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**From:** McKeown, Ryan LDB:EX [mailto:ryan.mckeown@bclddb.com]  
**Sent:** April-11-19 3:40 PM  
**To:** Clerks  
**Subject:** Memo to council from BCLDB

Hello,

Please see attached letter to Council informing them of our intent to submit an application for a retail cannabis location in one of the four town centres allowable under bylaw 13928.

In the letter, we are also inquiring about adding a 5<sup>th</sup> BC Cannabis location where we were previously limited to 4. This location would be in the Marine Way and Byrne Road area. The rationale for this is based on commercial growth for the area and geographical positioning.

How can we go about having this letter added to an upcoming Council agenda? I would also like to include, for reference, the attached presentation. \*

Thanks,

**\*Available under separate cover**

**Ryan McKeown**

Senior Business Analyst, Corporate Services (Contractor).

BC Liquor Distribution Branch

3383 Gilmore Ave, Burnaby BC V5G 4S1

T: 604 910 3073 E: [Ryan.McKeown@bclddb.com](mailto:Ryan.McKeown@bclddb.com)

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*The LDB is proud to contribute over \$1 billion annually to the Province of British Columbia. Our contribution helps provide financial support for vital public services including health care and education.*



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Referred to:

Planning and Development Committee (2019.04.30)

Copied to:

City Manager

Dir. Corporate Services

Dir. Planning and Building

Dir. Public Safety and Community Services



## **LIQUOR DISTRIBUTION BRANCH**

April 10th, 2019

City of Burnaby  
4949 Canada Way  
Burnaby BC V5G 1M2

Dear Mayor and Councillors:

### **Re: Cannabis Retail Store Application**

This letter is to advise you that we are in the process of submitting a rezoning application to locate a non-medical retail cannabis Store in the Old Orchard area of Burnaby. The Liquor Distribution Branch (LDB) has received support from the property owner to proceed with this application and we are in the process of collating the required information and materials. This area is zoned C3-C3A which fits within the framework of the established policy regarding this use.

We would also like to gauge Council's appetite to add another town centre to the bylaw allowing for a 5th location in the Marine Way and Market Crossing area which technically fits within the amended C2D zoning bylaw for permitted use. The LDB has support from owners within this commercial area, should Council be interested in permitting an additional location.

We feel that there is enough traffic and commercial growth in this area to substantiate a 5<sup>th</sup> Government operated retail cannabis store location.

### **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 as of October 17<sup>th</sup>, a public cannabis retail store in Kamloops, as well as an e-commerce platform to offer public on-line sales of cannabis. The LDB is self insured as a branch of the BC 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. 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**

These locations were selected by the LDB for a proposed cannabis retail store for a number of reasons, including that the sites are;

- Located in a retail complexes and therefore consistent with the nature of the immediate area;
- Easily accessible to customers; and
- Not expected to adversely impact traffic in the surrounding area, given its location in an already established retail complex.

### **Building and Site**

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

- The intended use of a site is consistent with the “retail” nature of the immediate area.
- The size of the proposed cannabis retail stores are approximately 3500 square feet, which is in the midrange of other retail stores existing on the subject site and in the surrounding area.
- The sites provide for ample and accessible parking

### **Exterior Design Rationale**

Storefronts will have frosted windows to align with Health Canada’s requirements that cannabis not be visible to minors and with LCRB’s regulation that “the retail store must be located in a permanent building or structure and be enclosed by floor-to-ceiling walls that are not transparent”.

The stores will have one exterior sign, the BC Cannabis Stores signage. An image with standardized design specifications is included in this package.

### **Odour Mitigation**

Product has to be packaged as per Health Canada’s packaging requirements, in a child-proof container with packing that reduces any odor. Since the product is prepackaged and the cardboard it comes in is removed from the store once received, there is little to no noticeable odor emitted in or around the store.

There will be a ventilation/filtration system to reduce and eliminate any odors from within the store. In the event that neighbouring property owners or customers complain about any odour, the LDB will respond to these requests immediately.

Defective product will be transported to an off-premise location to be destroyed. Stores will not incinerate or dispose of cannabis products on premise, reducing the risk that cannabis will come into the hands of minors or the illicit market.

### **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 consumption of alcohol and 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 cannabis retail stores do not require a licence from the LCRB<sup>1</sup>, 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 and to mitigate, and respond to, any negative impact on the community.

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<sup>1</sup> 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.

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;
- Raising money through in-store fundraising campaigns for local school 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.

All stores will employ unionized staff and results in job creation within the City of Burnaby. Specifically to these sites, the stores would have one Store Manager, two Assistant Managers, 6 full-time Cannabis Consultants, 2-4 part-time Cannabis Consultants, and approximately 4-6 auxiliary staff. The starting wages for these positions is \$21/hour. All employees go through criminal background checks.

***\*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.***

### **Store Operations**

All cannabis products carried by BC Cannabis Stores are sourced from federally licensed cannabis producers that are required to meet Health Canada's guidelines for quality control, Good Production Practices, and inventory management. BC Cannabis Stores will sell cannabis flower, pre-rolls, oils, cannabis accessories and once legalized, edibles and concentrates. Store hours may vary by each store location, but most stores will be open from Monday to Sunday 10 am to 10 pm.

The LDB's neighbourhood strategy includes:

- Mandatory full day training program, Keep It Safe, required 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. For example, procedures are in place to ensure there are at least 2 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 is trained to contact mall security, if applicable, or to call 911.
- BC Cannabis Stores have a two ID policy. Customers must show two pieces of ID, one of which must be issued by a government agency and includes their name, birth date, and picture. The second must include an imprint of their name, signature and/or picture. Staff receives training on conducting ID checks and identifying signs of altered ID documents.
- Defective product will be transported to an off-premise location to be destroyed. Stores will not incinerate or dispose of cannabis products on premise, reducing the risk that cannabis will come 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 in 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 in all of our retail store layouts.

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 will 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 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.

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,

Michael Tan  
Executive Director – Cannabis Operations  
BC Liquor Distribution Branch

Attachments:

1. BC Cannabis Stores presentation