other extraordinary nonrecurring items of the Company.

4.5.4. The General Manager is hereby authorized, upon the advice of the Company's tax counsel, to amend this *Article IV* to comply with the Code and the Regulations promulgated under *Section 704(b)* of the Code; provided, however, that no amendment shall materially affect distributions to an Interest Holder without the Interest Holder's prior written consent.

Article V Management

5.1. General Manager.

5.1.1. *In General.* The business and affairs of the Company shall be managed by the General Manager. Except as otherwise expressly provided in this Agreement, the General Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

5.1.2. *Specific Powers.* Without limiting the generality of the foregoing, the General Manager shall have the power and authority, on behalf of the Company, to:

5.1.2.1. Acquire by purchase, lease, or otherwise, any real or personal property, tangible or intangible;

5.1.2.2. Construct, operate, maintain, finance, and improve, and to own, sell, convey, assign, mortgage, or lease any real estate and any personal property;

5.1.2.3. Except as provided in *Section 5.1.3.6*, sell, dispose, trade, or exchange Company assets in the ordinary course of the Company's business;

5.1.2.4. Enter into agreements and contracts and to give receipts, releases and discharges;

5.1.2.5. Purchase liability and other insurance to protect the Company's properties and business;

5.1.2.6. Borrow money for and on behalf of the Company, and, in connection therewith, execute and deliver instruments to hypothecate, encumber and grant security interests in the assets of the Company to secure repayment of the sums borrowed;

5.1.2.7. Execute or modify leases with respect to any part or all of the assets of the Company;

5.1.2.8. Prepay, in whole or in part, refinance, amend, modify, or extend any mortgages or deeds of trust which may affect any asset of the Company and in connection therewith to execute for and on behalf of the Company any extensions, renewals or modifications of such mortgages or deeds of trust;

5.1.2.9. Execute any and all other instruments and documents which may be necessary or in the opinion of the General Manager desirable to carry out the intent and purpose of this Agreement, including, but not limited to, documents whose operation and effect extend beyond the term of the Company;

5.1.2.10. Make any and all expenditures which the General Manager, in its sole discretion, deems necessary or appropriate in connection with the management of the affairs of the Company and the carrying out of its obligations and responsibilities under this Agreement, including, without limitation, all legal, accounting and other related expenses incurred in connection with the organization and financing and operation of the Company;

5.1.2.11. Enter into any kind of activity necessary to, in connection with, or incidental to, the accomplishment of the purposes of the Company;

5.1.2.12. Invest and reinvest Company reserves in short-term instruments or money market funds; and

5.1.2.13. Employ accountants, legal counsel, agents, and other experts to perform services for the Company.

5.1.3. *Extraordinary Transactions.* Notwithstanding anything to the contrary in this Agreement, the General Manager shall not undertake any of the following without the approval of the Members:

- 5.1.3.1. Any Capital Transaction;
- 5.1.3.2. The Company's lending more than \$5,000.00 of its money on any one occasion;
- 5.1.3.3. The admission of additional Members to the Company;
- 5.1.3.4. The Company's engaging in business in any jurisdiction which does not provide for the registration of limited liability companies;
- 5.1.3.5. Discontinuance of the Company's business;
- 5.1.3.6. Sale of the Company's business or substantial portion thereof, or the sale, exchange or other disposition of all, or substantially all, of the company's assets;
- 5.1.3.7. Any merger, reorganization or recapitalization of the Company;
- 5.1.3.8. Any borrowings by the Company in excess of \$5,000.00;
- 5.1.3.9. Any contract which would require the Company to expend more than \$5,000.00 and the adoption of any profit sharing, bonus, pension or similar plan;
- 5.1.3.10. Settlement or confession of judgment in any legal matter;
- 5.1.3.11. Transactions with Affiliates [or family members] of the General Manager;
- 5.1.3.12. Taking or effecting any action that would render the Company bankrupt or insolvent or, except as expressly provided in this Agreement, cause the termination, dissolution, liquidation or winding-up of the Company; and
- 5.1.3.13. Such other matters and decisions as the Members may from time to time designate.

5.1.4. *Removal of General Manager.* The General Manager may only be removed under the following procedure. If any one or more of the following events occurs, the Members may remove the General Manager, and elect a new General Manager:

5.1.4.1. The General Manager's willful or intentional violation or reckless disregard of the General Manager's duties to the Company; or

5.1.4.2. The General Manager's Involuntary Withdrawal.

The determination of whether one or more of such events exist shall be made by those Members holding a majority of the Percentages then held by Members and shall be final, binding, and not reviewable unless the decision was based on a material mistake of fact or law or was arbitrary and capricious. The General Manager may not be removed for any other reasons or under any other procedure.

5.2. *Meetings of and Voting by Members.*

5.2.1. A meeting of the Members may be called at any time by any Member. Meetings of Members shall be held at the Company's principal place of business or at any other place in Sitka, Alaska. Not less than ten (10) nor more than ninety (90) days before each meeting, the Person calling the meeting shall give written notice of the meeting to each Member entitled to vote at the meeting. The notice shall state the time, place, and purpose of the meeting. Notwithstanding the foregoing provisions, each Member who is entitled to notice waives notice if before or after the meeting the Member signs a waiver of the notice which is filed with the records of Members' meetings, or is present at the meeting in person or by proxy. Unless this Agreement provides otherwise, at a meeting of Members, the presence in person or by proxy of a majority of the Members constitutes a quorum. A Member may vote either in person or by written proxy signed by the Member or by the Member's duly authorized attorney-in-fact.

5.2.2. Except as otherwise provided in this Agreement, the affirmative vote of a majority of the Members shall be required to approve any matter coming before the Members.

5.2.3. In lieu of holding a meeting, the Members may vote or otherwise take action by a written instrument indicating the consent of Members holding a majority of the Percentages then held by Members.

5.3. *Personal Service.*

5.3.1. No Member shall be required to perform services for the Company solely by virtue of being a Member. Unless approved by the General Manager, no Member shall perform services for the Company or be entitled to compensation for services performed for the Company.

5.3.2. Unless approved by a majority of the Members, the General Manager shall not be entitled to compensation for services performed for the Company. However, upon substantiation of the amount and purpose thereof, the General Manager shall be entitled to reimbursement for expenses reasonably incurred in connection with the activities of the Company.

5.4. *Limitation of Liability and Independent Activities.*

5.4.1. *Limitation of Liability.* Neither the Members nor the Managers (nor any of their Affiliates) shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person (which shall include any applicable entity) performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided, however, that such Person shall retain liability for acts or omissions that involve intentional misconduct, a knowing violation of the law, a violation of AS 10.50.320 (in the case of Members only) or for any transaction from which the Person will personally receive a benefit in money, property, or services to which the person is not legally entitled.

5.4.2. *Independent Activities.* Any Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including, without limitation, the ownership, financing, management, employment by, lending or otherwise participating in businesses that are similar to the business of the Company, and neither the Company nor the other Members shall have any right by virtue of this Agreement in and to such independent ventures as to the income or profits therefrom and shall not be liable for a breach of duty of loyalty or any other duty.

5.5. *Indemnification*

5.5.1. *Indemnification.* (i) To the fullest extent permitted by applicable law, a Member, the General Manager and each director, officer, partner, employee or agent thereof ("Covered Person") shall be entitled to indemnification from the Company for any loss, damage, or claim incurred by such Covered Person by reason or any act or omission performed or omitted by such Covered Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of authority conferred on such Covered Person by this Agreement, except that non Covered Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Covered Person by reason of gross negligence, bad faith, or willful misconduct with respect to such act or omissions; *provided, however*, that any indemnity under this Section 5.5.1 shall be provided out of and to the extent of Company assets only, and no other Covered Person shall have any personal liability on account thereof.

5.5.2. *Notice.* In the event that any claim, demand, action, suit or proceeding shall be instituted or asserted or any loss, damage or claim shall arise in respect of which

indemnity may be sought by a Covered Person pursuant to *Section 5.5.1(i)*, such Covered Person shall promptly notify the Company thereof in writing. Failure to provide notice shall not affect the Company's obligations hereunder except to the extent the Company is actually prejudiced thereby.

5.5.3. *Contest.* The Company shall have the right, exercisable subject to the approval of the disinterested Covered Persons, to participate in and control the defense of any such claim, demand, action, suit or proceeding, and in connection therewith, to retain counsel reasonably satisfactory to each Covered Person, at the Company's expense, to represent each Covered Person and any others the Company may designate in such claim, demand, action, suit or proceeding. The Company shall keep the Covered Person advised of the status of such claim, demand, action, suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Covered Person with respect thereto.

Article VI

Admissions and Transfers

6.1. *Transfers.* No Person may Transfer all or any portion of or any interest or rights in the Person's Membership Rights or Interest unless the following conditions ("Conditions of Transfer") are satisfied:

6.1.1. The Transfer will not require registration of Interests or Membership Rights under any federal or state securities laws;

6.1.2. The transferee delivers to the Company a written agreement to be bound by all the terms of this Agreement;

6.1.3. The Transfer will not result in the termination of the Company pursuant to Code Section 708;

6.1.4. The Transfer will not result in the Company being subject to the Investment Company Act of 1940, as amended;

6.1.5. The transferor or the transferee delivers the following information to the Company: (i) the transferee's taxpayer identification number, and (ii) the transferee's initial tax basis in the Transferred Interest; and

6.1.6. The transferor obtains, at the transferor's expense, and delivers to the Company, an opinion of legal counsel acceptable to the Company, confirming that the Conditions of Transfer have been satisfied.

6.2. If the Conditions of Transfer are satisfied, then a Member or Interest Holder may Transfer all or any portion of that Person's Interest. The Transfer of an Interest pursuant to this *Article IX* shall not result, however, in the Transfer of any of the transferor's other Membership Rights, if any, and the transferee of the Interest shall have no right to: (i) become a Member, or (ii) exercise any Membership Rights other than those specifically pertaining to the ownership of an Interest.

6.3. Each Member hereby acknowledges the reasonableness of the prohibition contained in this *Article VI* in view of the purposes of the Company and the relationship of the Members. The Transfer of any Membership Rights or Interests in violation of the prohibition contained in this *Article VI* shall be deemed invalid, null and void, and of no force or effect. Any Person to whom Membership Rights are attempted to be transferred in violation of this *Article* shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive distributions from the Company, or have any other rights in or with respect to the Membership Rights.

6.4. *Admission of Transferee as Member.* Notwithstanding anything contained herein to the contrary, the transferee of all or any portion of or any interest or rights in any Membership Rights or Interest shall not be entitled to become a Member or exercise any rights of a Member. The transferee shall be entitled to receive, to the extent transferred, only the distributions to which the transferor would be entitled, and the transferee shall not be admitted as a Member unless the Members unanimously consent.

Article VII

Dissolution and Liquidation

7.1. *Events of Dissolution.* The Company shall be dissolved upon the happening of any of the following events:

7.1.1. when the period fixed for its duration in *Section 2.4* has expired;

7.1.2. upon the unanimous written agreement of the Members; or

7.1.3. upon the death, retirement, resignation, expulsion, or bankruptcy of a Member or the occurrence of any other event which terminates the continued membership of a Member in the Company, unless the remaining Members, within ninety (90) days after the event or occurrence, unanimously elect to continue the business of the Company pursuant to the terms of this Agreement.

7.2. *Procedure for Winding Up and Dissolution.* If the Company is dissolved, the General Manager shall wind up its affairs. On winding up of the Company, the assets of the

Company shall be distributed, first, to creditors of the Company, including Members who are creditors, in satisfaction of the liabilities of the Company, and then, amounts in excess of any reserves deemed reasonably necessary by the General Manager to pay all of the Company's claims and obligations shall be distributed to the Interest Holders in accordance with *Section 4.2.3.4* of this Agreement.

7.3. *Termination.* The General Manager shall comply with any requirements of applicable Law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

Article VIII

Books, Records, and Accounting

8.1. *Bank Accounts.* All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name. The General Manager shall determine the institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

8.2. *Books and Records.*

8.2.1. The General Manager shall keep or cause to be kept complete and accurate books and records of the Company and supporting documentation of the transactions with respect to the conduct of the Company's business. The records shall include, but not be limited to, complete and accurate information regarding the state of the business and financial condition of the Company, a copy of the Articles of Organization and this Agreement and all amendments thereto, a current list of the names and last known business, residence, or mailing addresses of all Members; and the Company's federal, state, and local tax returns.

8.2.2. The books and records shall be maintained in accordance with sound accounting practices consistently applied and shall be available at the Company's principal office for examination by any Member or the Member's duly authorized representative at any and all reasonable times during normal business hours.

8.2.3. Each Member shall reimburse the Company for all costs and expenses incurred by the Company in connection with the Member's inspection and copying of the Company's books and records.

8.3. *Annual Accounting Period.* The annual accounting period of the Company shall be its taxable year. The Company's taxable year shall be selected by the General Manager, subject to the requirements and limitations of the Code.

8.4. *Reports*

8.4.1. *Biennial Report.* The Members shall file a biennial report as required by the Department.

8.4.2. *Reports to Members.* Within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was a Member at any time during the taxable year then ended: (i) an annual compilation report, prepared by the Company's independent accountants in accordance with standards issued by the American Institute of Certified Public Accountants; and (ii) a report summarizing the fees and other remuneration paid by the Company to any Member, the General Manager, or any Affiliate in respect of the taxable year. In addition, within seventy-five (75) days after the end of each taxable year of the Company, the General Manager shall cause to be sent to each Person who was an Interest Holder at any time during the taxable year then ended, that tax information concerning the Company necessary for preparing the Interest Holder's income tax returns for that year. At the request of any Member, and at the Member's expense, the General Manager shall cause an audit of the Company's books and records to be prepared by independent accountants for the period requested by the Member.

8.5. *Tax Matters Member.* The General Manager shall be the Company's tax matters partner ("Tax Matters Member"). The Tax Matters Member shall have all powers and responsibilities of a "tax matters partner" as defined in Section 6231 of the Code. The Tax Matters Member shall keep all Members informed of all notices from government taxing authorities that may come to the attention of the Tax Matters Member. The Company shall pay and be responsible for all reasonable third-party costs and expenses incurred by the Tax Matters Member in performing those duties. A Member shall be responsible for any costs incurred by the Member with respect to any tax audit or tax-related administrative or judicial proceeding against any Member, even though it relates to the Company. The Tax Matters Member shall not compromise any dispute with the Internal Revenue Service without the approval of the Members.

8.6. *Tax Elections.* The General Manager shall have the authority to make all Company elections permitted under the Code, including, without limitation, elections of methods of depreciation and elections under Section 754 of the Code. The decision to make or not make an election shall be at the General Manager's sole and absolute discretion.

8.7. *Title to Company Property.* All real and personal property acquired by the Company shall be acquired and held by the Company in its name.

Article IX
Amendments; General Provisions

9.1. *Assurances.* Each Member shall execute all certificates and other documents and shall do all such filing, recording, publishing, and other acts as the General Manager deems appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2. *Notifications.* Any notice, demand, consent, election, offer, approval, request, or other communication (collectively a "notice") required or permitted under this Agreement must be in writing and either delivered personally or sent by certified or registered mail, postage prepaid, return receipt requested. Any notice to be given hereunder by the Company shall be given by the General Manager. A notice must be addressed to an Interest Holder at the Interest Holder's last known address on the records of the Company. A notice to the Company must be addressed to the Company's principal office. A notice delivered personally will be deemed given only when acknowledged in writing by the person to whom it is delivered. A notice that is sent by mail will be deemed given three (3) business days after it is mailed. Any party may designate, by notice to all of the others, substitute addresses or addressees for notices; thereafter, notices are to be directed to those substitute addresses or addressees.

9.3. *Specific Performance.* The parties recognize that irreparable injury will result from a breach of any provision of this Agreement and that money damages will be inadequate to remedy the injury fully. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Agreement, any party who may be injured (in addition to any other remedies which may be available to that party) shall be entitled to one or more preliminary or permanent orders (i) restraining and enjoining any act that would constitute a breach or (ii) compelling the performance of any obligation that, if not performed, would constitute a breach.

9.4. *Complete Agreement.* This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of all of the Members.

9.5. *Applicable Law.* All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Alaska.

9.6. *Section Titles.* The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof.

9.7. *Binding Provisions.* This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

9.8. *Jurisdiction and Venue.* Any suit involving any dispute or matter arising under this Agreement may only be brought in the United States District Court for Alaska or any Alaska State Court having jurisdiction over the subject matter of the dispute or matter. All Members hereby consent to the exercise of personal jurisdiction by any such court with respect to any such proceeding.

9.9. *Terms.* Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the Person may in the context require.

9.10. *Separability of Provisions.* Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

9.11. *Counterparts.* This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

9.12. *Estoppel Certificate.* Each Member shall, within ten (10) days after written request by the General Manager, deliver to the requesting Person a certificate stating, to the Member's knowledge, that: (a) this Agreement is in full force and effect; (b) this Agreement has not been modified except by any instrument or instruments identified in the certificate; and (c) there is no default hereunder by the requesting Person, or if there is a default, the nature and extent thereof. If the certificate is not received within that ten (10) day period, the General Manager shall execute and deliver the certificate on behalf of the requested Member.

9.13. *Amendment.* This Agreement may be amended by a vote of the members holding 100% of the capital accounts of all of the Members, *provided however* that no amendment which materially reduces the distributions which may be made to a Member (or changes the Profit or Loss allocation to such Member) may be made without such Member's consent.

9.14. *Consents.* Unless otherwise explicitly provided for herein, any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Company.

9.15. *Legends.* If certificates for any Interest or Interests are issued that evidence a Member's Interest, each such certificate shall bear such legends as may be required by applicable federal and state laws, or as may be deemed necessary or appropriate by the General Manager to reflect restrictions upon transfer contemplated herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first below written.

4 15 2016
Date

[Signature]
Justin Brown

4/15/2016
Date

[Signature]
Marty Martin

4/15/2016
Date

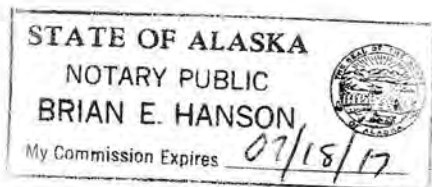
[Signature]
Elizabeth Martin

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)
) ss:
)

The foregoing instrument was acknowledged before me this 15th day of April, 2016, by JUSTIN BROWN.



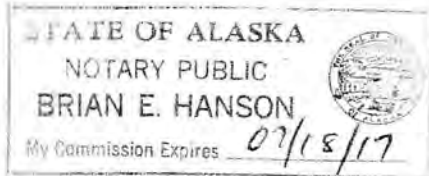
[Signature]
Notary Public in and for Alaska
My commission expires: 07/18/17

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)
) ss:
)

The foregoing instrument was acknowledged before me this 15th day of April, 2016, by MARTY MARTIN.



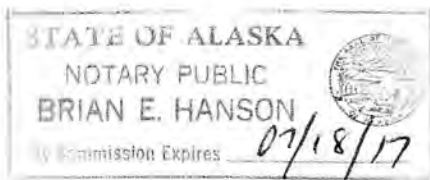
Brian E. Hanson
Notary Public in and for Alaska
My commission expires: 07/18/17

STATE OF ALASKA

FIRST JUDICIAL DISTRICT

)
) ss:
)

The foregoing instrument was acknowledged before me this 15th day of April, 2016, by ELIZABETH MARTIN.



Brian E. Hanson
Notary Public in and for Alaska
My commission expires: 07/18/17

EXHIBIT A
AKO Farms, LLC
Members
04/15/16

<u>Member / Address</u>	<u>Capital Contribution</u>	<u>Percent Ownership Interest</u>
Justin Brown 103 Metlakatla Street Sitka, Alaska 99835	\$500.00	50%
Marty Martin PO Box 437 Sitka, Alaska 99835	\$250.00	25%
Elizabeth Martin PO Box 437 Sitka, Alaska 99835	\$250.00	25%



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms, LLC	License Number:	19898		
License Type:	Retail Marijuana Store				
Doing Business As:	AKO FARMS, LLC.				
Physical Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Justin Brown				
Email Address:	akofarmsllc@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<p>FOOD AND SAFETY Permit Application</p>
-----------------	---

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Application for Food Establishment Permit

Alaska Department of Environmental Conservation
Division of Environmental Health
Food Safety and Sanitation Program



Permit ID: _____

Section 1- GENERAL INFORMATION (All applicants complete entire section – please print).

Purpose (check one) ☐ New ☐ Information Change ☐ Extensive Remodel ☐ Change of owner/operator ☐ Reactivate

Name of Entity or Owner Responsible for Food Service

AK Business License #

AKC FARMS

Business/Corporate Mailing Address

PO BOX 2426

City SITKA

State AK

Zip

99835

Business/Corporate Phone

907 623 0417

Email

AKCFARMS@comcast.net

Owner/Corporate Officer(s) & Title(s) or Responsible Party

JUSTIN BROWN - MANAGER KIMBERLY MONTANA

Fax

Type of Entity ☐ Individual ☒ Partnership ☐ Corporation ☐ Other:

Establishment Name

AKC FARMS

Physical Location

1210 Beardslee Way

Nearest Community

Establishment Mailing Address

PO BOX 2426

City

SITKA

State

AK

Zip

99835

Establishment Phone

907 623 0417

Fax

Contact Person

Establishment Physical Address

1210 Beardslee Way

City

SITKA

State

AK

Zip

99835

SEATING: (Food Service Only) ☒ N/A ☐ 25 or less ☐ 26-100 ☐ > 101

TYPE OF OPERATION Please describe the type of facility you plan to open below (i.e. restaurant, bar, grocery store, etc.)

