



August 5th, 2020

City of Victoria
1 Centennial Square
Victoria, BC V8W 1P6

Dear City Staff, Mayor and Members of Council:

Re: Non-medical cannabis retail store application

Please accept the Liquor Distribution Branch's (LDB) application to locate a **Government operated** non-medical cannabis retail store at **The Bay Centre, located at 1150 Douglas St.** The LDB has received support from the property owner to proceed with this application (application form, fees and supporting materials attached).

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.'

Under the [Cannabis Distribution Act](#), the LDB is also the sole wholesale distributor of non-medical cannabis in British Columbia and operates standalone, public retail stores and provides online sales. Since legalization, the LDB has opened BC Cannabis Store retail locations in twenty communities and we are actively working to roll out more stores across the Province to cater to the BC market.

Revenue generated through the LDB's wholesale and retail operations is remitted 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 LDB is proposing to open a BC Cannabis Store at **The Bay Centre** for a number of reasons, including that the site is:

- Located in an existing retail centre with strong anchor tenants;
- Easily accessible to customers with ample parking;
- Not expected to adversely impact traffic in the surrounding area, given its location in an already established complex, and;
- Located outside any sensitive use buffers established under the current City Policy.

The size of the proposed non-medical cannabis retail store is approximately 1,758 square feet of which we envision roughly half being dedicated to retail, with the remainder being utilized for office and administrative space for store staff.

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 non-medical cannabis to the retail market in 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 has been part of our corporate culture for decades. BC Liquor Stores have 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 raised nearly one hundred thousand dollars from staff and customers at our Victoria BC Liquor Stores locations, with most of the funds being allocated to programs within the District.

Our current BC *Liquor* Stores social responsibility programs will serve as examples as we move forward on developing our BC *Cannabis* Stores social responsibility endeavours. 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 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 minors, preventing driving under the influence, and informing the public about potential associated 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 our staff receive comprehensive training in verifying ID, and will request age verification 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 cultivation, there is little-to-no noticeable odor emitted from the store.

There will also be a ventilation and filtration system in order 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 four stores currently in operation

Cannabis store operations

All BC Cannabis Stores employ unionized staff. This particular location will have approximately 8 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 with benefits and pension eligibility as Provincial employees. All prospective employees must undertake an Enhanced Security Screening (ESS) as mandated by Provincial law.

Store hours vary but locations are typically open from 10am to 9pm Monday to Saturday and 11am to 7pm on Sundays.

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 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 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 stores in BC, and nearly 100 years of retailing regulated products. 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-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,

Ryan McKeown,
Senior Business Analyst
BC Liquor Distribution Branch