

## **Rough Notes From 11/13/2023 HRC Regarding Title 4 & Additional REPL's**

**Chair GS:** I wanted to queue up for this issue of the Title 4 rewrite, as some of you may know, Title 4 is the State of Alaska title of law that refers to alcohol regulation and there was a big rewrite on it due to update several things. I believe Mr. Gonzales, from AMCO, the Alcohol Marijuana Control Office, might talk through some of those changes, some of which impact local governments and some of the powers and things they can do. Specifically, one of those is allowing governments to petition for additional restaurant or eating place licenses (REPL's) and hoping that today we have a chance to kick around some questions the committee may have. It is something that, come January 1st local communities will have the power to request those. Welcome Mr. Gonzales, please proceed with your presentation.

**GG:** Thanks so much for having me. My name is Gabriel Gonzales. I'm the local government specialist here at the alcohol and marijuana control office and I did not prepare to go over all the changes in Title 4 but asked to give you a briefing on the additional restaurant eating place license provision.

There's a new provision in the Title 4 rewrite, and it actually went into effect when the bill was signed into law last year. So, two municipalities have already requested and been approved for additional restaurant eating places in their communities, and that is the city of Valdez and the city of Wasilla. Wasilla was just approved 20 min ago, at the ABC Board meeting that just went into recess.

This rewrite allows municipalities to request REPL's in excess of your population cap. REPL's are for beer and wine only and CBJ is currently capped at 22 REPL's based on a population of 32,000. The ratio to determine that is, they take your qualified population, divide it by 1,500 so it's a one to 1,500 ratio, and that's how that's how it's determined how many you're authorized to have. The slide you see is a population and license cap spreadsheet that is on the AMCO website, and we use this to advise business owners whether licenses are available.

There was one license that was converted under another change to Title 4 that went into effect immediately. It was originally a REPL public convenience license that automatically converted to a full REPL. So that is why you are in excess of your cap by one for a total of 23 REPL's for Juneau.

**WB:** Thank you. Mr. Gonzales. I would imagine that you guys have a response for how you take tourism numbers into account. And while this chart makes sense for this time of the year, there's 32,000 people. What does the chart look like, or how do you accommodate for a summer day when there's 50,000 people in Juneau. And how's that taken into account?

**GG:** Certainly. Thank you for your question. So that net population is as you said, it's your residence. It's your qualified population and the census. Now there's a couple of different things that come into play when we talk about tourism. There are licensees that can apply for beverage dispensary licenses, beverage, dispensary tourism, licenses, and as long as they're either at an airport terminal or have a hotel attached to that building, they can operate with without having to worry about that population limit. So, if you were to go around and count the bars in Juneau, you probably have more than 20, as it shows here. Beverage dispensary 20. But a lot of those, as I said, are probably tourism licenses. So, Title 4 does allow for access to the population cap, as long as it meets certain tourism requirements, and the other part to answer your question is that I don't think that tourism was taken into account, and I think that's why the stakeholders fought for this new provision in Title 4 to say, hey, we have a larger population that comes in. How can we get more licenses? And so, as I walk you through these next slides, I think you're going to see that that's how those new qualifying populations will allow municipality to have more licenses.

**GS:** Can you define what in the public interest means.

**GG:** That onus is on the municipality to do, to say, granting these licenses is in the public interest. How the other municipalities who've been approved, have done it is by saying, it's in our economic interest and stimulates job growth and entrepreneurial like opportunities. That's what the AMCO Board is looking for the municipality to say - this is in our public's interest.

This next section gets into what the resolution adopted by your legislative body must include. It must include that you meet the criteria that we mentioned before. It must include the most recent estimate of the number of people who claim residency or work outside of the boundaries of the municipality, and who are served by the municipality, including the population located outside of the boundaries that relies on that municipality for goods and services, the visitor population and the non-resident worker population that resides in the municipality, but has not been counted in the latest census. So those 3 numbers, if you will, is how we're going to take that new number of people that come in and are not counted as part of your 32,000. To authorize those additional REPL's.

**WG:** So, we must meet all 3 of those criteria and provide those numbers within the resolution to the board.

**GG:** Yes

Okay. So still going with the resolution, it must include the number of existing REPL's. Again, in your case, that's 22 both within the boundaries and outside of the boundaries. Now, in Juneau's case this may not really be applicable; you don't have a road system to bring people in from different municipalities into the borough, but they can use other means, of course, so it must include the number of REPL's in the geographic area that the municipality serves. So, if, for instance, the municipality says citizens from this area come in, well, how many REPL's are in that area, and I can provide those numbers for you. I have all that data at the granular level if/when you need that. Also, the resolution must include information showing that the number of additional licenses requested does not exceed one license for each 1,500 population of the population identified under 2 of this subsection. So those nonresident workers and that visitor population, when we take that big number and divide it by 1,500, we've got to make sure you're not requesting more than that. I imagine your tourism numbers alone would make it very high. The resolution must include additional justification as necessary to demonstrate that granting the additional licenses is in the public interest. The resolution must include those 5 points. If the board grants a petition for additional REPL's under this section, the board may not authorize additional REPL's to the same municipality for the following year. So basically, you'd have to take a year off until you could request it again.

