

CHECK AGAINST DELIVERY

Good morning, I am here today to discuss the AGLC's application and licensing process for retail cannabis stores.

On Feb 26 we released the AGLC's policies and application forms for a retail cannabis store licence.

Some of the operational policies for retail cannabis stores along with the AGLC's on-line e-commerce platform are under development and information will be released once it is available. As these other aspects are still under development I will focus today's discussion on the retail cannabis store application process.

As the application process is expected to take between 2-4 months with the AGLC, we are accepting applications on March 6 so that prospective retailers can have ample time to go through the application process to be ready for licensing once legislation permits it.

At the onset of the application process, applicants will be advised to contact their municipalities to begin working through their process as well.

Applicants will be required to submit a \$400 non-refundable application fee, a \$700 licence fee (annual) and a \$3000 deposit for background checks. If an applicant's location is deemed unsuitable by the municipality, they may provide a new physical location and will not incur an additional application fee. If applying for multiple locations, each location requires an application fee, however the background checks may cover several applications if the corporate structure is identical.

Applicants and their key employees will be required to undergo thorough personal and financial background checks to ensure criminal interests are prevented from operating, associating with or having a financial interest in retail cannabis sales in Alberta. There may be additional fees over the \$3000 deposit for the background checks depending on the complexity of the review. Additionally, any unused funds will be refunded to the applicant. Applicants will also be required to provide a criminal record check from their local police service. The AGLC will not accept criminal record checks from other service providers.

All employees of a retail cannabis store must be qualified. Qualified cannabis worker requirements include providing a satisfactory criminal record check, passing the AGLC's mandatory SellSafe Cannabis Staff Training program and completing an application for qualified worker form. The AGLC will maintain a database of qualified workers for retailers. SellSafe training and the application forms will be available May 1.

The proposed premises must be physically separate from other businesses with floor to ceiling walls, separate entrances/exits, separate receiving, storage and retail areas. This is similar to the requirements for retail liquor stores.

Applicants will need to provide a detailed floorplan showing key areas of the premises including entrances, exits, secure storage room, shipping/receiving areas and the retail sales area. The secure storage room must meet or exceed the specifications contained within policy. In addition to a floorplan, a site plan listing adjacent businesses is also required.

Video surveillance of all entrances, exits, storage and retail areas, as well as alarm coverage of the premises, is required. Applications will be reviewed to ensure the specific policy requirements are met.

The applicant's business must be separate from any other business unless it is another retail cannabis store. Applicants are required to provide details indicating the business is separate from any other business owned or operated by the applicant. Licensed cannabis producers may own and operate retail cannabis stores, however they must do so under a separate company. No one person, group of persons can own or control more than 15% of the cannabis licences issued. The AGLC will use the estimate of 250 to calculate this number for the first year and will revise the number based on the total number of licences issued yearly. For the first year this would equate to a maximum of 37 licences.

Once an applicant submits the information required as I described, the application will be reviewed for eligibility and posted on our website as part of our objection process. Only applications deemed eligible will continue in the licensing process.

Once deemed eligible for licensing and prior to a licence being issued, the applicant must provide an approved development permit from the municipality, a business licence or municipal approval, an executed lease agreement and fire approval (right to occupy). The AGLC will not issue a licence until a development permit (or granted exception) and municipal approval is received.

I'll provide additional detail on the development permit and requirement and the exceptions. By issuance of a development permit, the municipality indicates that the proposed premises meets the provincial setback requirements set in the Gaming, Liquor and Cannabis Act; or the proposed premises meets the varied requirements as set by a land use bylaw. In the event a development permit is not issued, as may be the case with an existing business that converts to a retail cannabis store, the municipality may apply to the AGLC for an exception. In the case where a municipality does not have a land use bylaw and the premises does not meet the legislated setback requirements, but the location is one that a municipality would approve, the municipality may apply to the AGLC for an exception. This would be a one-off type of exception for small municipalities where a land use bylaw would not be reasonable. I.e. one small strip mall in a town that is located less than 100 metres from the local school.

Municipalities may contact the AGLC licensing department in the case an exception is requested.

The AGLC has provided a form in the application package that applicants may provide the municipality that details these exceptions. Municipalities that do not issue business licences, in lieu of a letter of approval, may choose to use this form as municipal approval by signing the bottom of the form.

Some additional information I can share at this time is:

The maximum hours of operation for a retail cannabis store will be 10 a.m. to 2 a.m.; however municipalities may, by bylaw, place further restrictions on the hours of operation. The reduced hours would apply to all licensed cannabis stores in the municipality.

Once licensed, retail cannabis stores will purchase all of their cannabis from the AGLC. Retail stores may not purchase any cannabis directly from licensed producers.

Medicinal cannabis is regulated by Health Canada and will continue to operate separately from retail cannabis stores. A retail cannabis store licence is only for recreational cannabis products and cannabis accessories. No medicinal cannabis will be sold through these stores. The primary sales of a retail cannabis store must be cannabis product sales. Food or other items not considered a directly related cannabis accessory such as printed t-shirts, ball-caps, mugs, etc. are not permitted for sale in a retail cannabis store.

Licensed cannabis producers are licensed and regulated by Health Canada.

Cannabis products will be provided in sealed packages that must meet federal labelling requirements. No loose product will be permitted in the premises. During operating hours, all products including accessories must be locked in secure showcases accessible only by authorized staff. After hours, all cannabis products must be stored in a locked storage room.

To learn more about the retail licensing process in Alberta, you can visit our website at aglc.ca and view or download the application for more information. You will also find a comprehensive question and answer section that outlines many of the items I just spoke to, as well as links to the federal and provincial government cannabis sites.

This concludes my presentation portion of the program and I will now open it up to questions.