Marijuana Retail Store

SECTION 2 – NEW OR EXTENSIVELY REMODELED FACILITIES

a. A plan review will be required if your facility has never been permitted by the Alaska's Food Safety and Sanitation Program; has not had an active permit in the last five years; will be extensively remodeled; or is a new construction. If any of these apply, a Plan Review

A location is required to process our application. Have you attached the Plan Review Application? ☐ Yes ☒ No

SECTION 3 – COMPLETE FOR ALL FOOD ESTABLISHMENTS (Check all that apply)

FOOD SERVICE ESTABLISHMENTS

a. A copy of your menu will be required. Have you attached a copy of the proposed menu? ☐ Yes ☒ No

b. Attach appropriate label, placard, or menu notation for the consumer advisories if you serve:

☐ Wild Mushrooms

☐ Unpasteurized juices

☐ Farmed halibut, salmon, or sablefish

☐ Raw/undercooked animal foods such as beef, shell eggs, lamb, pork, poultry, seafood, and shellfish.

c. Methods of food preparation (check the one that most closely describes the establishment):

☒ Assembly of Ready to Eat Foods

☐ Cook and Serve

☐ Hot or cold Service for 2 hours or more is done

☐ Cold Preparation 1 day or more in advance, cooling and reheating is done

d. Style of Service: ☒ Counter Service ☐ Self Service (i.e. buffet line, salad bar) ☐ Table Service

☐ Other:

e. Do you plan to operate as a caterer? ☐ Yes ☒ No

If yes, list all the equipment used to protect food from contamination and maintain product temperature during:

Transportation:

Hot or Cold Holding:

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19898

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Permit ID(s)

Establishment Name(s)

- f. Will your food establishment be a kiosk or mobile unit? ☐ Yes ☒ No
- Are employee toilets available within 200 feet? ☒ Yes ☐ No
If you have an agreement with another business to use their restrooms, please attach written verification.
- Portable water tanks, plumbing, and hoses are NSF or FDA approved components? ☒ Yes ☐ No
- If you have a kiosk, is it located outside of a building? ☐ Yes ☒ No
- Will you have a service provide water or remove wastewater? ☐ Yes ☒ No
If yes, provide a letter of agreement from water hauler or wastewater hauler outlining services provided and frequency.
- g. Will another permitted food establishment (commissary) provide support to your facility? If yes, attach a copy of the Commissary Agreement. ☐ Yes ☒ No

FOOD PROCESSORS

- a. A copy of a label for each type of product you will produce is required. Have you attached food labels of each product to be produced? ☐ Yes ☒ No
- b. Describe who you will be distributing your product to (i.e. grocery stores, etc):
We will sell edible-marijuana products from Retail store
- c. Will you be doing any of the following processes? Check all that apply.
- | | | |
|---|--------------------------------------|---------------------------------|
| <input type="checkbox"/> Reduced Oxygen Packaging | <input type="checkbox"/> Smoking | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Low Acid Canned Foods | <input type="checkbox"/> Curing | |
| <input type="checkbox"/> Shelf Stable Acidified Foods | <input type="checkbox"/> Dehydrating | |
- Be sure to check with your local Environmental Health Officer for any applicable forms and FDA requirements.*
- d. Do you have a HACCP Plan? ☐ Yes ☐ No ☒ N/A
Required for high hazard food processors such as smoking, curing, acidifying, dehydrating, thermally processing low acid foods, reduced oxygen packaging, etc.

- e. You are required to have a product coding system and a recall plan. Have you attached a copy of the coding system and recall procedures? ☐ Yes ☐ No

MOBILE RETAIL VENDOR SELLING SEAFOOD

- a. A list of products that you will be selling is required. Have you attached a copy of the list of products? ☒ Yes ☐ No
- b. Provide names of suppliers where you will be purchasing your product:
- c. Will all of your product be prepackaged? ☒ Yes ☐ No
- d. Will another permitted food establishment (commissary) provide support to your facility? If yes, attach a copy of the Commissary Agreement. ☐ Yes ☐ No

MACHINES VENDING POTENTIALLY HAZARDOUS FOODS

- a. Have you attached the label that will be affixed to the front of each machine with name, physical address, and phone number of the permitted food establishment servicing the machine? ☐ Yes ☐ No

SECTION 4 – Food Managers Certification/Alaska Safe Food Worker Card

- a. Have you attached a copy of a Food Manager's Certification? ☐ Yes ☐ No ☐ N/A
The operator of a food establishment that serves and prepares unwrapped or unpackaged food, except for a bar, tavern, or limited food service, must have at least one Certified Food Protection Manager who is involved in the daily operations of the establishment.
- b. Does everyone who works or will work at the food establishment have a Food Worker Card? ☐ Yes ☐ No ☒ N/A
An operator of a food establishment shall keep on file a copy of the Food Worker Card issued by the department for each employed food worker and make the copy available to the Department upon request.

I declare, under penalty of unsworn falsification, that this application (including any accompanying statements) has been examined by me and to the best of my knowledge and belief is true, correct, and complete. I agree to pay all fees before operating.

Applicant's Signature

Elizabeth Martin

Date

9-16-19

Applicant's Printed Name

ELIZABETH MARTIN

Title

Owner



Application for Food Establishment Permit

Alaska Department of Environmental Conservation
Division of Environmental Health
Food Safety and Sanitation Program



Permit ID: _____

Section 1- GENERAL INFORMATION (All applicants complete entire section – please print).

Purpose (check one) ☐ New ☐ Information Change ☐ Extensive Remodel ☐ Change of owner/operator ☐ Reactivate

Owner/Business Information	Name of Entity or Owner Responsible for Food Service AKC FARMS	AK Business License #		
	Business/Corporate Mailing Address P.O. Box 2426	City SITKA	State AK	Zip 99835
	Business/Corporate Phone 907 623 0417	Email AKCFARMSLLC@gmail.com		
	Owner(s) or Corporate Officer(s) & Title(s) or Responsible Party JUSTIN BROWN - Monty; ELIZABETH MARTIN			
Type of Entity <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Other:				

Establishment Information	Establishment Name AKC FARMS	Physical Location 1210A Beardslee Way	Nearest Community	
	Establishment Mailing Address P.O. Box 2426	City SITKA	State AK	Zip 99835
	Establishment Phone 907 623 0417	Fax	Contact Person	
	Establishment Physical Address 1210 Beardslee Way	City SITKA	State AK	Zip 99835

SEATING: (Food Service Only) ☒ N/A ☐ 25 or less ☐ 26-100 ☐ > 101

TYPE OF OPERATION Please describe the type of facility you plan to open below (i.e. restaurant, bar, grocery store, etc.)

Marijuana Retail Store

SECTION 2 – NEW OR EXTENSIVELY REMODELED FACILITIES

- a. A plan review will be required if your facility has never been permitted by the Alaska's Food Safety and Sanitation Program; has not had an active permit in the last five years; will be extensively remodeled; or is a new construction. If any of these apply, a Plan Review Application is required to process our application. Have you attached the Plan Review Application? ☐ Yes ☒ No

SECTION 3 – COMPLETE FOR ALL FOOD ESTABLISHMENTS (Check all that apply)

FOOD SERVICE ESTABLISHMENTS

- a. A copy of your menu will be required. Have you attached a copy of the proposed menu? ☐ Yes ☒ No
- b. Attach appropriate label, placard, or menu notation for the consumer advisories if you serve:
☐ Wild Mushrooms ☐ Unpasteurized juices ☐ Farmed halibut, salmon, or sablefish
☐ Raw/undercooked animal foods such as beef, shellfish, lamb, pork, poultry, seafood, and shellfish.
- c. Methods of food preparation (check the one that most closely describes the establishment):
☒ Assembly of Ready to Eat Foods ☐ Cook and Serve
☐ Hot or cold Service for 2 hours or more is done
☐ Complex Preparation 1 day or more in advance, cool and reheat is done.
- d. Style of Service: ☒ Counter Service ☐ Self Service (i.e. buffet line, salad bar) ☐ Table Service
☐ Other:
- e. Do you plan to operate as a caterer? ☐ Yes ☒ No
If yes, list all the equipment used to protect food from contamination and maintain product temperature during:
Transportation: Hot or Cold Holding:

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AUG 1 2013

Permit ID(s) _____ Establishment Name(s) _____

f.	Will your food establishment be a kiosk or mobile unit?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	Are employee toilets available within 200 feet? <i>If you have an agreement with another business to use their restrooms, please attach written verification.</i>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	Portable water tanks, plumbing, and hoses are NSF or FDA approved components?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	If you have a kiosk, is it located outside of a building?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	Will you have a service provide water or remove wastewater? <i>If yes, provide a letter of agreement from water hauler or wastewater hauler outlining services provided and frequency.</i>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
g.	Will another permitted food establishment (<u>commissary</u>) provide support to your facility? If yes, attach a copy of the <u>Commissary Agreement</u> .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

FOOD PROCESSORS

a.	A copy of a label for each type of product you will produce is required. Have you attached food labels of each product to be produced?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
b.	Describe who you will be distributing your product to (i.e. grocery stores, etc): <i>We will sale estate marijuana products from Retail store</i>		
c.	Will you be doing any of the following processes? Check all that apply.		
	<input type="checkbox"/> Reduced Oxygen Packaging	<input type="checkbox"/> Smoking	<input type="checkbox"/> Other:
	<input type="checkbox"/> Low Acid Canned Foods	<input type="checkbox"/> Curing	
	<input type="checkbox"/> Shelf Stable Acidified Foods	<input type="checkbox"/> Dehydrating	

Be sure to check with your local Environmental Health Officer for any applicable forms and FDA requirements.

d.	Do you have a HACCP Plan?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
<i>Required for high hazard food processors such as smoking, curing, acidifying, dehydrating, thermally processing low acid foods, reduced oxygen packaging, etc.</i>				
e.	You are required to have a product coding system and a <u>recall plan</u> . Have you attached a copy of the coding system and recall procedures?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

MOBILE RETAIL VENDOR SELLING SEAFOOD

a.	A list of products that you will be selling is required. Have you attached a copy of the list of products?	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b.	Provide names of suppliers where you will be purchasing your product:		
c.	Will all of your product be prepackaged?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
d.	Will another permitted food establishment (<u>commissary</u>) provide support to your facility? If yes, attach a copy of the <u>Commissary Agreement</u> .	<input type="checkbox"/> Yes	<input type="checkbox"/> No

MACHINES VENDING POTENTIALLY HAZARDOUS FOODS

a.	Have you attached the label that will be affixed to the front of each machine with name, physical address, and phone number of the permitted food establishment servicing the machine?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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SECTION 4 – Food Managers Certification/Alaska Safe Food Worker Card

a.	Have you attached a copy of a Food Manager's Certification?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<i>The operator of a food establishment that serves and prepares unwrapped or unpackaged food, except for a bar, tavern, or limited food service, must have at least one Certified Food Protection Manager who is involved in the daily operations of the establishment.</i>				
b.	Does everyone who works or will work at the food establishment have a Food Worker Card?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
<i>An operator of a food establishment shall keep on file a copy of the Food Worker Card issued by the department for each employed food worker and make the copy available to the Department upon request.</i>				

I declare, under penalty of unsworn falsification, that this application (including any accompanying statements) has been examined by me and to the best of my knowledge and belief is true, correct, and complete. I agree to pay all fees before operating.

Applicant's Signature	<i>Elizabeth Martin</i>	Date	<i>9.16.19</i>
Applicant's Printed Name	<i>ELIZABETH MARTIN</i>	Title	<i>owner</i>



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms, LLC	License Number:	19898		
License Type:	Retail Marijuana Store				
Doing Business As:	AKO FARMS, LLC.				
Physical Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Justin Brown				
Email Address:	akofarmsllc@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<p>Mj - 00 - 3 sets -</p>
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OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Alaska Marijuana Control Board

Form MJ-00: Application Certifications**What is this form?**

This application certifications form is required for all marijuana establishment license applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306.

This form must be completed and submitted to AMCO's main office by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) before any license application will be considered complete.

Section 1 – Establishment Information

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

Licensee:	AKO FARMS LLC	License Number:	19898		
License Type:	Marijuana Retail Store				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Elizabeth Martin
Title:	owner

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?



If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?

cultivation 12253
concentrate 16767

plan to own

#19898



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

I certify that I have not been convicted of a felony in any state or the United States, including a suspended imposition of sentence, for which less than five years have elapsed from the time of the conviction to the date of this application.

I certify that I am not currently on felony probation or felony parole.

I certify that I have not been found guilty of selling alcohol without a license in violation of AS 04.11.010.

I certify that I have not been found guilty of selling alcohol to an individual under 21 years of age in violation of 04.16.051 or AS 04.16.052.

I certify that I have not been convicted of a misdemeanor crime involving a controlled substance, violence against a person, use of a weapon, or dishonesty within the five years preceding this application.

I certify that I have not been convicted of a class A misdemeanor relating to selling, furnishing, or distributing marijuana or operating an establishment where marijuana is consumed within the two years preceding this application.

I certify that my proposed premises is not within 500 feet of a school ground, recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility, as set forth in 3 AAC 306.010(a).

I certify that my proposed premises is not located in a liquor licensed premises.

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the calendar year in which I am initiating this application.

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) have been listed on my online marijuana establishment license application. Additionally, if applicable, all proposed licensees have been listed on my application with the Division of Corporations.

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by AMCO is grounds for denial of my application.



Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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

Initials

I certify and understand that I must operate in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

I certify and understand that I must operate in compliance with each applicable public health, fire, safety, and tax code and ordinance of this state and the local government in which my premises is located.

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

Initials

Only initial next to the following statement if this form is accompanying an application for a marijuana testing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.

☐

Only initial next to the following statement if this form is accompanying an application for a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.

All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that the online application and this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

ELIZABETH MARTINI

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 02/25/23

Subscribed and sworn to before me this 10th day of May, 2019.



Alaska Marijuana Control Board

Form MJ-00: Application Certifications**What is this form?**

This application certifications form is required for all marijuana establishment license applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306.

This form must be completed and submitted to AMCO's main office by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) before any license application will be considered complete.

Section 1 – Establishment Information

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

Licensee:	AKO FARMS LLC	License Number:	19898
License Type:	Marijuana Retail Store		
Doing Business As:	AKO FARMS LLC		
Premises Address:	1210 Beardslee Way		
City:	Sitka	State:	AK
		ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Justin Brown
Title:	owner

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?

☒ ☐

If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?

cultivation 12253
concentrate 16767
plan to own 19898



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

I certify that I have not been convicted of a felony in any state or the United States, including a suspended imposition of sentence, for which less than five years have elapsed from the time of the conviction to the date of this application.

I certify that I am not currently on felony probation or felony parole.

I certify that I have not been found guilty of selling alcohol without a license in violation of AS 04.11.010.

I certify that I have not been found guilty of selling alcohol to an individual under 21 years of age in violation of 04.16.051 or AS 04.16.052.

I certify that I have not been convicted of a misdemeanor crime involving a controlled substance, violence against a person, use of a weapon, or dishonesty within the five years preceding this application.

I certify that I have not been convicted of a class A misdemeanor relating to selling, furnishing, or distributing marijuana or operating an establishment where marijuana is consumed within the two years preceding this application.

I certify that my proposed premises is not within 500 feet of a school ground, recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility, as set forth in 3 AAC 306.010(a).

I certify that my proposed premises is not located in a liquor licensed premises.

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the calendar year in which I am initiating this application.

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(a)(1)) have been listed on my online marijuana establishment license application. Additionally, if applicable, all proposed licensees have been listed on my application with the Division of Corporations.

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by AMCO is grounds for denial of my application.



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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

Initials

I certify and understand that I must operate in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

I certify and understand that I must operate in compliance with each applicable public health, fire, safety, and tax code and ordinance of this state and the local government in which my premises is located.

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

Initials

Only initial next to the following statement if this form is accompanying an application for a marijuana testing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.

☐

Only initial next to the following statement if this form is accompanying an application for a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.

All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that the online application and this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Justin Brown

Printed name of licensee



Kathy Finsley
Notary Public in and for the State of Alaska

My commission expires: 02/25/23

Subscribed and sworn to before me this 10th day of May, 2019.



Alaska Marijuana Control Board

Form MJ-00: Application Certifications**What is this form?**

This application certifications form is required for all marijuana establishment license applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306.

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Section 1 – Establishment Information

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

Licensee:	AKO FARMS LLC	License Number:	19898		
License Type:	Marijuana Retail Store				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Marty Martin
Title:	owner

Section 3 – Other Licenses

Ownership and financial interest in other licenses:

Yes No

Do you currently have or plan to have an ownership interest in, or a direct or indirect financial interest in another marijuana establishment license?

☒☐

If "Yes", which license numbers (for existing licenses) and license types do you own or plan to own?

cultivation 12253
concentrate 16767
plan to own 19898



Alaska Marijuana Control Board

Form MJ-00: Application Certifications

Section 4 – Certifications

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

Initials

I certify that I have not been convicted of a felony in any state or the United States, including a suspended imposition of sentence, for which less than five years have elapsed from the time of the conviction to the date of this application.

I certify that I am not currently on felony probation or felony parole.

I certify that I have not been found guilty of selling alcohol without a license in violation of AS 04.11.010.

I certify that I have not been found guilty of selling alcohol to an individual under 21 years of age in violation of 04.16.051 or AS 04.16.052.

I certify that I have not been convicted of a misdemeanor crime involving a controlled substance, violence against a person, use of a weapon, or dishonesty within the five years preceding this application.

I certify that I have not been convicted of a class A misdemeanor relating to selling, furnishing, or distributing marijuana or operating an establishment where marijuana is consumed within the two years preceding this application.

I certify that my proposed premises is not within 500 feet of a school ground, recreation or youth center, a building in which religious services are regularly conducted, or a correctional facility, as set forth in 3 AAC 306.010(a).

I certify that my proposed premises is not located in a liquor licensed premises.

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the calendar year in which I am initiating this application.

I certify that all proposed licensees (as defined in 3 AAC 306.020(b)(2)) and affiliates (as defined in 3 AAC 306.990(a)(1)) have been listed on my online marijuana establishment license application. Additionally, if applicable, all proposed licensees have been listed on my application with the Division of Corporations.

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by AMCO is grounds for denial of my application.



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-00: Application Certifications

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

Initials

I certify and understand that I must operate in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.



I certify and understand that I must operate in compliance with each applicable public health, fire, safety, and tax code and ordinance of this state and the local government in which my premises is located.



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

Initials

Only initial next to the following statement if this form is accompanying an application for a marijuana testing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility.



Only initial next to the following statement if this form is accompanying an application for a retail marijuana store, a marijuana cultivation facility, or a marijuana products manufacturing facility license:

I certify that I do not have an ownership in, or a direct or indirect financial interest in a marijuana testing facility license.



All marijuana establishment license applicants:

As an applicant for a marijuana establishment license, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that the online application and this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 02/25/23

Subscribed and sworn to before me this 10th day of May, 2019.



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms, LLC	License Number	19898
License Type:	Retail Marijuana Store		
Doing Business As:	AKO FARMS, LLC.		
Physical Address:	1210 Beardslee Way		
City:	Sitka	State:	AK Zip Code: 99835
Designated Licensee:	Justin Brown		
Email Address:	akofarmsllc@gmail.com		

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:

MJ-01 Operating Plan

OFFICE USE ONLY

Received Date: | Payment Submitted Y/N: | Transaction #: |

**Alaska Marijuana Control Board****Form MJ-01: Marijuana Establishment Operating Plan****What is this form?**

An operating plan is required for all marijuana establishment license applications. Applicants should review **Title 17.38** of **Alaska Statutes** and **Chapter 306** of the **Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of those statutes and regulations. If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020(c).

What must be covered in an operating plan?

Applicants must identify how the proposed premises will comply with applicable statutes and regulations regarding the following:

- Control plan for persons under the age of 21
- Security
- Business records
- Inventory tracking of all marijuana and marijuana product on the premises
- Employee qualification and training
- Health and safety standards
- Transportation and delivery of marijuana and marijuana products
- Signage and advertising

Applicants must also complete the corresponding operating plan supplemental forms (**Form MJ-03**, **Form MJ-04**, **Form MJ-05**, or **Form MJ-06**) to meet the additional operating plan requirements for each license type.

Section 1 – Establishment & Contact Information

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

Licensee:	AKO FARMS LLC	MJ License #:	19898		
License Type:	Marijuana Retail Store				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 Beardslee Way				
City:	Sitka	State:	Alaska	ZIP:	99835

Mailing Address:	P O Box 2426				
City:	Sitka	State:	Alaska	ZIP:	99835

Designated Licensee:	Justin Brown				
Main Phone:	907 623 0417	Cell Phone:	907 738 3484		
Email:	akofarmsllc@gmail.com				



Form MJ-01: Marijuana Establishment Operating Plan

Section 2 – Control Plan for Persons Under the Age of 21

2.1. Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

There will be a sign 12' x 12' posted by the entrance stating NO ONE UNDER THE AGE OF 21 ALLOWED. The same sign will be posted inside the building, security cameras will be in place, valid issued government id will be checked by the budtender as customers enter the front door of the retail store.

Section 3 – Security

Restricted Access Areas (3 AAC 306.710):

3.1. Describe how you will prevent unescorted members of the public from entering restricted access areas:

All entrances inside and out will be commercial grade security doors. All visitors will be signed in and out and given a visitor badge while on premise. All restricted areas will be marked with a sign that reads RESTRICTED ACCESS AREA VISITORS MUST BE ESCORTED. Also a sign that reads NO ONE UNDER THE AGE OF 21 ALLOWED.

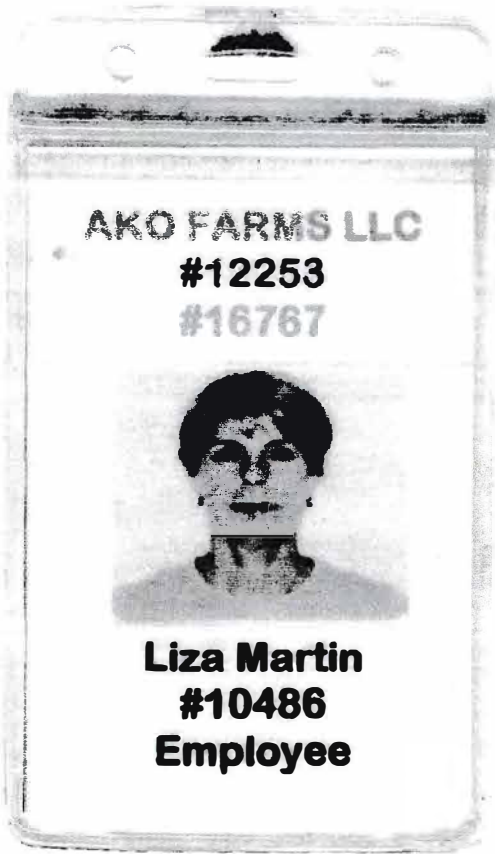
3.2. Describe your recordkeeping and processes for admitting visitors into and escorting them through restricted access areas:

After visitors ids are checked, they will sign into a log book with date, arrival/departure time, and type of identification. They will be given a visitors badge to wear. They will be escorted through out the facility with an employee. There can only be 5 visitors in the building at one time. They must be escorted by an employee. On leaving they will sign out of the log book and give back there visitors badge.. All records will be stored in a locked proof cabinet in a restricted area. Surveillance video will be on at all times.



