






## Potential Corporate Retail Locations

We have targeted available retail locations in neighborhoods that would best service Kelowna. This location would be in communities with populations over 10,000. Once awarded licenses, we will review rental property availability with municipalities, expecting that some targeted locations may change, and another suitable location would be selected. Our location at 5507 Airport Way Unit#120 is currently outside any buffer zones that have been identified by the city of Kelowna including:

-  Location in proximity to schools, day-cares, community clubs
-  Social Services
-  Public Libraries
-  Liquor stores
-  Liquor primary establishments

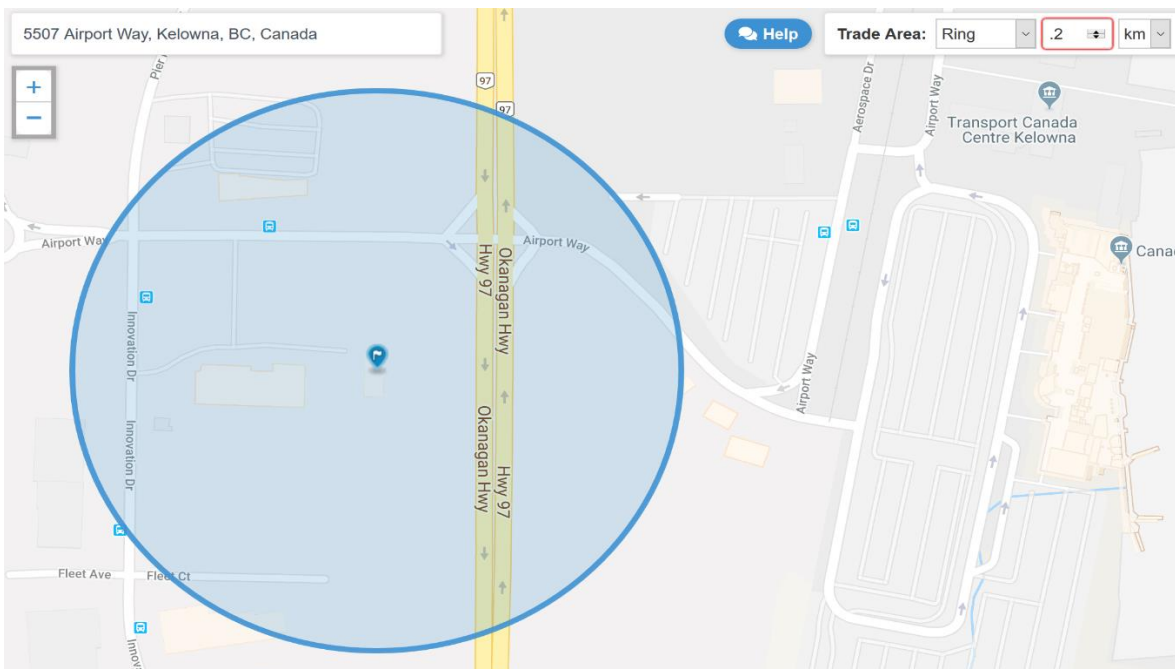
NAC has targeted Corporate Store locations that are between 1,800 - 3,000 total square feet. The size will allow for the appropriate design criteria to achieve the balance between safety, security and consumer experience. It will also allow for the desired merchandising of 300-400 SKUs of cannabis products and cannabis accessories. Cannabis and accessories will be the only product for sale in our Corporate Store locations.

At this point in time, NAC has identified the following potential target sites for Retail Outlets based on consumer purchasing potential and accessibility.

