



LIQUOR DISTRIBUTION BRANCH

BC CANNABIS STORES

August 29, 2019



City of Kelowna
Planning Department
1435 Water Street
Kelowna, British Columbia
V1Y 1J4

Dear Mayor and Councillors:

Re: Non-medical cannabis retail store application

Please accept the Liquor Distribution Branch's (LDB) application to locate a publicly-owned and government operated non-medical cannabis retail store at **Units 21 & 22, 590 Highway 33 West**. As indicated in the attached authorization letter and supporting materials, we have received support from the property owner to proceed with this application.

About the LDB

The LDB is responsible for the wholesale distribution of beverage alcohol industry in British Columbia, as provided in the *Liquor Distribution Act*. Currently operating 197 stores under the *BC Liquor Stores* brand, we are also the government retailer in the province's mixed public-private regime of retail liquor sales.

Under the [Cannabis Distribution Act](#), the LDB is designated as the sole wholesale distributor of non-medical cannabis in British Columbia—and together with private licensed stores—is authorized to compete in the retail cannabis market as *BC Cannabis Stores*, including online sales through bccannabisstores.com. Since legalization, we have opened four BC Cannabis Stores retail locations in three communities, and we are eagerly working to open more stores across the province.

LDB applies a 15% mark-up on the price it paid to cannabis producers when it sells cannabis to both government-owned and private stores. All cannabis retailers, including bccannabisstores.com, purchase cannabis at the same wholesale price. In addition, stores are required to pay the cost of shipping product from the wholesale cannabis warehouse to their retail location. No retailer—government or private—may sell any cannabis product at a price lower than its wholesale cost.

Revenue generated through both our wholesale and retail operations in liquor and cannabis is remitted to the Government of British Columbia, contributing to essential public services such as health care and education.

Location of proposed BC Cannabis Store

The LDB is proposing to open a Kelowna BC Cannabis Stores retail location at **Willow Park Shopping Centre** for a number of reasons, including that the site is:

- Located in an existing retail centre;
- Easily accessible to customers with ample parking;
- Not expected to adversely impact traffic in the surrounding area, given its location in an already established retail complex, and;
- Complies with the current cannabis sales policy of the City of Kelowna, in that it is:
 - located within a permitted area for non-medical retail cannabis sales;
 - in a zone (C4)) which currently permits the sale of liquor, and;
 - in compliance with the proximity restrictions on retail cannabis stores regarding minimal distance from schools, parks, and other cannabis stores.

The size of the proposed non-medical cannabis retail store is approximately 3,500 square feet.

Our commitment to community engagement and social responsibility

The LDB works closely with the Liquor and Cannabis Regulation Branch (LCRB), the Ministry of Public Safety and Solicitor General, and the Ministry of Attorney General to encourage the safe and responsible consumption of alcohol and non-medical cannabis in BC.

We are committed to working in partnership with local governments to ensure a smooth introduction of government non-medical retail cannabis stores in BC communities. While BC Cannabis Stores do not require a licence from the LCRB^[1], we are committed to following all municipal zoning processes and meeting all bylaw requirements, as well as cooperating with local law enforcement.

Social responsibility is integral to the LDB and has been part of our corporate culture for decades. BC Liquor Stores has a well-established history of both undertaking initiatives encouraging the responsible use of our products and fundraising campaigns to give back to the local community.

Since 2010, we have have raised nearly half a million dollars from staff and customers at our Kelowna BC Liquor Stores locations, with most of the funds being allocated to programs in the local community.

Our current BC *Liquor* Stores social responsibility programs will serve as examples as we refine our BC *Cannabis* Stores social responsibility ventures. Our current efforts in the cannabis field include:

- Delivering products that meet strict safety and quality requirements. All cannabis products purchased through the LDB's wholesale operations and sold through BC Cannabis Stores are purchased from federally licensed producers.

^[1] As a branch of the Ministry of Attorney General, the LDB does not require a formal license from the LCRB to operate a retail cannabis store - written confirmation from the LCRB is attached.

- Promoting the safe and responsible use of non-medical cannabis through campaigns aimed at keeping cannabis out of the hands of minors, preventing driving under the influence, and informing the public about potential health risks of consuming cannabis.
- Actively discouraging customers from engaging in high-risk behavior such as driving under the influence, consuming cannabis during pregnancy and participating in sporting activities while under the influence of cannabis;
- Increasing awareness of the dangers associated with over-consumption or risky behavior through various [in-store campaigns](#) with strategically placed messaging, and;
- Incorporating environmental sustainability into all facets of our business, with a goal of reducing our environmental footprint and being a leader in sustainable retailing.

