



**AGENDA FOR THE REGULAR MEETING OF COUNCIL TO
COMMENCE AT 6:00 PM, IN THE COUNCIL CHAMBER, CITY
HALL, 141 WEST 14TH STREET, NORTH VANCOUVER, BC, ON
MONDAY, JULY 15, 2019**

**MONDAY, JULY 15, 2019
COUNCIL MEETING – 6:00 PM**

“Live” Broadcast via City Website www.cnv.org/LiveStreaming
Complete Agenda Package available at www.cnv.org/CouncilMeetings

CALL TO ORDER

APPROVAL OF AGENDA

1. Regular Council Meeting Agenda, July 15, 2019

ADOPTION OF MINUTES

2. Regular Council Meeting Minutes, July 8, 2019

PUBLIC INPUT PERIOD

CONSENT AGENDA

Items *3, *4 and *5 are listed in the Consent Agenda and may be considered separately or in one motion.

CORRESPONDENCE

- *3. Board in Brief – Metro Vancouver Regional District, June 28, 2019

BYLAWS – ADOPTION

- *4. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8725”
(Angelo Cusano / Bill Curtis & Associates Design Ltd., 410 West 15th Street)
- *5. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8726”
(132 Esplanade Holdings Ltd., 132 West Esplanade, CD-179 Text Amendment)

CORRESPONDENCE

6. Metro Vancouver and National Zero Waste Council – 2019 Zero Waste Conference, October 30 and 31, 2019



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REPORTS

7. Amendment to 2019 Traffic Signal: Keith Road at Hendry Avenue Capital Project Funding
8. Semisch Park Consolidation

Items 9, 10, and 11 refer.

BYLAWS – FIRST, SECOND AND THIRD READINGS

9. “Highway Closing Bylaw, 2019, No. 8712” (Closing and removal of highway dedication on portions of road in the 100 and 200 Blocks of Semisch Avenue)
10. “Highways Stopping Up and Closing Bylaw, 1974, No. 4743, Repeal Bylaw, 2019, No. 8731”
11. “Highways Stopping Up and Closing Bylaw, 1975, No. 4795, Repeal Bylaw, 2019, No. 8732”

REPORTS

12. Lonsdale Energy Corp. – 2019 Annual General Meeting
13. Lonsdale Energy Corp. – Review of Outstanding Loans and Borrowing Request
14. Lonsdale Energy Corp. – 2019 Rate Review and Bylaw Amendment

Item 15 refers.

BYLAW – FIRST AND SECOND READINGS

15. “City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2019, No. 8730”



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PUBLIC HEARINGS – 6:30 PM

PRESENTATION

Rezoning Applications for Cannabis Retail Stores – Development Planner

PUBLIC HEARING – 333 Brooksbank Avenue

BYLAW – THIRD READING

16. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8718”
(Mark Long / BC Liquor Distribution Branch, 333 Brooksbank Avenue,
CD-131 Text Amendment)

PUBLIC HEARING – 1717 Lonsdale Avenue – following Item 16

BYLAW – THIRD READING

17. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8714”
(The Herb Co. / Scott Hamilton, 1717 Lonsdale Avenue, CD-721)

PUBLIC HEARING – 221 West 1st Street – following Item 17

BYLAW – THIRD READING

18. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8715”
(1st Cannabis / 1174707 BC Ltd., 221 West 1st Street, CD-454 Text Amendment)

COUNCIL REPORT

Each Council member is permitted 5 minutes to report on their activities.

PUBLIC CLARIFICATION PERIOD

COUNCIL INQUIRIES

NEW ITEMS OF BUSINESS

NOTICES OF MOTION

CITY CLERK’S RECOMMENDATION

THAT Council recess to the Committee of the Whole, Closed session, pursuant to the *Community Charter*, Section 90(1)(e) [land matter], 90(1)(i) [legal advice], and 90(1)(j) [privacy matter].

REPORT OF THE COMMITTEE OF THE WHOLE (CLOSED SESSION)

ADJOURN



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CALL TO ORDER

APPROVAL OF AGENDA

1. Regular Council Meeting Agenda, July 15, 2019

ADOPTION OF MINUTES

2. Regular Council Meeting Minutes, July 8, 2019

PUBLIC INPUT PERIOD

The Public Input Period is addressed in sections 12.20 to 12.28 of “Council Procedure Bylaw, 2015, No. 8500.”

The time allotted for each speaker appearing before Council during the Public Input Period is two minutes, with the number of speakers set at five persons. Speakers’ presentations will be audio and video recorded, as well as live-streamed on the Internet, and will form part of the public record.

To make a submission to Council during the Public Input Period, a person must complete the Public Input Period sign-up sheet at City Hall prior to the Regular Council Meeting. A person who fails to complete, or only partially completes, the Public Input Period sign-up sheet will not be permitted to make a submission to Council during the Public Input Period. The sign-up sheet will be available on the table in the lobby outside the Council Chamber from 5:30 pm until 5:55 pm before a Council meeting.

When appearing before Council, speakers are requested to state their name and address for the record. Speakers may display materials on the document camera at the podium in the Council Chamber and provide written materials to the City Clerk for distribution to Council, only if these materials have been provided to the City Clerk by 4:00 pm on the date of the meeting.

The Public Input Period provides an opportunity for input only, without the expectation of a response from Council, and places the speaker’s concern on record.

Speakers must comply with the General Rules of Conduct set out in section 5.1 of “Council Procedure Bylaw, 2015, No. 8500” and may not speak with respect to items as listed in section 12.25(2).

Speakers are requested not to address matters that refer to items from a concluded Public Hearing/Public Meeting and to Public Hearings, Public Meetings and Committee meetings when those matters are scheduled on the same evening’s agenda and an opportunity for public input is provided when the particular item comes forward for discussion.

Please address the Mayor as “Mayor, followed by his/her surname” or “Your Worship”. Councillors should be addressed as “Councillor, followed by their surname”.



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CONSENT AGENDA

Items *3, *4 and *5 are listed in the Consent Agenda and may be considered separately or in one motion.

RECOMMENDATION:

THAT the recommendations listed within the “Consent Agenda” be approved.

START OF CONSENT AGENDA

CORRESPONDENCE

- *3. Board in Brief, Metro Vancouver Regional District, June 28, 2019
– File: 01-0400-60-0006/2019

Re: Metro Vancouver – Board in Brief

RECOMMENDATION:

THAT the correspondence of Metro Vancouver, dated June 28, 2019, regarding the “Metro Vancouver – Board in Brief”, be received and filed.

BYLAWS – ADOPTION

- *4. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8725”
(Angelo Cusano / Bill Curtis & Associates Design Ltd., 410 West 15th Street)

RECOMMENDATION:

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8725”
(Angelo Cusano / Bill Curtis & Associates Design Ltd., 410 West 15th Street) be adopted, signed by the Mayor and City Clerk and affixed with the corporate seal.

- *5. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8726”
(132 Esplanade Holdings Ltd., 132 West Esplanade, CD-179 Text Amendment)

RECOMMENDATION:

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8726”
(132 Esplanade Holdings Ltd., 132 West Esplanade, CD-179 Text Amendment)
be adopted, signed by the Mayor and City Clerk and affixed with the corporate seal.

END OF CONSENT AGENDA



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CORRESPONDENCE

6. 2019 Zero Waste Conference, October 30 and 31, 2019
– File: 01-0390-01-0001/2019

Re: 2019 Zero Waste Conference, October 30 and 31, 2019, Vancouver,
British Columbia

RECOMMENDATION:

PURSUANT to the correspondence received from Metro Vancouver and the National Zero Waste Council, regarding the “2019 Zero Waste Conference”:

THAT Council members be authorized to attend the 2019 Zero Waste Conference, to be held October 30 and 31, 2019, in Vancouver, British Columbia;

THAT expenses be paid in accordance with City Policy;

AND THAT funds be provided from the Conference Education Travel Account.

REPORTS

7. Amendment to 2019 Traffic Signal: Keith Road at Hendry Avenue Capital Project Funding – File: 11-5460-01-0001/2019

Report: Section Manager, Traffic Engineering, July 3, 2019

RECOMMENDATION:

PURSUANT to the report of the Section Manager, Traffic Engineering, dated July 3, 2019, entitled “Amendment to 2019 Traffic Signal: Keith Road at Hendry Avenue Capital Project Funding”:

THAT the \$141,000 of funding approved in the 2017, 2018 and 2019 Project Plans for design and construction of a new traffic signal on Keith Road at Hendry Avenue be reallocated to construction of a new traffic signal on Westview Drive at West 21st Street.



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REPORTS – Continued

8. Semisch Park Consolidation – File: 02-0890-01-0001/2019

Report: Section Manager, Real Estate, July 3, 2019

RECOMMENDATION:

PURSUANT to the report of the Section Manager, Real Estate, dated July 3, 2019, entitled “Semisch Park Consolidation”:

THAT the following bylaws be considered:

1. “Highway Closing Bylaw, 2019, No. 8712” (Closing and removal of highway dedication on portions of road in the 100 and 200 Blocks of Semisch Avenue);
2. “Highways Stopping Up and Closing Bylaw, 1974, No. 4743, Repeal Bylaw, 2019, No. 8731”; and
3. “Highways Stopping Up and Closing Bylaw, 1975, No. 4795, Repeal Bylaw, 2019, No. 8732”.

Items 9, 10, and 11 refer.

BYLAWS – FIRST, SECOND AND THIRD READINGS

9. “Highway Closing Bylaw, 2019, No. 8712” (Closing and removal of highway dedication on portions of road in the 100 and 200 Blocks of Semisch Avenue)

RECOMMENDATION:

THAT “Highway Closing Bylaw, 2019, No. 8712” (Closing and removal of highway dedication on portions of road in the 100 and 200 Blocks of Semisch Avenue) be given first, second and third readings.

10. “Highways Stopping Up and Closing Bylaw, 1974, No. 4743, Repeal Bylaw, 2019, No. 8731”

RECOMMENDATION:

THAT “Highways Stopping Up and Closing Bylaw, 1974, No. 4743, Repeal Bylaw, 2019, No. 8731” be given first, second and third readings.



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BYLAWS – FIRST, SECOND AND THIRD READINGS – Continued

11. “Highways Stopping Up and Closing Bylaw, 1975, No. 4795, Repeal Bylaw, 2019, No. 8732”

RECOMMENDATION:

THAT “Highways Stopping Up and Closing Bylaw, 1975, No. 4795, Repeal Bylaw, 2019, No. 8732” be given first, second and third readings.

REPORTS

12. Lonsdale Energy Corp. – 2019 Annual General Meeting
– File: 11-5500-06-0001/1

Report: Director, Lonsdale Energy Corp., July 9, 2019

RECOMMENDATION:

PURSUANT to the report of the Director, Lonsdale Energy Corp., dated July 9, 2019, entitled “2019 Annual General Meeting”:

THAT the 2018 Financial Statements be received and filed;

THAT the attached proposed Unanimous Consent Resolutions of the Shareholder of Lonsdale Energy Corp. (Attachment 2) be endorsed;

AND THAT the Mayor and City Clerk be authorized to sign the resolution.

13. Lonsdale Energy Corp. – Review of Outstanding Loans and Borrowing Request
– File: 11-5500-06-0001/1

Report: Director, Lonsdale Energy Corp., July 9, 2019

RECOMMENDATION:

PURSUANT to the report of the Director, Lonsdale Energy Corp., dated July 9, 2019, entitled “Review of Outstanding Loans and Borrowing Request”:

THAT Lonsdale Energy Corp. be authorized to borrow up to \$1,681,000 in additional funding from the City of North Vancouver under the same terms and conditions of the existing August 1, 2018 City loan.



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REPORTS – Continued

14. Lonsdale Energy Corp. – 2019 Rate Review and Bylaw Amendment
– File: 11-5500-06-0001/1

Report: Director, Lonsdale Energy Corp., July 9, 2019

RECOMMENDATION:

PURSUANT to the report of the Director, Lonsdale Energy Corp., dated July 9, 2019, entitled “2019 Rate Review and Bylaw Amendment”:

THAT the report and “City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2019, No. 8730” be forwarded to Lonsdale Energy Corp. customers for information and comment;

AND THAT “City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2019, No. 8730” be considered and referred to a Public Meeting on September 16, 2019, to receive input from Lonsdale Energy Corp. customers and the public.

Item 15 refers.

BYLAW – FIRST AND SECOND READINGS

15. “City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2019, No. 8730”

RECOMMENDATION:

THAT “City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2019, No. 8730” be given first and second readings.



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PUBLIC HEARINGS – 6:30 PM

PRESENTATION

Rezoning Applications for Cannabis Retail Stores – Development Planner

Items 16, 17, and 18 refer.

PUBLIC HEARING – 333 Brooksbank Avenue

“Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8718” (Mark Long / BC Liquor Distribution Branch, 333 Brooksbank Avenue, CD-131 Text Amendment) would amend the text of Comprehensive Development 131 (CD-131) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property and adjust the site schedule to permit the placement of a new 365.1 sq. m. (3,930 sq. ft.) building at the northeast corner of the property.

Bylaw No. 8718 to be considered under Item 16.

AGENDA

Staff presentation
Applicant presentation
Representations from the public
Questions from Council
Motion to conclude the Public Hearing

BYLAW – THIRD READING

16. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8718”
(Mark Long / BC Liquor Distribution Branch, 333 Brooksbank Avenue,
CD-131 Text Amendment)

RECOMMENDATION:

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8718”
(Mark Long / BC Liquor Distribution Branch, 333 Brooksbank Avenue, CD-131
Text Amendment) be given third reading.



