

MUNICIPALITY OF ANCHORAGE

ANCHORAGE ASSEMBLY

Regular Meeting of January 27, 1998

1. CALL TO ORDER:

The meeting was convened at 5:00 p.m. by Chairman Mark Begich in the Assembly Chambers, 3600 Denali, Anchorage, Alaska.

2. ROLL CALL:

Present: Charles Wohlforth, Bob Bell, Pat Abney, Dan Kendall, Mark Begich, Kevin Meyer, Fay Von Gemmingen, Cheryl Clementson, Joe Murdy.
Absent: George Wuerch (excused), Ted Carlson (excused.)

3. PLEDGE OF ALLEGIANCE:

The pledge was led by Mr. Murdy.

4. MINUTES OF PREVIOUS MEETING:

A. Regular Meeting - December 16, 1997

Mr. Murdy moved, to approve the minutes of the regular
seconded by Mr. Kendall, meeting of December 16, 1997.
and it passed without
objection,

5. MAYOR'S REPORT: None.

6. ADDENDUM TO AGENDA:

Mr. Murdy moved, to amend the agenda to include
seconded by Mr. Kendall, the addendum items.

Chairman Begich read the addendum items.

Question was called on the motion to amend the agenda and it passed without objection.

7. CONSENT AGENDA:

Mr. Murdy moved to approve all items on the
seconded by Mr. Meyer, consent agenda as amended.

A. BID AWARDS: None.

B. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION:

1. Ordinance No. AO 98-6, an ordinance providing for the submission to the qualified voters of Anchorage, Alaska, the question of the issuance of not to exceed \$36,600,000 of General Obligation Bonds of the Municipality of Anchorage to pay the **costs of educational capital improvements in the Municipality of Anchorage** at an election in and for the Municipality on April 21, 1998, Anchorage School District. public hearing 2-10-98.
 - a. Assembly Memorandum No. AM 41-98.
 - b. Ordinance No. AO 98-6(S), an ordinance providing for the submission to the qualified voters of Anchorage, Alaska, the question of the issuance of not to exceed \$36,600,000 of General Obligation Bonds of the Municipality of Anchorage to pay the costs of educational capital improvements in the Municipality of Anchorage at an election in and for the Municipality on April 21, 1998, Anchorage School District. public hearing 2-10-98. **(addendum)**
 - c. Assembly Memorandum No. AM 78-98.

Mr. Murdy asked this item be considered on the regular agenda. See 8.C.

2. Ordinance No. AO 98-7, an ordinance providing for the submission to the qualified voters of Anchorage, Alaska, the question of the issuance of not to exceed \$25,000,000 of General Obligation Bonds of the Municipality of Anchorage to pay the **costs of educational capital improvements in the Municipality of Anchorage** in and for the Municipality of Anchorage on April 21, 1998, Anchorage School District. public hearing 2-10-98.
 - a. Assembly Memorandum No. AM 41-98.

- b. Ordinance No. AO 98-7(S), an ordinance providing for the submission to the qualified voters of Anchorage, Alaska, the question of the issuance of not to exceed \$25,000,000 of General Obligation Bonds of the Municipality of Anchorage to pay the costs of educational capital improvements in the Municipality of Anchorage in and for the Municipality of Anchorage on April 21, 1998, Anchorage School District. public hearing 2-10-98. **(addendum)**
- c. Assembly Memorandum No. AM 78-98.

Mr. Murdy asked this item be considered on the regular agenda. See 8.C.

- 3. Ordinance No. AO 98-12, an ordinance providing for the submission to the qualified voters of Anchorage, Alaska, the question of the issuance of not to exceed \$10,000,000 of General Obligation Bonds of the Municipality of Anchorage to pay the **costs of site acquisition and design for two high schools** in the Municipality of Anchorage at an election in and for the Municipality of Anchorage on April 21, 1998, Assemblymember Bell. public hearing 2-10-98.
 - a. Assembly Memorandum No. AM 77-98.

(AO 98-12 & AM 77-98 were not submitted and tabled later in the meeting, after item 8.F. See **AO 98-23**.)

- 4. Ordinance No. AO 98-10, an ordinance amending Anchorage Municipal Code Section 21.20.090 to prohibit any increase in existing residential density, **a zoning change to permit residential land uses; mobile home parks; or camper parks in the 60 day night level (DNL) contour of Anchorage International Airport**, Community Planning and Development. public hearing 2-10-98.
 - a. Assembly Memorandum No. AM 60-98.
- 5. Ordinance No. AO 98-11, an ordinance amending the zoning map and providing for the rezoning of approximately four (4) acres from B-3/SL (General Business District) with Special Limitations to I-1 (Light Industrial District), for **Lots 1A-4, 1A-5, 1A-6 and 2A, Independence Park Shopping Village Subdivision**, generally located on the west side of Toloff Street, between Abbott Road and 88th Avenue (Abbott Loop Community Council) (Planning and Zoning Commission Case 97-150, 97-151, and 97-152), Community Planning and Development. public hearing 2-24-98.
 - a. Assembly Memorandum No. AM 62-98.
- 6. Resolution No. AR 98-24, a resolution of the Anchorage Municipal Assembly appropriating the sum of \$561,354 from the U.S. Department of Justice, Office of Justice Programs, Local Law Enforcement Block Grant, and \$62,373 from the Anchorage Metropolitan Police Service Area (0151) Fund Balance to the Federal Categorical Grants Fund (0241) for the purpose of **underwriting projects to reduce crime and improve public safety**, Anchorage Police Department. public hearing 2-3-98.
 - a. Assembly Memorandum No. AM 59-98.

Mr. Murdy asked this item be considered on the regular agenda. See 8.C.

- 7. Resolution No. AR 98-25, a resolution of the Assembly adopting the **AMATS 1997 Anchorage Bowl Long-Range Transportation Plan** and associated air quality conformity determination, Community Planning and Development. public hearing 2-10-98.
 - a. Assembly Memorandum No. AM 61-98.
- 8. Resolution No. AR 98-26, a resolution of the Municipality of Anchorage increasing authorization to accept and appropriate (\$11,834,000) **Federal Intermodal Surface Transportation Efficiency Act (ISTEA) funding** for projects located within the Municipality of Anchorage, Public Works. public hearing 2-10-98.
 - a. Assembly Memorandum No. AM 63-98.
- 9. Resolution No. AR 98-28, a resolution authorizing amendment to the 1997 Action Plan including allocation of \$1,163,005 in reprogrammed CDBG funds and program income, \$1,201,233 in 1997 CDBG funds, and committing \$2,100,651 in future **CDBG entitlements** for thirteen (13) capital projects, Community Planning and Development. public hearing 2-3-98.
 - a. Assembly Memorandum No. AM 75-98.
- 10. Ordinance No. AO 98-3, an ordinance of the Municipality of Anchorage providing for the **submission to the qualified voters of Anchorage, Alaska the question of whether the Anchorage Telephone Utility should be sold**, Assemblymember Kendall. public hearing ~~2-10-98~~ 3-3-98. **(addendum)**

Ms. Clementson asked this item be considered on the regular agenda. See 8.C.

- 11. Ordinance No. AO 98-4, an ordinance submitting to the qualified voters of the Municipality of Anchorage a ballot proposition to **amend the Anchorage Municipal Charter Section 16.02 to require a majority vote of the electorate to approve the sale of a municipal utility**, Assemblymember Kendall. public hearing ~~2-10-98~~ 3-3-98. **(addendum)**

Ms. Clementson asked this item be considered on the regular agenda. See 8.C.

