

Submitted by: ASSEMBLY CHAIR OSSIANDER,
VICE-CHAIR HALL & ASSEMBLY PUBLIC
SAFETY COMMITTEE CHAIR HONEMAN

Prepared by: Assembly Counsel

For reading: July 12, 2011

CLERK'S OFFICE

APPROVED

Date: 7-12-11

ANCHORAGE, ALASKA

AR NO. 2011-188(S)

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY STATING ITS
PROTEST REGARDING A NEW BEVERAGE DISPENSARY/DUPLICATE LIQUOR
LICENSE #5083 FOR BASILIO GALLO dba RUMRUNNERS OLD TOWN BAR AND
GRILL, LOCATED AT 411 E STREET, AND AUTHORIZING THE MUNICIPAL CLERK TO
TAKE CERTAIN ACTION.**

WHEREAS, Basilio Gallo has made an application with the Alcoholic Beverage Control (ABC) Board and has paid the required fee for a New Beverage Dispensary/Duplicate Liquor License #5083, to be used for Rumrunners Old Town Bar and Grill, located at 411 E Street Anchorage, Alaska; and

WHEREAS, the Assembly must enter any protest to the ABC Board within 60 days following receipt of the application; and

WHEREAS, the Anchorage Municipal Clerk received a copy of this application on May 19, 2011 and has determined that the last day for the Assembly to file a protest is July 18, 2011 and

WHEREAS, the Assembly Meeting on July 12, 2011 is the last scheduled regular meeting of the Anchorage Assembly prior to the expiration of the protest period; and

WHEREAS, the Municipal Clerk reports the following status concerning this location:

1. Anchorage Fire Department approval **has not** been received;
2. Conditional Use Permit required by AMC 21.50.160; **has not** been approved;
3. Approvals from the Municipal Health & Human Services and Building Safety Departments **have not been received**;
4. The Administration is unable to support issuance of a Conditional Use Permit due to present noncompliance with municipal building code and permitting requirements for this space; and

1 WHEREAS, protest by the Assembly is in order pending confirmation to the Assembly
2 that outstanding items required for this location have been completed;
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4 NOW, THEREFORE, THE ANCHORAGE ASSEMBLY RESOLVES:
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6 Section 1. The Anchorage Assembly hereby enters its PROTEST for a New
7 Beverage Dispensary/Duplicate Liquor License #5083 until and unless:
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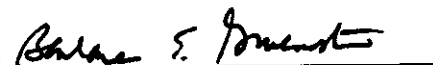
- 9
- All issues of municipal code compliance have been met; and
 - A Conditional Use Permit is approved for the extended alcoholic beverage service area identified in the duplicate license application.
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13 Section 2. A copy of this Assembly Resolution may be presented to the Alcoholic
14 Beverage Control Board by the Municipal Clerk as proof that the
15 Anchorage Assembly, as the local governing body, has stated its protest
16 in order to allow the Director of the Alcoholic Beverage Control Board to
17 hold processing of Beverage Dispensary/Duplicate Liquor License #5083
18 under local protest, until receipt by the Director of confirmation from the
19 Municipal Clerk that this protest has been lifted by further action of the
20 Assembly.
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22 PASSED AND APPROVED by the Anchorage Assembly this 12th day of
23 July, 2011.
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28 Chair
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30 ATTEST:
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33 Municipal Clerk
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MUNICIPALITY OF ANCHORAGE

INFORMATION MEMORANDUM

NO. AIM 71-2011

Meeting Date: July 12, 2011

From: MUNICIPAL CLERK

Subject: AR 2011-188; AR 2011-188(S); AR 2011-182: REGARDING CONDITIONAL USE
AND A NEW BEVERAGE DISPENSARY/DUPPLICATE LIQUOR LICENSE #5083 FOR
BASILIO GALLO DBA RUMRUNNERS OLD TOWN BAR AND GRILL, LOCATED
AT 411 E STREET, ANCHORAGE, ALASKA.

The Office of Municipal Clerk is in receipt of the attached information related to the above-listed items:

- Rumrunners Change of Use Event Timeline, forwarded by Deputy Director & Municipal Building Official Sharen Walsh, PE.
- Letter from FURNITURE CLASSICS Owner Colleen M. Hickey, dated July 12, 2011.
- Letter from Terri L. Russi, on behalf of THE HISTORIC ANCHORAGE HOTEL dated July 11, 2011.