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PUBLIC HEARING – 1717 Lonsdale Avenue – following Item 16

“Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8714” (The Herb Co. / Scott Hamilton, 1717 Lonsdale Avenue, CD-721) would rezone the property from a General Commercial (C-2) Zone to a Comprehensive Development 721 (CD-721) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property and to reduce the number of required off-street parking stalls from 9 to 6.

Bylaw No. 8714 to be considered under Item 17.

AGENDA

Staff presentation
Applicant presentation
Representations from the public
Questions from Council
Motion to conclude the Public Hearing

BYLAW – THIRD READING

17. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8714”
(The Herb Co. / Scott Hamilton, 1717 Lonsdale Avenue, CD-721)

RECOMMENDATION:

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8714”
(The Herb Co. / Scott Hamilton, 1717 Lonsdale Avenue, CD-721) be given third reading.



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PUBLIC HEARING – 221 West 1st Street – following Item 17

“Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8715” (1st Cannabis / 1174707 BC Ltd., 221 West 1st Street, CD-454 Text Amendment) would amend the text of Comprehensive Development 454 (CD-454) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.

Bylaw No. 8715 to be considered under Item 18.

AGENDA

Staff presentation
Applicant presentation
Representations from the public
Questions from Council
Motion to conclude the Public Hearing

BYLAW – THIRD READING

18. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8715”
(1st Cannabis / 1174707 BC Ltd., 221 West 1st Street, CD-454 Text Amendment)

RECOMMENDATION:

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8715”
(1st Cannabis / 1174707 BC Ltd., 221 West 1st Street, CD-454 Text Amendment)
be given third reading.



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COUNCIL REPORT

Each Council member is permitted 5 minutes to report on their activities.

PUBLIC CLARIFICATION PERIOD

The Public Clarification Period is limited to 10 minutes in total and is an opportunity for the public to ask a question regarding process or clarification on an item on the Regular Council Agenda. The Public Clarification Period concludes after 10 minutes and the Regular Council Meeting reconvenes.

COUNCIL INQUIRIES

NEW ITEMS OF BUSINESS

NOTICES OF MOTION

CITY CLERK'S RECOMMENDATION

THAT Council recess to the Committee of the Whole, Closed session, pursuant to the *Community Charter*, Section 90(1)(e) [land matter], 90(1)(i) [legal advice], and 90(1)(j) [privacy matter].

REPORT OF THE COMMITTEE OF THE WHOLE (CLOSED SESSION)

ADJOURN



THE CORPORATION OF THE CITY OF NORTH VANCOUVER

PUBLIC HEARING GUIDELINES

Permitted Use of Cannabis Sales to Allow for Cannabis Retail Stores

Public Hearings are governed by the provisions of the *Local Government Act* and held for the purpose of allowing members of the public an opportunity to make representations to Council – in person at the Public Hearing(s) or by written submission – on a proposed amendment to the City's Official Community Plan and/or Zoning Bylaw. All persons who believe their interest in property is affected by the proposed bylaw(s) will be given a reasonable opportunity to be heard, voice concerns or present written submissions regarding the matters contained within the bylaw(s).

All written submissions and representations made at the Public Hearing(s) will form part of the official record. Minutes of the Public Hearing(s) and a video recording of the proceedings will be posted on the City's website at cnv.org.

The Mayor has determined the following procedural rules for the conduct of the Public Hearing(s):

- A sign-up sheet will be posted outside of the Council Chamber at 4:30 pm on the day of the Public Hearing(s). Members of the public may sign the sheet, including their name and address, if they wish to speak at the Public Hearing(s). The sign-up sheet is restricted to "in person" sign-up only. Other persons are not permitted to sign the sheet on another speaker's behalf. Speakers cannot pre-register.
- Separate sign-up sheets will be provided for speakers – those persons in support and those in opposition or with concerns. The Mayor will call up speakers by name, one at a time, and will alternate speakers between the two sign-up sheets.
- Speakers will be asked to state their name and address for the record and will be provided one opportunity, up to a maximum of 5 minutes, to present their comments and express their views. After all people listed on the sign-up sheet have spoken, the Mayor will ask if anyone else in the Council Chamber wishes to come forward to speak, if they have not already spoken. Comments must be limited to the matters contained within the bylaw(s) regarding land use and no one is to obstruct the Public Hearing process.
- At the Public Hearing, everyone will be given a reasonable opportunity to be heard and no one should feel discouraged or prevented from making their views heard. All people in the Council Chamber are requested to refrain from applause, outbursts or other forms of expression, showing either support or opposition regarding any of the applications.
- A document camera is available should a member of the public wish to display hardcopy material/ information on the monitors in the Council Chamber. The document camera can also display information from an iPad or tablet. If a person wishes to provide written material to the Mayor and Council, it must be handed to the City Clerk for distribution to Council.
- Members of Council may ask questions of a speaker in order to clarify or expand on their submission. However, the main function of Council members is to listen to the views of the public regarding the change of land use in the proposed bylaw(s). It is not the function of Council to debate the merits of an application with speakers at the Public Hearing(s). Questions from members of the public and Council must be addressed through the Chair.

Council is not permitted to receive any further information or submissions after the close of the Public Hearing(s).

Following adjournment of the Public Hearing(s), the bylaw(s) will be discussed and debated by Council and then considered for third reading.



MINUTES OF THE REGULAR MEETING OF COUNCIL HELD IN THE COUNCIL CHAMBER, CITY HALL, 141 WEST 14TH STREET, NORTH VANCOUVER, BC, ON **MONDAY, JULY 8, 2019**

PRESENT

COUNCIL MEMBERS

Councillor H. Back
Councillor D. Bell
Councillor A. Girard
Councillor T. Hu (Acting Mayor)
Councillor J. McIlroy

ABSENT

Mayor L. Buchanan
Councillor T. Valente

STAFF MEMBERS

L. McCarthy, CAO
K. Graham, City Clerk
C. Baird, Deputy City Clerk
J. Peters, Assistant City Clerk
G. Penway, Interim Director, Community and Partner Engagement
L. Siracusa, Manager, Shipyards and Waterfront
B. Themens, Director, Finance
M. Epp, Director, Planning and Development
S. Galloway, Manager, Planning
E. Macdonald, Planner 1

The meeting was called to order at 6:00 pm.

APPROVAL OF AGENDA

Moved by Councillor Bell, seconded by Councillor Back

1. Regular Council Meeting Agenda, July 8, 2019

CARRIED UNANIMOUSLY

ADOPTION OF MINUTES

Moved by Councillor Girard, seconded by Councillor Back

2. Regular Council Meeting Minutes, June 24, 2019

CARRIED UNANIMOUSLY

PUBLIC INPUT PERIOD

- Ron Sostad, 231 East 15th Street, North Vancouver, spoke regarding legalization of cannabis.
- Joe Cash, 2765 St. Georges Avenue, North Vancouver, spoke regarding parking and traffic concerns at 29th Street and St. Georges Avenue.

DELEGATION

Sioned Dyer, Executive Director, North Shore Restorative Justice Society, provided a PowerPoint presentation regarding "Information and Statistics Sharing" and responded to questions of Council.

CORRESPONDENCE

3. Sioned Dyer, Executive Director, North Shore Restorative Justice Society,
June 3, 2019 – File: 01-0230-20-0046/2019

Re: Information and Statistics Sharing

Moved by Councillor Bell, seconded by Councillor McIlroy

THAT the correspondence from Sioned Dyer, Executive Director, North Shore Restorative Justice Society, dated June 3, 2019, regarding “Information and Statistics Sharing”, be received with thanks.

CARRIED UNANIMOUSLY

4. Stephen Smith, Library Board Chair, North Vancouver City Library, June 24, 2019
– File: 01-0360-20-0070/2019

Re: Provincial Support for Public Libraries

Moved by Councillor McIlroy, seconded by Councillor Girard

THAT the correspondence from Stephen Smith, Library Board Chair, North Vancouver City Library, dated June 24, 2019, regarding “Provincial Support for Public Libraries”, be received with thanks;

AND WHEREAS public libraries require continuous and increasing investment to provide opportunities for life-long learning, build community and increase equity and social inclusion;

AND WHEREAS restoring funding to public libraries supports the BC Government’s agenda to eliminate poverty, improve access to education and address social justice in BC;

AND WHEREAS provincial funding for public libraries has remained unchanged since 2009 while costs to deliver services and public demand for library services have increased, demonstrating a regressive approach of shifting costs to municipal property tax payers;

THEREFORE BE IT RESOLVED THAT the Mayor, on behalf of Council, write a letter to Minister Fleming asking that the BC Government restore library funding to a minimum of \$20 million annually to reflect inflationary and population increases and recommit to a progressive funding approach, considering the role of public libraries in achieving the goals of the Province and our communities, with a copy forwarded to Union of British Columbia Municipalities (UBCM) and UBCM member municipalities;

AND BE IT FURTHER RESOLVED THAT Council support the resolutions appealing for increased provincial funding for public libraries at the upcoming UBCM meeting.

CARRIED UNANIMOUSLY

REPORTS

5. “Reclaiming Power and Place” – Final Report of the National Enquiry into Missing and Murdered Indigenous Women and Girls (MMIWG) – File: 01-0400-01-0001/2019

Report: Interim Director, Community and Partner Engagement, June 27, 2019

Moved by Councillor Girard, seconded by Councillor McIlroy

PURSUANT to the report of the Interim Director, Community and Partner Engagement, dated June 27, 2019, entitled “ ‘Reclaiming Power and Place’ – Final Report of the National Enquiry into Missing and Murdered Indigenous Women and Girls (MMIWG)”:

THAT staff be directed to review the Final Report of the National Enquiry into Missing and Murdered Indigenous Women and Girls (MMIWG) to identify Calls for Justice that relate to municipal jurisdiction;

AND THAT staff report back with recommended actions that the City of North Vancouver might take to respond to those Calls for Justice to help prevent future abuses and violations against indigenous women and girls.

CARRIED UNANIMOUSLY

6. Development Variance Permit Application: 230 West Keith Road (Board of Education, School District No. 44) – File: 08-3090-20-0246/1

Report: Planner 1, June 26, 2019

Moved by Councillor Bell, seconded by Councillor Girard

PURSUANT to the report of the Planner 1, dated June 26, 2019, entitled “Development Variance Permit Application: 230 West Keith Road (Board of Education, School District No. 44)”:

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8727” (DA Architects + Planners, 230 West Keith Road, CD-558 Text Amendment) be considered and the Public Hearing be waived;

THAT DVP2019-00003 be considered for issuance under Section 498 of the *Local Government Act* and the Public Meeting be waived;

AND THAT notification be circulated in accordance with the *Local Government Act*.

CARRIED UNANIMOUSLY

BYLAW – FIRST AND SECOND READINGS

7. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8727”
(DA Architects + Planners, 230 West Keith Road, CD-558 Text Amendment)

Moved by Councillor Bell, seconded by Councillor Girard

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8727”
(DA Architects + Planners, 230 West Keith Road, CD-558 Text Amendment) be given
first and second readings.

CARRIED UNANIMOUSLY

REPORT

8. Rezoning Application: 1126 Heywood Street (Behrouz Aghai / Bill Curtis & Associates Design Ltd.) – File: 08-3360-20-0468/1

Report: Manager, Planning, June 26, 2019

Moved by Councillor Bell, seconded by Councillor McIlroy

PURSUANT to the report of the Manager, Planning, dated June 26, 2019, entitled
“Rezoning Application: 1126 Heywood Street (Behrouz Aghai / Bill Curtis & Associates Design Ltd.)”:

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8729” (Behrouz Aghai / Bill Curtis & Associates Design Ltd., 1126 Heywood Street) be considered and referred to a Public Hearing;

AND THAT notification be circulated in accordance with the *Local Government Act*.

CARRIED UNANIMOUSLY

BYLAW – FIRST AND SECOND READINGS

9. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8729”
(Behrouz Aghai / Bill Curtis & Associates Design Ltd., 1126 Heywood Street)

Moved by Councillor Bell, seconded by Councillor McIlroy

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8729” (Behrouz Aghai / Bill Curtis & Associates Design Ltd., 1126 Heywood Street) be given first and second readings.

CARRIED UNANIMOUSLY

BYLAWS – THIRD READING

10. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8725”
(Angelo Cusano / Bill Curtis & Associates Design Ltd., 410 West 15th Street)

Moved by Councillor McIlroy, seconded by Councillor Girard

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8725” (Angelo Cusano / Bill Curtis & Associates Design Ltd., 410 West 15th Street) be given third reading.

CARRIED UNANIMOUSLY

11. “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8726”
(132 Esplanade Holdings Ltd., 132 West Esplanade, CD-179 Text Amendment)

Moved by Councillor Bell, seconded by Councillor McIlroy

THAT “Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8726”
(132 Esplanade Holdings Ltd., 132 West Esplanade, CD-179 Text Amendment) be given third reading.

CARRIED UNANIMOUSLY

PUBLIC CLARIFICATION PERIOD

Acting Mayor Hu declared a recess at 7:06 pm for the Public Clarification Period and reconvened the meeting immediately after.

COUNCIL INQUIRIES

Nil.

NEW ITEMS OF BUSINESS

Nil.

NOTICES OF MOTION

Nil.

ADJOURN

Moved by Councillor Girard, seconded by Councillor Back

THAT the meeting adjourn.

CARRIED UNANIMOUSLY

The meeting adjourned at 7:07 pm.