- 12. Ordinance No. AO 98-23, an ordinance providing for the submission to the qualified voters of Anchorage, Alaska, the question of the issuance of not to exceed \$10,000,000 of General Obligation Bonds of the Municipality of Anchorage to pay the **costs of planning and designing two high schools** within the Municipality of Anchorage at an election in and for the Municipality of Anchorage on April 21, 1998, Assemblymember Bell. public hearing 2-10-98. **(addendum)**
 - a. Assembly Memorandum No. AM 81-98.

C. RESOLUTIONS FOR ACTION:

1. Resolution No. AR 98-22, a resolution of the Municipality of Anchorage providing for the appropriation of \$5,000 donated from the Friends of Library for the BP Wish List 1998 Program to the Miscellaneous Operational Grants Fund (0261) for the **purchase of library books and materials**, Cultural and Recreational Services/Library.
 - a. Assembly Memorandum No. AM 57-98.
2. Resolution No. AR 98-23, a resolution of the Anchorage Municipal Assembly approving **amendments to the Platting Board rules of procedure** (AMCR 21.11.201 and 21.11.209) concerning the meeting starting time and consent agenda, Community Planning and Development.
 - a. Assembly Memorandum No. AM 58-98.
3. Resolution No. AR 98-27, a resolution of the Municipality of Anchorage appropriating \$95,000 from the Areawide General (0101) Fund Balance to the Department of Finance to enter into a sole source contract with Preston, Gates & Ellis to **obtain a reappraisal of the Captain Cook Hotel and assist in the litigation of property tax assessment appeals** filed by the Hickel Investment Company, Purchasing/Legal Department.
 - a. Assembly Memorandum No. AM 64-98.

Mr. Wohlforth asked this item be considered on the regular agenda. See 8.D.

4. Resolution No. AR 98-29, a resolution of the Anchorage Municipal Assembly calling upon the Municipal Administration to develop a plan and cost estimate to construct a **skateboard/rollerblading facility** north of Tudor Road, Assemblymembers Wuerch, Meyer, Murdy, Begich, Carlson, Von Gemmingen, and Wohlforth. (**addendum**)
5. Resolution No. AR 98-30, a resolution of the Anchorage Municipal Assembly **supporting House Bill 309, renaming the Bank of America Building in honor of Robert B. Atwood**, Assemblymembers Kendall, Begich, Bell, Meyer, Von Gemmingen, and Wuerch. (**addendum**)

Mr. Wohlforth asked this item be considered on the regular agenda. See 8.D.

D. NEW BUSINESS:

1. Assembly Memorandum No. AM 73-98, **Chugiak-Eagle River Parks and Recreation Board of Supervisors appointment** (Jerry Curlee), Mayor's Office.
2. Assembly Memorandum No. AM 74-98, **Upper O'Malley Limited Road Service Area Board of Supervisors appointment** (James Cazort), Mayor's Office.
3. Assembly Memorandum No. AM 51-98, **Latino Cafe** - Transfer of Ownership of a Restaurant/Eating Place Liquor License and Restaurant Designation Permit (Mountain View Community Council), Clerk's Office.

Mr. Wohlforth asked this item be considered on the regular agenda. See 8.E.

4. Assembly Memorandum No. AM 52-98, **La Mex - Dimond** - Transfer of Ownership and Location of a Beverage Dispensary Liquor License (Bayshore/Klatt and Taku/Campbell Community Councils), Clerk's Office.

Ms. Clementson asked this item be considered on the regular agenda. See 8.E.

5. Assembly Memorandum No. AM 53-98, **Trader Jim's** - Transfer of Ownership of a Package Store Liquor License (Abbott Loop/Campbell Park Community Councils), Clerk's Office.
6. Assembly Memorandum No. AM 54-98, proprietary service contract with Mitch Gravo for **1998 lobbyist services**, Municipal Manager's Office.

Mr. Bell asked this item be considered on the regular agenda. See 8.E.

7. Assembly Memorandum No. AM 55-98, 1998 professional services contract with **Anchorage Economic Development Corporation**, Municipal Manager's Office.
8. Assembly Memorandum No. AM 65-98, grant agreement with Greater Anchorage, Inc. to support the **1998 Fur Rendezvous Winter Festival**, Municipal Manager's Office.
9. Assembly Memorandum No. AM 66-98, **1998 Electric Power Research Institute (EPRI) membership** Municipal Light and Power.
10. Assembly Memorandum No. AM 67-98, change order No. 1 to contract C-70320, **replacement of Chugiak Senior Center roof**, Property and Facility Management.
11. Assembly Memorandum No. AM 68-98, amendment No. 1 to professional services agreement with McCool Carlson Green for **AWWU Operations Facility PH II project**, Water and Wastewater Utility.
12. Assembly Memorandum No. AM 69-98, contract change order No. 3 to Rockford Corporation for the **Girdwood Wastewater Treatment Facility, Phase I** (No. C 70316), Water and Wastewater Utility.
13. Assembly Memorandum No. AM 70-98, change order No. 1 to purchase order 70299 with Northern Printing Company, Inc. to furnish **printing services** to the Municipality of Anchorage, Department of Cultural and Recreational Services/Purchasing.
14. Assembly Memorandum No. AM 71-98, proprietary purchase of **computer equipment, software and maintenance** from Network Associates, Inc. for the Municipality of Anchorage, Management Information Systems Department (MISD), Purchasing.

- 15. Assembly Memorandum No. AM 72-98, sole source procurement authorization from various suppliers to **support power generation plant operations** for the Municipality of Anchorage, Municipal Light and Power/Purchasing.
- 16. Assembly Memorandum No. AM 80-98, AO 97-51; creating the **Downtown Business Improvement District**, Legal Department. **(addendum)**

E. INFORMATION AND REPORTS:

- 1. Information Memorandum No. AIM 12-98, Anchorage Water and Wastewater Utility construction contract change orders for **Sunny Slopes West Water R&R, Dale Street Water R&R, Eagle River Trunk Sewer TID ER-3, South Addition Woodstave R&R - Phase I, and Girdwood WWTF Improvements - Phase I**, Water and Wastewater Utility.

Ms. Von Gemmingen asked this item be considered on the regular agenda. See 8.F.

- 2. Information Memorandum No. AIM 13-98, **contracts awarded between \$30,000 and \$100,000 through formal competitive processes** for the month of December 1997, Purchasing.
- 3. Information Memorandum No. AIM 14-98, **Sole Source Procurement Report** for the month of December 1997, Purchasing.
- 4. Information Memorandum No. AIM 15-98, Internal Audit Report 98-01 - **Fixed Asset Inventory, General Government**, Internal Audit.

This item was reconsidered later in the meeting. See item 8.F.

- 5. Information Memorandum No. AIM 16-98, Internal Audit Report 98-02 - **Customer Service Cash Controls, Public Transportation Department**, Internal Audit.
- 6. Information Memorandum No. AIM 17-98, **Budget Advisory Commission Special Report** -- Assembly Budget Actions on the 1998 General Government Operating Budget, Office of Management and Budget.

Mr. Wohlforth asked this item be considered on the regular agenda. See 8.F.

Question was called on the motion to approve the remaining items on the consent agenda as amended and it passed:

AYES: Wohlforth, Bell, Abney, Kendall, Begich, Meyer, Von Gemmingen, Clementson, Murdy.

NAYS: None.