Form MJ-01: Marijuana Establishment Operating Plan

3.3. Provide samples of licensee-produced identification badges that will be displayed by each licensee, employee, or agent while on the premises, and of visitor identification badges that will be worn by all visitors while in restricted access areas:



AKO FARMS

LICENSE # 12253

VISITOR

Security Alarm Systems and Lock Standards (3 AAC 306.715):

3.4. Exterior lighting is required to facilitate surveillance. Describe how the exterior lighting will meet this requirement:

By local building codes, all exits and entrances will have lighting. There will be lighting over all windows and doors. Lights and cameras will be placed a minimum of 8 feet from the ground on the exterior of the building and will pick up to 20 feet perimeter.



Form MJ-01: Marijuana Establishment Operating Plan

3.5. An alarm system is required for all license types that must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe the security alarm system for the proposed premises, explain how it will meet all regulatory requirements, and outline your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when the alarm system alerts of an unauthorized breach:

At the end of the business day the alarm system will be activated by a keypad in the office area which will be monitored by a licensed alarm company. The alarms are set when the last employee leaves for the day. There will be a key pad for the alarm in the office. There are motion sensors on all windows and doors. We have several panic buttons in place if needed. If the alarm company receives an unauthorized breach of security, the alarm company will notify the local law enforcement, owner, and owner representative. Who will then come to the facility the local fire dept requires any building with a sprinkler system to have a lock box mounted by the main entrance so police or fire dept can access the facility. MCB will be notified within 24 hours. All product will be inventoried to MCB and local authorities. A quality control review of security measures will be conducted and proper steps to correct any deficiencies in the security plan will be made.

3.6. Describe your policies and procedures for preventing diversion of marijuana or marijuana product, including by employees:

Marijuana will be stored in a water and fire proof safe in a locked office, located in a restricted area. Diversion of marijuana will also be prevented with use of continous video monitoring, located throughout the facility. All personal items (bags, purses, phones, and coats) will be kept in the employee locker room. all employees will work under management with constant supervision.

3.7. Describe your policies and procedures for preventing loitering:

This facility sits by itself on a private open lot, any loiters will be recorded on surveillance cameras, that will have a 20 foot range of the building. There will be a 12" by 12" NO LOITERING sign along with RESTRICTED AREA NO ACCESS and NO ONE UNDER 21 ALLOWED signs, placed on all sides of the building. Anyone refuses to leave the premises will be escorted off by law enforcement.

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right: Initials

3.8. I certify that if any additional security devices are used, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm, to enhance security of the licensed premises, I will have written policies and procedures describing their use.



Form MJ-01: Marijuana Establishment Operating Plan

Video Surveillance (3 AAC 306.720):

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

3.9. The video surveillance and camera recording system for the licensed premises covers each restricted access area, and both the interior and exterior of each entrance to the facility.

3.10. Each video surveillance recording: is preserved for a minimum of 40 days, in a format that can be easily accessed for viewing (consistent with the Alcohol & Marijuana Control Office's approved format list); clearly and accurately displays the time and date; and is archived in a format that does not permit alteration of the recorded image.

3.11. The surveillance room or area is clearly defined on the Form MJ-02: Premises Diagram that is submitted with this application.

3.12. Surveillance recording equipment and video surveillance records are housed in a designated, locked, and secure area or in a lock box, cabinet, closet or other secure area where access is limited to the licensee(s), an authorized employee, and law enforcement personnel (including an agent of the Marijuana Control Board).

3.13. Describe how the video cameras will be placed to produce a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises:

There will be exterior video cameras placed over the entrance which will provide a clear 20 foot view of the perimeter. There will be interior cameras facing the entrance and exit which will capture every individual entering and exiting the facility. Cameras will be placed in the interior facing restricted areas.

3.14. Describe the locked and secure area where video surveillance recording equipment and original copies of surveillance records will be housed and stored, and how you will ensure the area is accessible only to authorized personnel, law enforcement, or an agent of the Marijuana Control Board. If you will be using an offsite monitoring service and offsite storage of video surveillance records, your response must include how the offsite facility will meet these security requirements:

All video surveillance recording equipment will be housed in a locked safe cabinet. A surveillance camera will be placed to record the cabinet. Video surveillance tapes will be stored for 90 days, authorized personal will have the key to the locked safe cabinet. Any law enforcement or agent of the board will have access to the key from the authorized personal. We use LJ Alarm Company in Juneau, Alaska. If the alarm goes off the alarm company calls the Sitka Police Dept and the building representative. The alarm is set when closing the building up for the day. The retail space is connected to the existing building. We will be using the security system all ready set up in the building.



Form MJ-01: Marijuana Establishment Operating Plan

Section 4 – Business Records

Review the requirements under 3 AAC 306.755. All licensed marijuana establishments must maintain, in a format that is readily understood by a reasonably prudent business person, certain business records.

4.1. I certify that the following business records will be maintained and kept on the licensed premises:

Initials

- a. all books and records necessary to fully account for each business transaction conducted under my license for the current year and three preceding calendar years (*records for the last six months must be maintained on the licensed premises; older records may be archived on or off-premises*);
- b. a current employee list setting out the full name and marijuana handler permit number of each licensee, employee, and agent who works at the marijuana establishment;
- c. the business contact information for vendors that maintain video surveillance systems and security alarm systems for the licensed premises;
- d. records related to advertising and marketing;
- e. a current diagram of the licensed premises, including each restricted access area;
- f. a log recording the name, and date and time of entry of each visitor permitted into a restricted access area;
- g. all records normally retained for tax purposes;
- h. accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed;
- i. transportation records for marijuana and marijuana product, as required by 3 AAC 306.750(f); and
- j. registration and inspection reports of scales registered under the Weights and Measures Act, as required by 3 AAC 306.745.

Initials

EW

EW

EW

EW

EW

EW

EW

EW

EW

EW

4.2. A marijuana establishment is required to exercise due diligence in preserving and maintaining all required records. Describe how you will prevent records and data, including electronically maintained records, from being lost or destroyed:

Records including inventory, testing results, quality control and quality assurance, accurate and comprehensive inventory tracking data, bookkeeping for each business transaction, employee list, business and vendor contacts, advertising marketing, diagrams of licensed premises, waste management and visitors logs. Current records will be stored for 6 months in a locked cabinet on premise for authorized personnel to view. The records and data will then be electronically recorded and stored in a water/fire proof safe up to 4 years.



Form MJ-01: Marijuana Establishment Operating Plan

Section 5 – Inventory Tracking of All Marijuana and Marijuana Product

Review the requirements under 3 AAC 306.730. All licensed marijuana establishments must use a marijuana inventory tracking system capable of sharing information with Metrc to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana is propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a marijuana product, to a completed sale of marijuana or marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

- 5.1. My marijuana establishment will be using Metrc, and if any other tracking software is used, it will be capable of sharing information with Metrc.
- 5.2. All marijuana delivered to a marijuana establishment will be weighed on a scale registered in compliance with 3 AAC 306.745.
- 5.3. My marijuana establishment will use registered scales in compliance with AS 45.75.080 (Weights and Measures Act), as required by 3 AAC 306.745.



Section 6 – Employee Qualification and Training

Review the requirements under 3 AAC 306.700. All licensees, and every employee or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or a marijuana product, or who checks the identification of a consumer or visitor, must obtain a marijuana handler permit from the board before being licensed or beginning employment at a marijuana establishment.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

- 6.1. All licensees, and each employee or agent of the marijuana establishment who sells, cultivates, manufactures, tests, or transports marijuana or marijuana product, or who checks the identification of a consumer or visitor, shall obtain a marijuana handler permit from the board before being licensed or beginning employment at the marijuana establishment.
- 6.2. Each licensee, employee, or agent who is required to have a marijuana handler permit shall keep that person's marijuana handler permit card in that person's immediate possession (or a valid copy on file on the licensed premises) when on the licensed premises.
- 6.3. Each licensee, employee, or agent who is required to have a marijuana handler permit shall ensure that that person's marijuana handler permit card is valid and has not expired.



6.4. Describe any in-house training that will be provided to employees and agents (apart from a marijuana handler course):

Apart from the States Marijuana course
, all employees are trained to handle product produced by AKO FARMS LLC. Each employee has training on any equipment we may use. Employee Product Training will be an on going process, along with updates on State requirements.







Form MJ-01: Marijuana Establishment Operating Plan

Section 7 – Health and Safety Standards





Review the requirements under 3 AAC 306.735.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

- 7.1. I understand that a marijuana establishment is subject to inspection by the local fire department, building inspector, or code enforcement officer to confirm that health or safety concerns are not present. 
- 7.2. I have policies regarding health and safety standards (including: ensuring a person with an illness or infection does not come into contact with marijuana or marijuana product; good hygienic practices; cleaning and maintenance of equipment and the premises; pest deterrence; chemical storage; sanitation principles; and proper handling of marijuana and marijuana product) and will take all reasonable measures and precautions to ensure that they are met or exceeded. 
- 7.3. I have policies to ensure that any marijuana or marijuana product that has been stored beyond its usable life, or was stored improperly, is not salvaged and returned to the marketplace. 
- 7.4. I have policies to ensure that in the event information about the age or storage conditions of marijuana or marijuana product is unreliable, the marijuana or marijuana product will be handled in accordance with 3 AAC 306.735(d). 

Answer "Yes" or "No" to each of the following questions:

Yes No

- 7.5. Adequate and readily accessible toilet facilities that are maintained and in good repair and sanitary condition are clearly indicated on my Form MJ-02: Premises Diagram.  
- 7.6. Convenient handwashing facilities with running water at a suitable temperature are clearly indicated on my Form MJ-02: Premises Diagram.  

7.7. If you answered "No" to either 7.5 or 7.6 above, describe how toilet and/or handwashing facilities are made accessible, as required by 3 AAC 306.735(b)(2):

Section 8 – Transportation and Delivery of Marijuana and Marijuana Products

Review the requirements under 3 AAC 306.750.

8.1. Describe how marijuana or marijuana product will be prepared, packaged, and secured for shipment. Include a description of the type of locked, safe, and secure storage compartments to be used in vehicles transporting marijuana or marijuana product:

: Any marijuana sold will be packaged in opaque, resealable, child-resistant packaging. Each package will be identified by a tracking label generated for tracking by the retailer's own inventory tracking system. The label will be placed on the shipping container a transport manifest will remain with the marijuana at all times while being transported. A copy of the manifest will be given to the licensed marijuana establishment. Packages will be within a sealed, tamper-evident shipping container. We have read and understood the labeling requirements of transporting marijuana according to AAC 306.750



Form MJ-01: Marijuana Establishment Operating Plan

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

8.2. The marijuana establishment from which a shipment of marijuana or marijuana product originates will ensure that any individual transporting marijuana shall have a marijuana handler permit required under 3 AAC 306.700.

8.3. The marijuana establishment that originates the transport of any marijuana or marijuana product will use the marijuana inventory tracking system to record the type, amount, and weight of marijuana or marijuana product being transported, the name of the transporter, the time of departure and expected delivery, and the make, model, and license plate number of the transporting vehicle.

8.4. The marijuana establishment that originates the transport of any marijuana or marijuana product will ensure that a complete printed transport manifest on a form prescribed by the board must be kept with the marijuana or marijuana product at all times during transport.

8.5. During transport, any marijuana or marijuana product will be in a sealed package or container in a locked, safe, and secure storage compartment in the vehicle transporting the marijuana or marijuana product, and the sealed package will not be opened during transport.

8.6. Any vehicle transporting marijuana or marijuana product will travel directly from the shipping marijuana establishment to the receiving marijuana establishment, and will not make any unnecessary stops in between except to deliver or pick up marijuana or marijuana product at any other licensed marijuana establishment.

8.7. When the marijuana establishment receives marijuana or marijuana product from another licensed marijuana establishment, the recipient of the shipment will use the marijuana inventory tracking system to report the type, amount, and weight of marijuana or marijuana product received.

8.8. The marijuana establishment will refuse to accept any shipment of marijuana or marijuana product that is not accompanied by the transport manifest.

Section 9 – Signage and Advertising

Review the requirements under 3 AAC 306.770.

9.1. Describe any signs that you intend to post on your establishment, including quantity, dimensions, graphics, and location on your establishment (photos or drawings may be attached):

There will be one sign no bigger than 4,800 inches. on the front of the building reading AKO FARMS . There will be a 12x12 NO ONE UNDER 21 ALLOWED put on the front of the building. along with ALL VISITORS MUST BE ESCORTED



Form MJ-01: Marijuana Establishment Operating Plan

9.2. Describe any advertising you intend to distribute for your establishment. Include medium types and business logos (photos or drawings may be attached):

phone # in telephone Book

AD in Paper to announce our opening

AKO FARMS
Marijuana Retail
Now OPEN
1210 BEARDSLEE Way
SITKA AK
Hours 9am to 9pm

I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Elizabeth Martin
Signature of licensee

ELIZABETH Martin
Printed name of licensee



[Signature]
Notary Public in and for the State of Alaska

My commission expires: 6/1/22

Subscribed and sworn to before me this 27th day of September, 2019.



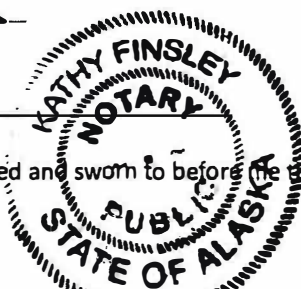
Alaska Marijuana Control Board Form MJ-01: Marijuana
Establishment Operating Plan



I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Elizabeth Martin
Signature of licensee

ELIZABETH MARTIN
Printed name of licensee



Kathy Finsley

Notary Public in and for the State of Alaska

My commission expires: 02/25/23

Subscribed and sworn to before me this 20th day of May, 2019.

of 11

Form MJ-01: Marijuana Establishment Operating Plan



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms, LLC	License Number:	19898		
License Type:	Retail Marijuana Store				
Doing Business As:	AKO FARMS, LLC.				
Physical Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Justin Brown				
Email Address:	akofarmsllc@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	
-----------------	--

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Alaska Marijuana Control Board

Form MJ-02: Premises Diagram**What is this form?**

A detailed diagram of the proposed licensed premises is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(8). **All areas designated as the licensed premises of a single license must be contiguous. All diagrams must have the licensed premises area labeled, and outlined or shaded as appropriate.**

What must be submitted with this form?

Applicants must attach multiple diagrams to this form, including (as applicable):

- **Diagram 1:**
a diagram showing only the licensed premises areas that will be ready to be **operational at the time of your preliminary inspection** and license issuance;
- **Diagram 2:**
if different than Diagram 1, a diagram outlining **all areas for which the licensee has legal right of possession** (a valid lease or deed), and clearly showing those areas' relationship to the current proposed licensed premises (*details of any planned expansion areas do not need to be included; a complete copy of Form MJ-14: Licensed Premises Diagram Change must be submitted and approved before any planned expansion area may be added to the licensed premises*);
- **Diagram 3:**
a **site plan or as-built of the entire lot**, showing all structures on the property and clearly indicating which area(s) will be part of the licensed premises;
- **Diagram 4:**
an **aerial photo of the entire lot and surrounding lots**, showing a view of the entire property and surrounding properties, and clearly indicating which area(s) will be part of the licensed premises (*this can be obtained from sources like Google Earth*); and
- **Diagram 5:**
a diagram of the **entire building in which the licensed premises is located**, clearly distinguishing the licensed premises from unlicensed areas and/or premises of other licenses within the building. If your proposed licensed premises is located within a building or building complex that contains multiple business and/or tenants, please provide the addresses and/or suite numbers of the other businesses and/or tenants (*a separate diagram is not required for an establishment that is designating the entire building as a single licensed premises*).

This form, and all necessary diagrams that meet the requirements on Page 2 of this form, must be completed and submitted to AMCO's main office before any new or transfer license application will be considered complete.

Section 1 – Establishment Information

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

Licensee:	AKO FARMS LLC	MJ License #:	19898		
License Type:	RETAIL MARIJUANA STORE				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 BEARDSLEE WAY				
City:	SITKA	State:	Alaska	ZIP:	99835

**Form MJ-02: Premises Diagram****Section 2 – Required Information**

For your security, do not include locations of security cameras, motion detectors, panic buttons, and other security devices. Items marked with a double asterisks (**) are only required for those retail marijuana establishments that are also applying for an onsite consumption endorsement.

The following details must be included in all diagrams:

- ☒ License number and DBA
- ☒ Legend or key
- ☒ Color coding
- ☒ Licensed Premises Area Labeled and Shaded, or Outlined as appropriate
- ☒ Dimensions
- ☒ Labels
- ☒ True north arrow

The following additional details must be included in Diagram 1:

- ☒ Surveillance room
- ☒ Restricted access areas
- ☒ Storage areas
- ☒ Entrances, exits, and windows
- ☒ Walls, partitions, and counters
- ☒ Any other areas that must be labeled for specific license or endorsement types
- ☐ ** Serving area(s)
- ☐ **Employee monitoring area(s)
- ☐ **Ventilation exhaust points, if applicable

The following additional details must be included in Diagram 2:

- ☒ Areas of ingress and egress
- ☒ Entrances and exits
- ☒ Walls and partitions

The following additional details must be included in Diagrams 3 and 4:

- ☒ Areas of ingress and egress
- ☒ Cross streets and points of reference

The following additional details must be included in Diagram 5:

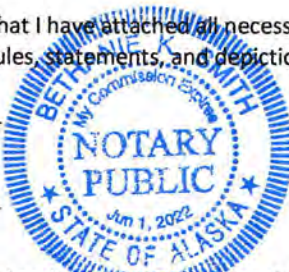
- ☒ Areas of ingress and egress
- ☒ Entrances and exits
- ☒ Walls and partitions
- ☒ Cross streets and points of reference

I declare under penalty of unsworn falsification that I have attached all necessary diagrams that meet the above requirements, and that this form, including all accompanying schedules, statements, and depictions is true, correct, and complete.

Signature of licensee

MARTY J MARTIN

Printed name of licensee



Notary Public in and for the State of Alaska

My commission expires: 6/1/22

Subscribed and sworn to before me this 3rd day of October, 2019.

EXISTING BUILDING
LICENSE: #4A-12253

EXIT - EMPLOYEE

EMPLOYEE EXIT

STORAGE

SURVEILLANCE

5' GLASS DISPLAY CABTS

COUNTERS

COUNTERS

SECURITY GRILL

36" BASE CABTS
FOR CASH REGISTERS

SALES

30 x 40 SL.

30 x 10 SL

MAIN ENTRY/EXIT

COVERED
PORCH

6x6 POSTS

LICENSE #19898
DBA: AKO FARMS LLC

AKO FARMS LLC
SITKA, AK.

- CULTIVATION
- RETAIL LICENSED PREMISES
- RESTRICTED ACCESS AREA

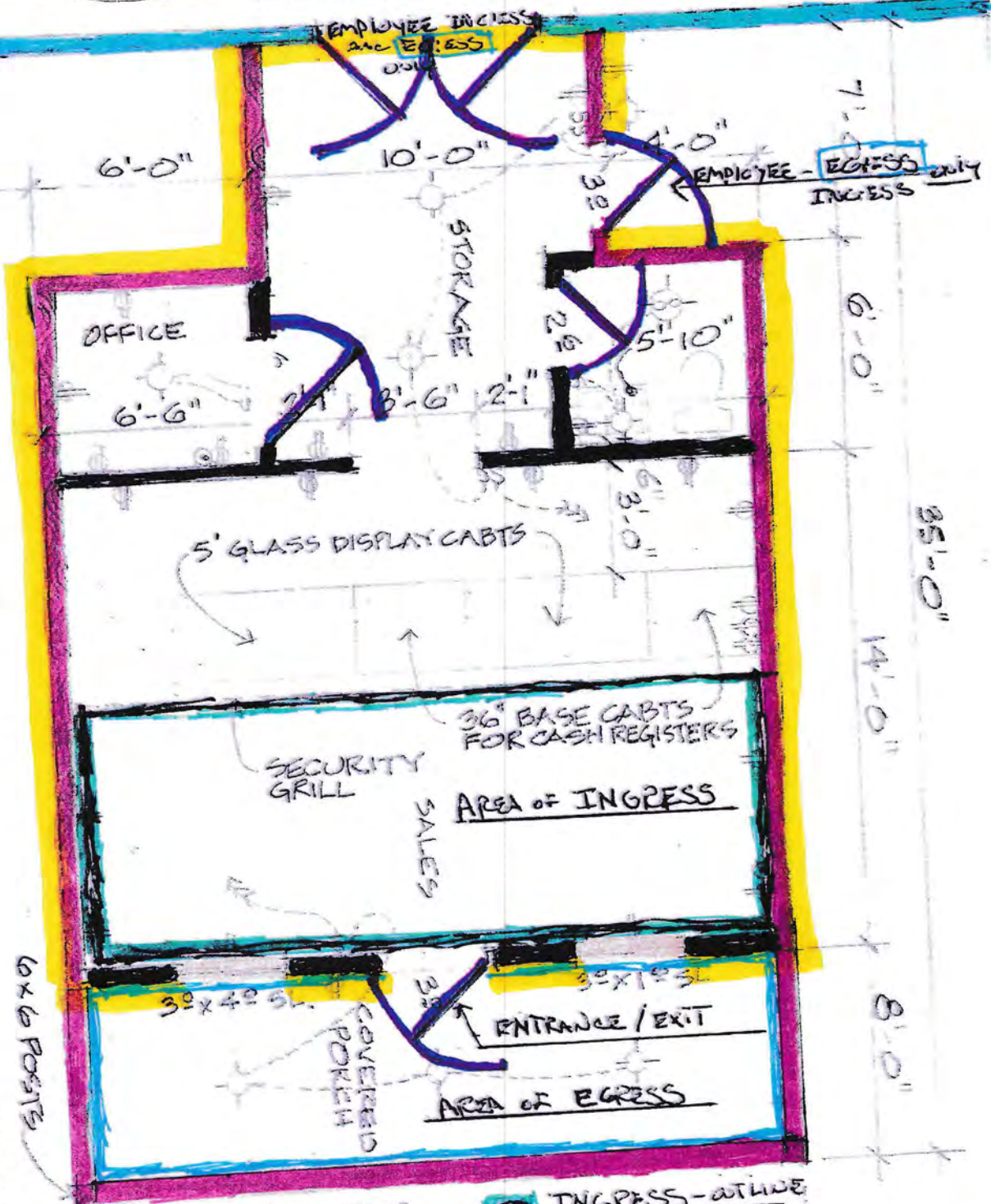
DIAGRAM #1

EXISTING BUILDING
LICENSE #4A-12253

FLOOR PLAN
SCALE: 1/4" = 1'-0"

AKO FARMS LLC
SITKA, AK.