5507 Airport Way Unit# 120

Kelowna, BC,

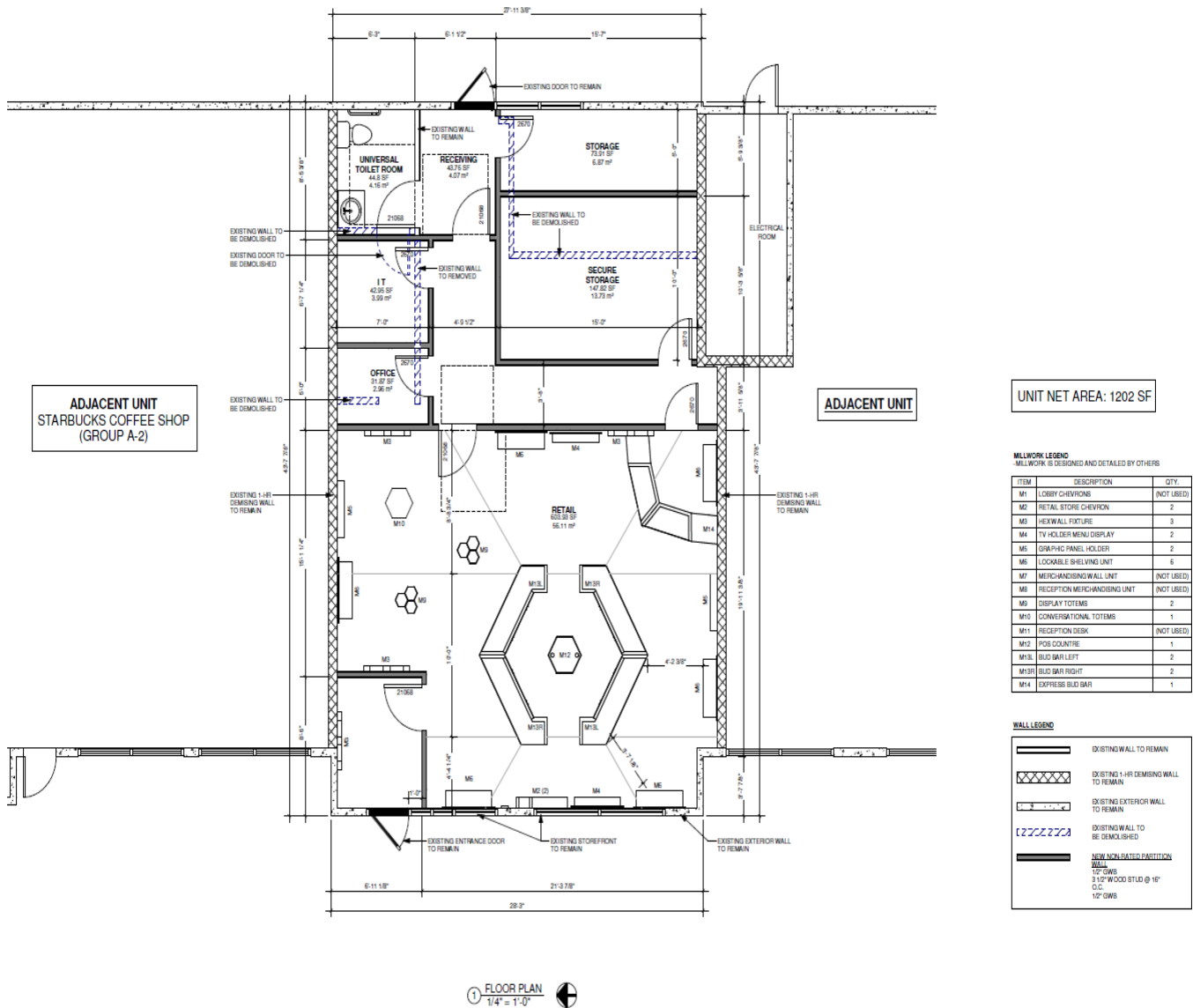
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Proposal for Retail Sales of Cannabis and Cannabis related Products  
in the City of Kelowna, British Columbia



# Floor Plan: 5507 Airport Way Unit#120



### **Zoning and Location – 5507 Airport Way**

5507 Airport Way contains an existing multitenant commercial building which was constructed in 2009. The entire parcel was zoned C9 at the time of construction, and a portion of the parcel was rezoned to CD15 Commercial in 2015 to allow a liquor store in the commercial building, which has since relocated elsewhere. The OCP future land use for the entire parcel is Commercial, and the building was constructed in compliance with zoning and building bylaws. All current and proposed zones of C9, C9rcs, and CD15 Commercial all comply with the OCP designation.

Surrounding land uses are commercial and industrial, with Hotels to the west and southwest, a shopping mall to the north, Highway 97 and the airport to the east, and undeveloped industrial land to the south.