8. **REGULAR AGENDA:**

- A. TIME CRITICAL ITEMS: None.
- B. BID AWARDS: None.
- C. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION:
 - 1. Ordinance No. AO 98-6, an ordinance providing for the submission to the qualified voters of Anchorage, Alaska, the question of the issuance of not to exceed \$36,600,000 of General Obligation Bonds of the Municipality of Anchorage to pay the **costs of educational capital improvements in the Municipality of Anchorage** at an election in and for the Municipality on April 21, 1998, Anchorage School District. public hearing 2-10-98.
 - a. Assembly Memorandum No. AM 41-98.
 - b. Ordinance No. AO 98-6(S), an ordinance providing for the submission to the qualified voters of Anchorage, Alaska, the question of the issuance of not to exceed \$36,600,000 of General Obligation Bonds of the Municipality of Anchorage to pay the costs of educational capital improvements in the Municipality of Anchorage at an election in and for the Municipality on April 21, 1998, Anchorage School District. public hearing 2-10-98. **(addendum)**
 - c. Assembly Memorandum No. AM 78-98.
 - 2. Ordinance No. AO 98-7, an ordinance providing for the submission to the qualified voters of Anchorage, Alaska, the question of the issuance of not to exceed \$25,000,000 of General Obligation Bonds of the Municipality of Anchorage to pay the **costs of educational capital improvements in the Municipality of Anchorage** in and for the Municipality of Anchorage on April 21, 1998, Anchorage School District. public hearing 2-10-98.
 - a. Assembly Memorandum No. AM 41-98.
 - b. Ordinance No. AO 98-7(S), an ordinance providing for the submission to the qualified voters of Anchorage, Alaska, the question of the issuance of not to exceed \$25,000,000 of General Obligation Bonds of the Municipality of Anchorage to pay the costs of educational capital improvements in the Municipality of Anchorage in and for the Municipality of Anchorage on April 21, 1998, Anchorage School District. public hearing 2-10-98. **(addendum)**
 - c. Assembly Memorandum No. AM 78-98.

Messrs. Murdy, Meyer and Wohlforth joined in introducing AO 98-6(S) and AO 98-7(S). The public hearings were scheduled for February 10, 1998.

In response to Ms. Von Gemmingen, Kathy Stokesbary of the Anchorage School District explained the substitute versions were submitted because of an error ommitting language in the original versions.

3. Resolution No. AR 98-24, a resolution of the Anchorage Municipal Assembly appropriating the sum of \$561,354 from the U.S. Department of Justice, Office of Justice Programs, Local Law Enforcement Block Grant, and \$62,373 from the Anchorage Metropolitan Police Service Area (0151) Fund Balance to the Federal Categorical Grants Fund (0241) for the purpose of **underwriting projects to reduce crime and improve public safety**, Anchorage Police Department. public hearing 2-3-98.
- a. Assembly Memorandum No. AM 59-98.

Mr. Murdy moved, to introduce AR 98-24 for public
seconded by Ms. Von Gemmingen, hearing on February 3, 1998.
and it passed without
objection,

In response to Mr. Murdy, Operations Manager George Vakalis discussed the proposed use of these funds. Anticipated use includes computer-aided dispatch access to State records, Sexual Assault Response Team, and overtime for activities such as Driving While Intoxicated violations. These choices were identified by a Citizen Advisory Group. The Group was a condition of the grant.

4. Ordinance No. AO 98-3, an ordinance of the Municipality of Anchorage providing for the **submission to the qualified voters of Anchorage, Alaska the question of whether the Anchorage Telephone Utility should be sold**, Assemblymember Kendall.
public hearing ~~2-10-98~~ 3-3-98. (addendum)
5. Ordinance No. AO 98-4, an ordinance submitting to the qualified voters of the Municipality of Anchorage a ballot proposition to **amend the Anchorage Municipal Charter Section 16.02 to require a majority vote of the electorate to approve the sale of a municipal utility**, Assemblymember Kendall.
public hearing ~~2-10-98~~ 3-3-98. (addendum)

Messrs. Kendall, Bell and Murdy joined in introducing AO 98-3 and AO 98-4.

Mr. Wohlforth moved, to schedule AO 98-3 and AO 98-4 for
seconded by Ms. Clementson, public hearing on March 3, 1998 to coincide with other
legislation regarding Anchorage Telephone Utility.

Mr. Kendall felt it best to discuss these ordinances earlier than the other issues, and continue action to coincide with the other legislation.

Mr. Wohlforth noted meetings of the Assembly ATU Committee have been publicized to allow public involvement. He felt it would create confusion to have the public hearing split between two nights, three weeks apart.

Ms. Clementson felt it would be more considerate to the public to consolidate the hearings in one evening.

Question was called on the motion to schedule AO 98-3 and AO 98-4 for public hearing on March 3, 1998 and it passed:

AYES: Wohlforth, Abney, Begich, Meyer, Von Gemmingen, Clementson, Murdy.
NAYS: Bell, Kendall.

D. RESOLUTIONS FOR ACTION:

1. Resolution No. AR 98-27, a resolution of the Municipality of Anchorage appropriating \$95,000 from the Areawide General (0101) Fund Balance to the Department of Finance to enter into a sole source contract with Preston, Gates & Ellis to **obtain a reappraisal of the Captain Cook Hotel and assist in the litigation of property tax assessment appeals** filed by the Hickel Investment Company, Purchasing/Legal Department.
- a. Assembly Memorandum No. AM 64-98.

Ms. Von Gemmingen moved, to approve AR 98-27.
seconded by Mr. Murdy,

Mr. Wohlforth declared a potential conflict of interest. He recently entered into a professional relationship with Walter Hickel, regarding writing a book. Income from the deal would significantly affect his household finances.

In response to Mr. Bell, Assessor Wayne Haerer explained outside legal counsel was requested for discovery and other matters. The Municipal Attorney's staff will represent the Board of Equalization. The contract also includes hiring a hotel appraisal specialist.

Question was called on the motion to approve AR 98-27 and it passed without objection.

2. Resolution No. AR 98-30, a resolution of the Anchorage Municipal Assembly **supporting House Bill 309, renaming the Bank of America Building in honor of Robert B. Atwood**, Assemblymembers Kendall, Begich, Bell, Meyer, Von Gemmingen, and Wuerch. (addendum)

Mr. Wohlforth moved, to approve AR 98-30.
seconded by Mr. Kendall,

Mr. Wohlforth acknowledged Mr. Atwood's many contributions to the community. However, there are already a number of public buildings and places named for him. He questioned the State's facility naming policies.

Mr. Bell and Mr. Kendall spoke in support of the resolution.

Mr. Murdy asked his name be added as a sponsor of the resolution.

Question was called on the motion to approve AR 98-30 and it passed with Mr. Wohlforth objecting.

E. NEW BUSINESS:

1. Assembly Memorandum No. AM 51-98, Latino Cafe - Transfer of Ownership of a Restaurant/Eating Place Liquor License and Restaurant Designation Permit (Mountain View Community Council), Clerk's Office.

Mr. Wohlforth moved, to approve AM 51-98.
seconded by Mr. Murdy,

Mr. Wohlforth noted there have been problems at this establishment. The Mountain View Community Council would like time to discuss the issue with the license owner at their next meeting.

Mr. Wohlforth moved, to postpone action on AM 51-98 until February 10, 1998,
seconded by Ms. Clementson, and direct a letter to the license owner inviting
and it passed without attendance at the next Mountain View Community Council
objection, meeting.

2. Assembly Memorandum No. AM 52-98, La Mex - Dimond - Transfer of Ownership and Location of a Beverage Dispensary Liquor License (Bayshore/Klatt and Taku/Campbell Community Councils), Clerk's Office.