“Certified Correct by the City Clerk”

CITY CLERK

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For Metro Vancouver meetings on Friday, June 28, 2019

Please note these are not the official minutes. Board in Brief is an informal summary. Material relating to any of the following items is available on request from Metro Vancouver. For more information, please contact Greg.Valou@metrovancover.org or Kelly.Sinowski@metrovancover.org

Metro Vancouver Regional District

E 1.1 Greater Vancouver Regional Fund Semi-Annual Report as of December 31, 2018**RECEIVED**

The Board received for information TransLink's status report on active projects funded by federal gas tax funds through the Greater Vancouver Regional Fund.

As per TransLink's report, the regional transportation authority has been successful in delivering the majority of the projects on or ahead of schedule and incurring positive cost variances. Six projects are noted as experiencing delays exceeding three months: the Metrotown trolley overhead rectifier replacement, three conventional bus replacement projects, equipment for deferred bus retirement program, and the battery electric bus pilot.

Looking ahead over the next 9 years, TransLink expects to draw on \$1.5 billion in GVRF funds to pay for eligible capital expenditures associated with the 2018 Phase Two Investment Plan and subsequent investment plans. Assuming the renewal of the federal gas tax transfers in 2024, the forecasted balance in 2027 will be drawn down to a balance of approximately \$181 million.

E 1.2 Board Voting Technology**RECEIVED**

The Board received for information an update on a technology solution to automate the Board's voting process.

In-house staff expertise was leveraged to develop a software solution to meet the unique voting requirements of the Metro Vancouver Board, notably the multiple jurisdictions and the weighting voting aspect. While the Board employs two voting methods – a rising vote and a recorded vote – the recorded vote is the one to benefit from the proposed voting technology solution and is also authorized by the Procedure Bylaw obviating the need for a bylaw amendment. Staff have concluded the development and testing of the voting software, which is ready for use and can be deployed at the next Board meeting where a recorded vote is requested.

E 1.3 Asset Management for Corporate Facilities and Equipment Policy**APPROVED**

The Board approved the Asset Management for Corporate Facilities and Equipment Policy, which will establish asset management principles and a framework to balance asset performance, risk and cost to support the long-term provision of Regional Services not covered under a separate asset management policy.

The goal of the policy is to balance asset performance, risk and cost. This policy outlines Metro Vancouver's commitment and methodology to manage department assets in a manner that minimizes asset failure risks and impacts and optimizes the life cycle of assets.

The policy will guide Metro Vancouver to meet asset performance targets within a specified budget and enable evidence-based decision making to continuously provide reliable services in the region.

E 1. 4 2019 Rail~Volution Conference – Request for Sponsorship**APPROVED**

Rail~Volution, a U.S.-based non-profit, is intended to serve as a catalyst for building livable communities with transit by inspiring people in communities and regions to make better transit and land use decisions. TransLink, as the local host agency, has submitted a sponsorship request to Metro Vancouver for the 2019 Rail~Volution conference to be held in this region September 9-11, 2019, which is the first time the conference will be held outside of the United States.

The Board approved \$10,000 of sponsorship funding in support of the Regional Day component of the Rail~Volution Conference to be held in Metro Vancouver on September 11, 2019.

E 2.1 Best Management Practices for Invasive Species: English Holly, English and Irish Ivies, Yellow Archangel, Himalayan Balsam, and Parrot's Feather**RECEIVED**

Metro Vancouver retained the Invasive Species Council of Metro Vancouver to create a set of best management practices for key invasive species found within the region. The Board received for information a report with best management practices for English Holly, English and Irish Ivies, Yellow Archangel, Himalayan Balsam, and Parrot's Feather and directed staff to forward the report to member jurisdictions for information.

E 2.2 Board Appointment and Rescindments of Staff as Officers**APPROVED**

Employment status and job function changes of Metro Vancouver environmental regulatory staff have resulted in a need to update staff appointments to ensure appropriate authority to advance air quality management goals. The Board:

- pursuant to the Greater Vancouver Regional District Air Quality Management Bylaw and the Environmental Management Act:
 - appointed the following Metro Vancouver employee as an officer: Permitting and Enforcement Officer, Brian Kerin; and
 - rescinded the appointments of the following persons as officers: Lynne Bosquet and Donna Hargreaves; and
- pursuant to section 28 of the Offence Act:
 - appointed the following Metro Vancouver employee for the purpose of serving summons for alleged violations under the Greater Vancouver Regional District Air Quality Management Bylaw: Permitting and Enforcement Officer, Brian Kerin; and
 - rescinded the appointments for the purpose of serving summons of the following persons: Lynne Bosquet and Donna Hargreaves.

E 3.1 By-election 2019 Results for the Office of Electoral Area A Director**RECEIVED**

The Board received results of the June 15, 2019 by-election for the Office of Director, Electoral Area A, Metro Vancouver Regional District, wherein Jen McCutcheon was elected to the office.

E 3.2 Appointment of Metro Vancouver's 2019 Representative to the UBCM Indigenous Relations Committee**APPROVED**

Following Tsawwassen First Nation's election for Chief and Council held on April 6, 2019, Tsawwassen First Nation nominated newly elected Chief Ken Baird as its representative to the MVRD Board. Board Chair Sav Dhaliwal has named Director Baird as Vice-Chair of MVRD's Indigenous Relations Committee. As a matter of UBCM policy, only the Chair or Vice-Chair of Metro Vancouver's Indigenous Relations Committee may be considered for appointment to the UBCM Indigenous Relations Committee.

The Board appointed Director Ken Baird, Vice-Chair of Metro Vancouver's Indigenous Relations Committee, to the Union of BC Municipalities' Indigenous Relations Committee for the remainder of 2019.

G 1.1 Proposed Amendments to the Remuneration Bylaw – Amending Bylaw 1286**APPROVED**

At its May 24, 2019 meeting, the MVRD Board considered the findings of the Board Remuneration Independent Review Panel and endorsed its recommendations regarding board remuneration, and subsequently directed staff to prepare amendments to the Remuneration Bylaw. An amending bylaw was prepared in which two amendments are proposed: first, to adjust the base rate for the Electoral Area A Director by increasing it to 30% of the Board Chair salary; and second, to introduce a one-time adjustment to offset the elimination of non-taxable portion of remuneration introduced by the Canada Revenue Agency.

The Board gave first, second and third reading to Metro Vancouver Regional District Board and Committee Remuneration Amending Bylaw Number 1286, 2019; then passed and finally adopted the bylaw.

I 1 Committee Information Items and Delegation Summaries**RECEIVED**

The Board received delegation summaries and information items from Standing Committees.

Climate Action Committee – June 14, 2019

Information Items:

- **5.2 Metro Vancouver's Carbon Price Policy Implementation Update**

Since its implementation in June 2017, the Carbon Price Policy has been functioning as designed where it has been applied, in particular for large infrastructure projects which require a formalized options analysis. Financial implications of the policy are being evaluated on a case-by-case basis in the early stages of project evaluation. This ensures that any additional costs associated with the carbon price are incorporated early on in decision making and project budgets, ensuring that any financial impacts are understood and accounted for.

- **5.4 Measuring Ecosystem Services – Metro Vancouver’s Carbon Storage Dataset**

The Metro Vancouver carbon storage dataset provides spatial estimates of carbon stored in biomass (e.g. trees, shrubs) and soil that can be used to support the incorporation of ecosystem services into decision-making. The project created several outputs including a parcel-based dataset that can easily be used by planners to explore the potential carbon implications of projects within a given area. Other potential applications for the dataset include as a change detection tool, and for predicting other ecosystem services. Sources of uncertainty within the dataset are outlined in this report and include a lack of detailed mapping and carbon estimates for intertidal and estuarine ecosystems.

- **5.5 Urban Forest Climate Adaptation Initiative Update**

This report contains an update on the Urban Forest Climate Adaptation Initiative. Three project deliverables have been completed as part of this initiative to date, including the Urban Forest Climate Adaptation Framework for Metro Vancouver, the Design Guidebook-Maximizing Climate Adaptation Benefits with Trees and the Tree Species Selection Database. In 2018, the Tree Species Selection Database was updated with species from western North American cities. These species are found in climate conditions that are either similar to the climate conditions we currently see in Metro Vancouver, or similar to the climate conditions the region might expect to see in the future. In 2019, the Urban Forest Climate Adaptation Initiative was presented to several different audiences, and the project earned a Canadian Institute of Planners Award for Planning Excellence under the Climate Change Planning category. As a next step, Regional Planning staff will host a workshop with urban forestry practitioners to determine how the work completed to date can be further refined into accessible and useable formats.

Regional Culture Committee – June 19, 2019

Information Items:

- **5.1 MAXguide.org and Survivor 101 Updates**

Launched February 25th, 2011, MAXguide.org, Metro Vancouver’s regional arts and culture calendar, is a collaboration of regional culture stakeholders, providing free listings of arts and culture events for arts organizations, individuals and selected art businesses.

The Survivor 101 workshop series continues to be well received by a wide range of region-wide arts and culture organizations, both staff members, volunteers, and board directors. A key factor is that the organizations are given the opportunity to network with peers and share knowledge, as well as identify capacity and sustainability issues. MAXguide.org and the Survivor 101 workshop series continue to be strong vehicles to inform and engage on cultural and artistic events and to build capacity across arts and culture organizations in the Metro Vancouver region.

- **5.2 Metro Vancouver Cultural Project Grants: Adjudication Process**

The allocation of the 2019 Metro Vancouver Cultural Project Grants will be adjudicated by the Regional Culture Committee and will consider the continued support of recipients who have made a long standing commitment to serving the region while fostering the new recipient organizations who are committed to expanding to a regional audience.

Staff will undertake the initial review of the applications and compile a shortlist of applications for review by the Committee. At the July 17, 2019 meeting of the Regional Culture Committee, members will discuss each shortlisted application and make a recommendation on the grant award

for each of the successful proponents. The cap for any single project is \$10,000 with the total grant allocation not to exceed \$130,000. A report outlining the Committee's recommendations will be presented to the July 26, 2019 meeting of the MVRD Board for approval.

Industrial Lands Strategy Task Force – June 20, 2019

Delegation Summaries:

- 3.1 Tegan Smith, NAIOP Intensive Use of Industrial Land Committee

Greater Vancouver Water District

E 1.1 Award of Contract Resulting from Tender No. 18-432: Sunnyside Reservoir Unit No. 1 Seismic Upgrade and Upgrades (Non-seismic) APPROVED

The Board approved the award of a contract in the amount of \$11,578,163 (exclusive of taxes) to PCL Constructors Westcoast Inc. resulting from Tender No. 18-432: Sunnyside Reservoir Unit No. 1 Seismic Upgrade and Upgrades (Non-seismic).

E 1.2 Award of Contract Resulting from Request for Proposal (RFP) No. 19-098: Supply and Delivery of Steel Pipe for Kennedy Newton Main 84th to 72nd Avenue APPROVED

The Board approved the award of a contract in the amount of up to \$4,844,407.50 (exclusive of taxes) to Northwest Pipe Company resulting from Request for Proposal No. 19-098: Supply and Delivery of Steel Pipe for Kennedy Newton Main 84th Avenue to 72nd Avenue.

I 1 Committee Information Items and Delegation Summaries RECEIVED

The Board received information items from the Water Committee.

Water Committee – June 13, 2019

Information Items:

- 5.3 2018 GVWD Dam Safety Program Annual Update

As required for all dam owners in British Columbia, the Water Services Dam Safety Program follows the requirements outlined in the Provincial Dam Safety Regulation (BC Reg. 40/2016). The Water Services Operations and Maintenance dam safety team monitors and reviews the performance of the five GVWD water supply dams to ensure they remain safe and continue to provide reliable sources of drinking water. The dam safety team retains a dam surveillance consultant, currently Klohn Crippen Berger, to carry out third party review and reporting on dam monitoring and inspection activities.

The Water Services Dam Safety Program is compliant with all dam safety regulatory requirements and continues to meet or exceed requirements of the Provincial Dam Safety Regulation. No significant concerns were noted by the Metro Vancouver dam safety team or dam surveillance consultant from the 2018 routine surveillance, monitoring, or formal dam inspections.

Greater Vancouver Sewage and Drainage District

E 1.1 Board Appointments and Rescindments of Bylaw Enforcement Officers

APPROVED

Employment status changes for Metro Vancouver and City of Vancouver environmental regulatory staff have resulted in a need to update staff appointments to ensure appropriate authority to advance.

The Board:

- pursuant to the Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw and the Environmental Management Act:
 - appointed the following Metro Vancouver employees as municipal sewage control officers: Curtis Wan and Brian Kerin; and
 - rescinded the appointments of the following former Metro Vancouver employees as municipal sewage control officers: Alexander Clifford, Jeffrey Gogol, Lynne Bosquet, and Donna Hargreaves; and
 - appointed the following City of Vancouver employees as municipal sewage control officers: Shelley Heinrichs, and Ana Nic Lochlainn; and
 - rescinded the appointment of James Smith, former City of Vancouver employee, as a deputy sewage control manager; and
 - rescinded the appointments of the following former City of Vancouver employees as municipal sewage control officers: Brian Kerin, David Robertson, Douglas Elford, and Vanessa Koo.
- pursuant to the Offence Act appointed the following staff for the purpose of serving summons under section 28 of the Offence Act for alleged violations under Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw:
 - Metro Vancouver employee Brian Kerin; and
 - City of Vancouver employees Shelley Heinrichs and Ana Nic Lochlainn.
- Pursuant to the Offence Act rescinded the appointment of former Metro Vancouver employee Donna Hargreaves for the purpose of serving summons under section 28 of the Offence Act for alleged violations under Greater Vancouver Sewerage and Drainage District Sewer Use Bylaw.