Keeping cannabis out of the hands of minors.

Unlike liquor stores, minors will not be permitted inside BC Cannabis Stores, even if they are accompanied by a parent or guardian. Our ID-check policy at store entrances prevents minors from entering our stores. All of our staff receive comprehensive training in verifying ID, and will request confirmation of age from all customers appearing under the age of 30.

Odour Mitigation

Product must be packaged and sold in accordance with Health Canada's packaging requirements, in a child-proof container. Since the product is prepackaged at the point of production, there is little-to-no odor emitted from the store.

There will also be a ventilation system to reduce or eliminate odors. In the event that neighbouring tenants or customers have any concerns in this regard, the LDB will respond to these requests immediately. To date, we have received no complaints regarding odours from any of our stores currently in operation.

Cannabis store operations

BC Cannabis Stores retail locations are bright, clean, welcoming and professional, providing our customers with a safe and favourable alternative to purchasing non-medical cannabis from the illicit market. Storefronts have frosted windows to comply with federal and provincial legislation requiring that cannabis not be visible from outside the store.

All BC Cannabis Stores employ unionized staff. This particular location will have approximately 15 employees, including a Store Manager, at least one Assistant Store Manager, and staff comprised of full and part-time Cannabis Consultants. Wages start at \$21.00 per hour. All prospective employees must undertake an Enhanced Security Screening (ESS) as mandated by provincial law.

Most stores will be open from Monday to Sunday, 10 am to 10 pm., though store hours may vary by location, following consultation with local government.

Our neighbourhood strategy includes:

- *Keep It Safe*, a mandatory full-day training program, for all staff. This program covers best practices for dealing with intoxicated customers, suspicious activities, and instances of

violence, theft or nuisance. Additional topics covered include understanding cannabis related laws, and developing strategies for maintaining a safe environment for employees and customers.

- Implementation of procedures on how to deal with uncooperative customers, store safety, loitering, and consumption outside the premises.
- Ensuring there are at least two employees working at all times and that stores are alarmed and locked outside business hours. For events that occur outside of the store, staff are trained to contact mall security, if applicable, or to call 911.
- Training staff on how to verify a customer's age and to identify signs of fraudulent I.D.
- Transporting expired or defective product off-premises for destruction. There will be no disposal of cannabis at any store, further reducing the risk that cannabis will fall into the hands of minors or the illicit market

Security

Customer, employee, and community safety is paramount. The LDB brings over 40 years of experience working with local government, enforcement agencies, and security experts in establishing and operating secure retail liquor stores, and nearly 100 years of retailing regulated products. We employ Crime Prevention through Environmental Design (CPTED) principles when designing our retail stores.

BC Cannabis Stores are assisted by our Corporate Loss Prevention department, and contracted security personnel are available to work in conjunction with store staff to ensure security practices and protocols are followed.

