



Washington State Liquor Control Board

Washington State Liquor Control Board Meeting

Wednesday, February 25, 2015, 10:00 a.m.
LCB Headquarters - Boardroom
3000 Pacific Avenue SE, Olympia WA 98501

Meeting Minutes

1. CALL TO ORDER

Chair Jane Rushford called the regular meeting of the Washington State Liquor Control Board to order at 10:00 a.m. on Wednesday, February 25, 2015. Member Ruthann Kurose and Member Russell Hauge were also present.

2. APPROVAL OF MEETING MINUTES

MOTION: Member Kurose moved to approve the February 11, 2015, meeting minutes.

SECOND: Member Hauge seconded.

ACTION: Motion passed unanimously.

3. ACTION ITEMS (A)

ACTION ITEM 3A - Board Adoption of Emergency Rules for Recreational Marijuana

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 3A 1-6). She provided a brief background noting that the emergency rules are needed to clarify the maximum amount of space for marijuana production, what products a marijuana retailer is prohibited from selling to consumers and the certification required for all professional grade closed loop extraction systems used by marijuana processors. The emergency rules also include clarification on the security and surveillance requirements at a marijuana licensed premises and the good laboratory practice checklist. The emergency rules are necessary for the preservation of the public health, safety, and general welfare. Ms. McCall then provided a summary of each change.

The rule becomes effective upon filing with the Code Reviser's Office and will expire June 25, 2015, 120 days after filing. The emergency rules were originally adopted by the Board on October 22, 2014, and

expired on February 19, 2015. The emergency rules will become part of the permanent rulemaking the Board opened on June 11, 2014, which also includes revisions to marijuana rules in chapter 314-55 WAC which will include these rules as well as rules to implement 2014 legislation.

Ms. McCall then requested approval from the Board to adopt the Emergency Rules.

Member Kurose Kurose noted that the clarifications are necessary to protect public safety.

MOTION: Member Hauge moved to adopt the Emergency Rules for Recreational Marijuana.

SECOND: Member Kurose seconded.

ACTION: Motion passed unanimously.

4. PUBLIC HEARINGS (A-B)

PUBLIC HEARING 4A - Outside Service Requirements

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 4A 1-2). She provided a brief background noting that this rulemaking is a result of a petition for rulemaking submitted by the cities of Seattle and Spokane. WAC 314-02-130 requires all outdoor alcohol service areas be enclosed by a 42 inch high barrier. 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.

Proposed Changes

Amended Section: WAC 314-02-130 - What types of changes to a licensed premises require Board approval? Added new subsections allowing an exception to the 42 inch barrier for outside service areas if certain requirements are met. The exception does not apply to beer gardens, standing room only venues, and permitted special events.

Member Kurose noted that there has been a great deal of discussion with Board members on this topic.

Chair Rushford opened the public hearing and invited the first citizen to the podium to provide testimony.

Jim Hedrick - Greenstone Homes in Spokane

Mr. Hedrick noted that they are seeking alternatives to the 42" *rope line* that are more aesthetically and architecturally pleasing such as flowers, permanent landscaping, or rod iron fences. He said they are working in conjunction with the City of Spokane to create a plan that included local law enforcement to develop permits that the LCB would approve. They intend to ensure that public areas and private areas flow together with a clear demarcation. He referenced Bend Oregon as a good model for outdoor seating.

Chair Rushford closed the public hearing and thanked everyone for their input.

PUBLIC HEARING 4B - Spirits Sampling by Spirits Retail Licensees

Karen McCall, Agency Rules Coordinator, began the briefing with materials (HANDOUTS 4B 1-2). She provided a brief background noting that this rulemaking is a result of a petition for rulemaking submitted by Cindy Zehnder, on behalf of Total Wines & More and Diageo, to delete the sentence "Spirits samples must be unaltered" from WAC 314-02-106. Total Wine & More would like to the ability to alter spirits with mixers, water, and/or ice, and better educate their customers about the unique qualities of their products and provide them with ideas for how those products can be served.

Proposed Changes

Amended Section: WAC 314-02-106 - What is a spirits retail license. Added language to allow spirits samples to be altered with mixers, water, and/or ice.

Chair Rushford opened the public hearing and invited the first citizen to the podium to provide testimony.

Cindy Zehnder - Total Wine & More

Ms. Zehnder appreciated the Board's support on this issue and looks forward to continuing to work with the LCB.

Charlie Brown - Diageo

Mr. Brown noted that this was something that could have been done prior to I-1183 passing and he appreciated that the Board adopted the interim policy earlier this year. He thanked the Board for bringing this forward.

Chair Rushford closed the public hearing and thanked everyone for their input.

5. MARIJUANA LICENSING UPDATE

Frank O'Dell, Marijuana Supervisor, provided the weekly marijuana licensing update with the following highlights:

Producer/Processor Applications

- 425 Producer/Processor licenses have been issued
 - 315 Producer/Processor
 - 78 Producer
 - 32 Processor
- 35 licenses are pending payment
- 15 moved to enforcement for inspection
- 55 are waiting for applicant to build/hold

* 4,239,976 M square feet approved for plant canopy

Retail Applications

- 123 Retail licenses have been issued
- 6 are pending payment
- 15 moved to enforcement for inspection

* 106 (out of 123) retailers are reporting sales

6. ADDITIONAL BUSINESS

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

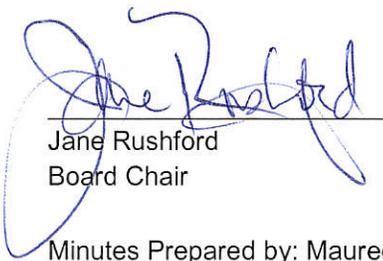
Adam Jones - Citizen

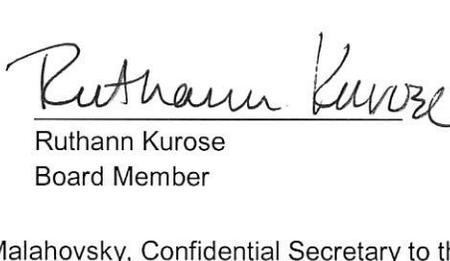
Mr. Jones noted that his group is trying to create an urban vibrancy in the Spokane area and the current barriers are an issue. They narrow the sidewalks, create entrance barriers, and omit essential public space on the sidewalks, which are a public amenity. Once an approved plan is in place the utilization of space will be enhanced and the policing of the space will be better defined.

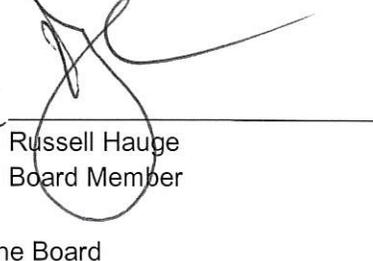
ADJOURN

Chair Rushford adjourned the meeting at 10:25.

Minutes approved this 11th day of March, 2015


Jane Rushford
Board Chair


Ruthann Kurose
Board Member


Russell Hauge
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 are available online: http://lcb.wa.gov/boardmeetings/board_meetings
For questions about agendas or meeting materials you may email maureen.malahovsky@lcb.wa.gov or call 360.664.1717