Ms. Clementson moved, to approve AM 52-98.
seconded by Mr. Kendall,

Ms. Clementson noted this license has not operated for over a year. She added Anchorage has many more licenses than allowed by State law. She disclosed she had a brief conversation regarding the license with the owner.

In response to Ms. Clementson, license owner Trina Johnson noted some license operators were not responsible. She supported tangible punishment for these operators.

Question was called on the motion to approve AM 52-98 and it passed without objection.

3. Assembly Memorandum No. AM 54-98, proprietary service contract with Mitch Gravo for **1998 lobbyist services**, Municipal Manager's Office.

Mr. Bell moved, to approve AM 54-98.
seconded by Mr. Kendall,

Mr. Bell said he had no complaints about Mr. Gravo, but expressed concern about the apparent lapse into chronic sole-source contracts for lobbyist services.

Mr. Bell moved, to amend AM 54-98 to reduce the term of the contract by
seconded by Mr. Murdy, half, to six months, reduce the amount accordingly, and
require the administration to issue a Request for Proposal
(RFP) for lobbyist services, with a selection committee
comprised of members of the Assembly and the
administration.

Operations Manager George Vakalis noted a commitment was made to Mr. Gravo for a year-long contract. He questioned whether there were any specific complaints regarding Mr. Gravo's services. He suggested this contract be allowed to commence and proceed for the entire year before any changes in procedure.

Mr. Meyer questioned whether there was method of measuring performance for lobbyist services. If there is no method, he suggested implementing one.

Mr. Vakalis noted much of Mr. Gravo's work is done before the start of the Legislative session. If the contract amount is reduced, Mr. Gravo may not be interested in the contract at all.

Ms. Von Gemmingen noted this was essentially the middle of the process, and any changes should be made after the Legislative session.

Mr. Wohlforth questioned why this item was brought before the Assembly after the start of the session. He supported Mr. Bell's motion, and Mr. Meyer's suggestion of performance standards. He noted although the Assembly pays for half of the

contract, Mr. Gravo does not meet with the Assembly. Mr. Wohlforth recalled some School Board members indicated Mr. Gravo was not helpful to them regarding school foundation formula issues.

Mr. Murdy agreed with Mr. Bell, but felt it was too late this year to take action. He also agreed performance standards should be developed.

Mr. Vakalis noted Mr. Wuerch and Mr. Carlson were the Assembly's representatives on legislative issues. They meet with the Mayor and discuss lobbyist services.

Ms. Abney concurred with Mr. Bell's concerns. She suggested the Assembly request regular reports from the lobbyist.

Ms. Clementson agreed with many of the previous comments. However, she noted during the last Legislative session, Mr. Gravo kept in contact with her and updated her on Legislative issues.

Mr. Meyer requested a legislative briefing with Mr. Gravo be scheduled in the first week in June, 1998.

Mr. Murdy moved,	to divide the question between
seconded by Ms. Clementson,	reducing the term/amount of the
and it passed without	contract, and the direction to
objection,	issue a RFP.

Question was called on Mr. Bell's motion to amend AM 54-98 to reduce the term and amount of the contract to six months and it failed:

AYES: Bell.

NAYS: Wohlforth, Abney, Kendall, Begich, Meyer, Von Gemmingen, Clementson, Murdy.

There was discussion on timing of issuance of a RFP.

Mr. Bell withdrew his motion to require issuance of an RFP.

Mr. Bell moved,	to direct development of an RFP, jointly by the
seconded by Mr. Murdy,	Assembly and administration, prior to November 1, 1998,
and it was withdrawn,	to select a lobbyist

Mr. Bell said he would return with a proposal for changing the selection process in the near future.

Question was called on the motion to approve AM 54-98 and it passed without objection.

F. INFORMATION AND REPORTS:

- Information Memorandum No. AIM 12-98, Anchorage Water and Wastewater Utility construction contract change orders for **Sunny Slopes West Water R&R, Dale Street Water R&R, Eagle River Trunk Sewer TID ER-3, South Addition Woodstave R&R - Phase I, and Girdwood WWTF Improvements - Phase I**, Water and Wastewater Utility.

Ms. Von Gemmingen moved,	to accept AIM 12-98.
seconded by Mr. Meyer,	

Ms. Von Gemmingen disclosed a conflict of interest on this item, regarding one of the proposed contractors.

Chairman Begich noted the item was merely for information.

Question was called on the motion to accept AIM 12-98 and it passed without objection.

- Information Memorandum No. AIM 17-98, **Budget Advisory Commission Special Report** -- Assembly Budget Actions on the 1998 General Government Operating Budget, Office of Management and Budget.

Mr. Wohlforth moved,	to accept AIM 17-98.
seconded by Ms. Clementson,	

Mr. Wohlforth felt it was unfair for the Budget Advisory Commission to criticize the Assembly without first speaking with any Assembly members. He noted there was a certain amount of mis-information in the report.

Chairman Begich concurred with Mr. Wohlforth. He said he would not accept the information.

Mr. Bell said he appreciated the Commission's hard work on the budget. However, he felt Commission members were inaccurate in this case. He said the Assembly acted in the best interest of the community.

Question was called on the motion to accept AIM 17-98 and it failed:

AYES: Kendall, Meyer.

NAYS: Wohlforth, Bell, Abney, Begich, Von Gemmingen, Clementson, Murdy.

Mr. Wohlforth moved, to reconsider action on item 7.E.4,
seconded by Ms. Von Gemmingen, AIM 15-98.
and it passed without
objection,

Information Memorandum No. AIM 15-98, Internal Audit Report 98-01 - **Fixed Asset Inventory, General Government**, Internal Audit.

Ms. Von Gemmingen moved, to accept AIM 15-98.
seconded by Mr. Meyer,

In response to Ms. Von Gemmingen, Internal Auditor Pete Raiskums said he felt confident that the improved inventory system would provide an accurate inventory in the future.

Question was called on the motion to accept AIM 15-98 and it passed without objection.

The Assembly changed the orders of the day to consider item 14, Special Orders.

Ordinance No. AO 98-1, an ordinance of the Municipality of Anchorage amending and consolidating amendments to **Paving Special Assessment District 8P79 - Northeast Turnagain Paving** and resolving to confirm and levy special assessments for street and street light improvements on property specially benefited in Paving Special Assessment District 8P79 and setting the date of assessment installment payments, interest on unpaid assessments, and providing for penalties and interest in the event of delinquency, Public Works.
Resolution No. AR 98-6, a resolution confirming and levying assessments for the sanitary sewer improvements on property benefited in **NE Turnagain Lateral Sewer Improvement District Number 101**, setting date of payment and providing for penalties and interest in the event of delinquency, Water and Wastewater Utility.
Resolution No. AR 98-7, a resolution confirming and levying assessments for the water improvements on property benefited in **Turnagain Water Improvement District Number 307**, setting date of payment and providing for penalties and interest in the event of delinquency, Water and Wastewater Utility.

Ms. Von Gemmingen moved, to reschedule the public hearings for
seconded by Mr. Murdy, AO 98-1, AR 98-6 and AR 98-7 from
and it passed without February 3 to March 24, 1998.
objection,

Operations Manager George Vakalis requested the worksession on this topic remain scheduled for February 3, 1998. He explained the issue is very complex; so additional time to discuss the issue would be helpful.

Ms. Clementson moved, to reschedule the worksession regarding these documents
seconded by Mr. Meyer, from February 3 to March 3, 1998.

