

## **POSSIBLE MOTION**

**I MOVE TO** approve a request filed by Allen Marine Tours, Inc. to proceed with an application for a Restaurant/Eating Place License Exemption with the Alcohol & Marijuana Control Office for lot 6 Finn Island.



**Allen Marine Tours, Inc.**

P. O. Box 1049

Sitka, AK 99835

Phone: (907)747-8100 Fax: (907)747-4819

To: City of Sitka Assembly

From: Allen Marine Tours

Date: August 29, 2018

Re: City of Sitka's Approval of Liquor License for Finn Island Lodge

**Purpose:**

Allen Marine Tours, Inc. requests the approval of the governing body of the City and Borough of Sitka to apply for a Restaurant/Eating Place – Public Convenience liquor license for our new lodge located at Lot 6 on Finn Island.

**Background** – At the request of the major cruise lines, Allen Marine Tours, Inc. (AMT) has made a significant investment to acquire land located at lot 6 Finn Island. We have constructed a day lodge on these premises, which will be used mainly for the tours offered to cruise ship passengers. Through the development of this tour, it is the hope of AMT to help grow the economy of Sitka through increased number of cruise ship passengers, increase the number of jobs through new tour offerings, increased tax revenue to the City of Sitka and continued growth of AMT.

Allen Marine Tours, Inc. made this investment in 2018 and opened the lodge in late July 2018. As part of the tour, guests board an AMT vessel at the one of the local harbors, does a wildlife tour in and around Sitka Sound, and then goes to Finn Island for a prime rib / king crab meal served at our day lodge. As part of our tour experience, some guests enjoy having an alcoholic beverage during the tour and/or during their meal. All of AMT's vessels currently have liquor licenses and are able to serve alcohol while guests are on board. However, upon disembarking our vessel to Finn Island, we are currently unable to serve alcohol to our guests while they are at our day lodge as we have not been able to acquire a license to do so.

AMT originally applied for a Restaurant/Eating Place license for Finn Island Lodge, but this was denied by the Alcohol and Marijuana Control Office (AMCO) due to population limitations on the number of authorized liquor licenses for Sitka per AS 04.11.400. Based on the population of the City and Borough of Sitka, there are 6 Restaurant/Eating Place licenses authorized and 7 licenses have been issued. We have been working with AMCO in identifying another route to get a license under different provisions established in the code, however Finn Island does not meet the requirements established by AMCO for other license criteria.

Due to the denials we have received, AMT has identified three options for acquiring the license needed to serve alcohol at our facility. Those include the following:

1. AMT can purchase an existing restaurant eating place license from an existing vendor
2. We can attempt to get a "destination resort" license.

3. AMT can apply for a restaurant eating place license exemption following the criteria established in the AMCO regulations

Option 1 is not viable as it is cost prohibitive. Option 2 has several hurdles that are making us question if this option is feasible. Those include leasing property and relying on AMCO's interpretation of the regulations to be favorable to AMT. As a result, AMT believe that option 3 is the best option for success to acquire the license we desire.

To acquire the license under option 3, AMT must follow the following exception procedures:

Applying for a Restaurant/Eating Place – Public Convenience license, which is pursuant to AS 04.11.400(g) and 3 AAC 304.335 has the following requirements:

**3 AAC 304.335**

*(1) there is community support, which must be shown by a petition signed by a majority of the residents 21 years of age or over who reside within one mile of the proposed premises; and*

*(2) the governing body of the municipality in which the licensed premises are to be located approves the application.*

AMT has not yet performed the petition process but is prepared to do so. We believe we should first acquire the approval of the City of Sitka before moving forward into the petition phase.

We sincerely hope the managers of the City and Borough of Sitka will see the benefits of these new tours and will support Allen Marine Tours, Inc. and other local businesses by giving their approval for this liquor license.

Sincerely,  
Allen Marine Tour's Inc. Management