E 1.2 Biennial Report – Integrated Liquid Waste and Resource Management Plan

APPROVED

The Board approved the Biennial Report 2017-2018 and directed staff to submit it to the Ministry of Environment and Climate Change Strategy in accordance with the requirements of the Integrated Liquid Waste and Resource Management Plan; and to post the report on the Metro Vancouver website and arrange for the Liquid Waste Committee to receive comments and submissions on the Integrated Liquid Waste and Resource Management Plan progress.

**E 1.4 Award of a Contract Resulting from Request for Proposal (RFP) No. 19-007:
Northwest Langley Wastewater Treatment Plant – Design and Construction
Engineering Services****APPROVED**

The Board approved the award of a contract for an amount of up to \$35,327,087 (exclusive of taxes) to CH2M Hill Canada Limited for Phase A, Indicative Design Revalidation and Phase B, Detailed Design resulting from Request for Proposal (RFP) No. 19-007 Northwest Langley Wastewater Treatment Plant – Design and Construction Engineering Services.

H 1 Wastewater Treatment Plants – Tertiary Treatment**NOTICE OF MOTION**

Director Lois Jackson provided the following Notice of Motion on May 24, 2019 for consideration at the next regular board meeting:

Wastewater Treatment Plants – Tertiary Treatment

That the GVS&DD Board request staff to provide a presentation on the region's wastewater treatment plants in terms of tertiary treatment and cost benefit considerations.

I 1 Committee Information Items and Delegation Summaries**RECEIVED**

The Board received a delegation summary and information items from Standing Committee meetings.

Liquid Waste Committee – June 13, 2019**Delegation Summaries:**

- **3.1 Mayor John McEwen, Village of Anmore and Brandie Roberts, Anmore Green Estates**

Zero Waste Committee – June 14, 2019**Information Items:**

- **5.1 Illegal Dumping Update**

This report provided information on illegal dumping trends and initiatives in the region. In 2018, member municipalities reported approximately 43,800 incidents of illegal dumping and collectively spent approximately \$3.2 million to clean up and properly dispose of the abandoned waste. In addition, municipalities report spending approximately \$2.5 million per year on bulky item pick-up in the region for a total of approximately \$5.7 million spent annually on removing illegally dumped material and managing bulky item pick-up programs.

- **5.2 Potential Regulatory Approaches for Priority Plastic Wastes**

This report described potential regulatory approaches for priority plastics, recently submitted by the National Zero Waste Council to the Canadian Council of Ministers of the Environment (CCME). The National Zero Waste Council formed a Plastics Advisory Panel that included representatives from local governments and affiliate organizations from across Canada. The Panel identified a list of priority plastics that adversely affect local governments (e.g. as litter or in wastewater), and/or

the environment (particularly as ocean plastics). The Panel then considered possible regulatory actions and recommended those they considered most effective and feasible to enact in the short to medium term. Those recommendations were forwarded to the CCME as the federal government develops its Zero Plastic Waste Strategy.

- **5.3 Waste-to-Energy Facility Environmental Monitoring and Reporting, 2018 Update**

The Waste-to-Energy Facility operates well within environmental standards and limits. A range of projects that continuously improve the facility's environmental performance have been completed or are underway. All air emission related parameters monitored during 2018 were in compliance with Operational Certificate 107051, except one 24-hour exceedance of carbon monoxide on January 29, 2018. Continuous emissions monitoring data and all compliance reports are available on the Metro Vancouver website.

- **5.4 2018 Waste Composition Monitoring Program Results**

Metro Vancouver monitors the composition of the region's municipal solid waste stream on a regular basis. The 2018 waste composition monitoring program analyzed the composition of the waste stream across all sectors in 161 material categories.

The most common materials in the waste were compostable organics (26%), paper (18%), plastic (16%) and non-compostable organics (16%). While the amount of compostable organics disposed has remained stable since 2016, disposal of non-compostable organics, such as treated and finished wood, has increased, likely due to the challenges processing construction and demolition waste at private facilities in the region. There have been slight decreases in the total tonnages of paper and plastic disposed since 2016. Common single-use items such as disposal cups, retail bags and disposable foodware represent about 2.4% of the overall waste stream, and approximately 1.1 billion single-use items are disposed of each year. More detailed information on single-use items and construction and demolition waste composition data will be provided to the Zero Waste Committee later this year as the data becomes available.

- **5.5 2019 Regional "Think Thrice About Your Clothes" Campaign Results**

The "Think Thrice About your Clothes" campaign supports the waste reduction objectives in the Integrated Solid Waste and Resource Management Plan. 2019 was the first year of the "Think Thrice" campaign, which was in market from February 18, 2019 to April 28, 2019. The campaign objectives were to: raise awareness about clothing waste in the region; provide tips and information to help residents make more informed decisions when purchasing, caring for, and disposing of clothing.

Among those aware of the ads, up to half intend to change their behaviour. Over the campaign period, the "Think Thrice" website saw 14,958 sessions. The campaign also received an estimated \$186,060 worth of earned media. Campaign materials were used by at least 10 member jurisdictions. The 2020 clothing waste reduction campaign will continue to use the "Think Thrice" platform, which will be refined base on learnings in 2019. The Campaign was the recipient of the Recycling Council of British Columbia (RCBC) 2019 Award for Environmental Achievement in the Public Sector category.

Metro Vancouver Housing Corporation

No open agenda items.

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8725

A Bylaw to amend “Zoning Bylaw, 1995, No. 6700”

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as **“Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8725” (Angelo Cusano / Bill Curtis & Associates Design Ltd., 410 West 15th Street).**
2. Division VI: Zoning Map of Document “A” of “Zoning Bylaw, 1995, No. 6700” is hereby amended by reclassifying the following lots as henceforth being transferred, added to and forming part of RS-2 (One-Unit Residential 2 Zone):

Lot	Block	D.L.	Plan	
7	41	547	1061	from RS-1 Zone

READ a first time on the 24th day of June, 2019.

READ a second time on the 24th day of June, 2019.

READ a third time on the 8th day of July, 2019.

ADOPTED on the <> day of <>, 2019.

MAYOR

CITY CLERK

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THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8726

A Bylaw to amend “Zoning Bylaw, 1995, No. 6700”

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as “**Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8726**” (132 Esplanade Holdings Ltd., 132 West Esplanade, CD-179 Text Amendment).
2. Part 11 of Division V: Comprehensive Development Regulations of Document “A” of “Zoning Bylaw, 1995, No. 6700” is hereby amended by:
 - A. In Section 1100, within the designation “CD-179 Comprehensive Development 179 Zone”, removing the following:
 - (a) on the plaza level, approximate elevation 14.7 metres geodetic, the permitted principal uses shall be limited to:
 - (i) retail stores including: bakery shops, meat and fish markets, delicatessens, clothing and shoe stores, personal furnishing shops, book shops, camera shops, stationery stores, art galleries and other similar establishments;
 - (ii) restaurants and cafes provided that the principal use of such restaurants and cafes is the preparation, sale and consumption of food on the premises;
 - (iii) personal service establishments, including: barber shops, beauty parlours, dry cleaners, florists, launderettes, optical or watch repair shops, tailoring and dressmaking establishments, shoe repair shops, printers, and other similar establishments;
 - (iv) accessory outdoor dining use, in those areas indicated on Schedule 33, Page 3;

and replacing it with the following:

- (a) on the plaza level, approximate elevation 14.7 metres geodetic, the permitted principal uses shall be limited to:
 - (i) Retail Service Group 1 Use;
 - (ii) accessory outdoor dining use, in those areas indicated on Schedule 33, Page 3;

READ a first time on the 24th day of June, 2019.

READ a second time on the 24th day of June, 2019.

READ a third time on the 8th day of July, 2019.

ADOPTED on the <> day of <>, 2019.

MAYOR

CITY CLERK



The national Zero Waste Conference (ZWC) attracts thought leaders from around the world highlighting circular economy success stories, waste prevention innovations, local and global perspectives as the shift to waste prevention and a circular economy continues to gain momentum.

Now in its ninth year, the 2019 Zero Waste Conference continues to build on our well-earned reputation as a place of innovation, compelling speakers, unique perspectives, and valuable insights.

Along the way, we have been entertained and inspired by a who's who of the thinkers and doers defining the circular economy including visionaries and disrupters such as last year's Gerd Leonhard and Leyla Acaroglu, and Michael Braungart and William McDonough, Dame Ellen MacArthur, and designer Neri Oxman. We've seen how innovators like Arthur Huang are taking post consumer trash recycling to another level accelerating the shift to a close-loop economy and activists like Tristram Stuart are creating new economic opportunities with ground-level, and grounded, ideas about food waste, while astronaut Dr. Cady Coleman's view from orbit gave us a big picture perspective on waste and its impact on our planet.

The Zero Waste Conference finds the balance between theory and action, demonstrating the event's core message – the journey to a circular economy is already underway.

2019 Zero Waste Conference: A FUTURE WITHOUT WASTE: MOBILIZING FOR SUCCESS IN THE CIRCULAR ECONOMY

In 2020, Canada will host the World Circular Economy Forum. What steps does Canada need to take to integrate into the global circular economy? What will success look like in terms of the Canadian economy? Our lives? Our communities?

These questions and more will be explored at Metro Vancouver's 2019 Zero Waste Conference where thought leaders, change makers and innovators from Canada and around the globe will share their dreams, their passions, their ideas, their experiences and their commitment to drive change towards a circular economy.

The circular economy is a transformative idea with great promise. But understanding the complexities of this shift and mobilizing for success demands a solid grasp of the key concepts that underpin zero waste thinking. You need to know which strategies and tactics are having the biggest impact.

It's a revolution. It's our choice - how far and how fast ... Come to ZWC 2019 to find those answers.

Registration

General Registration - \$475

All registrations are for the full conference. There is not an option to register for only one day of the Conference.

REGISTER HERE
([HTTPS://REGISTRATION.METROVANC](https://registration.metrovancouver.org))

A limited number of reduced registration fees are available to post-secondary students and other individuals. For further information, please contact the conference organizers at ZWConference@metrovancover.org (mailto:ZWConference@metrovancover.org).

REGISTRATION FAQs
(</details/Pages/faqs.aspx>)

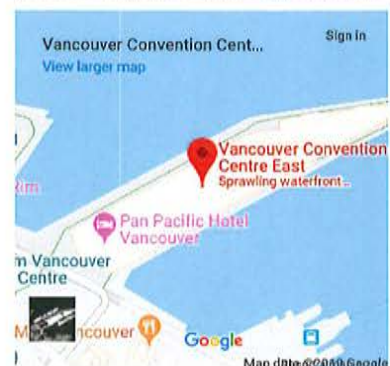
Date/Time

October 30, 2019: 8:30 a.m. - 5 p.m.
October 31, 2019: 8:30 a.m. - 1:30 p.m.


Conference Venue

Vancouver Convention Centre East
999 Canada Place
Vancouver, BC V6C 3C1
(Please note the 2019 conference is in the Vancouver Convention Centre East. Last year's conference was in VCC West.)

HOTEL & ACCOMMODATION INFO
(</details/Pages/accommodations.aspx>)



Contact

 External Relations

 email
(mailto:ZWConference@metrovanco
er.org)



 Deputy Director	 Director	 CAO
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The Corporation of **THE CITY OF NORTH VANCOUVER**
ENGINEERING, PARKS AND ENVIRONMENT DEPARTMENT

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Kliment Kuzmanovski, Section Manager – Traffic Engineering

Subject: AMENDMENT TO 2019 TRAFFIC SIGNAL: KEITH ROAD AT HENDRY AVENUE CAPITAL PROJECT FUNDING

Date: July 3, 2019 File No: 11-5460-01-0001/2019

The following is a suggested recommendation only. Please refer to Council Minutes for adopted resolution.

RECOMMENDATION:

PURSUANT to the report of the Section Manager – Traffic Engineering, dated July 3, 2019, entitled "Amendment to 2019 Traffic Signal: Keith Road at Hendry Avenue Capital Project Funding":

THAT the \$141,000 of funding approved in the 2017, 2018 and 2019 Project Plans for design and construction of a new traffic signal on Keith Road at Hendry Avenue be reallocated to construction of a new traffic signal on Westview Drive at West 21st Street.

ATTACHMENTS:

1. 2019 Project Sheet: Traffic Signal at Keith Road and Hendry Avenue ([CD# 1803102](#))

DISCUSSION:

In 2017, 2018 and 2019 Council approved a total of \$180,000 for design and construction of a new traffic signal on Keith Road at Hendry Avenue as a 50% cost sharing project with the District of North Vancouver. The construction tender for this traffic signal was cancelled as only one response was received, with a bid price over budget. As a result, it was agreed between City and District staff that the construction should be re-tendered in 2020. Of the \$180,000, some hardware purchases have been made, leaving \$141,000

in the project budget that can be re-allocated towards funding construction of other priority traffic signals.

Staff recommend re-allocating the amount of \$141,000 toward the construction of a new traffic signal at the intersection of Westview Drive at West 21st Street. Constructing this traffic signal will remove a significant barrier and create a safe east-west pedestrian connection, enabling safe crossing for local residents, including transit users and pedestrians using proposed new school routes. Construction of the new traffic signal on Westview Drive at West 21st Street is proposed to be completed within 2019.