Prepared by: Assembly Counsel

Respectfully submitted: Jacqueline Duke, Deputy Municipal Clerk

AR 2011-188
AR 2011-188(S)
AR 2011-182

Date	Event
31-Oct-10	Fire Prevention performed a routine after hours inspection. Discovered that a bar was active in the basement area, which was formerly used for storage. FP informed Rumrunners (RR) of some miscellaneous fire violations and noted that a change of use permit must be applied for.
1-Nov-10	Fire Prevention returned for a follow-up inspection. Identified some additional miscellaneous violations.
1-Dec-10	RR came in to Development Services (DS) and applied for a change of use permit. The application included drawings of proposed additions to the sprinkler system but lacked any other building plans showing work done, in progress, or proposed. A milestone meeting to outline requirements also occurred, either on or about this date.
1-Dec-10	FP conducted follow-up inspection to check progress of remediating violations
2-Dec-10	FP conducted follow-up inspection to check progress of remediating violations
2-Dec-10	Zoning Reviewer commented that a conditional use approval for an additional liquor license would be required. Also commented that approval from Dept. of Health and Human Services (DHHS) would be necessary before issuing a building permit for the change of use work.
8-Dec-10	Meeting was held regarding the requirements of the change of use. Meeting was attended by the Owner, the Architect, DS Engineering Services Manager and Mechanical, Architectural and Fire plan reviewers
9-Dec-10	RR advertised in the paper to notice application for an additional liquor license
14-Dec-10	FP conducted follow-up inspection to check progress of remediating violations
15-Dec-10	Fire sprinkler permit issued to allow expansion of sprinkler system to 1st and 2nd floors of building (basement already sprinklered). Permit issued on condition that RR would apply for a building permit to include all remodel work, whether previously done w/o permit or proposed to be done as part of the change of use. RR promised to prepare plans and submit.
22-Dec-10	Architect sends letter to FP requesting approval to use basement areas beginning on 12/30/10
30-Dec-10	FP conducted a follow-up inspection and approved sprinkler system completed to point of CCO for basement and 1st floor. (Note - this only meant that sprinkler system was ready - not that full CO could be granted, that is done by the Building Official)
14-Mar-11	RR submits plans for general building permit - plans limited to remodel of 1st and 2nd floor, including some mechanical work in basement to facilitate HVAC on 1st and 2nd floor. Plans did not include any of the work in the basement that was required for the change of use.
29-Apr-11	RR's contractor came to DS to advocate for release of building permit. DS responded that no permit would be granted until complete plans had been received and conditional use application had been received. This prompted a meeting of available personnel to identify requirements. RR representative stated that events were being held under catering permits and that approx 3 permits/week had been granted since the beginning of the year. RR noted that work was minor and requested inspections without submittal of plans. Following the meeting, Mike Shomer and two other RR representatives met with DS, Fire, and Planning. Shomer was informed that he needed to submit plans for the work that had already been done without building permits. He was again informed that he needed to submit a conditional use application for alcoholic beverages and also apply for a alcohol license with the State of Alaska Alcohol Beverages Control Board. Shomer acknowledged that he was aware of the need to obtain a conditional use for alcoholic beverages.
4-May-11	Electrical inspectors visited site and found that much work had been done without permit and that scope exceeded that which could be inspected without engineered drawings. Informed RR that stamped and approved engineered electrical drawings were required. Also notified that any concealed work would required inspection.
11-May-11	DS informs RR contractor that RR had exceeded number of allowable catering permits and that the basement area could not be used as a bar until change of use permit work approved and completed. Change of use building permit approval contingent on receipt of application of conditional use request and approval by DHHS of proposed plans. Also informed that any work done before conditional use approval was at owner's risk.

18-May-11	Letter sent to RR by Building Official noting that the change of use area was not yet approved for occupancy and that MOA would be issuing notice to vacate that area. Letter also noted that building permit could be finalized after conditional use approval or alternately, RR could submit plans to convert areas not approved for alcohol into a use that is allowed in B-2A, with no alcohol sales or service allowed until conditional use approved.
24-May-11	Planning accepted an application for a conditional use and handed the applicant the letter from DS dated May 18th., conditional use scheduled for Assembly meeting of 7/12/11
26-May-11	FP sent protest to ABC to flag that no license should be issued until work was permitted and completed and full CO issued
27-May-11	Telephone conversation and email follow-up by Chief of Code Enforcement informing RR that they would be allowed to hold one last special event over the coming weekend, with no other events allowed until the conditional use approved.
31-May-11	Architectural review completed, DHHS inspected premises, DHHS informed RR of items needed
1-Jun-11	DS issued Building Permit for all proposed structural/architectural remodel work on 1st and 2nd floor only
1-Jun-11	Sprinkler contractor requested inspection by FP but cancelled due to missing item
6-Jun-11	DS issued Mechanical (HVAC) permit for work in basement and 1st and 2nd floor
8-Jun-11	Code Abatement sent protest to ABC to flag that no license should be issued until work was permitted and completed and conditional use granted.
14-Jun-11	DS issued Plumbing permit for work in basement and 1st and 2nd floor
21-Jun-11	Mechanical contractor requested inspection but cancelled before inspection occurred
23-Jun-11	RR asked FP for 2 week extension on 2nd floor sprinkler because ceiling work still needed to be completed - FP agreed to extension to July 11.
5-Jul-11	Contractor requested mechanical and electrical inspections and CCO. DS performed mechanical inspection (list of corrections provided to contractor) but informed contractor that no electrical inspection could be conducted until engineered drawings had been submitted, reviewed, and approved.
8-Jul-11	As of this date, still no electrical plans provided.
11-Jul-11	Meeting held with Mike and Ellie Shomer, Jerry Weaver, Sharen Walsh, Jack Frost, Francis McLaughlin, Angela Chambers, Rick Thornton and James Gray. RR advised to request postponement of their case for 60 days and to finish the required work before requesting to go back before the assembly. Must have fire sprinkler system approved and operating by Wednesday July 13 and must have all drawings in within 30 days.

