

<u>City of Kelowna - Project Rationale</u>

Retail Cannabis Store in Kelowna Lower Mission area

We plan to open a government approved retail cannabis store at 3818 Gordon Drive in the lower Mission area of Kelowna, with the support of local and provincial government to meet the needs of local residents and tourists.

On October 17th the Federal Government legalised the sale of recreational cannabis and allowed licenced retail stores to sell cannabis, subject to having provincial and local government approval. The City of Kelowna is accepting applications for Retail Cannabis Stores in the Kelowna area and is restricting the zones allowed and placement of potential stores in Kelowna, in order to keep stores away from sensitive areas like schools, parks, social services etc to protect the youth from exposure to cannabis.

Legal cannabis sales could reach \$6.5 billion by 2020, according to an estimate from CIBC analysts. CIBC analysts predicted cannabis sales could top sales of spirits. 63 percent of current cannabis users in Canada plan to make purchases at legal retailers, according to a survey commissioned by Deloitte that polled 1,500 Canadians. By the survey's estimates, the legal cannabis market could generate \$4.3 billion in sales next year.

Abaco Health at 3818 Gordon Drive in the Lower Mission, leased extra space from their Landlord (Chris Cavacuiti) in 2016 specifically to hold this business space for a future retail cannabis store location. The owners of Abaco Health have obtained their landlord's written approval along with their neighbouring businesses verbal approval. This extra 600 sq.feet space will created by rebuilding a fire wall to separate Abaco Health from the new store space.

This proposed store location is in C2 zone, which allows for Cannabis retail stores for secondary use. This store location meets all the set back requirements for distance to primary and secondary schools, social services, day care centers, other liquor establishments and other retail cannabis stores.

This is a unique location in Kelowna and presents an opportunity to meet the needs of the City of Kelowna in terms of setbacks and zoning, meet the needs of Kelowna residents in providing a needed service, providing additional jobs and income for local people and additional revenues to the City of Kelowna through business licencing fees, tourism and potentially sales taxes too.

The location sits in a small strip mall on the busy Gordon drive. This mall is a "destination" mall and not the kind of mall people go to for browsing. This limits the number of children walking around the mall and makes this a unique location in limiting exposure to children.

The owners of Abaco Health, Steven and Shauna Jones have over 35 years experience in retail management. In the last 13 years they created and developed Abaco Health, a natural health store, selling over 3,000 government approved natural products to Kelowna residents,

nationally and internationally through the online business $\underline{\text{www.abacohealth.com}}$ that Steven developed.

They are uniquely positioned in this optimum location, their experience setting up and managing retail stores and additionally through Steven's experience as a medical cannabis patient for many years.

Steven and Shauna have secured more than enough financing through family and friends to create this store and get it open for business in a timely manner without any need for financing from a bank.





Meeting the City of Kelowna's Zoning and set-back requirements

Our proposed location is at 3818 Gordon Drive, in the Lower Mission area of Kelowna and is **currently zoned as C2 Neighbourhood Commercial zone**.

According to the City of Kelowna website https://www.kelowna.ca/business-services/permits-licences/cannabis

Retail cannabis sales establishments are permitted with a successful rezoning to the retail cannabis sales subzone as:

- a principal use in C3, C4, C6, C7, C10, CD17, and CD26 zones
- a secondary use in C2 and C9
- a secondary use in I1, I2, I4 zones (with maximum 250-square-metres gross floor area)

The following regulations apply:

Minimum 500 m distance between retail cannabis sales establishments

Minimum 150 m distance from select parks

Minimum 150 m distance from elementary schools

Minimum 500 m distance from middle and secondary schools

Our proposed location at 3818 Gordon Drive meets all these requirements, not including the minimum 500 m distance between retail cannabis sales establishments, as there are none at the moment.

Looking at other available sites in Kelowna it is unlikely that any other retail cannabis stores could be close enough to be of concern. The only location close enough to be a valid location for a cannabis retail location would be at Creekside pub or the mall next to it, both of which are 480+ metres away, as the crow flies.