LICENSE #19898
DBA: AKO FARMS LLC



- EGRESS - OUTLINE
- RETAIL LICENSED PREMISES
- LICENSEE LEGAL RIGHT POSSESSION
- WALLS & PARTITIONS
- DOORS - EXTERIOR - INTERIOR
- CULTIVATION -
- WINDOWS 20'-0"

DIAGRAM #2

BEARDSLEE

PER PLAT# 2013-18, REBAR AND
ALUM. CAP SET AT ORIGINAL
LOCATION OF GLO MONUMENT

ACCESS TO LOT 1B FROM
BEARDSLEE WAY ONLY

BEARDSL

LOT 6

C2, LOT 13,
USS 3695

N 79°18'49" W
101.67' (R)

ROW

SMITH STREET INDUSTRIAL SUBDIVISION

MICK'S

RESUBDIVISION

10'
DRAINAGE
EASEMENT

BASIS OF
BEARINGS

LOT 1A

LOT 1B

NEW
FOUNDATION

EXISTING BUILDING

UTILITY ONLY
EASEMENT

LOT 7

99.83'
S 89°59'50" E 182.95' (R)

N 8
EXIS

CLIENT: MARTIN ENTERPRISES
BOX 438
SITKA, ALASKA 99835

LICENSE #19898
DBA: AKO FARMS LLC



3A-19898 Licensed Premise

 **NORTH 57***
LAND SURVEYING LLC

(907) 747-6700 215-F SMITH STREET, SITKA, AK
MAILING ADDRESS - 2007 CASCADE CREEK ROAD, SITKA, AK 99835
EMAIL: north57landsurveying@yahoo.com

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I HAVE SURVEYED THE PROPERTY DESCRIBE
IMPROVEMENTS AND VISIBLE ENCROACHMENTS HAVE BEEN ESTABLISH
PROFESSIONAL KNOWLEDGE AND BELIEF. THIS SURVEY IS FOR THE I
SPECIFICALLY TO SHOW ANY CONFLICTS BETWEEN EXISTING STRUCT
EASEMENTS. UNDER NO CIRCUMSTANCES SHOULD THE DATA HEREON B
STRUCTURES, BUILDING FENCES, OR LOCATING BOUNDARY LINES. IT
OWNER TO VERIFY THAT IMPROVEMENTS SITUATED ON THIS PARCEL
AND ZONING ORDINANCES. CORRS. SET.

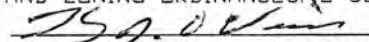

KELLY J. O'NEILL LS 13321

DIAGRAM #3

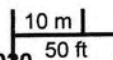
40064-02



City & Borough of Sitka, Alaska

Selected Parcel: 1210 Beardslee Way ID: 30360030

Printed 10/2/2019 from <http://www.mainstreetmaps.com/ak/sitka/public.asp>



LICENSE #19898
DBA: AKO FARMS LLC

This map is for informational purposes only. It is not for appraisal of, description of, or conveyance of land. The City & Borough of Sitka, Alaska and MainStreetGIS, LLC assume no legal responsibility for the information contained herein.


 LICENSED PREMISES -3A-19890

DIAGRAM #4

PER PLAT# 2013-18, REBAR AND
ALUM. CAP SET AT ORIGINAL
LOCATION OF GLO MONUMENT

1210 ACCESS TO LOT 1B FROM
BEARDSLEE WAY ONLY

BEARDSLEE

LOT 6

C2, LOT 13,
USS 3695

N 79°18'49" W
101.67' (R)

ROW

10'
DRAINAGE
EASEMENT

BASIS OF
BEARINGS

LOT 1A

LOT 1B

S 0°10'50" W (R)
189.16' (R)

NEW
FOUNDATION

RETAIL

WASTE
EXISTING BUILDING
CULTIVATION

UTILITY ONLY
EASEMENT

LOT 7

LICENSE #19898
DBA: AKO FARMS LLC

99.83'
E 182.95' (R)

APPLYING LICENSE 3A-19898 ~~INGRESS/EGRESS~~
EXISTING LICENSE 4A-12253 ~~INGRESS/EGRESS~~
EXISTING LICENSE 5A-16767 ~~INGRESS/EGRESS~~

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I HAVE SURVEYED THE PROPERTY DESCRIBED
IMPROVEMENTS AND VISIBLE ENCROACHMENTS HAVE BEEN ESTABLISHED
PROFESSIONAL KNOWLEDGE AND BELIEF. THIS SURVEY IS FOR THE USE
SPECIFICALLY TO SHOW ANY CONFLICTS BETWEEN EXISTING STRUCTURE
EASEMENTS. UNDER NO CIRCUMSTANCES SHOULD THE DATA HEREON BE
STRUCTURES, BUILDING FENCES, OR LOCATING BOUNDARY LINES. IT IS
OWNER TO VERIFY THAT IMPROVEMENTS SITUATED ON THIS PARCEL MEET
AND ZONING ORDINANCES. 0 CORRS. SET

KELLY J. O'NEILL
LS 13321

DIAGRAM #5

CLIENT: MARTIN ENTERPRISES
BOX 438
SITKA, ALASKA 99835

NORTH 57*
LAND SURVEYING LLC

(907) 747-6700 215-F SMITH STREET, SITKA, AK
MAILING ADDRESS - 2007 CASCADE CREEK ROAD, SITKA, AK 99835
EMAIL: north57landsurveying@yahoo.com



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms, LLC	License Number:	19898
License Type:	Retail Marijuana Store		
Doing Business As:	AKO FARMS, LLC.		
Physical Address:	1210 Beardslee Way		
City:	Sitka	State:	AK
		Zip Code:	99835
Designated Licensee:	Justin Brown		
Email Address:	akofarmsllc@gmail.com		

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	Operating Plan Mj-03 Retail Marijuana Store
-----------------	--

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Alaska Marijuana Control Board Operating Plan Supplemental Form MJ-03: Retail Marijuana Store

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This operating plan supplemental form is required for all applicants seeking a retail marijuana store license and must accompany **Form MJ-01: Marijuana Establishment Operating Plan**, per 3 AAC 306.020(b)(11). Applicants should review **Chapter 306: Article 3** of the **Alaska Administrative Code**. This form will be used to document how an applicant intends to meet the requirements of the statutes and regulations.

If your business has a formal operating plan, you may include a copy of that operating plan with your application, but all fields of this form must still be completed per 3 AAC 306.020 and 3 AAC 306.315(2).

What additional information is required for retail stores?

Applicants must identify how the proposed establishment will comply with applicable regulations regarding the following:

- Prohibitions
- Signage and advertising
- Displays and sales
- Exit packaging and labeling
- Security
- Waste disposal

This form must be completed and submitted to AMCO's main office before any new or transfer application for a retail marijuana store license will be considered complete.

Section 1 – Establishment Information

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

Licensee:	AKO FARMS LLC	MJ License #:	19898		
License Type:	MARIJUANA RETAIL STORE				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 BEARDSLEE WAY				
City:	SITKA	State:	Alaska	ZIP:	99835

**Form MJ-03: Retail Marijuana Store Operating Plan Supplemental****Section 2 – Overview of Operations****2.1. Provide an overview of your proposed facility's operations. Include information regarding the intake and flow of marijuana and marijuana product at your premises, and a description of what a standard customer visit to your establishment would entail:**

Our goal is to have a retail store with a professional atmosphere. In addition to selling marijuana products we plan to have an assortment of apparel and novelty items such as hats, t-shirts, lighters, lanyards, caps as well as pipes and rolling material. Our day to day operations would consist of making any pre-rolled joints, package pre-weighed marijuana for individual sales, assessing displayed inventory and adding where needed, cleaning/organizing the retail space and any daily paper or computer work, reports or review that is needed.

If we receive a delivery of marijuana product we will first verify we have the required transport manifest to accept the shipment. We will then take possession and begin the intake process by entering the type, amount, and weight of the received shipment in to the METRC system. We will also enter into our records all marijuana or marijuana product that we receive at our establishment. The majority of our marijuana and marijuana product will be kept in a locked room behind the counter with only a small percentage on display or readily available for sale. Any refrigerated items will be stored accordingly and bud/flower will be stored in a clean container and environment to prevent growth of mold or bacteria.

A standard customer visit to our store will include being greeted by a licensed marijuana handler who will verify proper identification to grant access to our establishment. We will assist the customer in the purchase of a variety of products and options. Those items or products that have a regulated limit of sale will be adhered to. After the customer completes the transaction with any questions answered the expectation would be that the customer then vacate the retail store in reasonable time.

Section 3 – Prohibitions

Review the requirements under 3 AAC 306.310.

3.1. Describe how you will ensure that the retail marijuana store will not sell, give, distribute, or deliver marijuana or marijuana product to a person who is under the influence of an alcoholic beverage, inhalant, or controlled substance:

Employees will receive additional training to recognize persons under the influence of alcohol or drugs. Signs will be posted on the premises reserving the right to refuse service to persons who are under the influence of alcohol or drugs. When a customer enters the store the budtender will ask for proper identification. At that time the budtender will determine if the customer has been drinking or is under the influence of drugs. If the person appears to be at all under the influence they will be asked to leave.

3.2. I certify that the retail marijuana store will not:

Initials

- a. sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver marijuana or marijuana product in a quantity exceeding the limit set out in 3 AAC 306.355;
- b. sell, give, distribute, deliver, or offer to sell, give, distribute, or deliver marijuana or marijuana product over the internet;
- c. offer or deliver to a consumer, as a marketing promotion or for any other reason, free marijuana or marijuana product, including a sample;
- d. offer or deliver to a consumer, as a marketing promotion or for any other reason, alcoholic beverages, free or for compensation; or
- e. allow a person to consume marijuana or a marijuana product on the licensed premises.







Answer "Yes" or "No" to the following question:

Yes No

3.3. Do you plan to request future approval of the Marijuana Control Board to permit consumption of marijuana or marijuana product in a designated area on the proposed premises?

☐ Yes ☒ No



Form MJ-03: Retail Marijuana Store Operating Plan Supplemental

Section 4 – Signage and Advertising

Review the requirements under 3 AAC 306.360 and 3 AAC 306.365. All licensed retail marijuana stores must meet minimum standards for signage and advertising.

You must be able to certify each statement below. Read the following and then sign your initials in the corresponding box: Initials

4.1. I understand and agree to follow the limitations regarding the number, placement, and size of signs on my proposed establishment, set forth in 3 AAC 306.360(a).

4.2. The retail marijuana store will not use giveaway coupons as promotional materials, or conduct promotional activities such as games or competitions to encourage the sale of marijuana or marijuana products.

4.3. All advertising for marijuana or marijuana product will contain the warnings required under 3 AAC 306.360(e).

4.4. I understand and agree to post, in a conspicuous location visible to customers, the notification signs required under 3 AAC 306.365.

4.5. I certify that no advertisement for marijuana or marijuana product will contain any statement or illustration that:

a. is false or misleading;

b. promotes excessive consumption;

c. represents that the use of marijuana has curative or therapeutic effects;

d. depicts a person under the age of 21 consuming marijuana; or

e. includes an object or character, including a toy, a cartoon character, or any other depiction designed to appeal to a child or other person under the age of 21, that promotes consumption of marijuana.

4.6. I certify that no advertisement for marijuana or marijuana product will be placed:

a. within 1,000 feet of the perimeter of any child-centered facility, including a school, childcare facility, or other facility providing services to children, a playground or recreation center, a public park, a library, or a game arcade that is open to persons under the age of 21;

b. on or in a public transit vehicle or public transit shelter;

c. on or in a publicly owned or operated property;

d. within 1,000 feet of a substance abuse or treatment facility; or

e. on a campus for postsecondary education.

Section 5 – Displays and Sales

5.1. Describe how marijuana and marijuana products at the retail marijuana store will be displayed and sold:

There will be a glass counter 18 feet long with a cash register at each end. The counter will be 4 feet from the back wall where we will have product displayed. Any area behind the counter is a restricted area. All product will be pre packaged ready for sale ...no deli style.. There will be a special magnifying jar used to display our Bud in the cases. Bud tenders can pull them from the cases and have people examine the product thru the magnifier.

Form MJ-03: Retail Marijuana Store Operating Plan Supplemental

Section 6 – Exit Packaging and Labeling

Review the requirements under 3 AAC 306.345.

6.1. Describe how the retail marijuana store will ensure that marijuana and marijuana products sold on its licensed premises will meet the packaging and labeling requirements set forth in 3 AAC 306.345(a):

All products will be packaged and labeled in compliance with state regulations. All packaged products will have the required labels providing all mandated identification and product test result information. All marijuana received and accepted in the METRC inventory control system from a licensed cultivation facility will be properly packaged and labeled. All product received and accepted from a licensed marijuana manufacturing facility will be required to meet the same packaging and labeling requirements to be in compliance with the State. No product will be accepted that doesn't meet all requirements. All product sold in the store will be labeled with our company name/logo and license number along with laboratory testing results and consumer warning statements.

6.2. Provide a sample label that the retail marijuana store will use to meet the labeling requirements set forth in 3 AAC 306.345(b):

[illegible]

License # xxxxx

44

Strain:

Retail F.AKO FARMS LLC/AKO
DIRECT License # xxxxx

Cannabinoid Profile

x.x.x%

Total THC xx.xx% Total CBD

X.XX%

THC-A xx.xx% CBG-A

Total Terps: x.xx%

Pesticides, Fungicides, Herbicides: none

Marijuana has intoxicating effects and may be habit forming and addictive. Marijuana impairs concentration, coordination, and judgment. Do not operate a vehicle or machinery under its influence. There are health risks associated with consumption of marijuana. For use only by adults twenty-one and older. Keep out of the reach of children. Marijuana should not be used by women who are pregnant or breast feeding.



Produced by: ~~XXXXXXXX XXXX XXXXXXXX~~
XXXXXXXX AK 9988 X



Form MJ-03: Retail Marijuana Store Operating Plan Supplemental

Section 7 – Security

Review the requirements under 3 AAC 306.350 and 3 AAC 306.720.

7.1. Describe the retail marijuana store's procedures for ensuring a form of valid photographic identification has been produced before selling marijuana or marijuana product to a person, as required by 3 AAC 306.350(a):

We shall refuse to sell marijuana or marijuana products to a person who does not produce a form of valid photographic identification showing that a person is 21 years of age or older. Identification includes an unexpired passport, an unexpired, unaltered driver's license, instruction permit, or identification card of a state or territory of the United States, the District of Columbia, or a province or territory of Canada. People can also use an identification card issued by a federal or state agency authorized to issue a driver's license or identification card. All IDs will be checked by a bud tender when a customer enters the store. There will also be a sign on the door saying no one under 21 allowed.

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right:

Initials

7.2. The video surveillance and camera recording system for the licensed premises covers each point-of-sale area.

Section 8 – Waste Disposal

Review the requirements under 3 AAC 306.740.

8.1. Describe how you will store, manage, and dispose of any marijuana waste, including expired marijuana or marijuana products, in compliance with any applicable laws. Include details about the material(s) you will mix with ground marijuana waste and the processes that you will use to make the marijuana waste unusable for any purpose for which it was grown or produced:

: As a retail store, we expect to have little to no waste. If we do have small stems and leaves or expired marijuana product these will be stored in a bucket in the restricted access area. Before any waste is processed we will notify the board no later than 3 days before making the waste unusable. All marijuana will be made unusable by grinding the marijuana with an equal part of sawdust. Making it unusable.

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right:

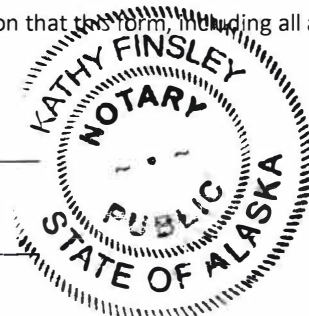
Initials

8.2. The retail marijuana store shall give the board at least three days written notice required under 3 AAC 306.740(c) before making marijuana waste unusable and disposing of it.

I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Justin Brown
Printed name of licensee



Kathy Finsley
Notary Public in and for the State of Alaska

My commission expires: 07/25/23

Subscribed and sworn to before me this 14th day of September, 2019.



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms, LLC	License Number:	19898		
License Type:	Retail Marijuana Store				
Doing Business As:	AKO FARMS, LLC.				
Physical Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Justin Brown				
Email Address:	akofarmsllc@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<p>Mj-07 PUBLIC NOTICE</p>
-----------------	--------------------------------

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Alaska Marijuana Control Board

Form MJ-07: Public Notice Posting Affidavit**What is this form?**

A public notice posting affidavit is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(10). As soon as practical after initiating a marijuana establishment license application, an applicant must give notice of the application to the public by posting a true copy of the application for ten (10) days at the location of the proposed licensed premises and one other conspicuous location in the area of the proposed premises, per 3 AAC 306.025(b)(1).

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

Section 1 – Establishment Information

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

Licensee:	AKO FARMS LLC	License Number:	19898		
License Type:	MARIJUANA RETAIL STORE				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 BEARDSLEE WAY				
City:	SITKA	State:		ZIP:	99835

Section 2 – Certification

I certify that I have met the public notice requirement set forth under 3 AAC 306.025(b)(1) by posting a copy of my application for the following 10-day period at the location of the proposed licensed premises and at the following conspicuous location in the area of the proposed premises:

Start Date: 10-2-19End Date: 10-12-19Other conspicuous location: LOCAL POST OFFICE,

I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

Signature of licensee

Justin Brown
Printed name of licenseeKathy Finsley
Notary Public in and for the State of AlaskaMy commission expires: 02/25/23Subscribed and sworn to before me this 16th day of October, 2019.



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms, LLC	License Number:	19898		
License Type:	Retail Marijuana Store				
Doing Business As:	AK O FARMSLLC.				
Physical Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Justin Brown				
Email Address:	akofarmsllc@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<p>M; 08 Local Gov. Notice / affidavit</p>
-----------------	--

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Alaska Marijuana Control Board

Form MJ-08: Local Government Notice Affidavit

What is this form?

A local government notice affidavit is required for all marijuana establishment license applications with a proposed premises that is located within a local government, per 3 AAC 306.025(b)(3). As soon as practical after initiating a marijuana establishment license application, an applicant must give notice of the application to the public by submitting a copy of the application to each local government and any community council in the area of the proposed licensed premises. For an establishment located inside the boundaries of city that is within a borough, both the city and the borough must be notified.

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

Section 1 – Establishment Information

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

Licensee:	AKO FARMS LLC	License Number:	19898
License Type:	Marijuana Retail Store		
Doing Business As:	AKO FARMS LLC		
Premises Address:	1210 Beardslee Way		
City:	Sitka	State:	AK
		ZIP:	99835

Section 2 – Certification

I certify that I have met the local government notice requirement set forth under 3 AAC 306.025(b)(3) by submitting a copy of my application to the following local government (LG) official(s) and community council (if applicable):

Local Government(s): City and Borough of Sitka Date Submitted: 10/15/19

Name/Title of LG Official 1: Planning Department Name/Title of LG Official 2: _____

Community Council: _____ Date Submitted: _____
(Municipality of Anchorage and Matanuska-Susitna Borough only)

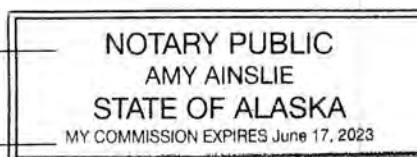
I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

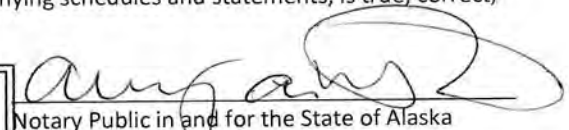


Signature of licensee

Justin Brown

Printed name of licensee




Notary Public in and for the State of Alaska

My commission expires: June 17, 2023

Subscribed and sworn to before me this 12th day of November, 2019.



Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

Section 1 – Establishment Information

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

Licensee:	AKO Farms, LLC	License Number:	19898		
License Type:	Retail Marijuana Store				
Doing Business As:	AK O FARMSLLC.				
Physical Address:	1210 Beardslee Way				
City:	Sitka	State:	AK	Zip Code:	99835
Designated Licensee:	Justin Brown				
Email Address:	akofarmsllc@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	
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OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest**What is this form?**

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

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

Section 1 – Establishment Information

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

Licensee:	AKO FARMS LLC	License Number:	19898		
License Type:	Marijuana Retail Store				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 Beardslee Way				
City:	Sitka	State:		ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Elizabeth Martin				
Title:	owner				
SSN:			Date of Birth:		



Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

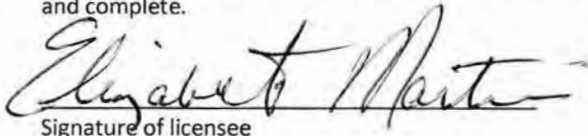
Section 3 – Certifications

I certify that no person other than a proposed licensee listed on my marijuana establishment license application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which a marijuana establishment license is being applied for.

I further certify that any ownership change shall be reported to the board as required under 3 AAC 306.040.

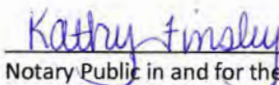
I understand that my fingerprints will be used to check the criminal history records of the Federal Bureau of Investigation (FBI), and that I have the opportunity to complete or challenge the accuracy of the information contained in the FBI identification record.
The procedures for obtaining a change, correction, or updating an FBI identification record are set forth in Title 28, CFR, 16.34.

I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.


