



WASHINGTON STATE LIQUOR CONTROL BOARD Board Meeting Minutes – April 24, 2013

Board Chair Sharon Foster called the regular meeting of the Washington State Liquor Control Board (WSLCB) to order at 10:02 a.m., on Wednesday, April 24, 2013 in the Boardroom at 3000 Pacific Avenue SE, Olympia, Washington. Board Members Ruthann Kurose and Chris Marr were present.

Approval of Minutes

Member Kurose moved to accept the minutes of the April 17, 2013 meeting. Member Marr seconded. All were in favor.

Recognition

Bill Berni recognized Steve Fuller, Department of Agriculture, for his assistance to the LCB as part of the I-502 RFP evaluation panel.

Pat Kohler recognized the following LCB staff who have received LEAN "Green" Belts:

Monika Taylor
Allen Wambold
Aaron Hanson

Pat Kohler recognized the following LCB staff who received LEAN "Black" Belts:

Edmon Lee
Jim Goodman
Mike Steenhout

The following LCB staff were recognized for their years of service:

Suzanne Fucal – 15 years
Pat Kohler – 30 years
Joy Rosado – 40 years

Introduction of new Staff

Alan Rathbun introduced Becky Smith, the LCB's new Marijuana Manager. Becky joins the LCB after 23 years with DSHS.

I-502 Update

Bill Berni reported on behalf of Randy Simmons. Staff is working on specifications for a traceability system, which will go out for RFP soon. Draft rules will be distributed to

stakeholders for comment in mid-May, prior to the filing of the CR 102 and then again after the filing.

City of Olympia's petition to recognize their Alcohol Impact Area

JoAnn Sample presented the City of Olympia's petition. JoAnn introduced Brian Wilson from the City of Olympia who was in the audience. For the past nine months, the City has attempted a voluntary Alcohol Impact Area (AIA) which has been unsuccessful. There are eight licensees who will be impacted by the AIA, which is mainly in the downtown core. The AIA will prohibit the sale of certain products. Public comment will be taken until May 24, 2013. The adoption recommendation will be presented for public hearing at the June 19, 2013 Board meeting. Upon approval, the Olympia AIA will become effective July 15, 2013.

Member Kurose moved to open public comment on Olympia's petition to recognize their Alcohol Impact Area. Member Marr seconded. All were in favor.

Public Hearing for Trade Area

Permanent rules are needed to define "trade area" in RCW 66.24.630 which was created with the passing of I-1183. A definition is needed to determine if a location for a spirits retail license in a premises less than 10,000 sf meets the requirements for the license. The Board has determined that the trade area will be a 20-mile travel distance from a spirit retail licensee.

Karen received 7 comments to make the trade area two blocks; 10 comments to make the trade area 10 miles; 6 comments requesting the Board consider a case-by-case exception if less than 20 miles; 3 comments in support of the 20 miles; 1 comment that there should be no restrictions on Tribes; and 1 comment to allow for online sales.

In response to a question, Karen said that amending the proposed rule to allow for exceptions to be considered will require a supplemental CR 102 to be filed, extending the final rule by six weeks.

LCB staff demonstrated a GIS tool that will be used to determine the 20 mile travel distance. This tool will be available online for applicants to use to determine if they are within the trade area.

Three individuals signed in to provide public comments.

Fred Snow from Roche Harbor asked the Board to consider a mechanism that would allow exceptions to the 20 mile travel distance. He said that the majority of his guests arrive without transportation; most arrive by boat. Roche Harbor is the busiest vessel clearance location in the US. The hotel has had a spirits license for more than 50 years. They are pursuing an exemption under their hotel license to sell some limited spirits in their gift shop. However, they want to be able to sell spirits in a more controlled environment. Mr. Snow provided written comments as well.

Michael Luke from Esperance provided comments. He operates a small convenience store in unincorporated South Snohomish County in the Edmonds area. He asked the Board to look past geography when considering the trade area. There are no spirit retail licensees in Esperance. Department of Revenue gives him a different tax code than Edmonds. He expressed the opinion that if a retail location in an unincorporated area has a different tax code, they should be considered its own trade area. He proposes selling spirits in a controlled environment (no self-service; spirits would be behind the counter). When asked how far away the nearest spirit retail licensee is near his business, he replied that it is very close.

Jan Gee, Washington Food Industry Association, asked the Board to consider reducing the 20 mile travel distance to 15 miles. Market research used in locating grocery stores in rural, underserved areas uses 15 miles. She asked that if the Board keeps the distance at 20 miles, that it allow for exceptions. She highlighted some special circumstances faced by some of her members. As an example, if a grocery store serves as a single food source in a small community, would the Board consider an exception in such a case?

LeeAnn Easton, Attorney for the Samish Indian Nation, asked that the Board exclude tribal land from the 20 mile travel distance.

Old Business

There was no old business.

New Business


There was no new business.

Adjourn

The meeting was adjourned at 11:23 a.m.



Sharon Foster
Board Chair



Ruthann Kurose
Board Member



Chris Marr
Board Member