



THE ALASKA CLUB

My name is Robert Brewster and I am the CEO of The Alaska Club. We have been an Alaskan company for 32 years and serve many communities around the state with our health clubs. Our purpose is to provide health, wellness and recreational opportunities for our members and the fitness community at large.

One of our facilities, the Summit, is an adult's only facility located in Anchorage where we have maintained a Recreational Site license for the last 8 years. When we were building this location, we worked closely with the staff of the Alcohol Beverage Control Board to identify the best type of license for our facility. Once we were awarded the license, we designed our facility (serving area, lounges, sanitation facilities, storage, etc.) to meet all the requirements of this permit. Over the timeframe we have held the license, we have never been cited for a violation of any kind.

In 2016, without warning, our license was not renewed and we were abruptly told to refrain from serving the products our customers had come to expect as part of their experience at the club. For the next 11 months we were forced to cease normal operations (in spite of the fact our appeal was under review), while our appeal was being heard. Ultimately, an administrative judge ruled in our favor and the ABC was required to renew our license. Among the judge's findings were that the revocation of our permit violated our Constitutional right to equal protection and that it was inappropriate for the ABC to require that we cease operations while our appeal was being processed. It should be noted that we were allowed to begin serving beer and wine once again without any indication that this would be our final renewal.

The loss of this license was very detrimental to The Summit and we lost members as a result. Due to the harshly worded signage we were forced to post and the disappearance of our liquor inventory, the perception was that we had had our license revoked for cause. As a business owner, I was uncomfortable with the premise that we had made representations that this amenity would be available, only to have to explain that through no fault of our own we had lost the privilege to do so. It did not reflect well on our company and it damaged our business.

Our Recreational Site license came up for renewal again at the end of 2018 for the 2019/2020 time period and we were disheartened to discover at the February meeting of the ABC that our license renewal was denied yet again. As a result, we are forced to explain to our customers why we no longer can provide the options we represented in their initial enrollment. Many of the same inequities are involved and it is clear that the revocation of our license has caused us to be treated differently from similarly situated entities and our right to equal protection is being infringed upon.

I respectfully request that you support passage of Senate Bill 16 which in part protects Recreational Site license holder's ability to secure a reasonable time period to unwind the few licenses recommended and previously approved by the ABC Board. This will literally allow some businesses who would otherwise go out of business or be significantly damaged to continue operating while a long-term solution is determined. No public interest will be harmed by renewing these licenses and significant harm will come to Recreational Site licensee's if a solution is not found for their renewal.

Many thanks for your kind consideration and allowing me to testify today.

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