Signature of licensee

Elizabeth Martin

Printed name of licensee


Notary Public in and for the State of Alaska

My commission expires: 02/25/23

Subscribed and sworn to before me this 10th day of May, 2019.





Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

What is this form?

A statement of financial interest completed by each proposed licensee (as defined in 3 AAC 306.020(b)(2)) is required for all marijuana establishment license applications, per 3 AAC 306.020(b)(4). A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

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

Section 1 – Establishment Information

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

Licensee:	AKO FARMS LLC	License Number:	19898		
License Type:	Marijuana Retail Store				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 Beardslee Way				
City:	Sitka	State:		ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Marty Martin				
Title:	owner				
SSN:			Date of Birth:		



Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

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

Phone: 907.269.0350

Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

Section 3 – Certifications

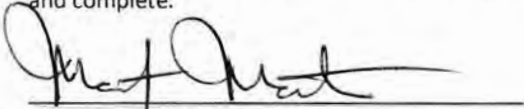
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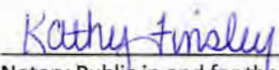
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Marty Martin

Printed name of licensee


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License Type:	Marijuana Retail Store				
Doing Business As:	AKO FARMS LLC				
Premises Address:	1210 Beardslee Way				
City:	Sitka	State:		ZIP:	99835

Section 2 – Individual Information

Enter information for the individual licensee.

Name:	Justin Brown				
Title:	owner				
SSN:			Date of Birth:		



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Alaska Marijuana Control Board

Form MJ-09: Statement of Financial Interest

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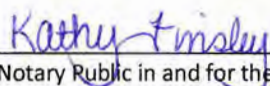
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Signature of licensee

Justin Brown

Printed name of licensee


Notary Public in and for the State of Alaska

My commission expires: 02/25/23

Subscribed and sworn to before me this 10th day of May, 2019.



Alcohol & Marijuana Control Office

Initiating License Application

10/2/2019 1:49:17 PM

License Number: 19898**License Status:** New**License Type:** Retail Marijuana Store**Doing Business As:** AKO FARMS, LLC.**Business License Number:** 1090969**Designated Licensee:** Justin Brown**Email Address:** akofarmsllc@gmail.com**Local Government:** Sitka (City and Borough of)**Community Council:****Latitude, Longitude:** 57.051579, -135.306230**Physical Address:** 1210 Beardslee Way
Sitka, AK 99835
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10037708**Alaska Entity Name:** AKO Farms, LLC**Phone Number:** 907-623-0417**Email Address:** akofarmsllc@gmail.com**Mailing Address:** P O Box 2426
Sitka, AK 99835
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Marty Martin**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-623-0417**Email Address:** akofarmsllc@gmail.com**Mailing Address:** P O Box 2752
2217 HPR
Sitka, AK 99835
UNITED STATES**Entity Official #2****Type:** Individual**Name:** elizabeth martin**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-623-0417**Email Address:** akofarmsllc@gmail.com**Mailing Address:** PO Box 2752
2217 HPR
Sitka, AK 99835
UNITED STATES**Entity Official #3****Type:** Individual**Name:** Justin Brown**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-623-0417**Email Address:** akofarmsllc@gmail.com**Mailing Address:** 103 Metlakatla St.
Sitka, AK 99835
UNITED STATES**Affiliate #1****Type:** Individual**Name:** elizabeth martin**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-623-0417**Email Address:** akofarmsllc@gmail.com**Mailing Address:** PO Box 2752
Sitka, AK 99835
UNITED STATES**Affiliate #2****Type:** Individual**Name:** Marty Martin**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 907-623-0417**Email Address:** akofarmsllc@gmail.com**Mailing Address:** P O Box 2752
2217 HPR
Sitka, AK 99835
UNITED STATES

Affiliate #3

Type: Individual

Name: Justin Brown

SSN: [REDACTED]

Date of Birth: [REDACTED]

Phone Number: 907-623-0417

Email Address: akofarmsllc@gmail.com

Mailing Address: 103 Metlakatla St.
Sitka, AK 99835
UNITED STATES

Scanned 6/3/19



Alaska Marijuana Control Board

Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
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<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Cover Sheet for Marijuana Establishment Applications

What is this form?

This cover sheet **must** be completed and submitted any time a document, payment, or other marijuana establishment application item is emailed, mailed, or hand-delivered to AMCO's main office.

Items that are submitted without this page will be returned in the manner in which they were received.

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Doing Business As:	AKO FARMS, LLC.		
Physical Address:	1210 Beardslee Way		
City:	Sitka	State:	AK
		Zip Code:	99835
Designated Licensee:	Justin Brown		
Email Address:	akofarmsllc@gmail.com		

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:	<p>PROOF OF POSSESSION</p>
-----------------	----------------------------

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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COMMERCIAL LEASE

THIS COMMERCIAL LEASE (the "Lease") is made by and between Martin Enterprises, Inc. (hereinafter called the "Lessor" or "Landlord") of PO Box 437, Sitka, AK 99835, and AKO Farms, LLC (hereinafter called the "Lessee" or "Tenant") of PO Box 2426, Sitka, AK 99835, for the property known as 1210 Beardsley, Sitka, AK 99835

1. Property. In consideration of the mutual covenants contained herein, the Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor the "Lease Space" located at the above rental address of approximately 7,000 square feet, more fully described in Appendix A ("the Premises"). The Lessee has inspected and shall accept the Premises in its current condition, for the purpose of a marijuana cultivation business. **Landlord acknowledges that the premises will be used for a marijuana establishment.**

2. Term. The Lessee is to have and hold the Premises for a term of Twenty Four (24) months. The term shall commence on October 1, 2018 (the "commencement date") and shall expire on September 30, 2020 (the "expiration date").

3. Extended Term.

(a) Lessee's Option To Extend. Provided the Lessee is not in default of its obligations under this Lease, the Lessee shall have the option to extend the initial term on all the terms and conditions contained herein, except for the monthly base rent, for an additional period of Three (3) years, commencing at midnight on the day the initial term terminates.

(b) Procedure to Extend. In order to exercise its option, the Lessee shall give the Lessor written notice of its intention to extend at least sixty (60) days prior to the expiration of the initial term.

(c) Monthly Base Rent. The monthly base rent for the extended term shall be set by negotiation. The parties shall have thirty (30) days after the Lessor received the notice to extend in which to agree on the monthly base rent for the extended term, if the parties agree they shall immediately execute an amendment to this Lease stating the monthly base rent.

4. Rental Amount.

(a) Monthly Base Rent. The Lessee shall pay to the Lessor monthly base rent (the "monthly base rent") on or before the first day of each calendar month in an amount equal to Thirteen Thousand Dollars (\$13,000.00) per calendar month, and begin on January 1, 2018 and each month of this lease thereafter. All monthly base rent shall be paid to the Lessor at the address to which notices to the Lessor are given. Rent for any partial calendar month shall be pro rated at a daily rate of one thirtieth (1/30) of the monthly base rent.

(b) Sales Tax. The Lessee shall pay to the Lessor any applicable sales tax on the monthly base rent.

(c) Late Penalty. Any rent or other sum required under this Lease to be paid that is not paid within five (5) days of the due date shall be assessed a late charge of One Hundred Dollars (\$100.00); such amount shall be considered liquidated damages and shall be due and payable as additional rent. In the event the late charge assessed above exceeds the maximum amount allowable by law, the amount assessed will be adjusted to the maximum amount allowable by law. To be considered paid, Lessor must have received the rent or other sum required under this Lease.

5. Utilities. The Lessee, at its costs, shall pay all costs for quantities of water, sewer, garbage, electricity, and other utilities used or consumed on the Premises, or which become due and payable. Prior to taking possession of the Premises, the Lessee shall arrange with the City and Borough of Sitka to be the named persons responsible for all payments for utilities provided by the City and Borough of Juneau to the Premises. The Lessee shall be responsible for, shall arrange for delivery of, and shall pay for all fuel oil (diesel fuel #2), if any, required to operate the any utilities provided with the Premises. If applicable, the Lessor shall provide a full fuel tank when the Lessee takes possession. Likewise, if applicable, the Lessee shall leave a full fuel tank upon termination of the term or extended term of this Lease.

6. Maintenance and Repair. The Lessee, at its cost, shall: maintain the Premises in good condition; make all repairs of whatever kind and nature, foreseen and unforeseen, as may be necessary or appropriate to keep the Premises in good condition; and, remove from the Premises all debris and garbage, and provide all landscaping, gardening, and ice and snow removal. The Lessee, at its cost, shall furnish all janitorial and cleaning services and supplies for the Premises. Lessee shall be responsible for making the premises suitable for its business, and shall be solely responsible for security any necessary permits, licenses, and other approvals.

7. Landlords Right of Entry. Due to state laws regulating cannabis, Landlord and tenant agree that Landlord may only enter the Premises when accompanied by authorized Lessee personnel.

8. Insurance Requirements. The Lessee, at its cost, shall maintain a comprehensive general liability policy, with liability limits of not less than Two Million Dollars (\$2,000,000) per occurrence, against all liability of the Lessee and its authorized representatives arising out of and in connection with the Lessee's use or occupancy of the Premises. Such insurance policy shall name the Lessor as an additional insured with all rights of subrogation waived against Lessor. In addition, the Lessor may, from time to time, require the Lessee to increase the amount of coverage. All insurance shall insure the Lessee's performance of the indemnification provisions of this Lease.

9. Policies of Insurance. All insurance required to be provided by the Lessee under this Lease shall be issued by insurance companies authorized to do business in Alaska with a financial rating of at least an A status as rated in the most recent edition of Best's Insurance Reports and shall contain an endorsement requiring at least thirty (30) days' prior written notice of cancellation to the Lessor before the cancellation or change in coverage, scope, or amount of any policy. The Lessee shall deliver a certificate or copy of such policy, together with evidence of all premiums, to the Lessor within 30 days after commencement of this Lease. The Lessee

shall also deliver to the Lessor satisfactory evidence of the renewal of such policy and the payment of all renewal premiums not less than thirty (30) days before the expiration of any policy.

10. Release and Indemnity. The Lessor shall not be liable to the Lessee for any damage to the Lessee or the Lessee's property from any cause, and the Lessee further waives all claims against the Lessor for damage to any person or property arising for any reason.

The Lessee shall defend, indemnify, and hold the Lessor harmless from all claims, demands, causes of action, damages, and any expenses incident thereto, arising out of any damage to any person or property incurring in, on, or about the Premises, or arising out of the Lessee's use of the Premises or the Lessee's breach of any term of this lease. Lessee shall further indemnify Lessor for any and all costs or damages due to civil forfeiture under the federal Controlled Substances Act.

11. Destruction.

(a) Option to Terminate. In the event the Premises is damaged or destroyed so as to render the Premises totally or partially untenantable, the Lessor may elect to terminate this Lease by giving a notice of termination to the Lessee within ninety (90) days from the date of such damage or destruction. In the event the Lessor does not elect to terminate this Lease, the Lessor shall restore the Premises. In the event the Lessor elects to terminate this Lease, this Lease shall terminate on the date the Lessee received the Lessor's notice of termination.

(b) Restoration. In the event the Premises is to be restored, the Lessor with all due diligence shall restore the Premises to substantially the same condition as immediately prior to the date of such damage or destruction, and the Lessee, at its cost, shall restore or repair its improvements, fixtures, and equipment as may be necessary and appropriate to reopen and operate the Premises. All restoration shall be in accordance with the Lessor's plans and specifications at that time and in full compliance with all applicable laws and ordinances.

(c) Abatement of Rent. During the period of untenability, the monthly base rent shall abate in the same ratio as the portion of the Premises rendered untenantable bears to the whole of the Premises, but all terms and conditions of the Lease shall remain in full force and effect.

12. Alterations and Improvements. Lessee is responsible for all costs of alteration, additions and improvements. Lessee is hereby permitted to make reasonable alterations inside the Premises.

13. Default. The occurrence of any of the following shall constitute a default by the Lessee:

a) Nonpayment. The failure to make payment of any installment of the monthly base rent, or of any other sum required under this Lease to be paid by Lessee if not paid by the due date;

b). Abandonment. The abandonment of the Premises (failure to operate the Sublet Premises) for a period of thirty (30) consecutive days shall be deemed an abandonment;

#19898

c) Receiver. The appointment of a receiver or a debtor-in-possession to take possession of the Premises or improvements or of the Lessee's interest in the leasehold estate or of the Lessee's operations on the Premises by reason of the Lessee's insolvency;

d) Bankruptcy. An assignment by the Lessee for the benefit of creditors or the filing of a voluntary or involuntary petition by or against the Lessee under any law for the purpose of adjudicating the Lessee a bankrupt; or for extending time for payment, adjustment, or satisfaction of the Lessee's liabilities; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceeding, and all consequent orders, adjudications, custodies and supervision are dismissed, vacated, or otherwise permanently stayed or terminated within thirty (30) days after the assignment, filing, or other initial event;

e) Enforcement Action or Noncompliance with State or Local Laws. Federal law enforcement action against Lessee or Lessor for marijuana activities on the premises including prosecution, investigation, or forfeiture; the non-compliance by Lessee with other Federal law (other than marijuana related), noncompliance with any state or local statute, law, or ordinance, including but not limited to the state marijuana licensing and program rules and local zoning ordinances, any civil action faced by Lessee or Lessor as a result of the marijuana cultivation business; and

f) Violation of Agreement. The failure to observe or perform any of the Lease Agreement's other covenants, agreements, or obligations hereunder, if any such default shall not be cured within thirty (30) days after notice of default has been given to the Lessee.

In the event of default by Lessee, Landlord will immediately notify AMCO. Landlord will not remove or take possession of marijuana without prior written permission from AMCO on its disposal.

14. Remedies and Vacation/Surrender of the Premises. In the event of default, after AMCO has been notified and has authorized disposal of marijuana, the Lessor shall have the following remedies in addition to all other rights and remedies allowable at law or equity, to which the Lessor may resort cumulatively or in the alternative:

a) Relet. The Lessor shall have the right, at its election, during the period that the Lessee is in default, to enter the Premises and relet it, or any part of it, to any third party for the Lessee's account, and the Lessee shall remain liable under this Lease for all costs the Lessor incurs in reletting the Premises, including, but not limited to, brokers' commissions, demolition, remodeling, and similar costs. In the event the Lessor reenters and relets the Premises, the Lessee shall pay to the Lessor all rent due under this Lease, less the rent the Lessor receives from any such reletting.

b) Terminate. The Lessor shall have the right, at its election, during the period that Lessee is in default, to give the Lessee notice of the Lessor's intention to terminate this Lease and all of the Lessee's rights hereunder, and on the date specified in such notice, including early

and/or immediate termination of the term of this Lease, and all rights granted the Lessee hereunder shall come to an end as fully as if the lease then expired by its own terms.

c) Retake. In the event of termination of this Lease, the Lessor shall have the right to repossess the Sublet Premises either with process of law or through any form of suit or proceeding, as well as the right to sue for and recover all rents and other sums accrued up to the time of such termination, and damages arising out of any breach on the part of the Lessee, including damages for rent not then accrued. The Lessor shall also have the right, without resuming possession of the Premises or terminating this Lease, to sue for and recover all rents and other sums, including damages at any time and from time to time.

Upon termination of this Lease, for default or otherwise (such as expiration of this Lease), Lessee shall vacate the Premises and surrender it to Landlord.

15. Assignment. The Lessee shall not voluntarily assign or encumber its interest in this lease or in the Premises, or sublease all or any part of the Premises, or allow any other person or entity (except the Lessee's authorized representatives) to occupy or use all or any part of the Premises, without first obtaining the Lessor's written consent. Any dissolution, merger, consolidation, or other reorganization of the Lessee, or the sale or other transfer of a controlling percentage of the capital stock of the Lessee, or the sale of at least fifty-one percent (51%) of the value of the assets of the Lessee, shall be deemed a voluntary assignment. "Controlling percentage" shall mean the ownership of and tie right to vote stock possession at least fifty-one percent (51%) of the total combined voting power of all classes of the Lessee's capital stock issued, outstanding, and entitled to vote for the election of directors. Any assignment, encumbrance, or sublease without the Lessor's written consent shall be voidable and, at the Lessor's election, shall constitute a default. No consent to any assignment, encumbrance, or sublease shall constitute a further waiver of the provisions of this Section 15.

16. Miscellaneous.

A. Severability. If any part or parts of this Lease shall be held unenforceable for any reason, the remainder of this Lease shall continue in full force and effect. If any provision of this Lease is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

B. Binding Effect. The covenants and conditions contained in the Lease shall apply to and bind the parties and the heirs, legal representatives, successors and permitted assigns of the parties.

C. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Alaska.

D. Entire Agreement. This Lease constitutes the entire agreement between the Parties and supersedes any prior understanding or representation of any kind preceding the date of this Lease. There are no other promises, conditions, understandings or other

agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified in writing and must be signed by both Landlord and Tenant.

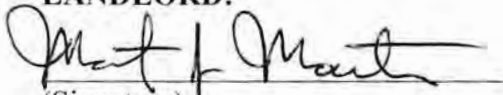
E. Notice. Any notice required or otherwise given pursuant to this Lease shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight delivery service, if to Lessee, at the Premises and if to Landlord, at the address for payment of Rent. Either party may change such addresses from time to time by providing notice as set forth above.

F. Waiver. The failure of either party to enforce any provisions of this Lease shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease. The acceptance of Rent by Landlord does not waive Landlord's right to enforce any provisions of this Lease.


G. Federal law. The parties mutually agree that federal illegality of cannabis operations on the premises is not a valid defense to any claim arising from this Lease Agreement. Thus, the parties waive the right to present any such defense related to the status of cannabis under federal law.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed the day and year first above written.

LANDLORD:


(Signature)
MARTY J MARTU
(Print Name)
OWNER
Title (if applicable)

TENANT:


(Signature)
Justin Brown
(Print Name)
manager
Title (if applicable)

#19898

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A
S
K
A

2016-001281-0

Recording Dist: 103 - Sitka

11/23/2016 09:00 AM Pages: 1 of 7



#18355

DEED OF TRUST

THIS DEED OF TRUST is made this 18th day of November, 2016, between MARTIN ENTERPRISES, INC., an Alaska Corporation in good standing with the State of Alaska, of PO Box 2752, Sitka, Alaska 99835, Trustors, and TISHER CONSTRUCTION, LLC, an Alaska Limited Liability Company, in good standing with the State of Alaska, of 315 Seward Street, Sitka, Alaska 99835, herein called Beneficiary, and ALASKA ESCROW AND TITLE INSURANCE AGENCY, INC., of PO Box 5040, Ketchikan, Alaska 99901, herein called Trustee.

WITNESSETH:

Trustors, in consideration of the indebtedness herein recited and the trust herein created, hereby grant, bargain, sell and convey to Trustee, IN TRUST WITH POWER OF SALE, the following described real property in the State of Alaska:

Lot 1B, US Survey 3695, MICK'S RE-SUBDIVISION, Plat No. 2016-3, a replat of Lot 1, US Survey No. 3695, Plat No. 2013-18, Sitka Recording District, First Judicial District, State of Alaska, hereinafter (the "Property");

Trustors and Beneficiaries acknowledge receipt, sufficiency, and mutuality of the consideration supporting these presents, and agree as follows:

ARTICLE I
SECURITY

Section 1.01. Security. This Deed of Trust is made for the purpose of securing:

Clause 1. Performance of each of the agreements of Trustors and Beneficiaries herein contained;

Clause 2. Payment to the Beneficiaries of the indebtedness evidenced by the Deed Of Trust Note of even date herewith, in the the principal sum of TWO HUNDRED FIFTY THOUSAND DOLLARS and 00/100 DOLLARS (\$250,000.00), plus interest, on the terms set out in said Note. This sum is payable to Beneficiary or order and made by Trustor, and all

Deed Of Trust
Martin Enterprises, Inc. Loan
Page 1 of 7

#19898

1



Alcohol & Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Alaska Marijuana Control Board

Cover Sheet for Marijuana Establishment Applications

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Designated Licensee:	Justin Brown				
Email Address:	akofarmsllc@gmail.com				

Section 2 – Attached Items

List all documents, payments, and other items that are being submitted along with this page.

Attached Items:

Public Notice
AND PUBLISHERS
Affidavit

OFFICE USE ONLY

Received Date:		Payment Submitted Y/N:		Transaction #:	
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Affidavit of Publication

STATE OF ALASKA
FIRST JUDICIAL DISTRICT) ss.
AT SITKA, ALASKA

Kathryn Hope Erickson, being first sworn, says she or he
is the publisher, managing editor or business manager of the DAILY SITKA
SENTINEL, a newspaper printed and published in Sitka, Alaska, and le-
gally qualified as a medium of official and legal publications, and that the
Legal Notice a copy of
which is hereto annexed, was published in the Daily Sitka Sentinel on:

<u>10.3.19</u>	<u>10.7.19</u>	<u>10.14.19</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

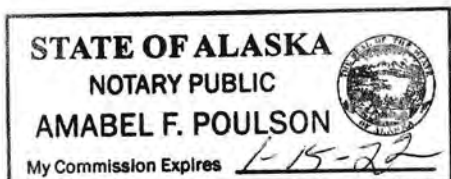
Signature [Signature]

Sworn and subscribed to

before me this 14 day of Oct, 20 19

Notary Public for Alaska [Signature]

My commission expires _____, 20 _____



LEGAL NOTICE

AKO Farms, LLC is applying under 3 AAC 306.300 for a new Retail Marijuana Store license, license #19898, doing business as AKO FARMS, LLC., located at 1210 Beardslee Way, Sitka, AK, 99835, UNITED STATES.

Interested persons may object to the application by submitting a written statement of reasons for the objection to their local government, the applicant, and the Alcohol & Marijuana Control Office (AMCO) not later than 30 days after the director has determined the application to be complete and has given written notice to the local government. Once an application is determined to be complete, the objection deadline and a copy of the application will be posted on AMCO's website at <https://www.commerce.alaska.gov/web/amco>. Objections should be sent to AMCO at marijuana.licensing@alaska.gov or to 550 W 7th Ave, Suite 1600, Anchorage, AK 99501.