Furniture Classics 433 West 5th Avenue Anchorage, Alaska 99501

907-278-6844

Fax 907-278-0216

RECEIVED

July 12, 2011

JUL 12 2011

MUNICIPALITY OF ANCHORAGE
PLATTING DIVISION

All Assembly Members
Municipal Clerks Office

Subject: Protest Duplicate Liquor License/Protest Conditional Use Permit for Rumrunner's Old Town Bar & Grill

Dear Assembly Members:

I would like to take this opportunity to write in protest to the renewal of the Liquor License and Conditional use permit for Rumrunner's Old Town Bar & Grill, located at 415 E Street. As the owner of Furniture Classics, I have concerns about the approval of this license.

When Rumrunner's ownership changed, we directly saw the impact of having them as a neighbor. Almost daily, we sweep up the neon drink straws, plastic drink cups, and associated garbage that are either dropped in the alley by Rumrunner's patrons or spill out of over-filled garbage bags in their dumpsters. It's a pig sty. We see these cups and straws in their dumpsters, and know for certain that the other restaurants who are our neighbors do not use either of these items in their establishments. I know from speaking to someone who works for Solid Waste Services that the dumpsters in the alley behind our building are serviced on an every other day schedule. My second reason for protesting their license and permit renewal is more than just littering; it's property damage. **Twice** in the last 12 months, my place of business, Furniture Classics, has had front windows shot or kicked out to the tune of \$1500+ each. Is it possible for me to prove that someone from Rumrunner's did this? No, but in 22 years in business at this location we haven't experienced anything like this until this year. It's the kind of people Rumrunner's is attracting. They are intoxicated and out roaming the streets after closing time and troubles ensue. Broken windows, torn up flower pots, trash, and litter-this is what we are left with.

I should point out that I'm not against a variety of responsibly run bar/restaurant businesses downtown. However, Rumrunner's **is not** contributing to the safety and security of its patrons or the overall wellbeing and appearance of downtown. Additional security to help control crowds and ensure that patrons get home safely, and paying for additional garbage service might be two ways to help stem the problems. There are three other bar/restaurants on our block that are good neighbors, and Rumrunner's is the one glaring exception to this. Right now, their establishment is a detriment to a clean, safe, and vital downtown. I shouldn't have to pay for property damage and extra daily clean up resulting from their business. I'm tired of having to clean up their mess! This situation needs your attention today.

Sincerely yours,

Colleen M. Hickey
Owner
Furniture Classics



July 11, 2011

All Assembly Members
Municipal Clerks Office

Subject: Protest Duplicate Liquor License / Protest Conditional Use Permit Rumrunner's Old Towne Bar & Grill

Dear Assembly Members:

It has come to my attention that Rumrunner's Old Towne Bar & Grill, located at 415 E Street has made application for a Beverage Dispensary Duplicate Liquor License and a Conditional Use Permit, which, if approved, would allow an additional 150 + customers onto the premises and into the neighborhood. As General Manager of the Historic Anchorage Hotel, I am concerned about these actions.

Since Rumrunner's was acquired by AB & M Enterprises, Inc in late May of 2010 the noise coming from inside and directly outside the popular establishment has increased tremendously.

On a typical Thursday, Friday, or Saturday night, loud, thumping music blaring through open doors can be heard throughout the neighborhood. The noise reaches its peak from approximately 11.30pm to 2.30am. We have written letters, spoken to the manager and security, and called APD many times. Requests to simply shut the front doors of the bar are seemingly ignored, or, when acknowledged, apparently forgotten by the following weekend.

The Historic Anchorage Hotel is located directly across 4th Avenue from this disturbance. All windows in the building are double-glazed, and white noise machines are in all guest rooms in an effort to counteract the noise coming from Rumrunner's. Nevertheless, many of the guest rooms are subject to uncomfortably loud noise late at night, and this noise is now **negatively affecting hotel reputation and revenue**. In the first two weeks of June 2011 more than \$2000 of room revenue was lost through stays shortened or cancelled due to noise, and the hotel's online reputation has plummeted, resulting in more lost revenue. We were #2 hotel rated by TripAdvisor members, and now fallen to #7 due to noise we can not control!

In its failure to control noise coming from its property, Rumrunner's management is not abiding by Municipal Code and is acting not only as a bad neighbor but as bad owners. Approving an unconditional duplicate liquor license and a CUP is rewarding them for poor behavior. Suggestions for conditions are adding additional professional security, charging a cover charge and providing an alternate entrance to the property, all of which would help control the flow of people through the building and help keep the noise inside of Rumrunner's.

Thank you for your attention to this matter. I do plan to attend the July 12th Assembly Meeting to give public testimony.

Sincerely,

Terri L. Russi

cc: Municipal Clerk
F.D McLaughlin
ABC Board