



**Draft Minutes of the Social Equity in Cannabis Task Force
Licensing Workgroup
August 25, 2021
Virtual Meeting**

Workgroup Members Present:

Mike Asai, Industry Representative
Craig Bill, GOIA and Task Force
Member
Ollie Garrett, WSLCB and Task Force
Member
Pablo Gonzalez, Industry Rep and Task
Force Member
Michelle Merriweather, Co-Lead and
Task Force Member

Monica Martinez, Co-Lead and Task
Force Member
Crystal Oliver, Sungrowers Association
Kevin Oliver, NORML
Micah Sherman, Industry
Representative
Angel Joi Swanson, Industry
Representative

Workgroup Members Absent:

Kevin Oliver, NORML
Craig Bill, GOIA and Task Force Member
Pablo Gonzalez, Industry Rep and Task Force Member

Guests and Other Participants:

Throughout the meeting, approximately 45 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
Anzhane Slaughter
Joy Hollingsworth
Crystal Ogle

Call to Order

Michelle Merriweather, Co-Lead, called the public meeting to order at 1:02 p.m. and read from a prepared statement (on file). Anzhane Slaughter, Staff member shared the Zoom protocol, conversation norms, and reviewed the agenda. Monica Martinez, Co-lead facilitated introductions of members and posed a question. When will we know that

we've been successful in creating social equity in the cannabis industry? When 50% ownership of industry is accomplished? Throughout introductions there are varied responses and no conclusion was met.

1. Briefing – Background on Bans and Moratorium

Joy Hollingsworth, Staff member presented on backgrounds of current bans and moratoriums. The presentation explained LCB Map of current Social Equity Open allotment and areas where those licenses reside in banned areas. A map of the current bans and moratoriums throughout the state from the Municipal Research and Services Center of Washington was shared detailing the current areas that have bans and moratoriums for all various cannabis licenses. The Attorney General's position on Bans and Moratoriums was highlighted in this presentation for context. The minimum buffer distance was explained as it relates to the RCW regarding zoning and requirements in addition to cities who have lowered those buffer zones within their municipality. A report from Puget Sound Properties 2021 Q2 Report of retail market rates, price per square foot, vacancy rates, increase in market rents and a decrease in inventory.

2. Briefing – LCB Interpretation of Authority and Outreach Measures

Rebecca Smith, Director of Licensing and Regulation of the Liquor Cannabis Board (LCB) presented with support from Kaitlin Bamba, Senior Policy and Education Manager. The presentation explained LCB's responsibilities outlined in i502. LCB is required to allot retail stores based on county using population as established in rules. Currently there are 39 total allotments left, of these, 23 are located in areas with bans and restrictions. The LCB shared about the outreach they are doing to potentially viable areas in an effort to make the process of a SE license holder finding a retail location. LCB also shared that while they can allot a certain number of retail stores, the municipality has the last say as to how many, or if they will allow retail stores in their jurisdictions. Originally, the formula used to determine the number of retail licenses was taken from the 2011 census. They have since run numbers based on the 2020 census, which shows an increase by 13% in population. Using the 2020 census data, it would suggest an increase of 51 additional retail licenses in 27 jurisdictions. The LCB wanted to be clear that without legislative action, they cannot increase the number of retail stores for SE applicants.

Workgroup members had the opportunity to discuss the presentation and ask questions. Crystal Oliver, Workgroup Member asked if there was a list of 27 jurisdictions. Kaitlin from the LCB said she could provide that. There was further discussion in regards to a possible increase in retail licenses. Again, it was made clear that it would have to go through legislation. It was also clarified that the 51 additional retail stores was figured without taking into consideration the areas with bans and moratoriums. If those areas were considered, it would be even more. Kaitlin said she could run the formula again, accounting for the areas with bans and moratoriums and let members know. The WG members also discussed LCBs role in moving licenses out of banned areas. LCB clarified that they do not have the authority to do so, it has to come from the legislature. Another concern brought to attention was that many of the areas listed as potentially viable are not areas where Black and other minorities usually reside

or may feel comfortable residing. There was also discussion around those with certificate holders, which number about 45 and of that there would be about 5 who may qualify as SE applicants. In general the workgroup was supportive of there being more licenses, but could not come to an agreement on how many. While some workgroup members made a case for there being plenty of room in the industry, enough to support hundreds of new stores, some were hesitant and worried about viability if there are too many stores in one area. The group also discussed reducing or waiving licensing fees as potential help to SE applicants. Co-Leads felt that this would require further discussion and agreed to move on and address this again in the future.

3. Discussion: Possible Solutions to Ban and Moratorium issue

The workgroup began to discuss solutions for freeing up the 22 licenses in areas with bans or moratoriums. Micah Sherman, Workgroup Member shared an idea for incentives using the 37% excise tax. He suggested that if 5% of the excise tax went to the municipality that the sale took place in, that would help reduce bans. Crystal Oliver, Workgroup member suggested having a designated person for advocacy and outreach, to educate municipalities. Other suggestions included looking at portable licenses and to legislatively reduce buffers.

Public comment included solutions such as reducing buffers, which was generally supported by both members of the public and the workgroup members and possibly restricting general funds from county and cities that have bans, which would require legislative action. Members of the public voiced concern for pioneers in the industry not having priority and also those who had medical marijuana businesses being considered due to their past experience.

After public comment concluded, Monica Martinez, Co-lead asks that Anzhane Slaughter, Staff member go through next steps.

4. Next Steps

Anzhane Slaughter, Staff Member thanks everyone for a productive conversation and feels confident that once staff meets with co-leads we should have some recommendations to bring to the Task Force. Anzhane Slaughter, Staff member provided upcoming TF and WG meetings and suggested that people join the distribution list by visiting healthequity.wa.gov.

Adjournment

Michelle Merriweather, Co-lead adjourned the meeting at 4:01p.m.

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