Published: October 3, 7, 14, 2019



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-262 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Approve the Acting Administrator list for 2020: Melissa Haley, Michael Harmon, Dave Miller, and Sara Peterson

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo](#)

Date	Ver.	Action By	Action	Result
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If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the
Acting Administrator list for 2020: Melissa Haley,
Michael Harmon, Dave Miller, and Sara Peterson.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
From: Hugh Bevan, Interim Municipal Administrator *HB*
Date: November 26, 2019
Subject: Approval of the Acting Administrator list for 2020

Following is the updated Acting Administrator list for the calendar year 2020. These Department heads are authorized to serve in my capacity, in no particular order, should I be absent.

- Michael Harmon, Public Works Director
- Dave Miller, Fire Chief
- Sara Peterson, Municipal Clerk
- Melissa Haley, Controller

2.08.015 Selection of acting administrator.

No later than January 15th of each calendar year, the administrator shall provide in writing to the assembly a list of at least three department heads from which the administrator can select a person to serve as acting administrator for a given period of time during the next twelve months. The administrator will select from that list, unless unforeseen circumstances require the administrator to select another person not on the list. If another person is selected, the assembly will be informed as soon as possible. The assembly by majority vote may direct the administrator to change the list or the selection. (Ord. 14-39A § 4, 2014; Ord. 03-1755 § 4, 2003.)



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-260 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Reappoint Dave Gordon to a three-year term on the Port and Harbors Commission

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Gordon Application](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO reappoint Dave Gordon to a three-year term on the Port and Harbors Commission.



Application for Appointment to Boards, Committees, and Commissions
City and Borough of Sitka

Board/Commission/Committee: Port & Harbors
Name: Dave Gordon Preferred Phone: [REDACTED]
Address: [REDACTED] Alternate Phone: [REDACTED]
Email Address: [REDACTED] Fax Number: [REDACTED]
Length of Residence in Sitka: 35 years Registered to vote in Sitka? X Yes No
Employer: Retired State of AK - Dept. Fish & Game
Organizations you belong to or participate in:

Explain your main reason for applying: -

Seeking second 3-year term, want to continue to be apart of the discussion regarding Ports & Harbors infrastructure

What background, experience or credentials will you bring to the board, commission, or committee membership?

Boat owner and float plane owner I personally use and rely on the harbor infrastructure. Also have 3 years experience serving on this commission.

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

None

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 11/29/19 Signature: [Signature]

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes X No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org

November 18, 2019

Dear Mayor Paxton and Assembly,

My name is Dave Gordon and I am seeking a second three-year term on the Ports and Harbors Commission. I currently serve as Chair of the Commission. The Ports and Harbors infrastructure and management of that infrastructure is vital to Sitka. I would like to continue to be a part of the discussion as the community addresses the challenges of maintaining and improving Sitka's Harbors into the future.

Also, I understand the Ports and Harbors Commission may be asked to address issues associated with the development of a new floatplane facility. As a floatplane owner I believe I can provide valuable input as this project moves forward.

I have a BS Degree in Fisheries from Humboldt State University. I moved to Sitka in 1985 and shortly thereafter began a career with the Alaska Department of Fish and Game. All of my 30-year career with the department was in Sitka and I spent most of that career as a commercial fisheries manager. I retired in 2016.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Gordon", with a long horizontal flourish extending to the right.

Dave Gordon



PORT AND HARBORS COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
DAVE GORDON 717 Lake Street	738-0515 sitkadgordon@gmail.com	12/13/16	12/13/19	CHAIR
CHRIS YSTAD 104 Chirikov Drive	738-1560 fathom99835@yahoo.com	5/22/18	5/22/21	VICE CHAIR
MICHAEL NURCO PO Box 6443	738-0927 albatrossalaskacharters@gmail.com	11/11/15	7/8/17 12/12/20	
KEN CREAMER 101 Sunset Drive	738-0223 747-8903 k.creamer@gci.net	9/12/17	10/27/18 10/23/21	
SHAUNA THORNTON PO Box 2156	598-1171 shaunat@gci.net	11/28/17	3/24/18 3/13/21	
TYLER GREEN 322 Wachussetts Street	738-5010 tgoceancowboy@gmail.com	2/12/19	6/14/19 6/11/22	
TAMY STEVENSON PO Box 6145	907-244-8853 blackdog.whitedog@gci.net	3/26/19	3/26/22	
Stan Eliason Office: 617 Katlian Street	747-3439 w 738-0832 stan.eliason@cityofsitka.org			Harbormaster Non-voting
Kevin Knox PO Box 6415	738-4664 assemblyknox@cityofsitka.org			Assembly Liaison
Alicia Soto Harbor Office Manager	747-3439 w alicia.soto@cityofsitka.org			Secretary

7 members from the public, 3-year terms
 Established by Resolution 88-375
 Nine meetings per year, September – May, 2nd Wednesday 6:00 p.m.
 Harrigan Centennial Hall, 300 Harbor Drive

Revised: June 17, 2019



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-261 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Reappoint Joseph D'Arienzo to a three-year term on the Tree and Landscape Committee

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and D'Arienzo Application](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO reappoint Joseph D'Arienzo to a three-year term on the Tree and Landscape Committee.



Application for Appointment to Boards, Committees, and Commissions
City and Borough of Sitka

Board/Commission/Committee: SITKA TREE AND LANDSCAPE COMMITTEE
Name: JOSEPH D'AGANZO Preferred Phone: [REDACTED]
Address: [REDACTED] Alternate Phone: [REDACTED]
Email Address: [REDACTED] Fax Number: [REDACTED]
Length of Residence in Sitka: 28 yrs Registered to vote in Sitka? X Yes No
Employer: SELF EMPLOYED
Organizations you belong to or participate in:

TREE AND LANDSCAPE / SITKA MARITIME HERITAGE SOCIETY

Explain your main reason for applying:

I WANT TO CONTINUE BEING ON COMMITTEE.
I BELIEVE ITS WORK IS VALUABLE TO C & B of SITKA

What background, experience or credentials will you bring to the board, commission, or committee membership?

I HAVE BEEN A MEMBER SINCE ITS INCEPTION / I HAVE BEEN A
BOARD MEMBER FOR SITKA MARITIME FOR A NUMBER OF YEARS

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: NOV. 19, 2019 Signature: *Joseph D'Aganzo*

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org

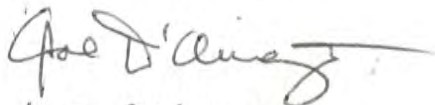
NOV. 21, 2019

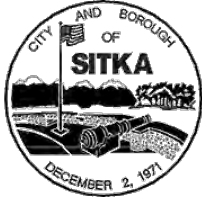
DEAR ASSEMBLY MEMBERS

I WOULD LIKE TO BE CONSIDERED FOR RE-APPOINTMENT TO THE SITKA TREE AND LANDSCAPE COMMITTEE. I STILL FEEL PASSIONATE ABOUT THE COMMITTEE'S MISSION: TO ENHANCE THE LANDSCAPING OF SITKA. A HEALTHY URBAN ENVIRONMENT IMPROVES THE WELL BEING OF CITIZENS AND VISITORS ALIKE.

THROUGH GRANTS AND STAFF SUPPORT, THE COMMITTEE HAS ACCOMPLISHED PLANTING PROJECTS TO THE BENEFIT OF EVERYONE. I'M PROUD TO BE A PART OF THIS. (I ENCOURAGE YOU TO LOOK AT THE CITY'S WEBSITE TO SEE SOME OF THESE PROJECTS.). I LOOK FORWARD TO WORKING WITH MY FELLOW COMMITTEE MEMBERS AND CITY STAFF TO CONTINUE BEAUTIFYING OUR COMMUNITY.

THANKS MUCH


JOE D'ARLENZO



TREE AND LANDSCAPE COMMITTEE

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
DEB MILLER 708 Lake St.	738-1175 sitkadjm@gmail.com	10/22/13	10/22/16 10/25/19 11/12/22	CHAIR
JOE D'ARIENZO 2219 SMC	747-7448 delsenzo@live.com		7/24/04 7/13/07 7/10/10 6/22/13 11/12/16 11/22/19	VICE CHAIR
LISA MOORE PO Box 2943	747-5534 moorelisa@aol.com		7/24/04 7/13/07 9/25/10 10/26/13 11/12/16 11/22/19 11/12/22	SECRETARY
LIZ MCKENZIE PO Box 144	752-7046 c liz.creativeworks@gmail.com	12/8/15	12/8/18 12/20/21	
KIM KIRKNESS 1205 Georgeson Loop	738-1569 c kimalyn@alaskan.com	2/28/17	2/28/20	
CORA NISBET 722 Lake St.	738-5147 coranisbet@gmail.com	11/10/14	11/10/17	
MAT TURNER 112 Shotgun Alley	747-7205 h matthew.g.turner@uscg.mil	1/12/16	12/9/17	Hennessy's term
RICHARD WEIN PO Box 2424	738-0577 assemblywein@cityofsitka.org			Assembly Liaison

MUNICIPAL STAFF SUPPORT

Michael Colliver 100 Lincoln Street	747-4039	michael.colliver@cityofsitka.org	Building, Grounds and Parks Supervisor
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Established by Ord. 01-1625; revised by Ord. 03-1718

7 members 3-year terms

Meets: 3rd Tuesday, Noon, Sitka Public Library

Revised: November 13, 2019



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 19-40 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 11/20/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Making supplemental appropriations for Fiscal Year 2020 (GPIP Outside Counsel)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2019-40](#)
[ORD 2019-40](#)

Date	Ver.	Action By	Action	Result
11/26/2019	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2019-40 on second and final reading making supplemental appropriations for fiscal year 2020 (GPIP Outside Counsel).

Sponsor: Interim Administrator

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2019-40
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2020
(GPIP Outside Counsel)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental operating appropriation for FY2020.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2019 and ending June 30, 2020.

:

<u>FISCAL YEAR 2020 EXPENDITURE BUDGETS</u>
ENTERPRISE AND INTERNAL SERVICE FUND
Gary Paxton Industrial Park – Operations: Increase appropriations in the amount of \$15,500 for legal fees involving the completion of the purchase and sale agreement regarding the GPIP Utility Dock. These funds will come from the Gary Paxton Industrial Park working Capital.

EXPLANATION

The Gary Paxton Industrial Park Board approved additional changes to the purchase and sale agreement for the GPIP Utility Dock. These changes, along with creation of a term sheet prior to purchase agreement, have increased outside legal counsel expenses.

Total supplemental appropriations to date for the Gary Paxton Industrial Park Fund in FY20 totals \$14,724, not including this supplemental appropriation.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 10th Day of December 2019.

Gary L. Paxton, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading 11/26/19

2nd reading 12/10/19

Sponsor: Interim Administrator



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 19-41 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Making supplemental appropriations for Fiscal Year 2020 (Administration - Personnel / Contract Services)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2019-41](#)
[Ord 2019-41](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2019-41 on first reading making supplemental appropriations for fiscal year 2020 (Administration – Personnel / Contract Services).

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2019-41

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL APPROPRIATIONS
FOR FISCAL YEAR 2020
(Personnel to Contract Services)**

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental operating appropriations for FY2020.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2019 and ending June 30, 2020.

<u>FISCAL YEAR 2020 EXPENDITURE BUDGETS</u>
GENERAL FUND
Administration – Operations: Increase appropriations in the amount of \$117,000 to contract out a lobbyist in place of the Community Affairs Director’s position.
Administration – Operations: Increase appropriations in the amount of \$20,000 for outside contractor support to help in the Human Resource Department due to the vacancy of the Human Resources Director.

EXPLANATION

These appropriations for contract services are to be accompanied by corresponding decreases to wages, so there is a net zero impact on the budgeted expenditures for FY2020. The need to move appropriations from personnel costs to contract services is due to the need for additional support while positions are vacant. Per section 11.11 of the Home Rule Charter, the assembly may transfer unencumbered budget balances to or from personnel costs.

Total supplemental appropriations to date for the General Fund in FY2020 totals \$823,085. Increases of operating budgets in the amount of \$571,924.23, to comply with Charter provisions pertaining to non-lapsing of encumbered funds at the end of a fiscal year (“Year-end soft close”), are not included in this amount.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 23rd Day of December, 2019.

Gary L. Paxton, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

Sponsor: Interim Administrator

1st reading 12/10/19

2nd and final reading 12/23/19



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 19-42 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Clarifying the Sitka General Code by amending Title 4 "Revenue and Finance" Chapter 4.09 "Sales Tax" and amending Title 15 "Public Utilities" Chapter 15 "Electric Utility Policies" (Clerical Inaccuracies)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2019-42](#)
[Ord 2019-42](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2019-42 on first reading clarifying the Sitka General Code by amending Title 4 “Revenue and Finance” Chapter 4.09 “Sales Tax” and amending Title 15 “Public Utilities” Chapter 15 “Electric Utility Policies” for clerical inaccuracies.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2019-42

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA CLARIFYING THE SITKA
GENERAL CODE BY AMENDING TITLE 4 "REVENUE AND FINANCE" CHAPTER 4.09
"SALES TAX" AND AMENDING TITLE 15 "PUBLIC UTILITIES" CHAPTER 15
"ELECTRIC UTILITY POLICIES"**

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to correct two clerical inaccuracies that currently exist in the Sitka General Code (SGC). As provided in Alaska Statute 29.25.050, the municipal clerk is responsible for ensuring that the municipal code is kept current. During a review of the SGC, specifically the Sales Tax Chapter, inaccuracies were discovered with respect to the name of a certain sales tax, previously named as the Hotel, Motel, and Bed and Breakfast Transient Room Tax and now named the Transient Lodging Tax. This name change, along with the other changes was accomplished by Ordinance No. 2018-13S.

In addition, the municipal clerk was contacted by Code Publishing Company regarding missing amendments to subsection 15.01.020.F, referenced in the enactment portion of Ordinance No. 2019-26, regarding the one-month date shift in the period for the seasonal electric rates. This ordinance corrects that omission.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 4, entitled "Revenue and Finance", be amended at Chapter 4.09, entitled "Sales Tax", by modifying Sections 4.09.100, entitled "Exemptions" at subsection AA, Section 4.09.120, entitled "Exemption from seasonal sales tax increase" at subsection A, and Section 4.09.420, entitled "Definitions" at subsection H and Title 15, entitled "Electric Utility Policies", be amended at Chapter 15.01, entitled "Electric Utility Policies", by modifying Section 15.01.020, entitled "Electrical rates", at subsection F to read as follows (deleted language stricken, new language underlined):

**Title 4
REVENUE AND FINANCE**

Chapters:

* * *

4.09 Sales Tax

* * *

**Chapter 4.09
SALES TAX**

Sections:

- 4.09.010 Levy of sales tax.
- 4.09.020 Collection of tax.
- 4.09.030 Presumption of taxability—Sales price and purchase price.

4.09.040 Separate statement of tax—No advertising to absorb or refund tax.

4.09.100 Exemptions.

4.09.110 Residence construction tax refund.

4.09.120 Exemption from seasonal sales tax increase.

* * *

4.09.420 Definitions.

* * *

4.09.100 Exemptions.

The following sales are exempt from taxation:

* * *

AA. Residential Rent. Rent paid for residential housing for thirty or more consecutive days or an entire calendar month by a person or persons for a room, set of rooms, structure, or suite is exempt from sales taxes. This exemption does not apply to any transaction taxable under Chapter 4.24 regarding the ~~hotel, motel, and bed and breakfast transient room~~ lodging tax.

* * *

4.09.120 Exemption from seasonal sales tax increase.

The following retail sales are exempt from any increase in the sales tax imposed on a seasonal basis, including the one percentage point increase for the months of April, May, June, July, August, and September set out in Section 4.09.010(B):

A. Rentals of Real Property. Rent paid as consideration for the use of real property either for thirty or more consecutive days or an entire calendar month by a person or persons of a room, set of rooms, structure, or suite is exempt from the additional one percent increase for the months of April, May, June, July, August and September. This exemption does not apply to any transaction taxable under the ~~hotel, motel, and bed and breakfast transient room~~ lodging tax set out in Chapter 4.24.

* * *

4.09.420 Definitions.

In this chapter:

* * *

H. Residential Rent. Rent paid for residential housing for thirty or more consecutive days or an entire calendar month by a person or persons for a room, set of rooms, structure, or suite is exempt from sales taxes. This exemption does not apply to any transaction taxable under Chapter 4.24 regarding the ~~hotel, motel, and bed and breakfast transient room~~ lodging tax;

* * *

Title 15 PUBLIC UTILITIES

Chapters:

15.01 Electric Utility Policies

* * *

Chapter 15.01 ELECTRIC UTILITY POLCIES

Sections:

15.01.005 Definitions.

- 15.01.010 Statement of purpose.
15.01.012 Level of authority and responsibilities.
15.01.020 Electrical rates.

* * *

15.01.020 Electrical rates.

* * *

F. Boat Service.

1. Applicable to separately metered boats, lights, heaters, pumps or other uses.
2. Energy Charges.

All kWh from the first billing cycle in October <u>November</u> through the last billing cycle in March <u>April</u>	\$0.120 per kWh
All kWh from the first billing cycle in April <u>May</u> through the last billing cycle in September <u>October</u>	\$0.1920 per kWh
Customer charge is \$20.48 per month	

5. EFFECTIVE DATE. This ordinance shall become effective the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, this 23rd day of December, 2019.

Gary L. Paxton, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading 12/10/19
2nd and final reading 12/23/19

Sponsor: Interim Administrator



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-263 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Approve a Consent to Assignment of a lease for 725 Siginaka Way

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo](#)
[Consent To Assignment lease 725 Signaka Way_Final](#)
[725 Siginaka Way Exhibit A](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve a Consent to Assignment of a lease for 725 Siginaka Way and authorize the Interim Municipal Administrator to execute the document.



City and Borough of Sitka

100 Lincoln Street
Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor Gary Paxton and Assembly Members
From: Hugh Bevan, Municipal Administrator *HB*
Reviewed: Brian E. Hanson, Municipal Attorney
Date: December 4, 2019
Subject: Consent to Assignment for 725 Siginaka Way Lease

Introduction

Currently 725 Siginaka Way is leased by April Wheldon and William Akan, who operate Latte Landing located in the Eliason Harbor parking lot. Ms. Wheldon has requested the lease to be transferred to Christian Scantling and Deborah Wynsen, husband and wife. The City and Borough of Sitka ("CBS") Assembly approval is required to assign lease and transfer the subject property according to section 8.1 of the current lease.

Background

CBS Assembly passed ordinance 2017-12, May 9, 2017, approving the current lease to Ms. Wheldon and Mr. Akan. The lease was signed and effective May 15, 2017, for a five-year term to end May 1, 2022, with one option to renew for a successive five-year term. All lease obligations and restrictions will be passed on to the new tenants, who intend to continue to provide the same service (coffee shop) at this location.

Summary

CBS staff has completed their internal review of this request, all accounts for all parties involved, and current status of the lease. Lease payments are current.

Mr. Scantling and Ms. Wynsen are current on all CBS accounts. It appears they will be responsible and reliable lessees who will continue the business currently operated on the premises. CBS staff support the transfer of this lease.

Assembly approval is requested to facilitate the transfer of this lease.

After Recording Return To:
Municipal Clerk
City and Borough of Sitka, Alaska
100 Lincoln Street
Sitka, Alaska 99835

CONSENT TO ASSIGNMENT OF LEASE

City and Borough of Sitka, Alaska ("CBS" or "Owner"), of 100 Lincoln Street, Sitka, Alaska 99835, entered into the "Lease Agreement Between City And Borough of Sitka And April Wheldon and William Akan", dated May 15, 2017 ("Lease"), with April Wheldon and William Akan ("Lessee"), of PO Box 6370, Sitka, Alaska 99835, for certain Premises as described in the Lease. Lessee desires to assign the Lease to Christian A. Scantling and Deborah N. Wynsen, husband and wife ("Assignees"), of PO Box 994, Sitka, Alaska 99835, and has requested of CBS consent to assignment of the Lease to Assignees, effective January 1, 2020.

CBS consents to the assignment of the Lease to Assignees in accordance with Section 8.1 of the Lease, with all rights, title, interest, obligations, and liabilities. Assignees shall be subject to all terms and conditions of the Lease, including any amendments.

CBS has been provided with all the terms of the proposed assignment and CBS hereby consents to the assignment. The Lessee and Assignees warrant that the agreed upon assignment makes no changes to the Lease.

This Consent is contingent upon the following provisions occurring before any

**Consent To Assignment Of Lease
between CBS and April Wheldon and William Akan
to Christian A. Scantling and Deborah N. Wynsen
Page 1 of 4**

execution of this document:

1. Assignees shall provide a copy of the assignment which will be used at closing, with a copy of the executed assignment to be provided when available upon closing;
2. Assignees shall provide copies of any required licenses, permits, plans and certificates in order to perform under the Lease; and
3. Assignees shall provide the name and address of the official contact of Assignees, who shall receive all future notices required by the Lease.

This Consent is also based on the Assignees providing the following assurances by

signing this Consent:

1. Assignees will be liable under the Lease in accordance with the assignment;
2. Assignees affirm that it is legally bound by the Lease and that it will comply with all the terms and conditions contained in the Lease;
3. Assignees agree that it is liable to indemnify and hold harmless CBS pursuant to indemnity obligations set forth in the Lease; and
4. Assignees agree that it is liable to indemnify and hold harmless CBS pursuant to any claims, actions, or damages arising from this Consent.

This Consent was approved by the CBS Assembly at its regular meeting of December 10, 2019, with authority given to the Municipal Administrator to sign this Consent.

CBS may record and Assignees shall pay for the recording of this Consent.

Assignees may record and pay for the recording of the assignment.

[SIGNATURES AND ACKNOWLEDGEMENTS ON FOLLOWING PAGES]

Date

By: Hugh Bevan

Its: Interim Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Hugh Bevan, Interim Municipal Administrator of the CITY AND BOROUGH OF SITKA, ALASKA, an Alaska home rule municipality, on behalf of the municipality.

Notary Public in and for the State of Alaska

My commission expires: _____

Date

April Wheldon

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by April Wheldon.

Notary Public in and for the State of Alaska

My commission expires: _____

Date

William Akan

**Consent To Assignment Of Lease
between CBS and April Wheldon and William Akan
to Christian A. Scantling and Deborah N. Wynsen**

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by William Akan.

Notary Public in and for the State of Alaska
My commission expires: _____

Date

Christian A. Scantling

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Christian A. Scantling.

