



**Draft Minutes of the Social Equity in Cannabis Task Force  
Licensing Workgroup  
March 17, 2022  
Virtual Meeting**

**Workgroup Members Present:**

Monica Martinez, Co-Lead  
Micah Sherman, Co-Lead  
Mike Asai

Jim Buchanan  
Ollie Garrett  
Crystal Oliver

**Workgroup Members Absent:**

Joy Hollingsworth  
Emijah Smith

David Mendoza  
Angel Swanson

**Guests and Other Participants:**

Throughout the meeting, approximately 22 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:**

Anzhane Slaughter  
Lauren King

Crystal Ogle

**Call to Order**

Monica Martinez, Co-Lead, called the public meeting to order at 4:00 p.m. and read from a prepared statement (on file). Anzhane Slaughter, Staff Member shared the Zoom protocol, conversation norms, and reviewed the agenda. Co-Leads then asked Anzhane to complete roll call. In addition to workgroup members, Sen. Rebecca Saldaña, Task Force Member, Jim Makoso, Task Force Member, Pablo Gonzalez, Task Force Member, and Paul Brice, Advisory Member for the Task Force were at today's meeting.

**1. Presentation – New License Types: Social Consumption**

Micah Sherman, Co-Lead, explained that today the workgroup will be hearing from presenters on Social Consumption and the workgroup will discuss the possibility of recommending social consumption licenses in Washington state. Micah Sherman then introduced DeWayne Benjamin, owner of the Tetra Lounge. The Tetra Lounge

is a cannabis social consumption lounge in Denver, Colorado. Mr. Benjamin has been in the hospitality industry since 2018 and received his license as a social equity applicant. The Tetra Lounge is a private membership model. In Colorado, you cannot use cannabis in public, opening a private membership club is a way around that, as a business is considered private property in Colorado. Tetra Lounge has daily, monthly and yearly membership purchases. They do not sell cannabis or any other item. He sells an atmosphere, environment and safety. Mr. Benjamin wanted to show the city and the state that using cannabis can be done safely. Tourism was a big consideration. It's estimated that cannabis is Colorado's 3<sup>rd</sup> biggest tourist attraction, however, tourists who came to smoke cannabis couldn't do it safely. Smoking cannot be done in hotel rooms, in VRBOs, government owned property or rental properties. Tourists had nowhere to go to enjoy their cannabis safely. Tetra Lounge offers cannabis education, demonstrations and other relevant membership drawing events or activities. In the four years Tetra Lounge has been opened, he's had no problems, no fights, no emergency calls, unlike many of the bars or establishments selling liquor around him.

Micah Sherman, Co-Lead opens the floor to workgroup members for questions. Workgroup members inquired about regulations such as ventilation for smoke. Mr. Benjamin explained he cannot sell liquor, dual consumption is not allowed in Denver, CO. There's no ventilation requirements. You can apply for selling of food. Under the second type of hospitality license, you can have micro sales of cannabis, 2g of flower per customer per day, .25 of concentrate and .50 of edibles per day. With taxes, he didn't see a financially feasible model, as his costs would be much higher than a dispensary for his customers. The serving sizes complicated the model he wanted. Micah Sherman, Co-Lead then shifts gears to the next presentation on social consumption and reminds the workgroup and public there will be extra time for comments after the presentations.

## **2. Presentation – New License Types: Social Consumption**

Micah Sherman, Co-Lead, introduced Bailey Hirschburt of WA NORML. Mr. Hirschburt has been researching social consumption and presents information to the workgroup members. Mr. Hirschburt has a presentation (on file) which is posted on the Task Force website. It contains many resources. Mr. Hirschburt explains that cannabis is a social drug and lists social consumption models including a lounge, some sell directly others allow consumption of it obtained elsewhere, tastings or trials, much like a wine tasting, and farmers markets, just to name a few. He compared the normalization of alcohol and questioned why cannabis can't be somewhat the same. Washington State is the oldest legal cannabis state not to legalize consumption and provides an overview of social use in other states. There are 26 active venues, 3 proposed. 15 states have social use, 12 state have social use in Rule, and 3 have social use proposed/recommended. 4 states have statewide social equity components, and 1 city has them. Specifically in Washington State, RCW 69.50.465 has penalties for maintaining a "marijuana club". If a recommendation were to be made, statute needs to change for the marijuana club

and others, including other relevant areas of RCW 69.50 including opening/consuming cannabis product in public, and RCW 70.160/.345 smoking/vaping in public places – WA clean indoor air act.

### **3. Discussion and Q&A – New License Types: Social Consumption**

Micah, Co-Lead opens the floor for discussion to Workgroup members regarding Social Consumption. Workgroup members ask Mr. Benjamin about cigarette or cigar use on site. Mr. Benjamin explains Tobacco use is prohibited with the cannabis license. They asked if Mr. Benjamin would change anything. He explains that he helped write the hospitality license for Denver and it included a social equity plan. Currently hospitality licenses are exclusive to social equity applicants until 2027. He's focused on creating a culture and establishing a brand, that's what he's selling. He cannot grow his own cannabis either. They asked about insurance and what type he has. Mr. Benjamin has general liability and property insurance. Membership costs are \$20 daily, \$50 monthly and \$350 yearly. The workgroup and Mr. Benjamin discuss ensuring the business be equitable and profitable. Ultimately, Mr. Benjamin says there are always risks when opening a business and nothing is guaranteed. There was some concern that Seattle is different than a Colorado market and tourism may not be as much of a draw. Another thought was made, to avoid the clean air act would be a social consumption license for outdoor or special event license, similar to a beer garden where consumption can occur outdoors. They also wonder if liquor sales, food sales, live entertainment and cannabis sales could occur in the lounges, if that would make it more profitable. Mr. Benjamin says the sky is the limit with social consumption, it can be linked to coffee shops, a spa, a restaurant, camp sites, tourism busses, he advised the workgroup and potential licensees to be creative and know their demographic. Another thought, as far as safety goes is that with membership you have more control, if someone over consumes, you can relinquish their membership. There is some conversation about Amsterdam and how their regulations have changed throughout the years. While they started with the selling of liquor and cannabis together, they have moved away from that and now separate them. Mr. Hirschburt cautions that when introducing something such as a dual liquor and cannabis license that there be good rationale behind it and fears the legislators and LCB will not go for it as the model was disproven in Amsterdam. Mr. Benjamin adds that he has excellent statistics not having one emergency call or fight in 4 years and fears that if there were alcohol involved that would change. Workgroup members say that a social lounge near retail shops could increase sales at those shops. Additional ideas consumption lounge ideas included: art galleries

Micah Sherman, Co-Lead opens the floor for discussion to public members regarding Social Consumption. Concern that government isn't keeping up with what society is wanting or needing is heard. Alcohol doesn't have the same restrictions that Cannabis has, and it doesn't seem fair. Public asked Mr. Benjamin how many Social Equity licenses there were, he replied not many, in his district, only 2 of them. Mr. Hirsch. One public comment was regarding pop-up lounge. Other industries, such as the insurance industry do this to test markets. Could that be a possibility, for

testing a lounge location? Micah Sherman then closed public comment and explained we were out of time.

### **Next Steps**

Micah Sherman, Co-Lead, reviewed upcoming meetings.

Licensing: April 4<sup>th</sup> 4-5:30pm

LCB Listen & Learn: March 23th 1pm

### **Adjournment**

Monica Martinez, Co-Lead thanked everyone for attending and adjourned the meeting at 5:30 p.m.

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