FINANCIAL IMPLICATIONS:

The proposed reallocation of \$141,000, in addition to a previously secured \$150,000 from Project 53249, is estimated to be sufficient for construction of the new traffic signal on Westview Drive at West 21st Street. Additional project sheets will be submitted for 2020 requesting funds for constructing the new traffic signal on Keith Road at Hendry Avenue, and for additional civil works at the intersection of Westview Drive at West 21st Street.

INTER-DEPARTMENTAL IMPLICATIONS:

Staff from the Finance and Engineering, Parks and Environment departments have coordinated this proposed funding reallocation.

CORPORATE PLAN AND/OR POLICY IMPLICATIONS:

Proceeding with the proposed re-allocation of funds will support the following goals and objectives of the Official Community Plan:

- 2.1.1 Invest in cycling and pedestrian networks and facilities;
- 2.1.3 Invest in public realm improvements to enhance the character of the walking and cycling environment;
- 2.2.2 Strategically manage on- and off-street transportation facilities to prioritize more sustainable forms of transportation by providing measures such as pedestrian-level lighting.

RESPECTFULLY SUBMITTED:





Kliment Kuzmanovski, P. Eng.,
Section Manager – Traffic Engineering

Project Name:	Traffic Signal at Keith & Hendry (Pedestrian & Bike Safety)											
Department:	Engineering: Traffic							Project Type:		2019 - 2028 Project Plan		
Project Manager:	Kliment Kuzmanovski							Base Program		On-Going Program/Project		
	Date: 14-Jun-18											
Description:	A traffic signal will be installed at E Keith Rd and Hendry. This is proposed as part of a joint project with the District of North Vancouver to improve the Keith Rd. corridor since the north side of the road is in the District. District's funding to be confirmed.											
Purpose:	Hendry is a north-south bike route connecting the Cloverley-Grand and Sutherland neighbourhoods. It is also a connection for Sutherland High School, Brooksbank Elementary and Loutet park. The crossing of Keith Rd. at this location is very difficult due to the location of the hill and because of traffic volumes. A traffic signal will remove this barrier, improve safety and encourage more pedestrians and cyclists.											
Alignment With Official Community Plan:	2.3.5 Collaborate with neighbouring municipalities to improve the safety, security, accessibility and connectivity of the transportation system with the City and the North Shore.											
Output: (Project Specifications)	A traffic signal will be installed and coordinated with the adjacent signals along Keith.											
Outcome: (Customer Satisfaction)	A significant barrier to north-south travel will be removed for the residents of the Cloverley neighbourhood.											
Impact If Project Does Not Proceed:	Road users will feel less safe when crossing Keith Rd.											
External Funding : Description	Specify Funding Agency/Program: District of North Vancouver											
	Other Contribution Unsecured Contribution											
GHG Implications: Discuss GHG considerations for all projects. Provide figures for Fleet, Facilities and any project with readily available information.	Traffic signals support walking and cycling, showing a commitment to these sustainable modes; shifting trips to these modes will reduce GHG's. The delays to traffic may however lead to an increase in the community's GHG emissions.											
Milestones:	Design Completed - October 2018, Installation Completed - September 2019							Director Approval: (to be entered after Draft Project Plan goes to DT)				
	2009-2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget	TOTAL
Funding Requirements												
City Funding (Fund Appropriation)	\$ 60,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
External Funding/Contributions	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Total Project Expenditures	\$ 60,000	\$ 270,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,000
Overhead Staffing (Engineering/Facilities) Specify as a percentage of funds appropriated		3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Impact on Operations/Maintenance (Incremental to 2018 Base Year Operating Budget)												
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Expenses net of recoveries (Include staffing)	\$ 4,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ (4,100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Staffing (FTE)												
Regular	-	-	-	-	-	-	-	-	-	-	-	
Temporary	0.0192	-	-	-	-	-	-	-	-	-	-	
Total Staffing	0.0192	-	-	-	-	-	-	-	-	-	-	

* Prior to creating new on-going programs, please contact the Manager, Financial Planning. For on-going programs and maintenance & replacement projects, please attach a list of the projects and funding (appropriation) requirements.

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 Department Manager <i>H ZS</i>	 Director <i>per BP</i>	_____ CAO
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The Corporation of **THE CITY OF NORTH VANCOUVER**
FACILITIES AND REAL ESTATE DIVISION

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Susan Antoniali, Section Manager Real Estate

Subject: SEMISCH PARK CONSOLIDATION

Date: July 3, 2019

File No: 02-890-01-0001/2019

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION:

PURSUANT to the report of the Section Manager, Real Estate, dated July 3, 2019, entitled "Semisch Park Consolidation":

THAT the following bylaws be considered:

1. "Highway Closing Bylaw, 2019, No. 8712" (Closing and removal of highway dedication on portions of road in the 100 and 200 Blocks of Semisch Avenue);
2. "Highways Stopping Up and Closing Bylaw, 1974, No. 4743, Repeal Bylaw, 2019, No. 8731";
3. "Highways Stopping Up and Closing Bylaw, 1975, No. 4795, Repeal Bylaw, 2019, No. 8732".

ATTACHMENTS:

1. Excerpt from draft road closure plan EPP91622
2. Excerpt from draft consolidation plan EPP91920
3. "Highways Stopping Up and Closing Bylaw, 1974, No. 4743" (CityDocs #95603 and #1728177) – To be repealed
4. "Highways Stopping Up and Closing Bylaw, 1975, No. 4795" (CityDocs #161646 and #1728180) – To be repealed
5. "Highway Closing Bylaw 2019, No. 8712" (Closing and removal of highway dedication on portions of road in the 100 and 200 Blocks of Semisch Avenue) (CityDocs #1800518)

6. "Highways Stopping Up and Closing Bylaw, 1974, No. 4743, Repeal Bylaw, 2019, No. 8731" (CityDocs #1804601)
7. "Highways Stopping Up and Closing Bylaw, 1975, No. 4795, Repeal Bylaw, 2019, No. 8732" (CityDocs #1804603)

BACKGROUND:

In 1974 and 1975 Bylaws 4743 (attachment #3) and 4795 (attachment #4) were adopted by Council to close sections of Semisch Avenue and to create the park. The bylaws were submitted to Land Titles and accepted by Land Titles but unfortunately the road closing was never formally recorded at Land Titles.

Recent searches by Land Titles' suggest that there were two filing errors at Land Titles in 1974 and 1975 regarding these properties. Adjacent developments were taking place at the same time that the Bylaws were submitted to Land Titles, and the "road" dedication may have been put on hold awaiting occupancy of the adjacent properties. According to Land Titles, the roads are still active roads and require closing to be consolidated with the adjoining properties.

DISCUSSION:

It is anticipated that the City will be completing playground and pedestrian improvements in Semisch Park in the fall of 2019. The project also provides an opportunity to address outstanding land administration issues, such as the road closing bylaw and consolidation of the 6 parcels that currently form the park. This will consolidate the properties comprising Semisch Park into two distinct parcels, one for the portion of the park north of West 2nd Street, and one for the portion south of West 2nd Street. To consolidate the properties, the previously adopted Bylaws need to be rescinded and the roads need to be re-closed. The proposed process is noted below:

- Road Closing Bylaws No. 4743 and No. 4795 be repealed.
- Road Closing Bylaw 2019, No. 8712 is adopted, to stop up and close portions of Semisch as noted on Plan EPP91622.
- Road Closing Bylaw is then submitted to Land Titles with Plan EPP91622 to raise title to the portion of road
- After Roads are closed, Semisch Park properties are consolidated with adjacent City lands under deposit of plan EPP91920

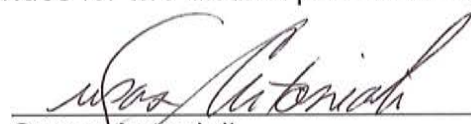
FINANCIAL IMPLICATIONS:

The costs incurred are nominal including new plans and will be funded as part of the park improvement project.

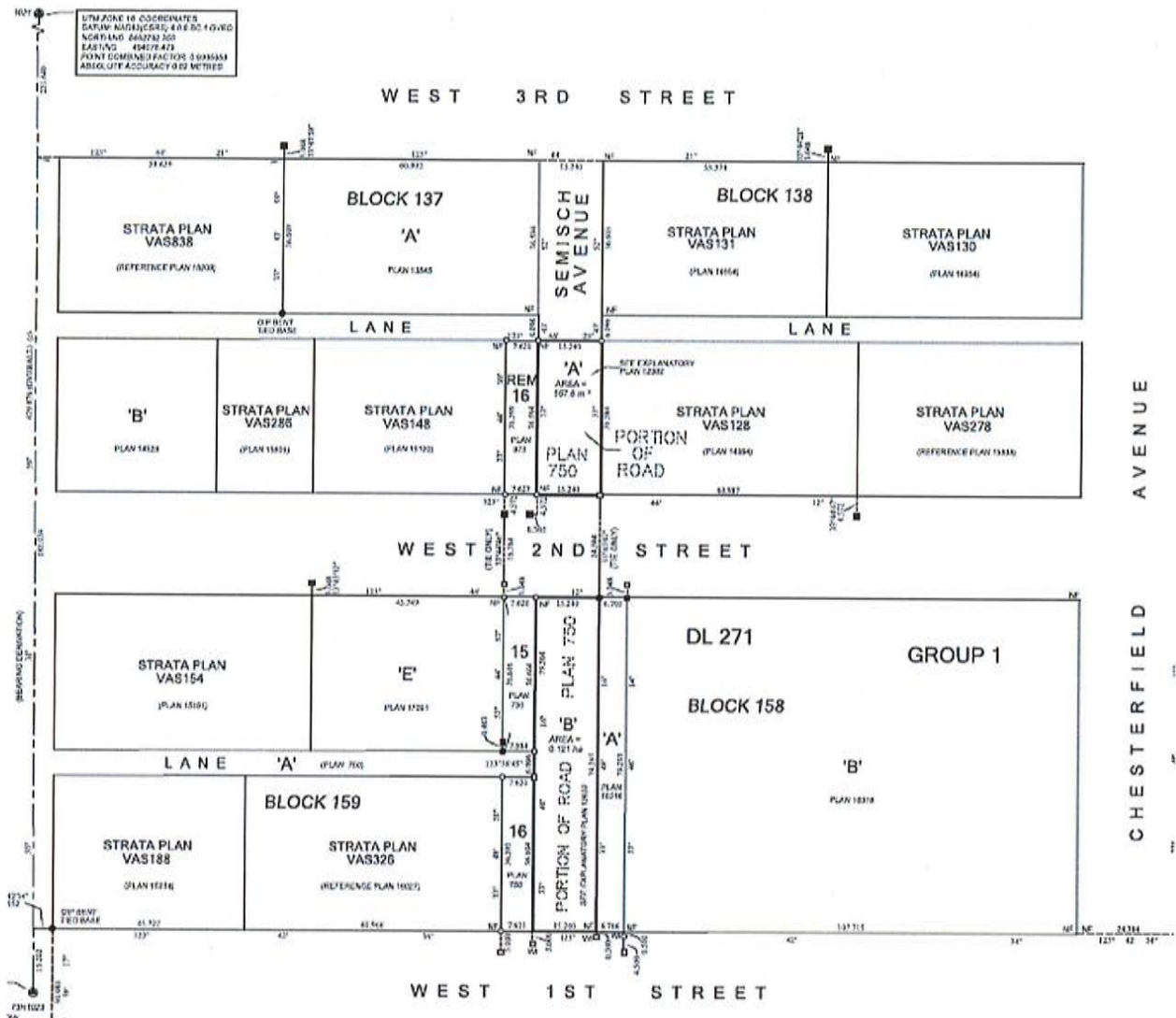
INTER-DEPARTMENTAL IMPLICATIONS:

This initiative removes interior lot lines and provides for two distinct parcels of land, one on either side of West 2nd Street.

RESPECTFULLY SUBMITTED:


Susan Antoniali
Section Manager, Real Estate

Excerpt from draft road closure plan EPP91622



Excerpt from draft consolidation plan EPP91920



THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8712

A Bylaw to close and remove highway dedication on portions of road in the 100 and 200 Blocks of Semisch Avenue

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as **“Highway Closing Bylaw, 2019, No. 8712” (Closing and removal of highway dedication on portions of road in the 100 and 200 Blocks of Semisch Avenue)**.
2. All that portion of road (Semisch Avenue) dedicated by the deposit of Plan 750 and lying between Lot 16, Block 137, Plan 973 and VAS128, Block 138, Plan 14994, all of District Lot 271, Group One, New Westminster District, totaling approximately 567.6 square metres shown as lot A within the bold outline on the attached draft Reference Plan EPP91622, prepared by Alexander Heath BCLS, and dated the 27th day of March, 2019, a print of which is attached as Schedule “A” hereto (the “Road Closure Plan”), is hereby stopped up and closed (the “Closed Road”).
3. All that portion of road (Semisch Avenue) dedicated by the deposit of Plan 750 and lying between Blocks 158 and 159 in District Lot 271, Group One, New Westminster District, totaling approximately 1,210 square metres shown as lot B within the bold outline on the attached draft Reference Plan EPP91622, prepared by Alexander Heath BCLS, and dated the 27th day of March, 2019, a print of which is attached as Schedule “A” hereto (the “Road Closure Plan”), is hereby stopped up and closed (the “Closed Road”).
4. On deposit of the Reference Plan EPP91622 in the New Westminster Land Title Office, the Closed Roads are stopped up and closed to traffic and their highway dedication is removed. Title to the Closed Roads will be created in the name of the City of North Vancouver and consolidated as shown in bold outline on the attached draft Reference Plan EPP91920.
5. The Mayor and the City Clerk are hereby authorized to sign and seal with the Corporate Seal the Road Closure Plan and such other instruments as may be required in order to carry into effect the highway closure and removal of Highway dedication, as set out in Sections 2 and 3 hereof, as well as the consolidation of properties as set out in the draft Reference Plan EPP91920.

