



LIQUOR DISTRIBUTION BRANCH

November 27th, 2020

City of West Kelowna
2760 Cameron Road,
West Kelowna, bC V1Z 2T6

Dear Mayor and Councillors:

Re: Cannabis Retail Store Application

Please accept this letter and information package to request that Council consider allowing the LDB to change units from the previously approved rezoning application for a non-medical retail cannabis store located at the old "Your Dollar Store" at **Westbank Town Centre** to the "Flight Centre" unit on the same property PID.

All aspects of the operating model remain the same, however, the unit we are proposing moving to is smaller in size at **998 square feet** and allows for greater flexibility given the current uncertain market conditions born out of the COVID-19 pandemic.

Given the spatial limitations of the proposed unit, we will be unable to a regional training facility, with any non-retail space dedicated to a manager's office.

About the LDB

The LDB is one of two branches of government responsible for the beverage alcohol industry in BC. The *Liquor Distribution Act* gives the LDB the sole right to purchase and distribute beverage alcohol for the Province. The LDB is also the public liquor retailer in the province's mixed public-private model, operating 197 retail outlets under the brand 'BC Liquor Stores.'

As per the *Cannabis Distribution Act*, the LDB is also the sole wholesale distributor of non-medical cannabis for the province and operates standalone, public retail stores and provides online sales. The LDB currently operates one non-medical cannabis store, under the brand 'BC Cannabis Stores,' in the City of Kamloops.

The LDB is self-insured as a branch of the provincial government.

Revenue generated through the LDB's wholesale and retail operations is directed to the Provincial Government and contributes to supporting vital public services such as health care and education.

Committed to maintaining a level playing field between private and public retailers, the LDB ensures a fair and ethical supply and distribution of non-medical cannabis by applying a common set of rules for both:

- As the wholesaler of non-medical cannabis, it applies a 15% wholesale mark-up on the landed cost of cannabis distributed throughout the province to private and public BC Cannabis Stores

- Purchasing cannabis at a common wholesale price, both private and public retailers are required to pay the cost of shipping product from the LDB warehouse to their retail outlet. E-commerce customers currently pay a flat shipping fee of \$8 on each order purchased via www.bccannabiswholesale.com.
- All private and public retail stores are required to comply with the municipal, provincial and federal regulations that govern the purchase, sale, and distribution of non-medical cannabis
- For both private and public retail stores, the minimum retail price for selling non-medical cannabis is either the wholesale price they paid to the LDB or the current LDB wholesale price, whichever is lower.

Location of Proposed BC Cannabis Store

The location at was selected by the LDB for a proposed BC Cannabis Store for a number of reasons, including that the site is:

- Located in an existing retail node and therefore consistent with the nature of the immediate area;
- Easily accessible to customers with ample parking; and
- Not expected to adversely impact traffic in the surrounding area, given its location in an already established retail complex.
- The property is within range of the 100m sensitive use separation distance for both George Pringle Elementary School and Our Lady of Lourdes Catholic School, however the public entrance of unit itself is well over 100m from both locations as required in section 4.1.(d) of the Policy.

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.

The LDB is committed to working in partnership with local governments to ensure a smooth introduction of the legal cannabis retail market to BC communities. While government-operated 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 working with local law enforcement agencies to maintain public safety.

Social responsibility is integral to the LDB and is one of the four pillars we have identified to support our success. Our efforts are focused on three themes: encouraging and promoting the responsible use of alcohol and cannabis, reducing the impact our business has on the environment, and giving back to the communities we serve. We meet these objectives by:

- Delivering products that meet strict safety and quality requirements. All cannabis products purchased through the LDB wholesale channel 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 social responsibility campaigns aimed at keeping cannabis out of the hands of youth*, preventing driving under the influence, and informing the public about potential associated health risks.
- Actively discouraging customers from engaging in high-risk behavior such as driving high, 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;
- Running regular in-store fundraising campaigns for dry grad celebrations, Red Cross disaster relief, kids in need, and local community charities (through the Provincial Government's Employee Workplace charitable giving campaign); 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 is a top priority for the LDB. Unlike liquor stores, minors will not be permitted to enter cannabis retail stores, even if they are accompanied by a parent or guardian. Our two ID-check policy at store entrances prevents minors from entering our cannabis stores. All staff receive comprehensive training for ID-checking

Store Operations

BC Cannabis Stores are bright, clean, welcoming and professional, with the intent of creating a safe and favourable alternative to purchasing non-medical cannabis from the illicit market. Storefronts have frosted windows to align with Health Canada's requirement that cannabis not be visible to minors.

All BC Cannabis Stores employ unionized staff; stores in large municipalities will have approximately 6-10 employees. Each store will have 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 the provincial government.

Store hours may vary by location, with most stores being open from Monday to Saturday from 10am to 9pm and Sunday from 11am to 7pm.

The LDB's 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 strategies for maintaining a safe environment for employees and customers.
- Implementation of procedures on how to deal with unruly customers, store safety, loitering, and consumption outside the premises. Procedures are in place to ensure there are at least two employees in the store at all times and that stores are armed 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 spot 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 stores in BC. The LDB utilizes Crime Prevention through Environmental Design (CPTED) principles when designing our retail stores.

BC Cannabis Stores are supported by the LDB's Corporate Loss Prevention department and privately 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 maintained 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 and accompanying materials. We appreciate Councils' consideration.

Best Regards,

Ryan McKeown
Senior Business Analyst
BC Liquor Distribution Branch