AYES: Bell, Abney, Kendall, Begich, Meyer, Von Gemmingen, Clementson.
NAYS: Wohlforth.

(Clerk's Note: Mr. Murdy was out of the room at the time of the vote.)

Mr. Bell moved, to table item 7.B.3, AO 98-12.
seconded by Mr. Kendall,
and it passed without
objection,

Ordinance No. AO 98-27, an ordinance amending Anchorage Municipal Code Chapters 8.05 and 14.60 to **enact an exemption for retail adults-only tobacco stores** from the requirement of restrictions on access to tobacco and to create a penalty for retail tobacco-only stores which permit the entry of persons under nineteen (19) years of age without a parent or legal guardian, Assemblymembers Meyer and Begich.
(LAID ON THE TABLE)

Mr. Meyer, Chairman Begich and Ms. Abney joined in introducing this ordinance. The public hearing was scheduled for February 24, 1998.

The meeting recessed at 6:15 p.m. and reconvened at 6:55 p.m.

9. **OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS:**

- A. Assembly Memorandum No. AM 36-98, 1998-1999 Liquor License Renewal: **515 Club** (Beverage Dispensary), Clerk's Office.
(POSTPONED FROM 1-13-98)

No action was taken on this item. See item 12.G, AR 98-19.

- B. Information Memorandum No. AIM 4-98, **The Raven** - 1997 Bar Violations, Municipal Clerk.
(POSTPONED FROM 1-6-98 AND 1-13-98)

No action was taken on this item.

- 10. **APPEARANCE REQUESTS:** None.
- 11. **CONTINUED PUBLIC HEARINGS:** None.
- 12. **NEW PUBLIC HEARINGS:**

- A. Ordinance No. AO 98-2, an ordinance of the Municipality of Anchorage, Alaska, authorizing the issuance of a revenue bond (**Anchorage Community Mental Health Services Project**), of the Municipality in an aggregate principal amount not to exceed \$825,000; authorizing the execution and delivery of a loan agreement in connection therewith; authorizing the proper officials of the Municipality to do all things necessary or advisable to consummate the issuance, sale and delivery of such bonds; providing the form of bond and manner of sale of said bond; and providing that the bond be placed with National Bank of Alaska, Finance.
 - 1. Assembly Memorandum No. AM 26-98.

Chairman Begich opened the public hearing and asked if anyone wished to speak. There was no one and he closed the public hearing.

Mr. Murdy moved, to adopt AO 98-2.
seconded by Ms. Von Gemmingen,

In response to Ms. Clementson, Chief Fiscal Officer Soren Orley explained these type of funds must pass through Municipal control in order for qualified non-profit groups to receive tax exempt rates. He stated the bonds are secured by revenue from the group; if the group defaults, the Municipality is not liable in any way.

Question was called on the motion to adopt AO 98-2 and it passed:

AYES: Wohlforth, Bell, Abney, Kendall, Begich, Meyer, Von Gemmingen, Clementson, Murdy.
NAYS: None.

- B. Ordinance No. AO 98-8, an ordinance amending Anchorage Municipal Code Section 14.60.020 to **set a period for performance of optional community work service in lieu of a civil fine for violations of curfew and possession of tobacco products ordinances**, Assemblymember Meyer.
 - 1. Assembly Memo randum No. AM 42-98.
 - 2. Assembly Memorandum No. AM 76-98, Legal Department.

Chairman Begich opened the public hearing and asked if anyone wished to speak. There was no one and he closed the public hearing.

Mr. Murdy moved, to adopt AO 98-8.
seconded by Ms. Von Gemmingen,

In response to Mr. Meyer, Municipal Hearing Officer Tim Middleton discussed preliminary results of the community work service option in lieu of fines. He said ninety-three of one hundred seventy-three violators chose the community work service option. No statistics are yet available on whether the service is actually completed.

Mr. Meyer explained the proposed ordinance would set a more reasonable time for completion of work service, to assist in administration of the program.

Question was called on the motion to adopt AO 98-8 and it passed:

AYES: Wohlforth, Bell, Abney, Kendall, Begich, Meyer, Von Gemmingen, Clementson, Murdy.
NAYS: None.

- C. Ordinance No. AO 98-9, an ordinance amending Anchorage Municipal Code Chapter 3.85 to enact Part IV, Chapter 3.85 **establishing Police and Fire Retirement System Policies and Procedures for collection or payment of overpaid or underpaid retirement benefits to members of the System**, Employee Relations.
 - 1. Assembly Memorandum No. AM 47-98.

Chairman Begich opened the public hearing and asked if anyone wished to speak. There was no one and he closed the public hearing.

Ms. Von Gemmingen moved, to adopt AO 98-9.
seconded by Ms. Abney,

AYES: Wohlforth, Bell, Abney, Kendall, Begich, Meyer, Von Gemmingen, Clementson, Murdy.
NAYS: None.

- D. Resolution No. AR 98-21, a resolution of the Anchorage Municipal Assembly approving a conditional use for sales of alcoholic beverages (Restaurant/Eating Place) located on Fourth Addition, Block 31B, Lot 4A, generally located at the northwest corner of Sitka Street and East Fifth Avenue (Nick and Hacilda Sardi d.b.a. **Princess Restaurant**) (Case 98-024), Community Planning and Development.

1. Assembly Memorandum No. AM 50-98.

Chairman Begich opened the public hearing and asked if anyone wished to speak.

STEVE HOLSINGER noted he had recently read the Anchorage Healthy Futures project report on alcohol use. He pointed out a State law was passed in 1985 limiting the number of alcohol establishments in a town. He questioned whether anything is being done to reduce the number of establishments in Anchorage.

Ms. Clementson replied when the 1985 law was passed, the licenses already in existence were grandfathered. The only way the number of licenses would be reduced is if the Alcoholic Beverage Control Board denies a license.

Mr. Wohlforth clarified Anchorage has more than the limit of dispensary licenses, but the number of beer and wine licenses is still under the limit.

Chairman Begich asked if anyone else wished to speak. There was no one and he closed the public hearing.

Ms. Abney moved, to approve AR 98-21.
seconded by Ms. Von Gemmingen,

AYES: Wohlforth, Bell, Abney, Kendall, Begich, Meyer, Von Gemmingen, Clementson, Murdy.
NAYS: None.

- E. Resolution No. AR 98-11, a resolution of the Anchorage Municipal Assembly protesting the continued operation of a beverage dispensary liquor license at 3230 Old Seward Highway, Anchorage, Alaska dba **The Captain's Club**, Assemblymembers Meyer and Wuerch.
1. Resolution No. AR 98-11(S), a resolution of the Anchorage Municipal Assembly protesting the continued operation of a beverage dispensary liquor license at 3230 Old Seward Highway, Anchorage, Alaska dba The Captain's Club, Assemblymembers Meyer and Wuerch. **(addendum)**

Chairman Begich opened the public hearing and asked if anyone wished to speak.

GEORGE KALIS, former owner of the restaurant, said he still held the mortgage. He said there have been some mistakes made in the past year, but the new owner has tried successfully to improve the operation. Mr. Kalis noted the new owner temporarily relinquished much of the stock in the company, but now is a majority shareholder.

DEMIR REDZEPI, owner of the Captain's Club, apologized for the problems at the restaurant. He assured the Assembly these mistakes would not be repeated. In response to Mr. Meyer, Mr. Redzepi said he would work with the Police Department (APD), Alcoholic Beverage Control (ABC) Board and the Assembly to correct the problems.

