



**Draft Minutes of the Social Equity in Cannabis Task Force
Licensing Workgroup
June 30, 2021
Virtual Meeting**

Workgroup Members Present:

Mike Asai, Industry Representative
Ollie Garrett, Task Force Member
Pablo Gonzalez, Task Force Member
Michelle Merriweather, Co-Lead and
Task Force Member

Monica Martinez, Co-Lead and Task
Force Member
Kevin Oliver, NORML
Micah Sherman, Industry
Representative

Workgroup Members Absent:

Craig Bill, Task Force Member
Crystal Oliver, Sun growers Association

Angel Joi Swanson, Community
Representative

Guests and Other Participants:

Throughout the meeting, approximately 42 members of the public joined and participated. The workgroup thanks all of those who attended and shared their time, expertise, and lived experience to help shape this important work.

Staff Support:

Christy Curwick Hoff
Joe Radermacher

Samantha Pskowski

Call to Order

Co-Lead Michelle Merriweather called the public meeting to order at 9:01 a.m. and read from a prepared statement (on file). Christy Hoff, Staff, shared the Zoom protocol, conversation norms, and reviewed the agenda. Co-Lead Merriweather facilitated introductions of members. Co-Lead Monica Martinez said the goal of the meeting is to discuss whether the workgroup wants to recommend more retail licenses be allocated for social equity and if so, how many. She asked for initial thoughts from each member.

- Co-Lead Martinez: Yes, the system can sustain more licenses.
- Co-Lead Merriweather: Without a doubt, yes.
- Pablo Gonzalez: Mixed feelings. The original amount proposed for the social equity program is a good start.
- Ollie Garrett: Yes, we can use additional licenses.

- Micah Sherman: Can our economy support more stores without significant disruption, and do we need more stores for equity? Yes to the first and a strong yes to the second.
- Mike Asai: Yes. We have a larger population than Oregon and they have more retail stores.
- Kevin Oliver: Yes, from both economic and equity perspectives.

1. Briefing and Discussion – State of the Industry for Producers/Processors

Member Sherman, Workgroup Member provided background on himself and his business. He said the industry is an oligopoly with retail as the focus, making it a race to the bottom for producers and processors. He added there has been and will continue to be a lot of turnover in his sector. He wants to see more effort put into developing a healthy industry that supports its workers. He believes there is growth potential in the retail sector and that may help small producers/processors. He stressed the focus needs to be on balancing the scales between large and small producers.

Some thoughts and concerns voiced by the group included that there are very few people of color owning businesses in the producer/processor sectors, the tax rate (currently 37% at the retail level) is far higher than other states and is hurting the industry as a whole, and some form of tax incentive should be included in the social equity program.

2. Briefing and Discussion – State of the Industry for Retail

Tamara Berkley, Task Force Member, shared some background about herself and her business and shared some data (presentation on file). She said she has seen about a 20-25% increase in annual revenue each year with an even greater increase (most likely temporary) as a result of the pandemic. She feels that prices in the industry have stabilized for the most part. She cautioned that the workgroup think critically about if and how much the retail sector should be expanded.

Some thoughts and concerns voiced by the group included evaluating the success of the initial 38 licenses that are issued and that the industry needs to balance the needs of both retailers and producers/processors.

3. Briefing and Discussion – State of the Industry for Medical Consumers

Allyson Clayborn, Program Manager for the Medical Marijuana Program, provided a presentation on the state of the medical industry. She explained the process and requirements for a retail outlet to get and maintain an endorsement to sell medical cannabis. She shared that about half of the retail stores in the state have an endorsement, but only about 157 of them are actively using their endorsements. Barriers include that compliant products are hard to find and expensive to make, testing is expensive, and those costs are passed on to the consumer/patient.

Some thoughts and concerns voiced by the group included that there isn't much incentive as a retailer to become a medical cannabis provider. In addition, most

medical patients enjoyed a good relationship with the producers and would prefer to work directly with them to obtain their product.

4. Briefing and Discussion – State of the Industry by Statute

Christy Hoff, Staff member gave a presentation on statutory requirements and other considerations (on file). She also provided some data from the LCB regarding alcohol access—there are more than 18,000+ total access points and in 2021 there were about 1400 spirits/liquor stores.

Some thoughts and concerns voiced by the group included that the LCB's method of using the number of liquor stores at the time to define how many cannabis retailers there should be was arbitrary and not appropriate. The group expressed concerns regarding local authority's ability to limit retail availability.

5. Discussion – (Collective) State of the Industry

The group discussed how many more retail licenses should be allocated. They did not come to consensus, but it was generally accepted that the amount of retail licenses available to the social equity program needs to be increased. The group felt that the increase in state population alone was a significant enough reason to request an increase. Some members felt the increase should not be arbitrary but based on interest from the affected community. Some concerns included current zoning restrictions, bans, and tax rates.

6. Next Steps

Christy Hoff, Staff Member provided the next steps for the WG. The next meeting is the DIA Work Group meeting on July 12, 4-7 p.m. and the main focus will be eligibility requirements and prioritization of applicants. The next Tech Assistance & Mentorship Work Group meeting is July 20, 1-4 p.m. The next full Task Force meeting is July 27 and it is currently scheduled for 9 a.m. to 4 p.m., but may be reduced in length. Please provide any data points you would like us to collect and we will do our best to have them ready for our next meeting.

Adjournment

Monica Martinez and Michelle Merriweather, Workgroup Co-leads thanked the group for their work in providing the state of the industry reports and discussion. The meeting was adjourned at 12:01 p.m.

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