Notary Public in and for the State of Alaska
My commission expires: _____

Date

Deborah N. Wynsen

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by Deborah N. Wynsen.

Notary Public in and for the State of Alaska
My commission expires: _____



PROPOSED
LOCATION
OF STRUCTURE

GRIFFITH
ISLAND

USCG&S
"GRIFF"

THOMSEN HARBOR

SIGINAKA WAY

KATLIAN AVE.

RAMP TO
NEW
THOMSEN
HARBOR



City and Borough of Sitka
DEPARTMENT OF PUBLIC WORKS
100 LINCOLN STREET • SITKA, ALASKA 99835
TEL (907) 747-1604 FAX (907) 747-3156

Griffith Island /
Lord Baranof Y.C.
Site Plan

DRAWN:	PAR	SCALE:	1" = 100'
CHECKED:	BBD	DATE:	6.6.01
DRAWING NAME:	GRIFFITH		
SHEET NO.	1	1	

Exhibit A



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-264 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Authorize the Municipal Administrator to reject a bid from Little Susitna for refrigeration repairs at the Marine Service Center and execute a contract with Wyatt Refrigeration in the amount of \$99,980 to replace the primary condenser unit at the Marine Service Center

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Memo](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO authorize the Interim Municipal Administrator to reject a bid from Little Susitna for refrigeration repairs at the Marine Service Center and execute a contract with Wyatt Refrigeration in the amount of \$99,980 to replace the primary condenser at the Marine Service Center.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Gary Paxton and Assembly Members

From: Hugh Bevan, Interim Municipal Administrator *HB*

Date: December 3, 2019

Subject: Marine Services Center – Primary refrigeration condenser replacement

Background

The MSC refrigeration system operates with a single, large condenser. The existing unit was last replaced in 2005 by Wyatt Refrigeration. It has reached the end of its useful life. Replacement is needed to insure freezing conditions are not lost within the cold storage.

Wyatt has been performing maintenance on the MSC equipment since 2003 and has done an excellent job.

The project budget is

Budgeted amount	\$200,000
Expenses to date	17,610 (engineering and advertising)
Contingency	<u>20,000</u>
Available budget	\$162,390

On October 30, 2019 CBS received bids to furnish and install a new compressor. Three bids were received:

Wyatt Refrigeration	\$ 99,980
Little Susitna	\$198,000
Permacold Engineering	\$254,688

Unfortunately, Wyatt did not include a Bid Bond and the City declared all bids non responsive. The other two bids were substantially over budget.

A second round of bidding was advertised. This time CBS declared the budget amount of \$160,000 in the bid documents.

On November 13, 2019 the only bid was opened and Little Susitna restated their original price of \$198,000.

Analysis

Wyatt states they will honor their original bid of \$98,980 and complete the work by March 1, 2020. Based on substantial positive work history with Wyatt we believe they can honor their bid price.

Fiscal Note

The financial aspects of this procurement are listed above under Background.

Recommendations

1. Reject the November 13, 2019 bid from Little Susitna because it is greater than the budgeted amount that was stated in the re-bid documents.
2. Execute a contract with Wyatt Refrigeration in the amount of \$99,980 to replace the primary condenser unit at the Marine Services Center.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 19-27 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 12/4/2019 In control: City and Borough Assembly

On agenda: 12/10/2019 Final action:

Title: Authorizing the City and Borough of Sitka to join the Alaska Remote Seller Sales Tax Commission for the purpose of developing, implementing, and enforcing a remote sellers sales tax code and designating a City representative to the Commission

Sponsors:

Indexes:

Code sections:


Attachments: [Motion Res 2019-27](#)
[Memo Finance Director](#)
[FAQ June 2019 from AML](#)
[AML September 2019 Public Informational Release](#)
[Res 2019-27](#)
[Attachment A Intergovernmental Agreement](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Resolution 2019-27 on first and final reading authorizing the City and Borough of Sitka to join the Alaska Remote Seller Sales Tax Commission for the purpose of developing, implementing, and enforcing a remote sellers sale tax code and designating a City representative to the Commission.

Memo

Through: Hugh Bevan, Interim Administrator 
To: Assembly of the City and Borough of Sitka
From: Jay Sweeney, Chief Financial and Administrative Officer
Date: December 2, 2019
Re: Inter-Governmental Agreement For Remote Seller (e-commerce) Sales Taxation

Issue: The Assembly of the City and Borough of Sitka is being asked to pass a Resolution approving entry into a voluntary Intergovernmental Agreement with other Municipalities in Alaska for remote seller (e-commerce) sales taxation.

Essence of the Issue:

- (1) Sitka's ability to continue to collect sales tax on internet-based sales now rests on whether or not the City and Borough decides to enter into the proposed Intergovernmental Agreement with other Municipalities in Alaska. If the Assembly approves entering into the Agreement, the entity formed through the Agreement shall serve as the single Statewide reporting and collection point for all e-commerce sales in Alaska. Sitka would stand to collect additional sales tax revenue above the amount currently being voluntarily remitted. If, however, the Assembly does not approve entering into the Agreement, Sitka stands to lose the roughly \$300,000 a year in voluntary sales tax remittances from e-commerce merchants.
- (2) The financial/budgetary ramification of the decision is \$800,000 – from potentially losing the \$300,000 in annual voluntary sales tax remittances we are already receiving to increasing annual collections to \$500,000, when all e-commerce merchants begin remitting.

Background:

- (1) Attached to this Memorandum is a FAQ document prepared by the Alaska Municipal League in June, 2019, which provides excellent background.
- (2) The genesis of the current effort to collect sales taxes from e-commerce merchants stems from a United States Supreme Court decision in *South Dakota vs. Wayfair*. In that case, the Supreme Court ruled that States could pass legislation requiring sales taxes to be collected and remitted on e-commerce, so long as the legislation did not present an undue burden to interstate commerce. A reasonable burden was determined to be a centralized agency within each State for sales tax reporting and remittance, and, uniform definitions within each governing aspects of e-commerce.

- (3) Alaska is unique among the 50 States in that it is the only State to not have a Statewide sales tax, yet allows Municipalities to have local sales taxes. As a result, Alaska Municipalities have widely dissimilar sales tax codes, with no two the same. Legal counsel retained by the Alaska Municipal League opined that Alaska's patchwork system of different municipal codes does present an undue burden to internet commerce and, as a result, individual Municipalities would likely not prevail if they attempted to compel e-commerce merchants to collect and remit sales taxes. The legal counsel did advise, however, that if Municipalities organized an intergovernmental agency to serve as a single collection and reporting point for e-commerce sales taxation, that it would not present an undue burden.
- (4) Based on advice from its Legal Counsel, the Alaska Municipal League spearheaded an initiative to assist Municipalities in developing and forming an intergovernmental agency to serve as a single collection and reporting point for e-commerce sales taxation. That effort culminated with the ceremonial signing of participation conferences by the initial adopting Municipalities at the Alaska Municipal League Winter Conference in Anchorage, in November, 2019. Major entities who were initial adoptees of the agreement include the City and Borough of Juneau, Ketchikan Gateway Borough, Kenai Peninsula Borough, Kodiak City and City and Borough of Wrangell.
- (5) For the City and Borough of Sitka to participate in the intergovernmental agreement, the Assembly would need to initially pass a Resolution. The Resolution would signal the Municipality's intent to join, and, would commit the Municipality to accomplishing certain milestones within a stated period of time. These milestones would include the signing of the intergovernmental agreement, and, passage of an ordinance adopting uniform definitions as they apply to remote sellers and e-commerce. An example of the model Resolution recommended by the Alaska Municipal League is attached.
- (6) Following the passage of a resolution to join, the Municipality would be expected to pass an accompanying ordinance modifying its sales tax code to allow for sales taxation of remote sellers, and, to adopt uniform definitions as they apply to remote sellers and e-commerce.

FAQ June 2019

How did the June 2018 U.S. Supreme Court decision change the sales tax world?

The U.S. Supreme Court on June 21, 2018, upheld the state of South Dakota's right to require online sellers to collect and remit sales tax on orders delivered into the state. The 5-4 decision effectively overturned a Supreme Court decision from 1992 that went against the state of North Dakota. The 2018 case is South Dakota vs. Wayfair (a nationwide online retailer of furniture and home goods).

What were the issues in the court case?

In its ruling, the Supreme Court noted that the South Dakota Legislature had determined "that the inability to collect sales tax from remote sellers was 'seriously eroding the sales tax base' ... causing revenue losses and imminent harm."

The court explained, "The central dispute is whether South Dakota may require remote sellers to collect and remit the tax without some additional connection to the state," such as an office or warehouse or employees. And although the 1992 decision against North Dakota commented that requiring remote sellers to collect and remit sales tax "might unduly burden interstate commerce" without such a physical or legal connection, called nexus, the court's 2018 decision found otherwise. "The administrative costs of compliance, especially in the modern economy with its Internet technology, are largely unrelated to whether a company happens to have a physical presence in a state," the Supreme Court said in its 2018 decision.

Allowing online sellers to avoid collecting sales taxes "has come to serve as a judicially created tax shelter for businesses that decide to limit their physical presence and still sell their goods and services to a state's consumers," the court added.

In its order, the Supreme Court said it overruled the 1992 decision because it was "unsound and incorrect."

Does the court decision require online sellers to collect sales tax?

No, it does not require online merchants of goods and services to do anything unless a state's sales and use tax is written to apply to online orders (remote merchants). If a state chooses not to extend its sales and use tax to online orders, the Supreme Court decision does not require merchants to voluntarily collect and remit the tax. The decision is up to each state.

Does the court decision apply to municipalities?

No, not exactly, not directly. The word "municipality" appears nowhere in the Supreme Court decision. The case, the briefings, the discussion and the order focused solely on state sales and use tax. But, the same reasoning, the same legal questions likely would apply to municipal sales taxes: Are they discriminatory against interstate commerce, do they pose an undue burden on interstate commerce, are they administered fairly to all parties. As Alaska is the only state that allows municipal sales taxes without an overriding set of rules in a state sales tax, Alaska is unique. But we're used to that.

FAQ June 2019

What are the challenges for Alaska municipalities?

Without a clearly defined set of legal standards in the court decision for municipalities, Alaska cities and boroughs have to make their best legally educated guess at what set of tax definitions, rules, exemptions and administrative procedures would be needed to replicate and adhere to the intent of the court opinion allowing taxation of online sales. Such as, no undue burden on interstate commerce, no retroactive taxation, and a system that standardizes tax rules to reduce administrative and compliance costs for remote merchants. There is no checklist of what will work or what is not allowed — Alaska municipalities will have to set their own trail.

What's the path forward for Alaska municipalities that want to collect taxes on online sales?

A coordinated approach is best. In fact, it's probably the only way to succeed. It's hard to imagine that a large, nationwide online merchant, a small remote seller — or a court, in the event of a legal challenge — would accept dozens of municipal codes, each with its own unique set of definitions, administrative rules, limits and exemptions as an acceptable system that standardizes taxes to reduce administrative and compliance costs.

By working together, Alaska cities and boroughs stand the best chance of crafting a workable sales and use tax structure that serves local needs while establishing a legally secure path to collecting municipal taxes from online sales.

What is the Alaska Municipal League doing to help?

The Alaska Municipal League established a working group in 2018 to explore the best answers for bringing Alaska cities and boroughs into the world of collecting tax revenue from online sales. AML is looking into the legal issues, software and administrative costs, including the option of contracting with a third-party vendor with experience in state sales taxes to handle the collection and distribution of tax remittances from online merchants. AML plans to provide frequent updates on its progress to its members, with reports at the board meeting in Anchorage in May, the summer meeting in Soldotna in August, and a final review at the general membership meeting in Anchorage in November.

The idea is that AML would establish a cooperative effort — entirely optional for each Alaska municipality — to participate in a centralized online sales tax collection, administration and enforcement program. Municipalities that join and agree to adopt the required changes to their sales tax codes would benefit from the collective strength of presenting a unified approach to online merchants nationwide. Cities or boroughs that choose not to join still could try on their own to adopt and enforce sales taxes on online merchants.

State law allows Alaska municipalities to sign intergovernmental cooperating agreements — similar to mutual-aid pacts between fire departments. AML's legal review concluded that a cooperative tax administration and collection agreement essentially would be the same and would not require any state legislation.

Is there any guarantee that municipalities can force online sellers to collect the tax?

FAQ June 2019

There is no guarantee that every online merchant will willingly collect and remit sales taxes to a centralized administration for Alaska municipalities. But the odds of success are much better than 100+ different sales tax administrations statewide.

The deciding factor may be how “homogenized” Alaska’s cities and boroughs are willing to make their tax codes. The more the codes are the same, the better the argument that the municipalities are adhering to the standards the Supreme Court cited in its Wayfair decision.

“Nobody can give you an absolute legal answer” as to how far municipalities can stray from the intent and spirit of the Wayfair decision and still win if taken to court, the vice president and tax counsel for the National Retail Foundation told AML. Her advice: Go with the Streamlined Sales Tax Project’s definitions

What is the Streamlined Sales Tax Project?

The Streamlined Sales Tax Project began in March 2000 with the goal “to find solutions for the complexity in state sales tax systems.” It was, in great part, that complexity that led to the 1992 Supreme Court decision against North Dakota’s efforts to require tax collections by remote merchants.

The result is the Streamlined Sales and Use Tax Agreement, which targets simplifying and modernizing sales and use tax administration to substantially reduce the burden of tax compliance. The agreement focuses on state-level administration of sales and use taxes; uniformity in each state’s state and local tax bases; uniformity of major tax base definitions; central electronic registration for merchants; simplification of state and local tax rates; uniform sourcing rules for all taxable transactions (defining the point of the taxable transaction); and simplified administration of exemptions, tax returns and payments.

As of March 2019, 24 states had adopted the agreement. No federal law requires states to sign on for the Streamlined Sales Tax Project, but doing so makes it easier for states to capture maximum revenues from remote merchants.

The more that Alaska municipalities can follow the Streamlined Sales and Use Tax Agreement, the better the odds of success in achieving full compliance from online merchants.

Can complexity lead to legal objections?

Yes, but it is unknown how much complexity would break the legal back of taxing online sales. In his dissenting opinion in the Wayfair case, Chief Justice John Roberts pointed to the complexity of sales tax laws nationwide. “Correctly calculating and remitting sales taxes on all e-commerce sales will likely prove baffling for many retailers. Over 10,000 jurisdictions levy sales taxes, each with different tax rates, different rules governing tax-exempt goods and services, (and) different product category definitions.” He noted that New Jersey collects sales tax on yarn purchased for art projects but not on yarn made into sweaters. “Texas taxes sales of plain deodorant at 6.25 percent but imposes no tax on deodorant with antiperspirant.” Illinois categorizes Twix bars as food and Snickers candy, and taxes them differently, the chief justice noted, only because Twix includes flour.

FAQ June 2019

Why are Amazon and some merchants already collecting sales tax for Alaska municipalities?

Amazon has started collecting sales tax in several Alaska jurisdictions, though it appears that in most (many?) cases it is collecting tax only on Amazon's own goods and not on sales of third-party merchandise. A coordinated, AML-led approach could remedy this shortcoming by directing municipalities to change their codes to encompass all goods sold online, whether direct by the merchant or fulfillment by a third-party seller. A coordinated effort also would clarify which business is responsible for collecting and remitting the tax: The website that takes the order or the business that fills the order?

As of March 2019, Amazon had yet to register with all Alaska municipalities, and for most municipalities the online merchant's first sales tax returns are not due until a month after the end of the first quarter. After Amazon and other vendors file their first returns, Alaska municipalities will have a better sense of any enforcement issues.

There have been reports that Amazon is misapplying local taxes on some sales that should be tax-exempt. As it is now, each municipality has to contact Amazon individually — or any other online vendor — to educate the merchant on the details of their specific municipal tax code. A single online sales tax administrator for Alaska municipalities would improve the situation.

As to Amazon specifically, in a few cases the online retailer is collecting sales tax for deliveries in Alaska because it has a legal connection — a nexus — in that city or borough, such as an Amazon subsidiary or affiliate that does business in the municipality. But in most cases in Alaska, Amazon is collecting sales tax voluntarily. Unless a municipal code is written as a sales and use tax, or otherwise specifically addresses online sales, merchants such as Amazon are not legally obligated to collect the city or borough sales tax.

What's a 'use tax,' and does it apply to Alaska municipalities?

A "use tax," as part of a "sales and use tax," makes it clear under the law that the tax applies to goods regardless whether they were sold over the counter in the jurisdiction or delivered into the jurisdiction for use. The Streamlined Sales Tax Project model code recommends participating states adopt a sales and use tax. Some Alaska municipalities already have it in code, but most do not. It is unknown at this time if the AML online sales tax project will adopt sales and use tax as its recommended language for municipalities.

How can online merchants determine which municipality gets the taxes?

One significant problem that Alaska municipalities must overcome is to construct a user-friendly online mapping system so that merchants can accurately determine the correct tax jurisdiction. Such as, a buyer may have a Soldotna ZIP code and mailing address but does not live within the city of Soldotna and believes they should not be liable for Soldotna city sales taxes. The same can be said for Interior residents with a North Pole mailing address. (ZIP+4, unfortunately, does not always match municipal boundaries in Alaska, and therefore cannot be used for determining the tax jurisdictions.) Other states and third-party contractors provide online mapping tools for sellers, and third-party vendors could help Alaska develop one that covers the entire state. In addition to creating the "tax look-up map" (as it is called in the state

FAQ June 2019

of Washington), Alaska municipalities would have to establish a system for keeping the map current with new subdivisions, new addresses for businesses and residences, annexations and such.

Can online vendors handle additional, specific sales taxes?

Yes, such as on alcohol or tobacco taxes, in addition to general sales taxes. Other states levy additional taxes on certain items, such as alcohol, and nothing in the Streamlined Sales Tax Project argues against such additional sales or excise taxes. The third-party vendors that offer administration software for states can accommodate such taxes.

What are some of the tax code decisions that Alaska municipalities will have to make?

Taxation limits

- Several Alaska municipalities have in place a limit on the amount of a single transaction subject to sales tax. For example, in Juneau the sales tax stops charging after a single transaction (an invoice, not a single item) reaches \$12,000 (though there is no limit to taxation of jewelry). In the Kenai Peninsula Borough, the cap is \$500. It is unknown at this time if Alaska municipalities can maintain their disparate application of such “tax caps” and still have a reasonable chance of surviving a legal challenge should an online merchant want to contest the “undue burden” of navigating different tax limitations.

Point of taxation

- Alaska municipalities most certainly will need to define and adopt a common definition for the point of the taxation transaction, especially since this could affect the rate charged and where the tax is remitted. Such as, if a buyer receives the order at a post office in one city but takes it to their residence in another city, where did the taxable transaction occur, and which city gets the money? Where the item was delivered or where it was used? The same difficulty would apply to the online seller as it tries to determine the tax rate — it needs to know which address to check on the tax look-up map, the point of delivery or the residence of the buyer? This definition will need to be consistent for all Alaska municipalities that choose to participate in the AML effort.

Definitions

- Definitions should be consistent among participating municipalities for any tax-exemptions, such as food (taxed or not taxed, or divided between prepared and unprepared, and how to define those terms), sale-for-resale, purchases by senior citizens, manufacturing components, construction materials that will be incorporated into real property in the municipality, farming supplies, funeral supplies, medical equipment, over-the-counter drugs and medical items, sales to and/or by nonprofits, sales by government agencies. The definitions will require a lot of work between municipalities.

FAQ June 2019

Collection thresholds

- South Dakota sets a significantly higher minimum threshold for annual sales into the state by a remote merchant than for local businesses before the out-of-state business has to collect and remit sales taxes. Whatever Alaska municipalities decide needs to be consistent for all municipalities in the AML program. Otherwise, remote merchants could get caught up in a maze of different registration and reporting standards.
- For example, municipalities may want to exempt small-scale sellers from registering, collecting and remitting, such as businesses with less than \$2,500 a year of sales into the jurisdiction. An example would be an online jewelry maker in New York that might sell \$300 of goods into any one Alaska city in a year. How much do Alaska municipalities want to exempt occasional sellers from collecting sales tax? And should it be the same threshold for remote sellers as in-town businesses?

Examples of taxable decision items

- Do municipalities want to collect sales tax on motor vehicles, boats and airplanes imported into the municipality?
- How will municipalities treat commissions that are retained by online sellers? Is the tax applied to the total price of the goods, or only on the net received by the seller after the commission is deducted?
- Are delivery charges taxable if they are listed separately from the purchase price?
- Are software downloads taxable, such as music and apps and streaming services?
- Are Amazon Prime membership dues taxable?
- Are online subscriptions taxable, such as news sites?

Administrative issues

- How will municipalities handle refunds of sales taxes paid in error by the seller or collected in error by an online seller? Who will issue the refund: The seller or the municipality?
- Will municipalities allow a discount or “commission” of tax collections, intended to partially compensate the merchant for its costs of bookkeeping as the municipality’s tax collector? Should this discount, or retention, be the same for online and local vendors? Many Alaska cities and boroughs allow their local merchants to hold back a small percentage as compensation for their work as a tax collector.
- Can the AML project accommodate seasonal adjustments to a municipality’s tax rates, or special “tax holidays” as municipalities sometimes offer for back-to-school shopping or other annual categories?
- Are intrastate online sales treated differently than interstate sales?



Making the case for a coordinated municipal response to online merchants collecting local sales tax in Alaska

Alaska Municipal League – September 25, 2019

Why now?: The U.S. Supreme Court in June 2018 changed the rules for collecting sales tax on online orders. It removed a long-standing limitation that had blocked states from requiring all online sellers to comply with their sales tax laws. This, in effect, creates a level playing field for local businesses. The Supreme Court decision was clear: It said allowing states to apply their tax laws to online sellers the same as local merchants is a matter of fairness. The court said past practice enabled online sellers to avoid collecting sales taxes “has come to serve as a judicially created tax shelter for businesses that decide to limit their physical presence and still sell their goods and services to a state’s consumers.”