CHARITY KADOW, president of the Spenard Community Council, noted the Council passed a resolution on January 5, 1998 protesting renewal of the Captain's Club liquor license. Since then, the management has made great strides towards improving the establishment's operation. She said the Council wished to reverse its protest and endorse continued operation of the Club. In response to Mr. Meyer, Ms. Kadow said she was confident if any more problems arise, management of the Club will be willing to cooperate with the Council to resolve the issue.

ELISA GARRIGUES noted increased crime rates are a significant problem in our community. APD indicates alcohol is a factor in seventy percent of police activities. She felt there was an obvious connection between alcohol and crime. Ms. Garrigues said protesting operation of licenses was the Assembly's opportunity to help reduce crime in Anchorage. Denying renewals would also be a step toward bringing the number of licenses into compliance with State law.

CORBETT MAGNI spoke in opposition to continued operation of the Captain's Club. As a small business owner himself, he felt he could not continue operation if he violated the law. He felt violations of the law, especially violations which can endanger life and property, should not be rewarded by continued operation. He strongly supported the proposed resolution.

STEVE HOLSINGER noted the Health and Human Services Department prepared a booklet in 1996 titled "Anchorage Alcohol Philosophy." He noted enforcement was an item in the philosophy. He felt the bias should be toward revoking a license whenever possible, in order to work toward compliance with State law regarding license saturation.

Chairman Begich asked if anyone else wished to speak. There was no one and he closed the public hearing.

Mr. Meyer moved, to approve AR 98-11(S).
seconded by Mr. Wohlforth,

Mr. Meyer noted violations at the establishment continued even after repeated warnings. Since many of the violations were from being open past 2:30 a.m., a provision in the substitute version would limit employee custodial presence at the establishment after closing to four persons. Another requirement for the establishment to close a half-hour earlier than required by law may have enough of an economic impact to ensure compliance with the law.

In response to Ms. Clementson, Doug Griffin, Director of the ABC Board said although the subject license is not up for renewal, the Assembly's imposed conditions could be considered by the Board at this time. If approved by the Board, the conditions would be applied to the license prior to the license renewal. He said the Captain's Club staff has been cooperative; he felt the proposed conditions were appropriate.

In response to Mr. Wohlforth, Mr. Griffin said Municipality conditions should be enforced by APD. ABC is under no legal obligation to enforce Municipal conditions. However, the conditions are placed in the ABC file, and ABC staff tries to be cooperative with APD by informing them or documenting observed violations.

Mr. Wohlforth felt it was critical for violations to be recorded in writing. He asked Mr. Griffin to copy all reports to the Municipal Clerk as well as APD.

Ms. Clementson moved, seconded by Mr. Meyer,	to amend AR 98-11(S) in Section 1 to add a new paragraph D to read: "That violation of any of these conditions shall result in the Municipality's protest of renewal or continuation of the license."
---	--

Mr. Wohlforth supported the amendment. He felt it would be unfair to protest this license in light of other establishments that have much more egregious violations.

In response to Mr. Bell, Mr. Meyer said his intent was that the conditions remain in effect until the license comes for renewal in January, 1999.

Question was called on Ms. Clementson's motion to amend and it passed without objection.

Question was called on the motion to approve AR 98-11(S) as amended and it passed:

AYES: Wohlforth, Bell, Abney, Kendall, Begich, Meyer, Von Gemmingen, Clementson, Murdy.
NAYS: None.

(Clerk's Note: This resolution was amended further on May 5, 1998.)

- F. Resolution No. AR 98-18, a resolution of the Anchorage Municipal Assembly protesting the continued operation of a beverage dispensary liquor license at 3001 Spenard Road, Anchorage, Alaska dba **The South Seas Lounge**, Assemblymember Murdy.
 - 1. Resolution No. AR 98-18(S), a resolution of the Anchorage Municipal Assembly protesting the continued operation of a beverage dispensary liquor license at 3001 Spenard Road, Anchorage, Alaska dba The South Seas Lounge, Assemblymembers Murdy and Von Gemmingen. **(addendum)**
 - 2. Resolution No. AR 98-18(S-1), a resolution of the Anchorage Municipal Assembly protesting the continued operation of a beverage dispensary liquor license at 3001 Spenard Road, Anchorage, Alaska dba The South Seas Lounge, Assemblymembers Murdy and Von Gemmingen. **(addendum)**

Chairman Begich opened the public hearing and asked if anyone wished to speak.

MICHAEL WHITE, representing the license owner, said he had agreed in previous meetings to conditions in the S version. He questioned the need and rationale for the S-1 version, which he was not informed of until minutes ago. Mr. White said since last December, the owner has met with the Spenard Community Council as suggested by the Assembly. The licensee has requested a copy of the list of pictures used by the Spenard Community Patrol to identify prostitutes. That list is now posted at the establishment. He acknowledged that the Spenard area is a hotbed for vice crimes. He said his client does not cause these activities, does not encourage them, and wants to be involved in solutions.

HYUN SONG, the license owner, addressed the Assembly through an interpreter. The interpreter related Ms. Song admitted her past mistakes and regret for those mistakes. Ms. Song was willing to work with the Police Department (APD) and Alcoholic Beverage Control (ABC) Board and comply with any conditions. She has no control over prostitution activities outside her establishment. Ms. Song has installed a new cameras and lighting system, and asks people to leave the area when she sees them loitering.

In response to Ms. Clementson, Mr. White addressed police reports of calls for service regarding drugs and prostitution at the establishment. He said the location of the hotel was adjacent to areas which are frequented by drug dealers and other criminals. His client does not knowingly allow prostitution or drug deals to occur on the premises. He said clientele of the bar are mostly of Korean nationality. Mr. White said in the summer months, occupancy at the hotel is usually ninety-five percent. During other seasons, occupancy is around sixty percent. Of the fourteen rooms in the hotel, four are usually rented to employees.

In response to Ms. Clementson, Mr. Griffin said a tourism license is tied to the location, so it has no independent value.

Mr. Murdy said he was concerned that on December 16, the owner promised to do better, yet on December 19 the establishment was cited with another ABC violation.

Mr. White replied Ms. Song's Techniques for Alcohol Management (TAM) card had expired. It was an honest mistake, and when it was discovered she immediately renewed the card. He added another ABC notice of violation was an indictment rather than a conviction. After she discussed the matter with ABC officials, no charges were filed. No minors are served alcohol in the establishment.

Mr. Griffin confirmed the charges were not proven and no further action was taken.

TOM MCGRATH felt the license should be protested. He noted the ABC violation on December 19 included not only Ms. Song's expired TAM card, but another employee without a card at all. He acknowledged the intersection of Spenard and 30th

Avenue is a rough place. His business at Spenard and 33rd is also, but there have not been any police visits to his business in the last year. Likewise, there are no police visits to his other business at Spenard and 36th Avenue.

CHARITY KADOW, president of the Spenard Community Council, said the Council has been active for many years in upgrading the Spenard area. She questioned how bad a bar's management must be to warrant revocation or suspension of the license. She asked the Assembly to protest the South Seas Lounge license.

DON SMITH, owner of a business across the street from the South Seas, said the police visit the South Seas regularly. Also, prostitutes loiter around the hotel. He has never seen evidence that the business operates as a hotel. He strongly supported protesting the license.

RANDY SMITH of the Mountain View Community Council spoke in support of the goals of the Spenard Council. He felt the evidence shows the management and owners of the South Seas are indifferent to the impact on the Community. That impact affects not only Spenard, but the entire city. He felt the patrons were not at fault; they continue to frequent the establishment because the management tolerates the problems.

