

Submitted by: Assemblyman Alan Tesche
Mayor Mark Begich

Prepared by: Dept. of Law

For reading: August 23, 2005

CLERK'S OFFICE

APPROVED

Date: 9-13-05 ANCHORAGE, ALASKA

AO No. 2005-117

1 AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER 10.60
2 REGARDING VENDOR LICENSING.

3
4
5 THE ANCHORAGE ASSEMBLY ORDAINS:

6
7 **Section 1.** Anchorage Municipal Code section 10.60.050 is hereby amended to read as follows (*the*
8 *remainder of the section is not affected and therefore not set out*):

9
10 **10.60.050 Application for license.**

11 *** **

12 C. Time of application. An application for a sidewalk or roving vendor license effective
13 November 15 shall [OCTOBER 1 WILL] be accepted by the municipal clerk beginning
14 August 15.
15

16
17 (AO No. 88-19, 5-1-88; AO No. 91-46; AO No. 93-135, § 1, 9-14-93; AO No. 98-139(S-2), § 3,
18 10-1-98; AO No. 98-143(S), § 3, 8-1-99)

19
20 **Section 2.** Anchorage Municipal Code section 10.60.055 is hereby amended to read as follows (*the*
21 *remainder of the section is not affected and therefore not set out*):

22
23 **10.60.055 Sidewalk vendors--Site selection drawings; licensing requirements.**

24
25 A. Only those applicants who complete the application process under section 10.60.050
26 prior to close of business on the last working day of October [SEPTEMBER] shall be
27 included in the site selection drawings for the following year's vendor sites.

28
29 B. The site selection drawings will be held by the municipal clerk on the first working day
30 after November 15 [OCTOBER 1] of each year at a time and place designated by the
31 municipal clerk.

32
33 C. Only applicants will be allowed to select sites. No proxies, relatives or associates will be
34 permitted to select a site for an applicant. Applicants must be present, in person, at the
35 site selection drawings and must be prepared to prove their identity prior to selecting a
36 site.

37
38 D. Each applicant will be limited to one site selection per license year.
39 *** **

40 (AO No. 98-143(S), § 4, 8-1-99)

1 **Section 3.** This ordinance shall be effective immediately upon its passage and approval by the
2 Assembly.

3
4 PASSED AND APPROVED by the Anchorage Assembly this 13th day of September,
5 2005.

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7
8 Anna L. Fairclough
9 Chair of the Assembly

10
11
12 ATTEST:

13
14 Brian E. Owens
15
16 Municipal Clerk

17 G:\mat\open matters\Vendor Code Revisions\AO amending 10.60 regarding vendor licensing deadlines.DOC

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2005-¹¹⁷~~53~~

Title: AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER
 10.60 REGARDING VENDOR LICENSING

Sponsor:
 Preparing Agency: Office of Economic and Community Development
 Others Impacted: Municipal Clerks Office

CHANGES IN EXPENDITURES AND REVENUES:						(In Thousands of Dollars)				
	FY05	FY06	FY07	FY08	FY09					
Operating Expenditures										
1000 Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -					
2000 Non-Labor	-	-	-	-	-					
3900 Contributions	-	-	-	-	-					
4000 Debt Service	-	-	-	-	-					
TOTAL DIRECT COSTS:	\$ -	\$ -	\$ -	\$ -	\$ -					
Add: 6000 Charges from Others	\$ -	\$ -	\$ -	\$ -	\$ -					
Less: 7000 Charges to Others	-	-	-	-	-					
FUNCTION COST:	\$ -	\$ -	\$ -	\$ -	\$ -					
REVENUES:	\$ -	\$ -	\$ -	\$ -	\$ -					
CAPITAL:	\$ -	\$ -	\$ -	\$ -	\$ -					
POSITIONS: FT/PT and Temp	0	0	0	0	0					

PUBLIC SECTOR ECONOMIC EFFECTS:

Changing the lottery date will not have an economic affect since the fees will still be collected by the municipal clerks office with application forms.

PRIVATE SECTOR ECONOMIC EFFECTS:

None.



MUNICIPALITY OF ANCHORAGE

RF12

ASSEMBLY MEMORANDUM

AM No. 612-2005

Meeting Date: 8/23/05

1 **From:** Mayor Mark Begich
2 Assemblyman Allan Tesche
3

4 **Subject:** AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE CHAPTER
5 10.60 REGARDING VENDOR LICENSING.
6
7
8

9 The vendor carts and stands on downtown sidewalks promote the public interest by contributing to a
10 vibrant downtown core, boosting tourism downtown as well as providing small entrepreneurial
11 opportunities.
12