No building modifications which would trigger a development permit are proposed for the existing building. New signage for the retail unit will be required to comply with the dimensions permitted by the City of Kelowna sign bylaw.

One sensitive use listed by the City is known to be present within 150m from the property boundaries at this time: a retail liquor sales establishment is present at 1750 Pier Mac Way. The sensitive use is separated by Airport Way, and while the parcels are 30m from one another, the building entrances are approximately 150m from each other as the crow flies, with a driving distance of 500m.

As Kelowna City Council approved the zoning bylaw changes which created the new C9rcs subzone, rezoning of this building to C9rcs is fully compliant with the zoning bylaw and OCP, as the structure was originally built under C9 zoning. Due to the proximity to a provincial Highway, the BC Ministry of Transportation and Infrastructure will need to approve the rezoning, and we understand that their primary concern is increased commercial use which would lead to excessive traffic volumes.

In discussions with MoTI staff regarding commercial use in an existing building at 5507 Airport Way, MoTI recommended that a rationale be provided to address potential traffic concerns. Rezoning of 5507 Airport Way to C9rcs is supported by the following:

- Historically, MoTI concerns regarding land use changes in the Airport Business Park were based on traffic impacts to Highway 97 in excess of the traffic modelling completed for the subdivision. Due to the higher traffic associated with retail use, MoTI has been particularly sensitive to the conversion of industrial land to commercial use. The lands at 5507 Airport Way have been designated as commercial in the OCP since the area structure plan for Airport Business Park.
- MoTI approval is required for any rezoning within 800m of a controlled access to a provincial highway. The 800m radius encompasses all land designated as commercial in the UBCO and Airport areas, along with the majority of the industrial lands in the area. While City of Kelowna staff have suggested using a text amendment to CD15 to allow retail cannabis sales in the area, traffic impacts will be the same regardless of zoning. MoTI approval is also required for a text amendment, and will be necessary for most of retail cannabis rezonings within the City of Kelowna.
- In May 2018, Kelowna council rejected a text amendment application (by others) to the CD15 zone which would have removed the 3,000m<sup>2</sup> commercial floor area limits. The text amendment was requested to allow a Sandman hotel on land with CD15 Industrial zoning, and would also have allowed large box retail (such as Costco) within the CD15 Industrial zone. City staff reports to council for the afternoon meeting of May 28, 2018 focused on the risks of diverging from assigned

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land uses; i.e., conversion of industrial to commercial. In addition, big box uses would generate new trips from Kelowna to the area, which was a major concern.

- Since the City of Kelowna can anticipate a dozen or more cannabis shops to open within the next year, this location is unlikely to draw new trips from Kelowna's urban core. The majority of its customers will be people already in the area. Internal capture from nearby residents or workers, diverted trips and pass by trips will thus account for a large number of the overall vehicle traffic to the store. Any change to the number of peak hour trips to 5507 Airport Way when compared to the former liquor store tenant will be far below MoTI's threshold for traffic impact analysis.
- Both C9rcs and CD15 are commercial zones which allow a variety of uses, with a reduced range of uses under C9rcs. Traffic impacts for C9 and CD15 uses are compared in the table below, which shows that the afternoon peak hour trips for a marijuana dispensary are comparable to or lower than other uses which are permitted in the building under the existing CD15 zoning:

ITE 10 <sup>th</sup> Edition Land Uses	PM Peak Hour trips / 1000 ft <sup>2</sup> GFA	
	C9rcs	CD15 Commercial
933 Fast Food without Drive-Through	28.34	28.34
934 Fast Food with Drive-Through	32.67	32.67
899 Liquor Store	-	16.37
911 Walk-in Bank	-	12.13
912 Drive-in Bank	-	20.45
851 Convenience Market	49.11	49.11
882 Marijuana Dispensary	21.83	-

- The existing commercial building was originally zoned C9, which allows for food primary and drive-throughs. Returning the existing building to C9rcs from CD15 does not introduce land uses which generate significantly different trips from uses currently allowed under CD15.
- A site-specific text amendment opens the door for unanticipated impacts, such as increased pressure to place other types of retail stores onto CD15 Industrial lands. In addition, site-specific uses add complexity to the zoning bylaw. Rezoning to C9rcs is the simplest and most straightforward approach to siting a retail cannabis store in the vicinity.