EILEEN ZAZOR said her business is located 200 feet from Spenard Road. She described the experience of having prostitutes dropped off on her property in the mornings. She has considered selling her business because the proximity to the problems of Spenard are intolerable. Ms. Zazor felt other business owners will begin to leave the area if things do not improve.

CLYDE JACKSON said he built the South Seas building thirty-one years ago. He said management of the facility is the key. He and his wife did not tolerate illegal activities during the thirty years they operated the business. He said he has started foreclosure proceedings because the license is his livelihood and it seems in jeopardy. In response to Mr. Bell, Mr. Jackson explained he holds the escrow papers on the hotel and the license.

In response to Chairman Begich, Mr. Griffin said the ABC Board takes into consideration any other financial interests in a license.

BUD NELSON emphasized the public wants the Assembly to begin enforcing the Anchorage Alcohol Philosophy. The Philosophy includes the goal to promote and consistently enforce local availability laws and regulations which control the number, location and type of outlets so that high-risk settings are reduced and responsible business practices are increased. He felt this philosophy should become a policy.

BRAD ALEXANDER said he has worked with alcohol abusers in the past. He felt it was discouraging that the Municipality takes steps to rehabilitate abusers, yet has legislation which allows irresponsible operation of alcohol establishments.

MARTI LAWLER said she was proud of Anchorage, yet was disappointed with the increasing problems. She begged the Assembly to be strong, support what is right and enforce the laws. She noted laws were broken and the offenders have been given many chances to improve, but have not.

Chairman Begich asked if anyone else wished to speak. There was no one and he closed the public hearing.

The meeting recessed at 9:40 p.m. and reconvened at 10:00 p.m.

Mr. Murdy moved,
seconded by Ms. Clementson,

to approve AR 98-18.

Mr. Murdy disclosed he had received a call from Mr. White requesting a meeting with himself, Ms. Von Gemmingen, and representatives of the Spenard Community Patrol and Community Council. That meeting took place on January 23, 1998 and certain conditions were discussed and agreed upon with Mr. White. At this meeting, however, Mr. White did not disclose ABC and building code violations. Today, the Council's liquor permit committee chair withdrew support for the conditions.

Ms. Von Gemmingen disclosed she was present at the meeting described by Mr. Murdy. She confirmed conditions listed in AR 98-18(S) were discussed.

Mr. Wohlforth disclosed he had received a telephone call from someone wishing to discuss the license. Mr. Wohlforth declined, citing ex parte rules.

Ms. Clementson noted the Municipal Code allows the Assembly to place individuals under oath. She requested the Municipal Clerk administer the oath to Ms. Song.

Mr. White noted Mr. McGrath was aware of the other ABC violations. Mr. Griffin discussed "other things going on" at the Council meeting of January 7, 1998. He was not hiding anything. He added he has not been contacted by anyone regarding Mr. Jackson's proposed foreclosure. Mr. White added he received a copy of the S version on January 23, 1998 from the Municipal Clerk's Office.

Ms. Von Gemmingen added she and Mr. Murdy spoke with Ms. Kadow and Tom McGrath earlier in the evening. Ms. Kadow and Mr. McGrath indicated they were not willing to support conditions and wanted the license protested.

Mr. Murdy moved,
seconded by Ms. Clementson,
and it passed without
objection,

to extend the meeting to complete the
agenda, including public hearing
items.

The meeting recessed at 10:20 p.m. and reconvened at 10:30 p.m.

Mr. Wohlforth disclosed he spoke with Ms. Kadow and Mike Doogan of the Anchorage Daily News during the recess. Ms. Kadow noted a police officer was present and available for questions.

Interpreter Tina E. Yi and Hyun Song stated their names for the record and raised their right hands.

Deputy Municipal Clerk Vickie Cantrell read the oath as follows: "In the proceeding now before the Assembly regarding agenda item 12.E, AR 98-18 protesting the continued operation of a beverage dispensary license at 3001 Spenard Road, dba South Seas Lounge, do you swear to tell the truth, the whole truth and nothing but the truth, so help you God?"

Ms. Yi and Ms. Song indicated in the affirmative.

Ms. Clementson asked if the owner has paid all taxes due to the Municipality including bed taxes, real property taxes, personal property taxes and any other taxes which may be due to the Municipality.

Ms. Song, through the interpreter, said she has paid property taxes for 1996 but not 1997. Her understanding was that if she pays a penalty, she has more time to pay 1997 taxes.

Ms. Clementson asked if there are any outstanding violations or areas of discussion with any State, Federal or local agency, including the Fire Department, zoning enforcement, code abatement and the ABC Board.

Ms. Song replied there were no violations. Mr. White added there were three issues pending before the ABC Board.

Ms. Clementson moved, seconded by Ms. Von Gemmingen,	to amend AR 98-18 to insert a second WHEREAS clause to read: "WHEREAS the Anchorage Municipal Assembly held a public hearing on January 27, 1998, and heard extensive testimony from residents, business owners and community council representatives in opposition to the continuance of the licensed premise" and to add a new WHEREAS clause on line 34 to read: "WHEREAS the patterns of activity and practice of the licensed premise are in opposition to the adopted Alcohol Philosophy of the Municipality of Anchorage" and to add series of WHEREAS clauses at line 39 to read: "WHEREAS Title 4 of the Alaska Statutes stipulates that within the Municipality of Anchorage, fifty (50) rental rooms are now required for a tourism related license; WHEREAS the South Seas Lounge has only nine to thirteen rooms available for rent at any given time; WHEREAS the owner of the license has stated that the majority of the clientele within the licensed premise are from the community as opposed to tourists; and WHEREAS the South Seas Lounge operates a tourism license which does not enhance or cater to tourism,"
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Ms. Clementson moved, seconded by Mr. Murdy, and it passed without objection,	to divide the question between the first two WHEREAS clauses and the series of clauses to be added at line 39.
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Question was called on Ms. Clementson's motion to amend to add the first two WHEREAS clauses and it passed without objection.

Mr. White felt it was unfair that his client was not told in advance that the Assembly would seek to protest based on the tourism issue.

Ms. Clementson withdrew the four WHEREAS clauses to be inserted at line 39.

Mr. Meyer moved, seconded by Mr. Murdy,	to call the previous question.
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AYES: Wohlforth, Kendall, Begich, Meyer, Von Gemmingen, Clementson, Murdy.
NAYS: Bell, Abney.

(Clerk's Note: This motion failed for lack of eight affirmative votes required to call the previous question.)

Ms. Von Gemmingen disclosed she spoke with Mr. McGrath this morning regarding the license.

Mr. Murdy disclosed he spoke with Mr. McGrath this morning regarding the license.

Mr. Wohlforth recommended the Assembly adopt objective standards to judge all licenses. He felt the current process was unfair to license holders, and too costly to the Assembly and the community in terms of time and effort.

Question was called on the motion to approve AR 98-18 as amended and it passed:

AYES: Wohlforth, Bell, Abney, Kendall, Begich, Meyer, Von Gemmingen, Clementson, Murdy.

NAYS: None.

Mr. Murdy moved, immediate reconsideration.
seconded by Ms. Clementson,

AYES: Clementson.

NAYS: Wohlforth, Bell, Abney, Kendall, Begich, Meyer, Von Gemmingen, Murdy.