13 The licensing of these businesses is done through Municipal Clerks Office. The city licensing procedure,
14 lottery selection process and site inspection of licensed vendors on streets had not been reexamined for
15 approximately seven years when amendments were made in 1998 through AO 98-143(S). The 1998
16 amendments added language to AMC 10.60.050 that were intended to clarify that each applicant is to be
17 an owner and licensee on the state business license, and the new regulations were intended to "balance
18 the need to reward responsible vendors who actively operate their sites and the need to allow new
19 vendors to enter the sidewalk vending business." AM 793-98.
20

21 A recent review conducted by the municipal Internal Audit demonstrated that this goal has not been
22 entirely accomplished.
23

24 This ordinance changes the date of the site selection drawing from October 1 to the first working day after
25 November 15 in order to allow for full review and possible revising of AMC Chapter 10.60.
26
27
28

29 **Prepared by:** Schawna M. Thoma, Office of Economic and Community Development
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31

4383
299-565

MUNICIPALITY OF ANCHORAGE M E M O R A N D U M

DATE: August 12, 2005
TO: Mayor Begich
FROM: Director, Internal Audit *Mike Chiles
for
Pete Rankins*
SUBJECT: Street Vendors

At your request we have performed a brief review of street vendor applications submitted for the 2005 Sidewalk Vending Lottery held on October 1, 2004. For the October 1, 2004, lottery, a total of 49 applications were submitted. Each applicant paid a \$50.00 fee and those winning the lottery paid a \$100.00 license fee. Requirements for the sidewalk vendors can be found in AMC 10.60, Vendors. Based on our review, it appears that vendor applications were regularly submitted by different business owners using the same home and business addresses, same telephone numbers, as well as identical descriptions of the services offered. Although this activity looked questionable, we could not identify any specific code infraction, except for the misuse of home addresses.

The following points summarize our observations.

- **Vendor Relationships** - We noted during our review that many of the names found in the submitted application packets were also found in other applicant packets. We identified six applications that were related to the name "Buitrago":

Applicant Name	Business Name
Daniel Buitrago	Tia's Gormet Sausages #4
Eugenia Buitrago	Tia's Gourmet Sausages
Jairo Buitrago	Tia's Gourmet Sausages #6
Karlo Buitrago	Tia's Gourmet Sausages #3
Marcela Buitrago	Tia's Gourmet Sausages #5
Fabiola Echeverry	Tia's Gourmet Sausage #2

We also identified 25 applications that were related one way or another to the name "Nangle" or "Guarderas". Of these 25 applications, seven of them were selected in the lottery. Below we have listed the 25 applicants and have bolded the seven selected lottery winners:

Applicant Name	Business Name
Floyd Coward	AA Arctic Gifts
Jacob Dickinson	The Shumlord/Spitfire
J. Todd Hersch	Flash Fly Enterprise
Michael Just	Mike's Gifts

Applicant Name	Business Name
Logan Mulkey	Logan's Gifts
Christine Nangle	Christy's Gifts
Cheryl Nangle	Arctic Gifts Company
Jessica Nangle	Wrangle Enterprise
Paul J. Nangle	Paul's Gifts
Gina Perry	Gina's Gifts
Nate Plummer	Top of the World Enterprises
Paul J. Nangle, Jr.	Arctic Gifts International
Gerald V. Randall, Jr.	Gary's Gifts
Leslye Randall	Brigg's Best Buy
Shane Saloka	Shaved Pencil
Johathan Severson	Johnny's
Tamara Sherwood	Cow-a-Bunga
Brendan Walker	Halo Enterprises
Catherine Shaffstall	Cathy's
Calliandra Walther	Calli's
Ross Walther	Ross's
Gilberto Guarderas	CYS Mgmt. Services, Inc./Gilberto's Gifts
Eun Yong Lee	Yong E's
Jose Guarderas	Cory's
Vanessa Halcyon	Vanessa's Gifts

Following are some examples of relationships amongst applicants:

- Ross's, owned by Ross Walther, showed Jose Guarderas as the insured on the binder.
- Spitfire, owned by Jacob Dickinson, used 101 Christensen Drive as its mailing, home, and business address. However, this is the business address for attorney Paul Nangle, Arctic Gifts International, and Arctic Promotions Inc. In addition, the health permit showed P.O. Box 232821, which is an address for Gilberto Guarderas.
- Gilberto's Gifts, owned by Gilberto Guarderas, used P.O. Box 232821 as the applicant's mailing, home, and business address. However, the business license showed 101 Christensen Drive, which is the business address for attorney Paul Nangle, Arctic Gifts International, and Arctic Promotions Inc.
- Yong E's, owned by Eun Yong Lee, used P.O. Box 232821 as the applicant's mailing, home, and business address. However, the business license showed 101 Christensen Drive, which is the business address for attorney Paul Nangle, Arctic Gifts International, and Arctic Promotions Inc.

