



Williams Lake
FIRST NATION

April 29, 2021

VIA EMAIL

Cariboo Regional District
180 North 3rd Avenue, Suite D,
Williams Lake, BC V2G 2A4

Attention: Al Richmond, Director, Electoral Area G

Dear Director Richmond:

Re: Cannabis Retail Policy

I am writing further to our recent discussion regarding a proposal to establish a cannabis retail facility adjacent to the Red Crow Café at 4842 Hamilton Road in Lac La Hache.

As you are aware, in September of 2020 WLFN concluded the first government-to-government agreement (the "Agreement") with British Columbia under section 119 of the *Cannabis Control and Licensing Act* ("CCLA"). Among other things, the Agreement allows WLFN to operate up to eight cannabis retail facilities in the Province, subject to the requirements of CCLA (except to the extent the CCLA is modified by the Agreement). The CCLA requires that licensees obtain local government approval but does not specify the exact mechanisms by which that approval is to be obtained.

The Cariboo Regional District (CRD) has adopted a policy which provides that cannabis retail stores are to be evaluated on the basis of a site-specific rezoning. Requiring such a rezoning by the local government prior to approval is, in our estimation, too time consuming and onerous a process to facilitate the establishment of a cannabis retail outlet. To clarify why this is the case, we provide the following sample timeline to establish a cannabis retail store:

1. **Step 1:** the proponent identifies a property and secures an arrangement with the landlord. Typically to secure an interest in property, the proponent will have to sign a lease or agreement to lease and begin making payments to the landlord (let's assume for the sake of argument, this base rent for a small facility is \$2000 including utilities).
2. **Step 2:** the proponent makes application to the Province for a cannabis retail license (which requires a \$7500 non-refundable license application fee). For the average proponent, it takes 6 to 12 months to receive approval in principle. A referral will then be sent to the local government. During this process, rent continues to be due and owing to the landlord. (Total carrying costs thus total \$12,000 to \$24,000 plus the \$7,500 license fee).

3. **Step 3:** The proponent, having received approval in principle, commences the local government approval process. In the case of the CRD, this process takes up to eight months. The results in further carrying costs of another \$16,000. Total costs to date now range from \$35,500 to \$47,500.
4. **Step 4:** If approval is not received from the local government, the proponents cannot recover any of the above costs and may or may not be able to terminate the lease agreement. If approval has been received, it is typically only then that the proponent will commence leasehold improvements. This process will take another 3-5 months and typical tenant improvements will cost \$30,000 to \$100,000. Total costs now total \$71,500 to \$157,500.

During the rezoning process, there are also multiple referrals which may trigger obligations for site or other upgrades. The cost of these upgrades is in addition to the amounts outlined above and may be prohibitive.

The above illustrates why there are (to the best of our knowledge) no cannabis retail outlets in areas within the CRD's jurisdiction.

Our position is that if a property is commercially zoned and supports a use such as retail liquor sales there is no reason to require additional rezoning for the purpose of cannabis retail. The cannabis retail licensing process is already onerous enough without adding additional local government process and delays.

Should the CRD reconsider its policy with respect to cannabis retail licensing we are certainly happy to resume discussions with the owner of the Red Crow Café. Until that time, though, we must focus our time and energy on jurisdictions where the process is somewhat more streamlined and simplified. We are currently in the licensing process for a location in the City of Merritt and have identified a location in the Village of Cache Creek.

Sincerely,

WILLIAMS LAKE FIRST NATION

Per



Kirk Dressler,
Director of Legal and Corporate Services and CEO of Unity Cannabis Ltd.

CC: Rick Duncan
Chief Willie Sellars