6. Notice of the highway closure and removal of highway dedication shall be given in accordance with the *Community Charter*.

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ADOPTED on the <> day of <>, 2019.

MAYOR

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THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8731

A Bylaw to Repeal “Highways Stopping Up and Closing Bylaw, 1974, No. 4743”

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as **“Highways Stopping Up and Closing Bylaw, 1974, No. 4743, Repeal Bylaw, 2019, No. 8731”**.
2. “Highways Stopping Up and Closing Bylaw, 1974, No. 4743” is hereby repealed.

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ADOPTED on the <> day of <>, 2019.

MAYOR

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THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8732

A Bylaw to Repeal “Highways Stopping Up and Closing Bylaw, 1975, No. 4795”

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as **“Highways Stopping Up and Closing Bylaw, 1975, No. 4795, Repeal Bylaw, 2019, No. 8732”**.
2. “Highways Stopping Up and Closing Bylaw, 1975, No. 4795” is hereby repealed.

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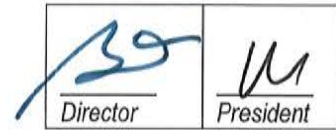
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ADOPTED on the <> day of <>, 2019.

MAYOR

CITY CLERK

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† 604.983.7312 † 604.985.9417 † info@LonsdaleEnergy.ca
141 West 14th Street, North Vancouver BC V7M 1H9

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Ben Themens, Director, LEC

SUBJECT: 2019 ANNUAL GENERAL MEETING

Date: July 9, 2019

RECOMMENDATION:

PURSUANT to the report of the Director of Lonsdale Energy Corp., dated July 8, 2019, entitled, "2019 Annual General Meeting":

THAT the 2018 Financial Statements be received and filed;

THAT the attached proposed Unanimous Consent Resolutions of the Shareholder of Lonsdale Energy Corp. (Attachment 2) be endorsed;

AND THAT the Mayor and City Clerk be authorized to sign and seal the said resolution.

ATTACHMENTS:

1. Financial Statements of Lonsdale Energy Corp. for the period ended December 31, 2018, made up of the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows
2. Proposed Unanimous Consent Resolutions of the Shareholder of Lonsdale Energy Corp. (in lieu of the annual general meeting)
3. Historical Data for 2004 – 2018 Years of Operation
4. Summary of LEC Statistics, as of December 31, 2018

PURPOSE:

This report provides information concerning Lonsdale Energy Corp. (LEC) 2018 activities and presents the audited Financial Statements for that year. It recommends that a resolution be adopted by the City of North Vancouver, sole shareholder of LEC, in lieu of holding an annual general meeting.

DISCUSSION:

Review of 2018 Activity

LEC was incorporated on July 7, 2003. In November of that year, the company started to provide heat for hydronic space heating and domestic hot water to buildings within the City. Since its inception, LEC has grown to provide reliable and reasonably priced thermal energy to its customers in four separate service areas. LEC's statements comply with the International Financial Reporting Standards (IFRS).

The following customer buildings were added to the LEC network in 2018:

- One Sixty (160 East 6th Street)
- The Saint George (154 East 18th Street)
- Cascade (175 & 185 Victory Ship Way)
- Kindred (603-639 East 3rd Street)
- Magnolia (366 East 3rd Street)

With the addition of these five buildings in 2018, LEC's distribution network has 80 energy transfer stations delivering heating and cooling services to 77 separate premises. LEC's network services approximately 5.7 million sq. ft. of properties including 4,919 households, as well as various commercial and institutional premises.

Attachment 4 provides additional statistics on LEC.

During early 2018, LEC completed an important 350 meter section of piping on St. Georges Ave. from 11th Street to 6th Street with an approximate cost of \$0.8 million. This is a significant portion of the required piping to interconnect the Central Lonsdale and Lower Lonsdale service areas. The interconnection of the service areas will allow for further flexibility in LEC's plant operations, the conveyance of thermal energy from sustainable sources to reach additional customers, and reduction of the risk of service outages through additional system resiliency. With the additional 400 meter section of piping on St. Georges Avenue between 6th and 3rd Streets completed in March 2019, LEC has achieved the interconnection of these service areas. Given the previously completed (2017) interconnection of the Harbourside and Central Lonsdale service areas, and the pending completion of two network transfer stations, LEC will be able to transfer energy between all service areas and take full advantage of alternative energy sources.

The Kindred building commenced service in November 2018 and is the first LEC customer in the new Moodyville service area. The connection of this service area required a 1.1 km piping extension of LEC's distribution system on 3rd Street from St. Georges Avenue to Moody Avenue. This was a significant project for the company with

primary construction occurring from March to December of 2018 at a cost of \$2.875 million. The addition of this piping extension will provide the developing Moodyville area with sustainable thermal energy and provides LEC access to an expected future customer base of 1,500 households.

LEC has also significantly increased its capacity at Mini-Plant 5 (MP5), located in the parking lot of the Pinnacle Hotel. The additional capacity will allow significant heat recovery through provision of cooling services to new buildings in The Shipyards and the outdoor public skating rink. The majority of this work was completed during 2018 for a cost of \$0.965 million. Completion of controls, programming and commissioning work will occur in 2019.

Prior to 2018, LEC had completed network control and automation upgrades in all of its Mini-Plants but two: MP4 at City Hall and MP6 at 2151 Lonsdale Avenue. MP6 upgrades were completed on April 1, 2018 and MP4 was primarily completed by the end of 2018 at approximate costs of \$116,000 and \$99,000 respectively. The completion of these upgrades, as well as the upgrades of previous plants, provide LEC with much greater control and management of its system and provide an abundance of valuable performance data to better serve customers, improve system efficiency, and prioritize the use of the most appropriate available energy source.

Review of 2018 Financial Performance

The financial statements of Lonsdale Energy Corp. (**Attachment 1**) provide the financial information of the business for the benefit of the sole shareholder, the City. LEC is reporting a profit of \$580,598 for the year ended December 31, 2018. While this is less than 2017 (\$799,595) it is the second year in a row that LEC has earned a significant profit and well above 2016's profit of \$18,673. It should also be noted that with the addition of 2018's net income, LEC's accumulated deficit has been eliminated and for the first time since the company's inception, the shareholder's equity includes a retained earnings balance. A historical summary of LEC's financial results is provided in **Attachment 3**.

LEC saw a revenue increase of 6% from 2017 to 2018 as a result of new customer connections, as well as a rate increase, but even more significant was an increase of 60% in contributions received in 2018. This is primarily a result of the new application fee rate structure which was introduced in March 2017. Under the new structure, LEC began charging 0.15% of the assigned construction value of the building permit. This structure more accurately aligns with the costs incurred for the review of new developments, processing of building permit applications, and building performance monitoring and troubleshooting over an approximate three year period.

The following factors contributed to the decrease in profits in 2018 from 2017:

- 2017 was impacted by an approximate 40% decrease in maintenance and repairs costs due to staff and contractor's focus on capital projects. 2018's costs returned to previously consistent levels (2018: \$219,000; 2017: \$135,000; 2016: \$225,000).
- The introduction and use of more plants has increased fixed costs, such as demand charges on natural gas purchases which is included in cost of sales.

- The commissioning of major assets over 2017 and 2018 (MP8, MP5 Capacity Extension, 1.0 km of piping on Keith Road, 0.5 km of piping on St. Georges, and 1.1 km of piping on 3rd Street, plant controls) has significantly increased depreciation expenses (13%).
- LEC's staffing complement has increased to address in-house project/construction management, the growth of its system, investigation into alternative energy sources and commitment to its customer service resulting in increased general and administrative costs.
- The October 9, 2018 rupture of Enbridge's transmission pipeline significantly reduced the capacity of natural gas to the Lower Mainland and consequently increased natural gas prices. For several months, LEC was unable to take advantage of occasional low market spot pricing to generate commodity savings.

The Commodity Charge invoiced to the customers is designed to align with FortisBC Energy Inc.'s (FortisBC) Rate 3 for natural gas. Whenever FortisBC's rate fluctuates, LEC's Commodity Charge is adjusted in line with the fluctuation. It is important to note that an increase or decrease in Commodity Charge revenue will be matched by an increase or reduction in the expenses associated with gas purchase. Under normal circumstances and for much of 2018, LEC was able to mitigate potential losses and capitalize on savings opportunities by increasing efficiency, redistributing gas consumption between its plants, and monitoring natural gas market prices. However, the rupture of the Enbridge pipeline near Prince George in early October severely limited the natural gas available to the Lower Mainland and resulted in natural gas providers declaring a Force Majeure. This incident upset the natural gas market and caused reactionary pricing adjustments. Over the past few years, LEC had taken advantage of variable market pricing at two of its plants to provide savings when market prices allowed it. However, following the pipeline rupture the prices increased to uneconomical levels and LEC minimized the use of these plants as usual seasonal natural gas purchase savings became unavailable.

Outlook for 2019

With continued growth and development within the City, 2019 will be a very busy year for LEC. Current construction schedules forecast the addition of 13 new buildings during the year, increasing the total number of buildings served to 90 by the end of 2019.

During the first six months of 2019, LEC has completed the distribution piping on St. Georges Avenue from 3rd to 6th Street, completing the interconnection of the Lower and Central Lonsdale service areas, as well as distribution piping on Ridgeway Avenue between 2nd and 3rd Street, and Chesterfield Avenue between 15th and 16th Street. Additional distribution system piping projects scheduled within 2019 include East 15th Street – Lonsdale to St. Georges Avenue and from there, north to 1549 St. Georges, the replacement of LEC piping at Mosquito Creek, and connection of new buildings from existing LEC mains.

In addition to distribution system construction, LEC will be conducting work on a number of ancillary equipment sites to its plants and distribution system during 2019. This includes the construction of two network transfer stations at 717 Chesterfield Avenue (NTS1) and 160 East 6th Street (NTS2). These stations will facilitate the transfer of

energy between service areas without compromising the integrity of LEC's distribution system as a result of large differences in pressure due to elevation differentials between service areas. The company will also be building two booster pump stations to counter the pressure loss caused by long stretches in the distribution system. Booster Pump Station 1 (BPS1) is located at 541 W Keith Road and will enhance the future conveyance of thermal energy from the North Shore Waste Water Treatment Plant (NSWWTP), while Booster Pump Station 2 (BPS2) is located at 366 East 3rd Street and will increase the pressure in the supply line servicing the Moodyville service area.

While LEC is always aiming to maintain its cost advantage in relation to stand-alone in-building technologies, LEC is optimistic that it will be able to continue generating significant profits in 2019. Profits will continue to be used to reimburse LEC's debt obligations to the City and fund lower greenhouse gas (GHG) energy sources. It is important to note that this forecast still assumes the use of existing natural gas boiler technology to produce most of the heat delivered by LEC. The agreement signed with the Greater Vancouver Sewerage & Drainage District (GVS&DD) expects that the NSWWTP will deliver 20,000 to 30,000 MWh by 2021 (which could account for over half of LEC's heat sales). As per LEC's report presented at the July 24, 2017 Council meeting, LEC is implementing annual 5% Capacity Charge increases over a period of five years to fund the additional costs of the future NSWWTP and 2019 will be the third year of this plan.

Alternative Energy Sources

LEC is continuously exploring new ways to innovate and enhance the sustainability of its district energy system. Currently, LEC's alternative energy sources include a solar thermal panel array on the roof of the Library, a geo-exchange field under and around the School District 44 head office, as well as recovery of rejected heat from the cooling process used in LEC's cooling services at the School District 44 head office and Waterfront/Shipyard buildings. These energy sources are used in priority and directly offset energy that would otherwise be provided by using natural gas fired boilers in LEC's system.

On October 5, 2017, LEC entered into a Thermal Energy Sale and Purchase Agreement with GVS&DD. Under the agreement, GVS&DD is to recover heat from the treated sewerage effluent which is to be distributed through LEC's district energy system. The GHG reduction resulting from this heat recovery will allow LEC to supply a considerably larger amount of low-carbon energy to its customers (20,000-30,000 MWh) and displace 7,200 tonnes of emissions within the City per year (as estimated by the GVS&DD). LEC received Council approval on July 24, 2017 for a loan of \$3.6 million to fund the capital cost of the distribution system to link the Harbourside service area with the future NSWWTP. Upon completion, while GVS&DD will be responsible for the operation and maintenance of the heat recovery facility, LEC will be obligated to reimburse those costs and the cost of electricity.

On December 14, 2017, LEC entered into a Senior Energy Specialist Agreement with FortisBC. The agreement provides funding for the hiring of an engineer to review the feasibility of implementing a hydrogen injection facility to displace natural gas currently consumed by LEC. The one-year feasibility study was completed in March 2019. The

results of the study have been submitted to LEC and FortisBC and are currently under review and consideration.

The reduction of the use of natural gas boilers is an increasing priority for LEC as it continues to focus on decarbonization. However, alternative energy projects have significant capital and operating costs which makes their financial viability challenging, particularly when considering the past decade's low gas prices. LEC will complete rigorous financial analysis on these projects before making any investment recommendations.