- **Identical Home Addresses** - Many of the applications we reviewed had identical Applicant Mailing Addresses, although the applicant names were never duplicated. According to the instructions found in the application packet, the Applicant Mailing Address should be the business owner's home address. In addition, AMC 10.60.050.A.2 states that an application for a sidewalk vendor should include "The name, home and business addresses and telephone numbers of the applicant, who shall be the owner and licensee of the vending business to be conducted pursuant to the desired license."

Although we did not research all home addresses provided by applicants, our review did reveal that 101 Christensen Drive is a business address, not a home address. Specifically, 101 Christensen Drive is an office building for a law firm called Nangle & Associates. In addition, according to the Alaska Division of Occupational Licensing, that address is also used for Arctic Gifts International and Arctic Promotions Inc. The below table shows the frequency of the duplicate "home" addresses found in the application packets.

Frequency of Home Addresses

<u>Applicant Mailing Address</u>	<u>Frequency</u>	<u>Percent of Applicants</u>
101 Christensen Drive	18	37%
2112 Casey Cusack Loop	5	10%
7801 Sitzmark Circle	5	10%
7240 Lake Otis	3	.06%
4856 Bryn Mawr Ct. #4	2	.04%
3130 Wentworth Street	2	.04%

It is interesting to note that there are only 20 unique home addresses and 14 unique business addresses out of the 49 submitted applications.

- **Applicant Mailing Address** - In most cases the applicants' mailing addresses were the same as their home addresses. However, we did note that P.O. Box 232821 was used seven times as a mailing address. According to our research, P.O. Box 232821 is used by the following vendors: CYS Management Services, Inc, Yong E's, and Calli's. CYS Management Services is a minority-owned business established by Eun Yong Lee and Gilberto Guarderas.

- **Dual Employment** - Some employees for the 12 vendors that won the lottery and received a street vendor permit were listed as employees for more than one of the winning lottery vendors. For example:

<u>Dual Employment</u>	
<u>Employee</u>	<u>Business</u>
Gilberto Guarderas	Spitfire Gilberto's Gifts
Eun Yong Lee	Yong E's Spitfire

In addition, individuals with the last name of "Nangle" were listed as employees for three different vendors: Yong E's, Cathy's, and Gilberto's Gifts. Moreover, individuals with the last name of Guarderas were listed as employees for three different vendors: Spitfire, Ross's, and Gilberto's Gifts. It's interesting to note that the names of both "Nangle" and "Guarderas" were listed as employees for Gilberto's Gifts.

- **Equipment/Goods and Services Descriptions** - In many cases the "Description of Equipment to be Used" and "Description of Goods and Services Offered" as entered on the application were identical to other descriptions. However, in all cases each of the applicants had a unique business license. For example, 16 different applicants, who all used the same mailing, home, and business address of 101 Christensen Drive, used the following identical descriptions for equipment and goods and services on their applications:

Equipment: "Stands, tables, display pieces, mirrors & signs w/prices, cart & umbrella."

Goods and Services: "Merchandise and food stuff, jewelry, hats, t-shirts, sweatshirts, fleece, chips, candy, gun, soda & pins & etc."

Moreover, 5 different applicants, who all used the same mailing and business address of P.O. Box 232821, used the following identical descriptions for equipment and goods and services on their applications:

Equipment: "Hot dog cart/umbrella/ice box/soda container/stands/tables/mirrors/signs & prices"

Goods and Services: Alaska sausages/hot dogs/water/chips/soda/hats/jewelry/shirts/sweatshirts/fleece/pins/merchandise/food stuff"

Finally, we noted two other groups who had the same mailing, home, and business addresses but had identical, or very similar, descriptions for equipment and goods and services.

- **Expired Business Licenses** - Of those applications that lost the lottery, 17 of them used 101 Christensen Drive as their business license address. Of these 17 applications, 14 of them had business licenses that expired at the end of 2004.
- **Writing Styles** - Although we make no claim to be handwriting experts, it appeared to us that many of the applications were completed by the same person. For example, 18 of the applications that used the 101 Christensen Drive address appeared to have been completed by the same person. In addition, 6 of the applications that used the P.O. Box 232821 address appeared to have been completed by the same person. Finally, two other groups of applications appeared to have the same writing.
- **Pictures** - Paul J. Nangle, Jr. submitted an application for Arctic Gifts International. Attached to his application were pictures of the proposed equipment and goods. Mr. Nangle's application was not drawn in the lottery. However, when we walked by the vendor booths on 4th Avenue similar, if not identical, equipment was being used and goods were being sold by the winning vendors.

Based on our review, we recommend that AMC 10.60 be reviewed to clarify the street vendor permitting process.

cc: Barbara Gruenstein, Municipal Clerk
Schawna Thoma, Deputy Director, Economic & Community Development



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RF12

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Others Impacted: Municipal Clerks Office

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(In Thousands of Dollars)

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