



Washington State Liquor Control Board Meeting

Wednesday, May 21, 2014, 10:00 a.m.
LCB Headquarters Building
3000 Pacific Avenue SE, Olympia WA 98501

Meeting Minutes

1. CALL TO ORDER

Chair Sharon Foster called the regular meeting of the Washington State Liquor Control Board to order at 10:00 a.m. on Wednesday, May 21, 2014. Member Chris Marr was also present and Member Ruthann Kurose participated by phone.

2. APPROVAL OF MEETING MINUTES

MOTION: Member Kurose moved to approve the May 14, 2014, meeting minutes.

SECOND: Member Marr seconded.

ACTION: Motion passed unanimously.

3. ACTION ITEMS (A-B)

ACTION ITEM 3A - Board Approval to File (CR 101) for Revisions to Outside Service Areas

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 1- 2). She provided a brief background noting that this rulemaking is a result of a petition for rulemaking submitted by the Mayor of the City of Seattle and Mayor of the City of Spokane. The specific request is to revise the outdoor service area barrier requirement. Both Seattle and Spokane have active sidewalk café permitting programs. They have found the 42 inch barrier requirement may have a doubly negative effect on their street level environment. First, there is limited walkable space and the barrier requirement further encroaches on the remaining walkable zone, thereby limiting pedestrian access. Second, the barrier requirement around tables and chairs often does not allow enough room for pedestrians, which results in restaurants being denied the opportunity to have outdoor seating and the opportunity to expand their business. The cities of Seattle and Spokane are requesting the Board allow local jurisdictions to decide where barriers are appropriate.

Process

The rule making process begins by announcing the Liquor Control Board's (LCB) intent to change existing rules and propose new rules by filing a CR 101 form. This allows staff and stakeholders to begin discussing necessary changes and new rules. No proposed language is offered at this stage. The public may comment during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.

Timeline

May 21, 2014	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
June 4, 2014	Code Reviser publishes notice - LCB sends notice to rules distribution list
June 4, 2014	End of written comment period
July 16, 2014	Board is asked to approve filing the proposed rules (CR 102 filing)
August 6, 2014	Code Reviser publishes notice - LCB sends notice to rules distribution list
August 27, 2014	Public hearing held
August 27, 2014	End of written comment period
September 3, 2014	Board is asked to adopt rules
September 3, 2014	Agency sends notice to those who commented
September 3, 2014	Agency files adopted rules with the Code Reviser (CR 103)
October 4, 2014	Rules are effective (31 days after filing)

Chair Foster noted that this timeline is adjustable depending upon the input received moving forward.

Member Marr also stated that the timeline will be adjusted if needed to accommodate the input that comes forward. If the timeline does change he would like agreement that it will be defined and communicated. He also noted that as he has been communicating with stakeholders and officials and he has recommended that they work with LCB staff including Karen McCall, Rules Coordinator, James Paribello, Legislative Liaison, and Justin Nordhorn, Chief of Enforcement, to identify the issues and provide the agency perspective. After those discussions he expects a solution to emerge that the Board could consider.

Ms. McCall plans to meet with officials from Seattle and Spokane to determine their needs.

Chair Foster also suggested staff include the Association of Washington cities and possibly smaller cities or towns to gain their perspective.

Member Kurose also suggested looking into other existing practices such as Portland and Vancouver to examine their processes and how they handle sidewalk barrier issues for outside service areas.

Ms. McCall requested approval from the Board to file the proposed revisions.

MOTION: Member Marr moved to approve filing (CR 101) for Revisions to Outside Service Areas.

SECOND: Member Kurose seconded.

ACTION: Motion passed unanimously.

4. MARIJUANA LICENSING UPDATE

Becky Smith, Marijuana Licensing & Regulations Manager, provided the following marijuana licensing highlights:

Issued Licenses (as of 12:00 pm May 20, 2014)

40 licenses have been issued (increase of 8 from last week):

- 32 Producer/Processor
- 7 Producer
- 1 Processor
- 19 counties

2 licenses are pending final processing by CS (2 Producer/Processor)

5 licenses are pending payment:

- 3 Producer/Processor
- 1 Producer
- 1 Processor

Plant Canopy

- Licensed - 303,784 square feet
- Including licenses pending payment or final processing - 326,700 square feet

Final Inspections

80 applications have been referred to Enforcement for final inspections:

- 48 are complete
- 7 needs follow up inspection
- 11 are scheduled for inspection
- 12 are waiting for applicant to finish build
- 2 awaiting scheduling

12 more applications will be referred to enforcement for final inspection this week

Producer, Processor, Producer/Processor

2227 applications have been assigned (18 new ones assigned since last week)

19 Licensing Investigators:

- 13 Investigators working just non-retail files
- 1 Investigator working primarily retail files
- 5 Investigators are working both retail and non-retail files

Average case load of 117.2 per licensing investigator (open/active applications)

621 applications have not yet been assigned to an investigator

Retail Applications

- 176 Retail applications have been assigned to 6 investigators
- 158 Retail applications yet to be assigned
- 24 counties

Ms. Smith noted that we will not be working applications in areas with moratoria or bans at this time. She has been in contact with these applicants so they understand where they are in the process and why. She has encouraged the applicants to have direct conversations with their local authorities to build a relationship with them and become part of the moratoriums moving forward. She said there are approximately 30 cities involved in moratoriums.

She added that there are 19 marijuana licensing investigators and they are managing anywhere from 117 cases to 180 cases depending upon their level of expertise. She said that alcohol investigator caseloads are around 40 which is a clear distinction to the backlogged marijuana cases.

5. NEW BUSINESS/OLD BUSINESS

No new or old business was reported.

Chair Foster invited citizens to address the Board regarding any issue(s) related to LCB business.

Phil Wayt - Northwest Producer/Processor Association

Mr. Wayt expressed concern on behalf of applicants that have been excluded from the retail lottery through no fault of their own and they are anxious to understand the appeals process.

Ms. Smith said they just began to process administrative requests for hearings. People will begin to receive their letters in the next four weeks with next steps including Brief Adjudicative Proceedings (BAP's) for criminal history issues and Administrative Law Judge (ALJ's) for all others. There are approximately 130 letters in process.

Member Marr stated that their primary concern for applicants is the timeline.

Mr. Wayt also noted that the Department of Agriculture has issued an opinion that if you are a licensed food processor you may not be a licensed marijuana processor and vice versa. His constituents have expressed concern about this and he is looking into the appeals process. He wanted the Board to be aware.

ADJOURN

Chair Foster adjourned the meeting at 10:35.

Minutes approved this 28th day of May, 2014



Sharon Foster
Board Chair



Ruthann Kurose
Board Member



Chris Marr
Board Member

Minutes Prepared by: Maureen Malahovsky, Confidential Secretary to the Board

LCB Mission

Promote public safety by consistent and fair administration of liquor and cannabis laws through education, voluntary compliance, responsible sales and preventing the misuse of alcohol, cannabis and tobacco.

Complete meeting packets will be available online following each meeting: <http://www.liq.wa.gov/board/board-information>