Annual General Meeting

The legislation requires that each year the company hold an Annual General Meeting (AGM) so that its shareholders can approve the company's financial statements; appoint the Directors and Auditors; and conduct any other business that the situation may require. Alternatively, the shareholders may consent in writing to the business required to be transacted at the AGM. Accordingly, a consent resolution has been submitted so that the shareholder may consent to the resolutions to be passed at an AGM (**Attachment 2**).

It should be noted that the consent resolution names BDO Canada LLP as auditors of the Company until the next annual reference date or until a successor is appointed. In 2016, the City and LEC issued a Request for Proposal of Professional Audit Services for the audit of the 2016 to 2020 Financial Statements. After conducting the selection process, a Unanimous Consent Resolution of the Shareholders appointed BDO Canada LLP as the auditors of the Company.

Nomination of the Directors

Article 18.1 of the Articles of the company specifies the officers that must be appointed to the company as follows: a Chairperson of the Board, a Vice-Chairperson, a President and a Secretary-Treasurer.

A Unanimous Consent Resolution of the Shareholder dated December 21, 2018 appointed Leanne McCarthy and Jessica McIlroy to the LEC Board. The proposed Unanimous Consent Resolutions of the Shareholder of LEC (**Attachment 2**) has been prepared on the same basis as previous years and references LEC's Officers as follows:

Name	Office
Leanne McCarthy	Chairman of the Board and President
Jessica McIlroy	Vice-Chair and Director At Large
Ben Themens	Executive Director and Secretary-Treasurer

Note that the title Executive Director is meant to recognize the fact that this director is involved in the company's day-to-day management and operations. It also aligns with the title of Director currently in use by most of the City department's heads. The title Director at Large recognizes the fact that while not being specifically involved in the company's operations, the appointee represents the residents' broader interests.

Considering LEC's sustained growth, the complexity of existing and contemplated alternative energy sources, the desire to continue implementing and develop a strategy to expand the use of alternative energy sources, and the workload of City staff involved in dual positions, LEC intends to review its governance structure in the coming year.

Amount Due to the City of North Vancouver

On December 16, 2013 the City converted its amounts due from LEC into a five-year demand term loan, maturing on December 16, 2018, bearing interest at 2.1% per annum. The initial loan agreement authorized LEC to borrow up to \$12 million from this source. This amount covered expenses incurred by the City for the construction of the LEC distribution network between 2009 and 2015. Expenses for construction prior to 2009 have been reimbursed to the City.

Subsequently, on August 4, 2015 and November 26, 2015, LEC borrowed \$2,000,000 and \$611,966 from the City, bearing the same interest rate and terms as the above loan to provide for the legal settlement of the purchase price of equipment payable to Corix by LEC. In 2016, LEC received authorization to borrow up to \$7,750,000 from the City for construction of Mini-Plant 8 and additions to the LEC distribution network. In 2017, Council approved additional funding of \$2,300,000 for the 2017-2018 LEC Construction Program, \$3,600,000 for the connection of the heat recovery plant at the NSWWT, and \$1,200,000 for expansion of the cooling capacity at Mini-Plant 5 for the servicing of Lot 5 (Shipyards). Additional funding was approved by Council in 2018 consisting of \$1,200,000 for the future construction of a mini-plant at the Harbourside Concert Properties development and \$3,000,000 of additional distribution system construction.

On August 1, 2018, these authorized amounts were consolidated into a new five-year demand term loan, maturing on August 1, 2023, and bearing an interest rate of 2.65% per annum. The total authorized amount of this new loan is \$33,661,966. As of December 31 2018, the amount owed to the City against the loan was \$23,293,926.

On June 29, 2012 the City received a loan of \$2,000,000 under the Green Municipal Investment Fund Project Loan through the Municipal Finance Authority ("MFA") to finance eligible capital costs. Funding was transferred to LEC who is responsible for interest payments and reimbursement. As of December 31, 2018, the loan had an outstanding balance of approximately \$895,066.

In a report to Council dated June 6, 2017 titled "2017-2018 LEC Construction Program Financing", the company informed Council of its intention to cease using its operating revenue for the purpose of funding capital expansions and major upgrades. To enhance transparency, LEC is borrowing funding for future capital projects so that operating revenue may be targeted toward the payment of interest and principal of existing loans. The report provided a loan repayment schedule which indicated that the company intended to allocate \$1.1 million to this purpose in 2018. This was achieved through payment of \$498,448 in interest to the City and payments against the principal amount of loans outstanding: \$202,672 to MFA on May 9, 2018; \$233,000 to the City on June 28, 2018; and \$165,880 on March 21, 2019. The final scheduled 2018 payment was delayed into 2019 to provide contingency cash flow to the company during the winter season in consideration of natural gas pricing uncertainty due to the rupture of the Enbridge pipeline. Once the colder winter conditions had subsided and natural gas

prices had stabilized, the final payment was made. With the inclusion of this delayed payment, LEC fulfilled its 2018 payment target as set out by the repayment schedule. In addition to these payments, administrative services as well as maintenance and operation activities provided by the City are reimbursed on a quarterly basis.

At year-end, LEC had approximately \$817,000 in cash. This amount includes approximately \$375,000 of cash disbursements from the above mentioned loans. The latter amount is to be used solely on capital projects specified in the loan agreements. The difference of \$442,000 reflects LEC's available working capital as of December 31, 2018, which also includes the \$165,880 of contingent cash for the above-mentioned delayed 2018 loan reimbursement.

FINANCIAL IMPLICATIONS:

Discussed throughout the report.

INTER-DEPARTMENTAL IMPLICATIONS

LEC works in constant cooperation with City departments. LEC is involved in the review of rezoning and building permit applications of buildings with a floor area exceeding 1,000 square meters. All LEC projects are reviewed by the Engineering, Parks and Environment department to ensure good coordination between LEC and the City. The Finance Department is also involved in the invoicing of all City charges recoverable from LEC.

RESPECTFULLY SUBMITTED BY:



Ben Themens, MBA, P.Eng., CPA, CGA
Director, LEC

Attachment No. 1

Financial Statements of

LONSDALE ENERGY CORP.

Year ended December 31, 2018



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Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Independent Auditor's Report

To the Shareholder of Lonsdale Energy Corp.

Opinion

We have audited the financial statements of Lonsdale Energy Corp. (the "Entity"), which comprise the Statement of financial position as at December 31, 2018, and the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
July 9, 2019

LONSDALE ENERGY CORP.

Statement of Financial Position

December 31, 2018, with comparative information for 2017

	Note	2018	2017
Assets			
Current Assets:			
Cash		\$ 817,106	\$ 1,683,050
Accounts receivable	5	1,057,351	1,018,278
Prepaid expenses		61,040	62,334
		1,935,497	2,763,662
Plant and equipment	6	31,198,418	26,014,057
Supplies for the distribution system	6	578,279	503,279
Software assets	7	530,468	437,713
Debt Reserve Fund	8(c)	20,000	20,000
		\$ 34,262,662	\$ 29,738,711
Liabilities and Shareholder's Equity			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 659,220	\$ 818,167
Due to the City of North Vancouver	8(a)	559,040	416,440
Current portion of Loan from City of North Vancouver	8(a)	494,982	472,328
Security deposits		230,059	262,500
Current portion of loan from Green Municipal Investment Fund	8(c)	210,779	202,672
Current portion of deferred contributions	9	561,405	356,652
		2,715,485	2,528,759
Loan from City of North Vancouver	8(b)	22,798,944	18,769,598
Loan from Green Municipal Investment Fund	8(c)	684,287	895,067
Deferred contributions	9	5,949,785	6,011,724
		32,148,501	28,205,148
Shareholder's equity:			
Share capital	10	2,000,010	2,000,010
Contributed surplus		111,723	111,723
Retained earnings (deficit)		2,428	(578,170)
		2,114,161	1,533,563
Commitments and contingencies (note 13)			
		\$ 34,262,662	\$ 29,738,711

See accompanying notes to financial statements.

Approved on behalf of the Board:

 Director

 Director

LONSDALE ENERGY CORP.

Statement of Comprehensive Income

Year ended December 31, 2018, with comparative information for 2017

	<i>Note</i>	2018	2017
Revenue	12	\$ 4,132,957	\$ 3,900,077
Cost of sales		1,678,140	1,538,595
		2,454,817	2,361,482
Operating expenses:			
Plant operation and maintenance		218,812	134,380
Depreciation		1,206,818	1,064,736
General and administrative		587,399	405,632
		2,013,029	1,604,748
Contributions and financing costs:			
Contributions	9 & 12	571,832	357,676
Finance income		65,426	42,975
Finance costs		(498,448)	(357,790)
		138,810	42,861
Net income and comprehensive income		\$ 580,598	\$ 799,595

See accompanying notes to financial statements.

LONSDALE ENERGY CORP.

Statement of Changes in Equity

Year ended December 31, 2018, with comparative information for 2017

	Share capital	Contributed surplus	Retained earnings (deficit)	Shareholder's equity
Balance, December 31, 2016	\$ 2,000,010	\$ 111,723	\$ (1,377,765)	\$ 733,968
Net income and comprehensive income	-	-	799,595	799,595
Balance, December 31, 2017	2,000,010	111,723	(578,170)	1,533,563
Net income and comprehensive income	-	-	580,598	580,598
Balance, December 31, 2018	\$ 2,000,010	\$ 111,723	\$ 2,428	\$ 2,114,161

See accompanying notes to financial statements.

LONSDALE ENERGY CORP.

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in)		
Operations:		
Net income	\$ 580,598	\$ 799,595
Adjustments for:		
Depreciation	1,206,818	1,064,736
Recognition of deferred contributions	(561,405)	(356,652)
Net finance cost	433,022	314,815
Loss on disposal of property and equipment	-	-
Change in non-cash operating working capital:		
Accounts receivable	(39,073)	(207,403)
Prepaid expenses	1,294	(11,863)
Supplies for distribution system	(75,000)	(206,478)
Accounts payable and accrued liabilities	(158,948)	79,083
Security deposits	(32,441)	50,000
Net cash from operating activities	1,354,865	1,525,833
Investments:		
Purchase of plant and equipment (including supplies for the distribution system)	(6,320,877)	(4,670,060)
Purchase of software assets	(163,056)	(99,137)
Interest received	65,426	42,975
Net cash used in investing activities	(6,418,507)	(4,726,222)
Financing:		
Contributions received	704,218	964,841
Repayments of loans from the City of North Vancouver	(233,000)	(450,000)
Proceeds from loans from the City of North Vancouver	4,427,600	4,731,115
Interest paid	(498,448)	(357,790)
Principal payments on Green Municipal Investment Fund loan	(202,672)	(194,877)
Net cash from financing activities	4,197,698	4,693,289
Increase (decrease) in cash	(865,944)	1,492,900
Cash, beginning of year	1,683,050	190,150
Cash, end of year	\$ 817,106	\$ 1,683,050

See accompanying notes to financial statements.

LONSDALE ENERGY CORP.

Notes to Financial Statements

Year ended December 31, 2018

1. Reporting entity:

Lonsdale Energy Corp. (the "Company") is domiciled in Canada and was incorporated under the Business Corporations Act (British Columbia) on July 7, 2003 and commenced development activities thereafter and commercial operations on March 1, 2004. The address of the Company's registered office is 141 West 14th Street North Vancouver, British Columbia, V7M 1H9. The Company is a wholly owned subsidiary of The Corporation of the City of North Vancouver (the "City"). Since inception, the efforts of the Company have been devoted to the development and operation of a district energy system in the City of North Vancouver. Under Section 149(1)(d) of the Income Tax Act, the Company is exempt from income and capital taxes by virtue of the fact that it is a wholly owned subsidiary of the City.

2. Basis of presentation:

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements were authorized for issue by the Board of Directors on July 8, 2019.

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis on a going concern basis. The going concern basis of presentation assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities and commitments in the normal course of business.

Management believes that, based on its current cash flow forecasts and continued and on-going financing from the City, when and if required, to fund future capital requirements that the Company will be able to operate for the foreseeable future.

(c) Presentation of financial statements:

The Company uses a classified statement of financial position. The statement of financial position distinguishes between current and non-current assets and liabilities. Current assets and liabilities are those expected to be recovered or settled within twelve months from the reporting date and non-current assets and liabilities are those where the recovery or settlement is expected to occur more than twelve months from the reporting date. The Company classifies the statement of comprehensive income using the function of expense method, which classifies expenses according to their functions, such as costs of operation or administrative activities.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

2. Basis of presentation (continued):

(d) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(e) Judgements and estimates:

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 5 - valuation of accounts receivable (note 15)

Note 6 - useful lives of plant and equipment (note 4(a)(iii))

Note 7 - useful lives of software assets (note 4(b))

3. Adoption of new accounting standards:

Accounting standards, interpretations and amendments effective for accounting years beginning on or after January 1, 2018 did not materially affect the Company's financial statements other than those described below.

IFRS 9 *Financial Instruments* (IFRS 9)

On January 1, 2018, the Company adopted IFRS 9 Financial Instruments (IFRS 9), which supersedes IAS 39, Financial Instruments: Recognition and Measurement (IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities; new guidance for measuring impairment on financial assets; and new hedge accounting guidance. The Company adopted IFRS 9 retrospectively, however despite the retrospective adoption of IFRS 9, the Company is not required, upon initial application, to restate comparatives.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

3. Adoption of new accounting standards (continued):

(i) Classification and measurement of financial instruments

On adoption of IFRS 9, in accordance with its transitional provisions, the Company has not restated prior periods but has reclassified the financial assets held at January 1, 2018, retrospectively, based on the new classification requirements and the characteristics of each financial instrument as at the transition date. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements. The Company did not choose the option of designating any financial liabilities at fair value through profit or loss (FVTPL) as such, the adoption of IFRS 9 did not impact the Company's accounting policies for financial liabilities.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and FVTPL.

