

Mayor

Alice Ruby

City Manager

Jack Savo Jr.



Dillingham City Council

Triston Chaney
Tracy Hightower
Steven Carriere
Curt Armstrong
Kaleb Westfall
Kevin McCambly

MEMORANDUM TO COUNCIL

To: Code Committee and City Council
From: Abigail Flynn, City Clerk's Department
Through: Jack Savo Jr, City Manager
Date: July 22, 2026- Amended 08/05/2026 after Code Meeting
Re: Willow Tree Liquor License Renewal—License No. 1242

Purpose

The Code Review Committee reviewed the Willow Tree liquor license renewal on **August 3, 2026**, and makes a recommendation to the City Council to deny with Abeyance to allow time for the criteria to be met.

The City Council will make the final City decision on **August 6, 2026** at the **7:00** meeting.

The City must send its decision to the Alaska Alcohol and Marijuana Control Office, or AMCO, by **August 21, 2026**. AMCO must also receive proof that the licensee was notified and had an opportunity to respond.

License Information

- **License:** Beverage Dispensary License No. 1242
- **Business:** Willow Tree
- **Licensee:** DMV4 Properties LLC
- **Address:** 513 Wood River Road
- **Designated licensee:** Dennis Varner

Department Reviews

Finance

The Finance Department reported:

- ~~\$13,830.92~~ \$4,465.64 in sales tax due;
- sales tax reports were missing for January through May 2026 but have since been turned in;
- \$74.98 in delinquent personal property taxes;

- ~~\$11,357.14~~ \$7,011.30 in unpaid utility charges; and
- \$4,768.40 in 2026 real property taxes that are not yet due.

The real property taxes should not be used as a basis for protest because they are not currently delinquent.

Police

The Police Department reported several incidents involving intoxicated persons, harassment, disturbances, and attempted fighting at the business during the review period. The Code committee did not see this as excessive.

Planning

The Planning Department found that the property and use comply with Title 18.

Council Options

The Council may choose one of three options:

1. Waive the City's right to protest

This allows the State to proceed with the renewal.

Suggested motion:

I move to waive the City of Dillingham's right to protest the renewal of Beverage Dispensary License No. 1242 issued to DMV4 Properties LLC, doing business as Willow Tree.

2. Protest the renewal

The Council may protest based on documented facts, including delinquent sales taxes, missing sales tax reports, other unpaid City accounts, and public safety concerns.

Suggested motion:

I move to protest the renewal of Beverage Dispensary License No. 1242 issued to DMV4 Properties LLC, doing business as Willow Tree, based on the delinquent sales taxes, missing sales tax reports, unpaid City accounts, and the concerns documented in the City's license review materials.

3. Protest subject to conditions and abeyance (This is the recommendation of the Code Committee to the Council)

Under **3 AAC 305.085(h)**, the Council may protest but agree to withdraw the protest if the licensee meets stated conditions within a period not exceeding 180 days.

Possible conditions include:

- filing all sales tax reports on time, monthly;
- paying delinquent sales taxes, penalties, and interest;
- paying other delinquent City accounts or entering an approved payment agreement.

Suggested motion:

I move to protest the renewal of Beverage Dispensary License No. 1242 and request that the Alcoholic Beverage Control Board place the renewal in abeyance for a period not to exceed 180 days. The City will withdraw its protest if the licensee files all missing sales tax reports, pays or enters an approved payment agreement for all delinquent City taxes and utility charges.

If the conditions are met, the City may withdraw the protest. If the protest is not withdrawn before the abeyance period ends, the State may deny the renewal.

Notification

After the Council acts, the City Clerk must send the decision and supporting documents to:

- **Alaska Alcohol and Marijuana Control Office**
- **Willow Tree/DMV4 Properties LLC / Dennis Varner**

If the Council protests, the Clerk should include the reasons for the protest, the completed City review form, and proof that the licensee received notice and had an opportunity to respond. DMC 8.18.030 requires the Council's basis for protest and the City review form to be sent to the State.

Dennis was notified of the dates of the Code Meeting and the Council meeting and was provided the content of the packets in advance of both meetings by email on 07/17/2026 and by certified mail that was sent 07/22/2026 with proof of delivery on 07/23/2026. Dennis set up a meeting with the Finance Director and the Clerk for 07/31/2026 and then rescheduled it for 08/03/2026. The meeting was held 08/03, Dennis made some payments and the updated financial information was provided to Code and Council after that meeting. Dennis was provided with the results of the Code Committee meeting by email on 08/04/2026 with a notification of delivery on that same day and an invitation to the Council meeting 08/06/2026. Abeyance was explained to him by the Clerk during the meeting on 08/03/2026.