Across the nation, states are working to comply with the Supreme Court decision, namely by ensuring the streamlined, single-level administration of sales tax collection. While this is straightforward in states with a sales tax, there are five states that don’t have a broad-based sales tax, and Alaska the only one that has local governments who do. Alaska’s cities and boroughs are at an administrative and enforcement disadvantage. Remote sellers have been clear that until this is addressed, they will not collect the sales taxes required by individual local governments. To the extent that there have been isolated cases of collections, some of those businesses get it wrong, misapplying taxes and exemptions and shortchanging municipalities or overcharging residents. (Note: Amazon’s current remittance is not based on remote sales, or the *Wayfair* case)

What the Alaska Municipal League is trying to do: The 165-member Alaska Municipal League, a nonprofit statewide organization, has spent the last year researching options for member local governments, and worked with many members to respond to this opportunity. Together, AML and members have developed an intergovernmental agreement, bylaws for a commission, and a remote sales tax code that local governments with sales tax codes will adopt. AML is developing the structure for centralized sales tax administration for remote merchants (out-of-state online sellers) to register and report their tax collections for distribution to the participating cities and boroughs.

The intergovernmental agreement, or compact, is voluntary, but those local governments that do not sign on are less likely to see remote sellers comply with their individual tax codes. The code that should be adopted by each member is generally consistent with most local governments, with provisions for parity and working toward compliance over time. The important thing to know is that each local government maintains its own tax rate and exemptions. The commission that is established will be delegated taxing authority. The board of directors of the commission will be voted on by members and have responsibility for the governance. The commission will contract with AML to administer the centralized administration, with collection, remittance and reporting that meets the need of each local government. This centralized administrator will include software that maintains a tax variability matrix, able to account for differences between members, and a sales tax boundary map so that remote sellers can comply with municipal boundaries.

A Timeline: There is a governance committee comprised of local government finance officers, attorneys and managers, who have drafted all relevant documents. These will need to be reviewed and adopted by any local government that wishes to participate. Adoption means delegating authority to a municipal

official to sign the intergovernmental agreement on behalf of the city or borough, and delegating taxing authority to the Commission. Adoption also means agreeing to the common tax code for remote sales. AML will contract with a software developer and build up a sales tax staff to administer the program.

We envision the governance being established in late November, perhaps at the annual AML conference, with full implementation in January 2020. Adoption will take time for many local governments, and members should deliberate as needed to come to resolution of adoption. The process accommodates joining at any point.

What are the benefits of taxing online sales the same as local sales

The biggest benefit is fairness:

- Fairness in funding public services in the community – the reason each municipality has a sales tax code is to be able to provide essential services for residents.
- Fairness for local merchants – the current system creates an incentive for residents to shop online, which creates additional burdens to brick and mortar stores.
- Fairness so that residents who shop online are charged the correct amount of tax – maintaining the uniqueness of each jurisdiction is important, and remote sellers can't comply with individual government codes without centralization.

“There is little logic in asking consumers who prefer to shop at local businesses to pay more toward funding public services than consumers who shop via their laptops or smartphones,” the independent Institute on Taxation and Economic Policy wrote of tax-free online shopping in a March 2018 report. “Local economies are harmed by this arrangement,” the report said, noting the competitive disadvantage it creates for “businesses that hire local residents, pay local property taxes, and otherwise contribute to the local economy.”

The numbers

Nationwide, e-commerce sales totaled more than \$500 billion in 2018, and the number is growing. Online sales totaled about 14 percent of total U.S. retail sales of \$3.6 trillion last year, according to Commerce Department estimates. The U.S. Government Accountability Office estimates that states lost about \$13 billion from the inability to fully collect taxes on online sales in 2017. The Alaska Municipal League estimates more than \$20 million in annual sales tax receipts could be at stake for those cities and boroughs with a sales tax.

National trends

A growing number of states have amended or are drafting changes to their tax codes to ensure they fairly and fully collect taxes from remote merchants selling goods online, the same as they do with local merchants. More than 20 states have adopted the Streamlined Sales and Use Tax Agreement, a common set of administrative rules and tax definitions to streamline enforcement nationwide.

The risks of doing nothing

The risks are more problems: Confusion for local consumers from erroneously collected sales taxes, further unfair competition that erodes local businesses, and lost municipal revenue as online shopping continues to grow. That is lost revenue Alaska communities cannot afford. At the same time, without centralized administration, the majority of remote sellers will not comply with local tax codes.

CITY AND BOROUGH OF SITKA

RESOLUTION 2019-27

**A RESOLUTION AUTHORIZING THE CITY AND BOROUGH OF SITKA TO JOIN THE
ALASKA REMOTE SELLER SALES TAX COMMISSION FOR THE PURPOSE OF
DEVELOPING, IMPLEMENTING, AND ENFORCING A REMOTE SELLERS SALE TAX
CODE AND DESIGNATING A CITY REPRESENTATIVE TO THE COMMISSION**

WHEREAS, the inability to effectively collect sales tax on sales of property, products or services transferred or delivered into Alaska in response to orders placed electronically by consumers with remote sellers, is seriously eroding the sales tax base of communities, causing revenue losses and imminent harm to residents through the loss of critical funding for local public services and infrastructure; and

WHEREAS, the harm from the loss of revenue is especially serious in Alaska because the state has no broad-based tax, and sales tax revenues are essential in funding the provision of services by local governments; and

WHEREAS, the failure to collect tax on remote sales creates market distortions by creating tax shelters for businesses that limit their physical presence in the state or cities and boroughs but still sell their goods and services to their consumers, something that becomes easier and more prevalent as technology continues to advance; and

WHEREAS, the structural advantages for remote sellers, including the absence of point-of-sale tax collection, along with the general growth of online retail, make clear that erosion of the sales tax base is and has been occurring and is a growing problem that is likely to only worsen in the near future; and

WHEREAS, remote sellers who make a substantial number of deliveries into or have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy generally, as well as local infrastructure; and

WHEREAS, given modern computing and software options, it is neither unusually difficult nor burdensome for remote sellers to collect and remit sales taxes associated with sales into Alaska taxing jurisdictions; and

WHEREAS, the recent decision by the United States Supreme Court in *South Dakota v. Wayfair* allows for the amendment of the sales tax code to account for remote sellers who do not have a physical presence in either the state of Alaska or within the City and Borough of Sitka, but do have a taxable connection with the State of Alaska and the City and Borough of Sitka; and

WHEREAS, the decision in *South Dakota v. Wayfair* provided guidance that included the defensibility of a single-level statewide administration of remote sales tax collection and remittance; and

WHEREAS, in order to implement a single-level statewide sales tax administration, it is the intent of local taxing jurisdictions within Alaska to establish an intergovernmental entity known as the Alaska Remote Seller Sales Tax Commission (the "Commission"); and

WHEREAS, the function and powers of the Commission will be set forth under the Alaska Intergovernmental Remote Seller Sales Tax Agreement (the "Agreement"), a cooperative agreement between Commission members; and

WHEREAS, under the terms of the Agreement, in order to maintain membership in the Commission, the City and Borough of Sitka will be required to adopt certain uniform code provisions for the collection and remittance of municipal sales tax applicable to sales made by remote seller; and

WHEREAS, the uniform remote sales tax code will be presented to the City and Borough of Sitka Assembly for consideration once adopted by the Commission; and

WHEREAS, once adopted, the administration of remote sales tax collection and remittance will be delegated to the Commission; and

WHEREAS, the intent of the Agreement is to enable Alaska's taxing jurisdictions to levy their municipal sales tax to the maximum limit of federal and state constitutional doctrines; and

WHEREAS, the City and Borough of Sitka Home Rule Charter Section 1.03 provides that the municipality may exercise all powers of home rule cities or boroughs not prohibited by law or by Charter and entering into the intergovernmental agreement contemplated by this resolution is not prohibited by law or by Charter.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA, ALASKA:

Section 1. Authorization. The Assembly authorizes the Municipal Administrator to negotiate, execute, and submit all necessary documents to obtain and maintain membership in the Alaska Remote Seller Sales Tax Commission.

Section 2. Representation. The Assembly designates the Finance Director as the City and Borough of Sitka's representative on the Commission.

Section 3. Scope of Agreement. The Alaska Intergovernmental Remote Seller Sales Tax Agreement is included as Attachment A.

Section 4. Effective Date. This resolution shall be effective immediately after its adoption.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of
Sitka, Alaska on this 10th day of December, 2019.

Gary L. Paxton, Mayor

Attest:

Sara Peterson, MMC
Municipal Clerk

1st and final reading 12/10/19

Sponsors: Christianson / Knox

Attachment A

Alaska Intergovernmental Remote Seller Sales Tax Agreement

FINAL

October 11, 2019

Alaska Intergovernmental Remote Seller Sales Tax Agreement

This Agreement is made and entered into by the signatories representing Alaska's cities and boroughs to enable them to implement single-level, statewide administration of remote sales tax collection and remittance. The provisions of the Agreement do not apply to administration and collection of sales taxes for the sales of goods and services originating from within the boundaries of a member municipality nor does this Agreement restrict how a member municipality administers and collects sales tax on such sales, nor on sales made by those retailers with a physical presence in the municipality. The authority to set rates and exemptions is maintained by the member municipality.

Article I. Background Principles.

1. The signatories wish to enable local governments to benefit from opportunities for collection of existing sales tax on sales made by remote sellers. Remote sellers are sellers who sell, often through the internet, products or services in a taxing jurisdiction without having a physical presence in the taxing jurisdiction.
2. The collection of remote sales tax provides a level playing field for local businesses and strengthens the ability of local governments to provide public services and infrastructure.
3. The signatories are particularly mindful of the specific holding in, and implications of, the Supreme Court's *South Dakota v. Wayfair* decision, which provides guidance relative to nexus and the legal defensibility of a single-level statewide administration that reduces or removes potential burdens to interstate commerce.
4. Alaska's local governments have the authority to enter into intergovernmental agreements and applicable taxing authority has been delegated to organized boroughs and cities.
5. The signatories desire to establish an intergovernmental entity to enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers.

Article II. Purpose.

The purpose of this Agreement is to:

1. Enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers using a single statewide intergovernmental entity;
2. Provide for and promote reasonable uniformity and compatibility in significant components of local sales tax levy and collection on sales made by remote sellers and marketplace facilitators in order to facilitate streamlined joint administration; and
3. Facilitate taxpayer and tax collector convenience and compliance in the filing of tax returns, the payment of tax, and in other phases of tax administration of sales made and services provided by remote sellers and marketplace facilitators.

Article III. Definitions.

As used in this Agreement:

1. “Commission” means the Alaska Remote Seller Sales Tax Commission established pursuant to this Agreement.
2. “Local Government” means any home rule, first class, or second class borough, or any home rule, first class, or second class city, or unified municipality in Alaska.
3. “Member” means a Local Government signatory to this Agreement.
4. “Remote seller” means any corporation, partnership, firm, association, governmental unit or agency, or person acting as a business entity that sells property or products or performs services in the State of Alaska or a taxing municipality in the state, using the internet, mail order, or telephone, without having a physical presence in the state or taxing municipality.
5. “Sales tax” means a tax imposed with respect to the transfer for a consideration of ownership, possession, or custody of property or the rendering of services measured by the price of the property transferred or services provided.
6. “Marketplace facilitator” means a person that provides for sellers a platform to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the seller’s products or services (excluding lodging and rentals) through a physical or electronic marketplace operated by the person, and engages:
 - a. Directly or indirectly, through one or more affiliated persons in any of the following:
 - i. Transmitting or otherwise communicating the offer or acceptance between the buyer and seller;
 - ii. Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;
 - iii. Providing a virtual currency that buyers are allowed or required to use to purchase products from the seller; or
 - iv. Software development or research and development activities related to any of the activities described in (b) of this subsection (6), if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person;
 - b. In any of the following activities with respect to the seller's products:
 - i. Payment processing services;

- ii. Fulfillment or storage services;
- iii. Listing products for sale;
- iv. Setting prices;
- v. Branding sales as those of the marketplace facilitator;
- vi. Order taking;
- vii. Advertising or promotion; or
- viii. Providing customer service or accepting or assisting with returns or exchanges.

Article IV. The Commission.

1. Organization and Management.

- a. The Alaska Remote Seller Sales Tax Commission (the “Commission”) is hereby established as an intergovernmental entity in the state of Alaska. It will be comprised of one designated representative from each Member, who shall have the authority to act on the Member’s behalf.
- b. Each Member will be entitled to one vote.
- c. To assist conducting business when the full Commission is not meeting, the Commission will annually elect a Board of Directors of seven members, including officers. The Board of Directors will act subject to the provisions of this Agreement and as provided in the bylaws of the Commission, as ratified by the members.
- d. No action will be binding unless approved by a majority of the Directors present at a meeting.
- e. The Commission will adopt an official logo.
- f. The Commission will hold an annual meeting rotating the location of the meeting each year, with telephonic participation provided for, in addition to scheduled regular meetings and special meetings as provided by its bylaws. Notices of special meetings must include the reasons for the meeting and the items to be considered.
- g. The Commission will elect annually, from among its members, a Chairman, a Vice Chairman, and a Secretary/Treasurer. The bylaws of the Commission shall provide for nomination and election of officers.
- h. The Commission will contract at formation for support and administrative

functions with the Alaska Municipal League (AML). The Executive Director of the AML will serve as a liaison between the Commission and AML and may appoint necessary staff support. This provision will be revisited within three years of legal formation of the Commission.

- i. The Commission may contract for supplies and professional services, and delegates to AML the same ability on its behalf.
- j. To carry out any purpose or function, the Commission may accept and utilize donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any Member or governmental entity.
- k. The Commission may establish one or more offices for the transacting of its business. Upon formation, its registered office and place of business will be the Alaska Municipal League at One Sealaska Plaza, Suite 200, Juneau, AK 99801.
- l. The Members will adopt the initial bylaws of the Commission. The Commission will make its bylaws easily accessible for Members and prospective members. The power to adopt, alter, amend or repeal bylaws is vested in the Board of Directors unless it is reserved to the Members per the bylaws. The bylaws shall contain provisions for the regulation and management of the affairs of the Commission not inconsistent with this Agreement.
- m. The Commission will provide annual reports to its members covering its activities for the preceding fiscal year. The Commission may make additional reports.

2. Committees.

- a. In furtherance of its activities, the Commission may establish advisory and technical committees by a majority vote of the membership body. Membership on a technical committee, may include private persons and public officials. Committees may consider any matter of concern to the Commission, including issues of special interest to any member and issues pertaining to collection of sales tax on behalf of members.
- b. The Commission may establish additional committees by a majority vote of the membership or Board of Directors as its bylaws may provide.
- c. Committees may not take any action but may recommend action to the Board of Directors for consideration.

3. Powers.

In addition to powers conferred elsewhere in this Agreement and in the bylaws, the Commission may:

- a. Study federal, state and local sales tax systems, and particular types of state and local taxes.

- b. Develop and recommend proposals to promote uniformity and compatibility of local sales tax laws with a view toward encouraging the simplification and improvement of local tax law and administration.
 - c. Compile and publish information to support and assist members in implementing the Agreement or assist taxpayers in complying with local government sales tax laws.
 - d. Do all things necessary and incidental to the administration of its functions pursuant to this Agreement, including:
 - i. Sue and be sued.
 - ii. Administer provisions of uniform sales tax ordinances pursuant to authority delegated by Members
 - f. The Commission may create and adopt policies and procedures for any phase of the administration of sales tax collection and remittance in accordance with this Agreement and the Commission's bylaws, including delegated authority to administer taxation or prescribing uniform tax forms. Prior to the adoption of any policy, the Commission will:
 - 1. As provided in its bylaws, hold at least one meeting after due notice to all members and to all taxpayers and other persons who have made timely requests to the Commission for advance notice of its policy-making proceedings.
 - 2. Afford all affected members and interested persons an opportunity to submit relevant written comments, which will be considered fully by the Commission.
 - g. The Commission will submit any policy adopted by it to the designated representative of all Members to which they might apply. Each such Member will in turn consider any such policy for adoption in accordance with its own laws and procedures.
 - h. Amend this Agreement by majority vote of the Members.
4. Finance.
- a. At least 90 days prior to the start of a new fiscal year, the Board of Directors will adopt a budget of its estimated expenditures for the upcoming fiscal year and submit to Members.
 - b. The Commission will follow a July 1 to June 30 fiscal year.
 - c. The Commission's budgets must contain specific recommendations for service fees built into statewide administration. Service fees will account for direct staff and software costs, and indirect costs, as justifiable to the Board of Directors.

- d. The Commission will not pledge the credit of any member. The Commission may meet any of its obligations in whole or in part with funds available to it, provided that it takes specific action to set aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the Commission makes use of funds available to it, the Commission may not incur any obligation prior to the allocation and commitment of funds adequate to meet the same.
- e. The Commission must keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission will be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the Commission will be audited annually by a certified public accountant and the report of the audit will be included in and become part of the annual report of the Commission to Members.
- f. The accounts of the Commission will be open at any reasonable time for inspection by duly constituted officers of the Members, the State of Alaska, and by any persons authorized by the Commission.
- g. Nothing contained in this Article may be construed to prevent Commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the Commission.

Article V. Membership Requirements; Remote Seller Sales Tax Code.

- 1. To obtain and retain full membership, the Local Government must submit either an Ordinance or Resolution authorizing entry into the Agreement, including to:
 - a. Designate the individual at the municipality that may execute initial binding documents on behalf of the municipality and who will be the Member's representative on the Commission.
- 2. Once the Commission adopts its bylaws and adopts a uniform Remote Sellers Sales Tax Code, members must submit an Ordinance or Resolution that:
 - a. Delegates remote seller sales tax registration, exemption certification, collection, remittance, and audit authority to the Commission.
 - b. Within one hundred twenty (120) days, adopts, by reference or otherwise, the Remote Seller Sales Tax Code in its entirety as it pertains to collection of sales tax from remote sellers and marketplace facilitators. The Remote Seller Sales Tax Code is provided as "Addendum A".
- 3. To retain full membership status, changes made to the Agreement or Code should be ratified by the Member within one hundred twenty (120) days of the date the Commission adopts the change.
- 4. The Member must provide notice of tax or boundary changes to the Commission and must

assure the Commission of the accuracy of rates and exemptions. Rate and exemption changes will take effect within thirty (30) days of the date the Commission receives notice of the tax or boundary change.

Article VI. Sales Tax Collection and Administration.

1. Collection; Registration; Remittance.

- a. Every remote seller and marketplace facilitator meeting the Threshold Criteria of one hundred thousand (\$100,000) in annual sales or 100 annual transactions occurring in Alaska during the current or previous calendar year, shall collect sales taxes from the buyer at the time of sale or service and shall transmit the sales taxes collected to the Commission on a monthly or quarterly basis.
- b. The Commission will remit and report to Members by the last business day of the month.
- c. A remote seller or marketplace facilitator meeting the Threshold Criteria shall apply for a certificate of sales tax registration within thirty (30) calendar days of the adoption of this Remote Seller Sales Tax Code and/or within thirty (30) calendar days of meeting the threshold, whichever occurs later. Registration shall be to the Commission on forms prescribed by the Commission as set out in the remote seller sales tax code.
- d. Upon receipt of a properly executed application, the Commission shall issue the applicant a certificate of registration, stating the legal name of the seller, the primary address, and the primary sales tax contact name and corresponding title. A list of registered sellers in good standing shall be distributed to Members, made public and available on the Commission's webpage.

2. Returns; Confidentiality.

- a. The Commission will provide all sales tax return information to the taxing jurisdiction, consistent with local tax codes.
- b. All returns, reports and information required to be filed with the Commission under this Code, and all information contained therein, shall be kept confidential and shall be subject to inspection only by:
 - i. Employees and agents of the Commission and taxing jurisdiction whose job responsibilities are directly related to such returns, reports and information;
 - ii. The person supplying such returns, reports and information; or
 - iii. Persons authorized in writing by the person supplying such returns, reports and information.

3. Title; Penalty and Interest; Overpayment.

- a. Upon collection by the seller, title to the sales tax vests in the Commission and the member on whose behalf the original tax arose. The Commission shall act as a third-party trustee and remit taxes collected on behalf of the member no later than thirty (30) days after each filing deadline.
- b. The Remote Sellers Sales Tax Code shall establish the per annum interest rate and any applicable penalties for late or non-compliant remote sellers.
- c. Upon request from a buyer or remote seller the Commission shall provide a determination of correct tax rate and amount applicable to the transaction. In the case of an overpayment of taxes, the remote seller shall process the refund and amend any returns accordingly.

4. Audit; Compliance and Enforcement.

- a. The Commission shall have sole audit authority and will make final determinations regarding: (1) whether a remote seller or marketplace facilitator meets Threshold criteria; (2) the accuracy of returns filed by a remote seller or marketplace facilitator with the Commission; and (3) whether a remote seller or marketplace facilitator filing returns with the Commission is in compliance with collection and remittance obligations.
- b. The Commission shall have authority to enforce issues relating to the Remote Sellers Sales Tax Code including, but not limited to, the collection of late fees and penalties, and filing of civil suits and injunctions.

Article VII. Entry into Force and Withdrawal.

1. This Agreement will be in force and effective when formally approved by any seven signatories and will terminate if membership falls below seven.
2. Any Member may withdraw from this Agreement through ordinance or resolution rescinding signatory action and giving notice to the Commission of the effective date of the ordinance, with a minimum of 30 days' notice. Withdrawal will not affect any liability already incurred by or chargeable to a Member prior to the effective date of such withdrawal. The obligations of the Commission to remit and report remain until no longer necessary.

Article VIII. Effect on Other Laws and Jurisdiction.

Nothing in this Agreement may be construed to:

1. Affect the power of any local government to fix rates or tax exemptions, except that all members must adopt and implement the Commission's common definitions and tax code

changes or demonstrate parity or non-applicability.

2. Withdraw or limit the authority of local government with respect to any person, corporation, or other entity or subject matter, except to the extent that such authority is expressly conferred by or pursuant to this Agreement upon another agency or body.
3. Supersede or limit the jurisdiction of any court of the State of Alaska.

Article IX. Construction and Severability.

This Agreement shall be liberally construed so as to effectuate its purposes. The provisions of this Agreement shall be severable and if any phrase, clause, sentence, or provision is declared or held invalid by a court of competent jurisdiction, the validity of the remainder of this Agreement and its applicability to any government, agency, person or circumstance will not be affected. If any provision of this Agreement is held contrary to the charter of any member, the Agreement will remain in full force and effect as to the remaining members and in full force and effect as to the Member affected in all other provisions not contrary to charter.