



City of Tacoma

Deputy Mayor Keith Blocker
Position 3

December 8, 2020

Dear Co-Chairs Rep. Melanie Morgan and Paula Sardinas, and Members of the Social Equity in Cannabis Task Force,

The City of Tacoma welcomes this opportunity to submit comments to the Social Equity in Cannabis Task Force. We appreciate the work that the Task Force is undertaking to implement E2SHB 2870 and look forward to having a framework that local jurisdictions can build upon to ensure an equitable and successful cannabis industry in Washington State.

Tacoma recently passed the attached Resolution 40627, supporting the State legislation and confirming our commitment to its intentions. City staff has also engaged with our cannabis businesses, industry professionals, and other jurisdictions in preparation for implementing this legislation. Those conversations resulted in the following list of items that we respectfully request the Task Force consider as you develop your recommendations for the Liquor and Cannabis Board and policy advice for the Governor and Legislature.

- **Equity Applicant Definition:** As enacted, E2SHB 2870 requires that equity applicants reside in "Disproportionately Impacted Areas" as defined therein or a "comparable geographical area." The City of Tacoma has established an Equity Index that provides a geographical representation of those areas of our city that would benefit most from social equity initiatives, based on similar types of criteria and data that is available to us ([Equity Index Map](#)). We are hoping that there will be some guidelines to assist jurisdictions in determining what alternative criteria, if any, would be allowed. We are also curious if the data required by the legislation will be available to us.
- **Business License Access:** While the Task Force is undertaking the challenging work of designing the Social Equity program to ensure that the available licenses can be issued in a manner that serves to combat the legacy of racist-based harm from anti-drug policies, I would also request that consideration be given to potentially making additional licenses available to social equity applicants. This would help more social equity applicants enter into the industry without having to wait for white-owned cannabis businesses to fail first.

- **Technical Business Assistance:** The small business start-up community in Tacoma relies on resources provided by the Small Business Administration and our Community and Economic Development Department, which leverages established best practices by the Minority Business Development Association. Many of these funds come from federal programs and therefore are not available to assist the cannabis industry. Similarly, many of the existing non-profit businesses that provide this type of support receive federal funding. We encourage the task force to consider funding for local jurisdictions to provide assistance with business and financial planning to set these new businesses up for success. Perhaps some of this funding can be allocated from the tax revenue provided from this industry.
- **Scope:** The legislation applies only to cannabis retailers. If possible, we would like to have legislative support for social equity initiatives throughout the industry, including producers, processors and other related businesses in the supply and distribution chains. This would increase the multiplier for the industry and expand jobs throughout our community.
- **Industry Regulatory Environment:** The cannabis industry is subject to many regulations that make it difficult for new entrants into the marketplace and for existing businesses to succeed. A few examples are access to capital, restrictions on marketing, tax payment structure, inventory management and inability to vertically integrate. We encourage the Task Force to consider these issues as they develop policy advice for the Governor and Legislature in order to increase Washington State's competitive advantage and leverage the overall investments made.

Thank you for your thoughtful consideration to the above items. We would be happy to answer any questions you may have, and look forward to seeing your final recommendations.

Yours in service,

A handwritten signature in blue ink, appearing to read "Keith Blocker".

Deputy Mayor Keith Blocker
District 3