



MEMORANDUM

Resolution 25-016, A Resolution of the City Council of Homer, Alaska, Petitioning the Alaska State Alcoholic Beverage Control Board to Issue Ten Additional Restaurant or Eating Place Licenses within the City of Homer as Authorized by Alaska Statute 04.11405. Davis/Venuti.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: February 12, 2025
From: Julie Engebretsen, Community Development Director
Through: Melissa Jacobsen, City Manager

Background:

Councilmembers Venuti and Davis have been approached by local restaurants wishing to acquire liquor licenses that will allow the sale of beer and wine. Currently all of the licenses in Homer are in use. One mechanism to allow more licensed establishments is for a municipality to petition the Alaska State Alcohol Beverage Control Board (ABC). The purpose of Resolution 25-016 is to initiate that petition process. This memo and resolution specifically address beer and wine licenses for restaurants and eating establishments; this petition does not affect package stores, bars that serve hard alcohol, any type of brewery or seasonal licenses.

Until January of last year, when Alaska's new alcohol regulations went into effect, the number of restaurant beer and wine ("REPL") licenses a city was allowed to have was strictly limited by population. In many cities including in Homer, this created a situation where a person who wished to open a full service restaurant could not do so unless they were able to buy an existing beer and wine license in the secondary market, at prices often highly inflated due to the artificial shortage created by the population limits. With the new regulations that went into effect last year, legislators chose to address this barrier to new businesses by allowing cities that have run short of licenses to petition the state for additional licenses. Several cities in Alaska, including Soldotna and Haines have already done so. The City seeks an additional 10 licenses based on the volume of visitors from outside the region that visit Homer. According to cell phone data, more than 400,000 people visited Homer in 2024 from a distance 50 miles or more outside of Homer. These are visitors who do not live within the service area but are visitors to Homer. The tourism and visitor industry are strong drivers in Homer's noteworthy restaurant scene and drive demand for the sale of beer and wine in local eateries.

Staff contacted ABC regarding the petition, and it was recommended that the City conduct extra public outreach as part of the petition process. Therefore, this resolution is scheduled to be introduced.

at the February 24th Council meeting, followed by a public hearing and adoption at the March 10, 2025 meeting.

RECOMMENDATION:

Introduce Resolution 25-016, conduct a public hearing at the following meeting, and adopt