- G. Resolution No. AR 98-19, a resolution of the Anchorage Municipal Assembly protesting the renewal of a beverage dispensary liquor license at 515 W. 4th Avenue, Anchorage, Alaska d/b/a **The 515 Club**, Assemblymember Clementson.

Chairman Begich opened the public hearing and asked if anyone wished to speak.

PAULETTE HOUT, owner of the 515 Club, said her customers are usually over forty years old. They do not frequent the Club to get drunk; they come in to socialize and have a drink after work. She credited the police with allowing creation of an alcohol-free zone; drunk people are kept in this area until a taxi arrives, protecting them from the elements and criminals in the interim. She said downtown problems are improved because police patrolling the area are very professional.

ELMER PUGH, night manager and bartender for the 515 Club, noted two Alcoholic Beverage Control (ABC) Board notices of violation were dismissed. He said the first quarter police report showed only one complaint, the theft of a purse. He said staff tries their best to watch all patrons' belongings, but with ninety-five people it is difficult. In the second quarter, two assaults were reported, one in the ladies' room. He cannot enter the ladies' room to patrol. The other assault occurred outside the bar; security tries to watch the outside of the establishment also. He said he does his best to keep the premises free of drugs, known prostitutes and other unfavorable elements. He noted the incidents have improved drastically over last year.

AN UNIDENTIFIED MAN said downtown problems have nothing to do with the 515 Club. Ms. Hout works very hard to keep control. He pointed out bars which cater to native Alaskans are very different than those that cater to caucasians. He said natives need a place to gather while visiting relatives. Since so many other "native" bars have been closed, the remaining establishments are overwhelmed with the number of native patrons, leading to problems.

MARTY GARRIGUES felt caucasians have exploited the genetic vulnerability of natives to alcohol. He felt the club should be closed. It is not part of native culture to use alcohol.

LINDA MCCLELLAN noted it was not news that alcohol is a problem in Anchorage. She pointed out alcohol abuse can cause property damage and loss of life. She asked the Assembly to further reduce the number of liquor licenses.

Chairman Begich asked if anyone else wished to speak. There was no one and he closed the public hearing.

Ms. Clementson moved, to approve AR 98-19.
seconded by Mr. Wohlforth,

Ms. Clementson disclosed she spoke with Mr. Griffin of ABC regarding the three dismissed notices of violation. She explained why the notices were dismissed. Ms. Clementson added she discussed the issue with Municipal Attorney Mary Hughes to ask how to determine why the cases were not prosecuted. She also spoke with District Attorney Hollis French, who explained the cases were not prosecuted because of lack of resources and the subject is a low priority.

In response to Ms. Clementson, police officer Derrick Hsieh described his observations during an incident on September 13, 1997. He spoke with a Ms. Murphy who was sitting at the bar with a drink in front of her. She was mumbling and incoherent and had difficulty walking. Mr. Pugh admitted to serving Ms. Murphy. Officer Hsieh administered a portable breath test to Ms. Murphy; the result was 2.02, about twice the legal limit for driving.

In response to Ms. Clementson, police officer James Lyons described his observations during incidents on July 13 and 27, 1997. He saw a woman who appeared drunk. He reported the incident to Officer Hsieh, who contacted the woman. The woman staggered, had bloodshot, glazed eyes and was incoherent.

Ms. Hout responded by describing her recollection of the above incidents.

Mr. Pugh described his recollection of the incident with Ms. Murphy.

In response to Mr. Kendall, Mr. Pugh said he felt the management had complied with the conditions set by the Assembly, and they are working to achieve the goals of the Assembly.

Ms. Abney felt the Assembly should only consider the violation that was not dismissed.

Mr. Wohlforth disagreed. He noted the Assembly has the power to examine all evidence. He felt it was improbable that police officers made a mistake in all three instances. He pointed out the 515 Club has a much worse record and longer pattern of problems that the license earlier protested by the Assembly. Mr. Wohlforth urged his colleagues to protest this license.

Mr. Bell felt without proof of guilt, he must assume innocence. He noted on 4th Avenue, establishment operators are working to catch clients that are trying to trick them. In the earlier action on the South Seas Club, the violators were the managers. He felt the 515 Club management is doing a good job of keeping drunks off the premises, but every once in awhile someone slips by the defense. He agreed with Mr. Pugh that it is possible for someone to enter the bar appearing sober, and appear severely intoxicated within five minutes.

Ms. Clementson argued the Assembly set conditions during the last consideration of this license, and indicated no further excuses would be accepted. She felt the issue was whether to believe the police officers or the bar management which has a history of poor practices.

Ms. Abney felt to hold the management responsible for something they have not been charged with is not due process.

Mr. Wohlforth pointed out the difference between the civil and criminal process. He noted a typographical error on line 35, which should read: "...of state and local law..."

Mr. Wohlforth moved, to call the previous question.
seconded by Ms. Clementson,
and it passed without
objection,

Question was called on the motion to approve AR 98-19 and it passed:

AYES: Wohlforth, Begich, Meyer, Von Gemmingen, Clementson, Murdy.
NAYS: Bell, Abney, Kendall.

Mr. Wohlforth moved, immediate reconsideration.
seconded by Mr. Murdy,

AYES: Kendall, Von Gemmingen.
NAYS: Wohlforth, Bell, Abney, Begich, Meyer, Clementson, Murdy.

- H. Resolution No. AR 98-20, a resolution of the Anchorage Municipal Assembly protesting the continued operation of a beverage dispensary liquor license at 618 Gambell Street, Anchorage, Alaska dba **The Raven Bar**, Assemblymember Carlson.

Chairman Begich opened the public hearing and asked if anyone wished to speak. There was no one and he closed the public hearing.

Mr. Wohlforth moved, to approve AR 98-20.
seconded by Ms. Clementson,

Mr. Wohlforth moved, to amend AR 98-20 in Section 1 to read: "...dba The Raven Bar, however, the Assembly will waive this protest if a condition is placed on the license by the ABC Board that the owner and manager shall not drink alcoholic beverages at the establishment at any time, and other employees may not drink alcoholic beverages at the establishment before or during their time on duty."
seconded by Ms. Clementson,

In response to Chairman Begich, Dan Coffey spoke representing the owner. His understanding was that the condition would prohibit the owner and manager drinking at the establishment while on duty, not the proposed "at any time."

Mr. Wohlforth moved, to call the previous question.
seconded by Ms. Clementson,

AYES: Wohlforth, Begich, Meyer, Von Gemmingen, Clementson, Murdy.
NAYS: Abney, Kendall.

(Clerk's Note: This motion failed for lack of eight affirmative votes required to call the previous question.)

Mr. Kendall noted the establishment has had two violations in eighteen years. He questioned the need to consider a protest.

Mr. Bell concurred. He added according to the clock in the room, it was past midnight. He felt the Assembly should abide by this clock rather than the Chairman's watch, set to the correct time earlier in the evening.

(Clerk's Note: No further action was taken on this item due to lack of time.)

13. **BOARD OF ADJUSTMENT/ASSEMBLY APPEALS:** None.
14. **SPECIAL ORDERS:** Special orders were considered after item 8.
15. **ASSEMBLY COMMENTS:** None.
16. **UNFINISHED AGENDA:** None.

17. AUDIENCE PARTICIPATION: None.

18. EXECUTIVE SESSIONS:

- A. Update on labor negotiations.
- B. Update on pending litigation.

These executive sessions were held on February 3, 1998.

19. ADJOURNMENT:

The meeting adjourned at midnight.

Chairman

ATTEST:

Municipal Clerk

Date Minutes Approved: March 3, 1998

VC/db

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