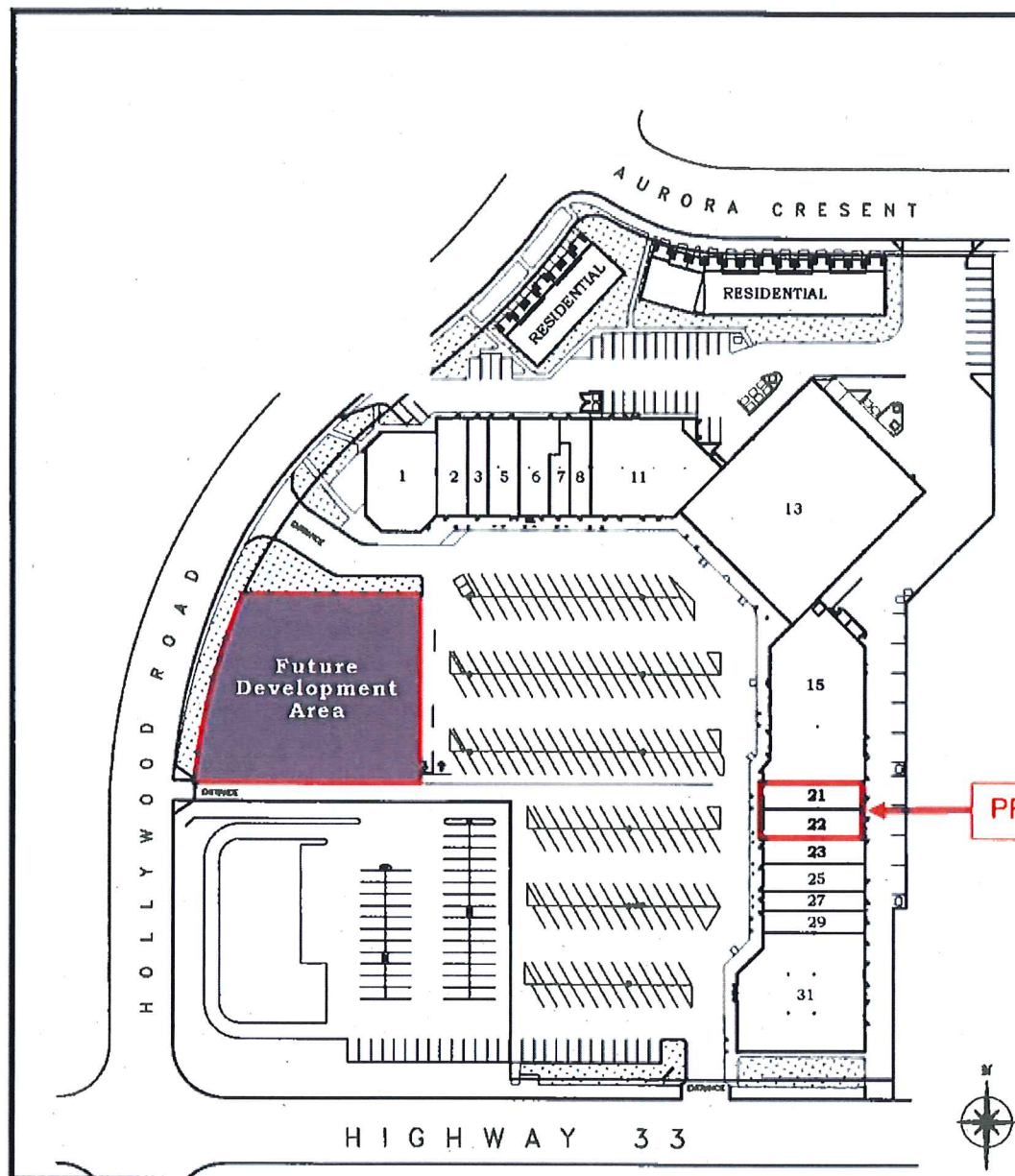
All BC Cannabis Stores have:

- Centrally-monitored province-wide intruder and fire monitoring systems;
- Interior and exterior camera surveillance;
- Locked and tempered glass display cases for cannabis accessories;
- A secure storage room for product storage;
- Durable and reliable commercial-grade doors and locks;
- Security shutters and smash-resistant windows.

Further details regarding BC Cannabis Stores and the LDB's social responsibility efforts are included in the attached presentation. If you require additional materials or have any questions we would be very happy to provide it. We thank you in advance for your consideration of our application.

Sincerely,

Rory Mandryk
Executive Director, Corporate Operations, Real Estate & Corporate Loss Prevention
BC Liquor Distribution Branch



Site Plan

ATTACHMENT A

This forms part of application
TA20-0006 and Z19-0124

Planner Initials BC

City of Kelowna
DEVELOPMENT PLANNING

[illegible]

PROJECT TITLE

PROPOSED
CONCEPT

PROJECT TITLE

ID1

DATE _____

SCALE

GR & A

LIQUOR
DISTRIBUTION
BRANCH

9-0124
City of
Kelowna
DEVELOPMENT PLANNING

SCHEDULE "A" – Site Specific Amendment to City of Kelowna Zoning

Bylaw No. 8000 TAz0-0006

Section	Existing Text	Proposed Text			Rationale
Section 9.16- Specific Use Regulations- Retail Cannabis Sales Establishments	9.16.1 Any Retail Cannabis Sales Establishments must be set back a minimum distance of 500 metres from another Retail Cannabis Sales Establishment , measured from closest lot line to closest lot line.	9.16.8 Site Specific Uses and Regulations Uses and regulations apply to the C4rlc/rcs -Urban Centre Commercial (Retail Liquor Sales and Retail Cannabis Sales) on a site-specific basis as follows:			To allow for a retail cannabis sales establishment within 500m of another approved retail cannabis sales establishment located at 150 Hollywood St North.
			Legal Description	Civic Address	
		1	Lot B, Sections 26 and 27, Township 26, Osoyoos Division Yale District Plan 30302	590 Hwy 33 West	