

ATTACHMENT E LETTER OF RATIONALE



**LIQUOR
DISTRIBUTION
BRANCH**

Office of the General Manager
and Chief Executive Officer

October 22, 2018

City of Nanaimo
City Hall
455 Wallace Street
Nanaimo, BC V9R 5J6

Dear Mayor and Councillors:

Re: Cannabis Retail Store Rezoning Application

Please accept our rezoning application to locate a **government operated cannabis retail store** at the Country Club Centre retail complex, located at **3200 North Island Highway**. The Liquor Distribution Branch ("LDB") has received support from the landlord of this property to proceed with this application ("Appointment of Agent" form attached).

About the LDB

The LDB is one of two branches of government responsible for the beverage alcohol and non-medical cannabis (cannabis) industries in B.C. Through the *Liquor Distribution and Cannabis Distribution Acts*, the LDB is mandated with the purchase and distribution of beverage alcohol and cannabis for the Province. As well, the LDB operates a number of public liquor stores (197 in total), and, in February 2018, the Province announced that LDB will also operate public cannabis retail stores, as well as an e-commerce platform to offer public on-line sales of cannabis.

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. For the 2017/2018 fiscal year the LDB contributed \$1.12 billion to fund government services. Revenue generated through LDB's newly implemented cannabis operations (both wholesale and retail) will also be directed back to the Province to support important public services.

Location of Proposed Cannabis Retail Store

The Country Club Centre retail complex was selected by the LDB for a proposed cannabis retail store for a number of reasons, including that the site is:

- Located along one of Nanaimo's premier intersections (North Island Hwy and Bowen Road);
- Located in a retail complex and is therefore consistent with the nature of the immediate area;
- Located at least 200m away from any schools/daycares and any other cannabis retail store;
- Easily accessible to customers; and

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- Not expected to adversely impact traffic in the surrounding area, given its location near a premier intersection and in an already established retail complex.

Building and Site

The following considerations were taken into account when evaluating the appropriateness of the site and building for a cannabis retail store:

- The intended use of the site is consistent with the “retail” nature of the surrounding area.
- The proposed cannabis retail store will be approximately 3000 square feet, which is in the midrange of other retail stores existing on the subject site and in the surrounding area.
- The site provides for ample parking and efficient traffic flow.

The storefront will be bright, clean, welcoming and professional, with the intent of creating a safe and favourable alternative to purchasing cannabis from the illicit market. Storefronts will have frosted windows to align with Health Canada’s requirements that cannabis not be visible to minors.

Community Impact

The LDB works closely with the Liquor and Cannabis Regulation Branch (LCRB) and the Ministry of Public Safety and Solicitor General to encourage the safe and responsible use of alcohol and cannabis in BC. The LDB is also committed to working in partnership with local governments to follow all municipal zoning processes and meet all bylaw requirements, as well as local law enforcement agencies to maintain public safety and to mitigate, and respond to, any negative impact on the community.

Social Responsibility is part of the LDB’s Mission Statement and one of the four pillars we have identified that supports our success. Our efforts are focused on three themes: encouraging and promoting 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 product safety and quality requirements - all cannabis products will be purchased through the LDB wholesale channel; product will be lab tested and will only be purchased from producers that have been licensed by Health Canada.
- Ensuring accountability of our key business partners (e.g. Licensed Cannabis Producers).
- Promoting the safe and responsible use of beverage alcohol and cannabis through social responsibility campaigns aimed at keeping alcohol and cannabis out of the hands of youth*, preventing driving under the influence, and informing the public about associated health risks.
- Actively discouraging customers from engaging in high-risk behaviour like drinking or consuming cannabis and driving, consuming alcohol or cannabis during pregnancy and participating in sporting activities while under the influence of alcohol or cannabis;
- Increasing awareness of the dangers associated with over-consumption or risky behaviour through various in-store campaigns with strategically placed messaging;

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- Raising money through in-store fundraising campaigns for dry grad celebrations, red cross disaster relief, kids in need, and local community charities (through the Provincial Governments 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 will be 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. When entering the store, there will be an ID check at the entrance. Individuals without ID or minors (even those accompanying someone of legal age) will not be permitted in the store. As well, all staff will be required to complete a provincial training program.***

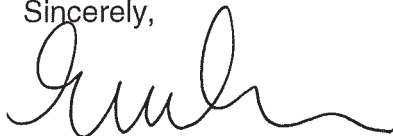
Additionally, customer, employee and community safety is paramount. All BC Cannabis Stores will have:

- Intruder and fire monitoring systems;
- Interior and exterior camera surveillance;
- Locked and tempered glass display cases for cannabis accessories;
- A secure storage room where product will be kept that will require access cards to enter;
- Durable and reliable commercial-grade doors and locks;
- Security shutters; and
- Smash-resistant windows.

And lastly, defective product will be transported to an off-premise location to be destroyed. Stores will not incinerate or dispose of cannabis products on premise.

Further details regarding BC Cannabis Stores and the LDB's social responsibility efforts are included in the attached slide deck. 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,

for 

R. Blain Lawson
General Manager and Chief Executive Officer
BC Liquor Distribution Branch

Attachments:

1. BC Cannabis Stores – PowerPoint
2. Completed Cannabis Retail Store Application