**WB:** you kept mentioning the resolution. Do we need a resolution for each additional eatery that we're proposing? Or do we, as an assembly, decide roughly, this is how many we can get, and we make a resolution asking for what the new amount would be? Or do we have to make this resolution every year?

**GG:** you're not going to have to ask every time there's an application, you're simply asking to raise that limit from where you're at right now of 22, let's say you decide to add 10 more; so now that brings it up to 32 and because you guys are one in excess, it would make it 33. So, you would have authority with this one resolution that we could take 10 additional applications and approve them. Not worry about the population, count, and it would go through the normal process. You would still have the ability as a legislative body to protest it upon renewal, or upon application, but yes, you would just be asking for that number.

**WG:** Would this go to the manager's office to determine how many and what the calculation would be, or the discussion would stay here at HRC. What I'm getting at, Mr. Chair, is how would we determine what that appropriate amount would be? What's the best way to get to that number. Mr. Gonzales may be able to help provide that information as well as any feedback.

**GG:** There is a bit of a math equation in there, but I can give you a couple of examples. In the case of Valdez, they requested and were approved for 10 additional REPL's and Wasilla, just tonight, requested and were approved for 20 additional REPL's. In Wasilla's case they had, I think, their tourism numbers were upwards of 750,000 annual and that number right there authorized their request if you divided that by 1,500, along with their other qualifying populations they could have requested up to 185 additional REPL's. But of course, that's not feasible. So, they felt comfortable, asking for 20 and when they were having conversations with me, just to get some feedback similar to what you guys are doing, they just kind of determine that they wanted to get a good number that would allow for plenty of applicants, and not have to be capped again until they can request again.

**WG:** So, we request, say, 20 and then we're at 43 from here on out. We don't have to request those 20 annually, or ever again, correct. And the second question, if I could, is, you know, as you're kind of seeing in real time, like Valdez and Wasilla the level of public interest. I'm just curious as to what they did for public interest. Did they send out a survey? Did they get public testimony, what level of public interest would be viable and help our application be the strongest it can be.

**GG:** Well, the first part is that no, you would not have to ask again if you asked for 20 and were approved for 20, it would take that to 43, and that would be the new number until you requested again, under this provision, and as far as receiving public input that question was actually asked by one of our board members tonight to the city administrator and Wasilla and they did a public notice before their City Council meeting, where they introduced this resolution, opened it up to public testimony. They said they had only one business owner testify in favor of, because he wanted to apply for that REPL. So, there wasn't much testimony. I'm not aware of any surveys or anything like that that were sent out. I know, in Valdez's case, which is a much smaller community. They spoke with a lot of the people who had come to them previously that said they would like this license and reached back out to them and brought them into the fold, and they had a pretty robust City Council meeting, where a lot of people were in favor for it. I'm not aware of any opposition. To take that one step further, once that resolution hits the AMCO Board's agenda we also public notice that request and we notify the public health people in the State, as well as notify all the licenses within that municipality where that request is being made.

**Mayor/GS:** Regarding the restaurant eating place license; I understand that it's just beer and wine, and you must have 50% of your profits from food. What other restrictions are on those licenses? Do they have hourly restrictions? And can they have live music.

**GG:** Yes, to live music and hours of operation follow Title 4 as well as any additional hourly restrictions set by CBJ code.

**Mayor/GS:** on the Seasonal Restaurant eating place license, since we have no control over that locally do you notify us that these places got these licenses, or do we just see a change in their business at it.

**GG:** Seasonal REPL still need to go through the normal process as all other licenses that come before a local governing body. They would get noticed to your clerk's office with the normal 60-day protest period in place for CBJ departments to review and the Assembly to take action on.

So, the seasonal restaurant, eating place tourism, license authorizes them to also sell beer and wine, but it does not count against the population cap. It goes against tourism numbers separate to this resolution, and this is also a new provision that I answered previously I'd have to dig in to see exactly what qualifies them, but it is separate, it's not a population cap license.

#### **Discussion among the committee:**

**WB:** how many times, if any, we had to deny an applicant. How many people have applied, how many businesses would this create an opportunity? For if the number of small do we start with like 8 and see how long it takes to get 8 new eateries in town, or I'm just throwing that number out there. But I'd like statistical information to say this might be a good starting place to determine this, so some stats on like what numbers we could be looking at would be helpful. Mr. Gonzales does your agency track that.

**GG:** we could, if they actually went through the application process but usually, they get told no before they even get to submitting an application. It usually starts with a phone call, hey - I want to do this - sorry that's capped. And we do not keep that data.

**WG:** For me, it would be a consideration of what public interest looks like from our side. You know, are, are we just going to public notice and then hope people show up or do additional outreach, and what that could look like.

**WB:** One thing that I was thinking about is that once this came out, it would take a little bit of time for people to be like, oh, there's additional licenses, and so I think it would take the business community or individual entrepreneurs a little bit

of time to say, Hey, wow! There are extra licenses, you know. You've got a year of development thinking around financing, and so having some statistical information. So that way we have, like an opening round of an opportunity for people to say, maybe I can open a restaurant now, because I could carry beer and wine, which is something that would prevent a restaurant from opening because a real restaurant that doesn't have beer and wine does doesn't stand a chance.