

MEMORANDUM

IMPORTANT

TO: Sheri Pierce, Clerk, City of Valdez

CC: City Council

FROM: Jill McLeod

DATE: November 28, 2017

RE: Safeway Inc.: Liquor License Transfer Application Oaken Keg #1183, Valdez

Background:

Safeway Inc. owns nine package store liquor licenses in Alaska, including a license for Oaken Keg #1183 located in Valdez. Safeway Inc.'s liquor license transfer application currently under consideration by the Alcohol & Marijuana Control Office (AMCO) and the City of Valdez was triggered by a corporate change in ownership.

Albertsons Companies LLC, a Safeway Group subsidiary, currently owns 100% of Safeway Inc. Albertsons Companies LLC plans to transfer all of its interest in Safeway Inc. (including its liquor licenses) to another Safeway Group subsidiary company, Albertsons Companies, Inc. After the transfer, Albertsons Companies, Inc. will own 100% of Safeway Inc. Even though ownership of Safeway Inc. will remain within the Safeway Group (and the ultimate parent company and the key investors/stockholders will not change), the controlling interest in the Safeway Inc. (including the liquor licenses) will transfer from one Safeway Group corporate entity to another, and this amounts to a transfer of controlling interest in the liquor licenses under Alaska state law.

AS 04.11.040(c) says: "A person may not receive or transfer controlling interest in a liquor license issued to a corporation under this title, except with the written consent of the board." Safeway Inc. must therefore obtain the written consent of the Alaska Alcoholic Beverage Control Board to transfer the controlling interest in its liquor licenses. This consent is obtained by submitting a liquor license transfer of controlling interest application to AMCO and going through the liquor license transfer process.

Request:

We are hopeful that because of the technical nature of the change that there will be no objections to the approval of the application. Please note that this corporate change will not impact the premises or the store's operations. We request that the City of Valdez provide its response to AMCO regarding the transfer application as soon as possible after the meeting. T

Please do not hesitate to contact me if you require additional details about this corporate change. My office telephone is (907) 257-7832 and my mobile number is (907) 350-2060.