The following table shows the original classification and carrying amount under IAS 39 and the new classification and carrying amount under IFRS 9 for each class of the Company's financial assets and financial liabilities as at January 1, 2018.

Financial Instrument	Note	IAS 39		IFRS 9	
Financial assets					
Cash		Loans and receivables	1,683,050	Amortized cost	1,683,050
Accounts receivable	5	Loans and receivables	62,334	Amortized cost	62,334
Financial liabilities					
Accounts payable and accrued liabilities		Other financial liabilities	818,167	Amortized cost	818,167
Security deposits		Other financial liabilities	262,500	Amortized cost	262,500
Due to the City of North Vancouver	8	Other financial liabilities	19,241,926	Amortized cost	19,241,926
Loan from Green Municipal Invest Fund	8	Other financial liabilities	1,097,739	Amortized cost	1,097,739
Deferred contributions	9	Other financial liabilities	6,368,376	Amortized cost	6,368,376

(ii) Impairment of financial assets

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss (ECL) model. This applies to financial assets measured at amortized cost. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

3. Adoption of new accounting standards (continued):

(ii) Impairment of financial assets (continued):

Under IAS 39, accounts receivable would first be provisioned for when it is deemed that the collection is unlikely. Upon adoption of IFRS 9 the Company measures the loss allowance at an amount equal to the lifetime ECL that results from possible default events over the expected life of accounts receivables and unbilled service revenue. The Company uses a provision matrix to measure the lifetime ECL of accounts receivable and unbilled service revenue from individual customers which accounts for exposures in different customer classes.

For an explanation of how the Company applies the impairment requirements of IFRS 9, see Note 5.

(iii) Hedge accounting

The new hedge accounting model which replaces hedge accounting guidance in IAS 39 did not impact the Company's financial statements.

(iv) Disclosure

Amendments were also made to IFRS 7 introducing expanded qualitative and quantitative disclosures related to IFRS 9, which the Company has also adopted for the annual period beginning January 1, 2018.

IFRS 15 *Revenue from Contracts with Customers* (IFRS 15)

On January 1, 2018, the Company adopted IFRS 15 *Revenue from Contracts with Customers* (IFRS 15). IFRS 15 contains a five step model that applies to contracts with customers that specifies that revenue is recognized when or as an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognized at a point in time or over time.

The Company adopted IFRS 15 using the modified retrospective approach, with recognition of transitional adjustments in opening retained earnings on the date of initial application (January 1, 2018), without restatement of comparative figures. IFRS 15 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Company applied the following practical expedients upon adoption of IFRS 15 on January 1, 2018:

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

3. Adoption of new accounting standards (continued):

Practical expedient	Description
Completed contract	The Company applied IFRS 15 retrospectively only to contracts that did not begin and end in the same annual reporting period and are not completed contracts as at January 1, 2018.
Transaction price allocated to the remaining performance obligations	The Company did not disclose the amount of consideration allocated to the remaining performance obligations nor did it provide an explanation of when the Company expects to recognize that amount as revenue for comparative periods presented.

(i) Recognition and measurement

In accordance with IFRS 15, revenue is recognized at the transaction price as per the rates set by the City.

Capital contributions received from developers to construct or acquire property, plant and equipment for the purpose of connecting future customers to the distribution network are considered out of scope of IFRS 15. Capital contributions received will be recognized as contributions in aid of construction and amortized into revenue at an equivalent rate to that used for depreciation of the related property, plant and equipment (PP&E).

The adoption of IFRS 15 had no impact to opening retained earnings as at January 1, 2018.

(ii) Disclosure

Amendments were also made to IFRS 15 introducing expanded qualitative and quantitative disclosures, which the Company has also adopted for the annual period beginning January 1, 2018.

Impacts of adopting IFRS 9 and IFRS 15 on the Company's financial statements on January 1, 2018.

The adoption of IFRS 9 and 15 did not result in any changes to the statement of financial position on January 1, 2018.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Significant accounting policies:

(a) Plant and equipment, supplies for the distribution system:

(i) Recognition and measurement:

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

The supplies for the distribution system are capital items, not for resale, which have yet to be used in the construction of the distribution system infrastructure, and accordingly are not amortized until installed and available for use.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognized net within other income in profit or loss.

(ii) Subsequent costs:

The cost of replacing a part of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation:

Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Significant accounting policies (continued):

(a) Plant and equipment and supplies for the distribution system (continued):

(iii) Depreciation (continued):

Depreciation of the various components of the general equipment and sections of the distribution system starts once a component/section is available for use at the following rates on a straight line basis for the current and comparative periods:

Asset	Rate
Distribution system	2.5%
Generation equipment	5%

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(b) Software assets:

The software assets are integral to the functionality of related equipment. Software assets are recognized at cost, net of accumulated amortization and accumulated impairment losses, if any. Software assets, less their estimated residual values, are amortized on a straight-line basis. Depreciation of the software assets starts once the software is available for use at the following rate on a straight line basis for the current and comparative periods:

Asset	Rate
Software	10%

The estimated useful lives, amortization method, and residual value of each asset are evaluated annually or more frequently if required, and are adjusted, if appropriate.

(c) Revenue recognition:

Energy sales are based on fixed rates and meter readings and are billed on a cyclical basis. Revenue is accrued for energy delivered but not yet billed where collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

Application fee revenues are based on a percentage of the value of a development. Revenue is earned over time on an accrual basis upon providing services.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Significant accounting policies (continued):

(d) Government grants:

Government grants are recognized initially as deferred contributions at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Grants that compensate the Company for operating expenses incurred are initially deferred and recognized in profit or loss as other income in the same periods in which the expenses are recognized. Grants that compensate the Company for the cost of an asset are initially deferred and recognized in profit or loss on a systematic basis consistent with the depreciation of the of the asset, over the useful life of the asset when put into use.

(e) Finance income and finance costs:

Finance income comprises interest on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(f) Financial instruments:

(i) Financial assets:

The Company has the following financial assets: cash and accounts receivables.

The Company initially recognizes cash and accounts receivable on the date on which they are originated. Cash and accounts receivable are initially measured at fair value and are subsequently classified and measured at amortized cost, using the effective interest rate method, because they meet the solely payments of principal and interest criterion and are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. The carrying amount is reduced through the use of a loss allowance and the amount of the related loss allowance is recognized in profit or loss. Subsequent recoveries of receivables and unbilled service revenue previously provisioned are credited to profit or loss.

Due to its short term nature, the carrying amounts of accounts receivable and unbilled service revenue approximates their fair value.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Significant accounting policies (continued):

(f) Financial instruments (continued):

(ii) Financial liabilities:

The Company initially recognizes financial liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company has the following financial liabilities: accounts payable and accrued liabilities, due to the City of North Vancouver, security deposits, loan from City of North Vancouver, loan from the Green Municipal Investment Fund.

Other financial liabilities

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Share capital:

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

(g) Impairment:

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

4. Significant accounting policies (continued):

(g) Impairment (continued):

generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) New standards and interpretations not yet adopted:

The following is a summary of recent relevant accounting pronouncements which have not yet been adopted by the Company:

(i) IFRS 16 *Leases*

On January 13, 2016 the IASB issued IFRS 16, *Leases* ("IFRS 16"). The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17, *Leases* ("IAS 17").

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided.

The Company intends to adopt IFRS 16 in its consolidated financial statements for the annual period beginning on January 1, 2019.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

5. Accounts receivable:

	2018	2017
Trade receivables	\$ 880,499	\$ 930,856
Sales tax receivable	176,852	87,422
	<u>\$ 1,057,351</u>	<u>\$ 1,018,278</u>

Included in trade receivables is \$0 (2017 - \$1,918) due from the City pertaining to commodity charges for the City's energy usage. The Company settles the receivables due from the City separate from its payment of the amounts due to the City. As a result, the outstanding receivables and payables due from/to the City are recorded on a gross basis.

The aging of trade receivables at the reporting date was:

	2018	2017
(a) Utilities		
Current	\$ 511,522	\$ 479,190
Past due 30-60 days	173,790	187,757
Past due 60-90 days	9,313	3,177
Past due greater than 90 days	2,865	-
(b) Application fees		
Current	\$ -	\$ 121,002
Past due 30-60 days	-	-
Past due 60-90 days	394	24,650
Past due greater than 90 days	38,274	-
(c) Other		
Current	\$ 43,730	\$ 115,080
Past due 30-60 days	100,611	-
Past due 60-90 days	-	-
Past due greater than 90 days	-	-
	<u>\$ 880,499</u>	<u>\$ 930,856</u>

(a) Utilities

Included in utilities are trade receivables for the monthly provision of space heating and domestic hot water services.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

5. Accounts receivable (continued):

(b) Application fees

Included in application fees are trade receivables for 0.15% of the construction value of new developments connecting to the Company's distribution system. These trade receivables cover multiple phases of development and the developers are offered the option of paying fees separately by phase. Phased payments can result in the potential for longer aging of trade receivables. These trade receivables are still expected to be collected within one year.

(c) Other

Included in other are trade receivables such as the non-refundable connection fees from new customers or contributions from developers for extended distribution piping as part of the initial connection of a building to the system

The Company measures the loss allowance at an amount equal to the lifetime ECL for accounts receivables. The ECL is an estimation of loss in the event of default of the accounts receivable arising from default events occurring in the lifetime of the instrument. The lifetime ECL is estimated based on historical default rates and forward looking trends in the energy and real estate industry.

There was no loss allowance related to the collectability of accounts receivable as at December 31, 2018 and 2017.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

6. Plant and equipment:

	Distribution system	General equipment	Total
<u>Cost</u>			
Balance as at December 31, 2017	\$ 17,539,955	\$ 14,181,847	\$ 31,721,802
Additions	4,864,996	1,455,882	6,320,878
Disposal	-	-	-
Balance as at December 31, 2018	\$ 22,404,951	\$ 15,637,729	\$ 38,042,680
<u>Accumulated depreciation</u>			
Balance as at December 31, 2017	\$ 2,039,842	\$ 3,667,903	\$ 5,707,745
Depreciation	403,987	732,530	1,136,517
Disposal	-	-	-
Balance as at December 31, 2018	\$ 2,443,829	\$ 4,400,433	\$ 6,844,262
<u>Net book value</u>			
At December 31, 2017	\$ 15,500,113	\$ 10,513,944	\$ 26,014,057
At December 31, 2018	19,961,122	11,237,296	31,198,418

Supplies for the distribution system represent plant and equipment which have not been installed or used for the district energy system as at December 31, 2018. In addition, they are not being amortized.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

7. Software assets:

Cost

Balance, at December 31, 2017	\$ 528,705
Additions	163,056
Balance, at December 31, 2018	\$ 691,761

Accumulated Depreciation

Balance, at December 31, 2017	\$ 90,992
Depreciation	70,301
Balance, at December 31, 2018	\$ 161,293

Net book value

At December 31, 2017	\$ 437,713
At December 31, 2018	\$ 530,468

In 2014, the Company initiated the replacement and upgrade of the central control system in the Lower Lonsdale service area as well as acquiring a new financial reporting system. The new financial reporting system was put into service in March 2015 and is being amortized over its estimated useful life of 10 years. The control system was put into service in July 2016 and is being amortized over its estimated useful life of 10 years.

In 2017, the Company undertook further controls upgrades for the Harbourside service area, as well as preliminary work on the Central Lonsdale service area. The control system in Harbourside was put into service in September 2017, the Central Lonsdale system is expected to be completed and put into service in March 2019.

8. Due to the City of North Vancouver:

(a) Due to the City of North Vancouver:

The amount due to the City of \$559,040 (2017 - \$416,440) is used to cover operating and financing expenses incurred by the City on behalf of the Company. The amounts outstanding as at 2018 are expected to be repaid as part of the ongoing operations of the Company. The amount due to the City is non-interest bearing, unsecured and due on demand.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

8. Due to the City of North Vancouver (continued):

(a) Due to the City of North Vancouver (continued):

In addition to the amount due to the City, \$494,982 (2017 - \$472,328) of the principal loan amount is included in the current liabilities this amount is expected to be reimbursed by the Company within one year. In 2018, \$233,000 was reimbursed to the City in payment of the principal of a City loan.

All of the Company's shares are owned by the City, the parent organization. The full financial statements of the City are publicly available and produced by the City.

(b) Loans from the City of North Vancouver:

	2018	2017
Demand promissory note (i)	\$ -	\$ 11,549,960
Demand promissory note (ii)	-	2,611,966
Demand promissory note (iii)	-	1,205,000
Demand promissory note (iv)	-	2,325,000
Demand promissory note (v)	-	625,000
Demand promissory note (vi)	-	600,000
Demand promissory note (vii)	-	165,000
Demand promissory note (viii)	-	160,000
Demand promissory note (ix)	-	-
Demand promissory note (x)	23,293,926	-
	\$ 23,293,926	\$ 19,241,926

(i) The loan from the City is comprised of a five-year demand term loan maturing on December 16, 2018, bearing interest at 2.1% per annum. Additional funding is available to the Company under the terms of the agreement to a maximum of \$12,000,000.

(ii) On August 4, 2015 and November 26, 2015, the Company borrowed an additional \$2,000,000 and \$611,966, respectively from the City. The loans bear interest at 2.1% per annum.

(iii) On November 18, 2016 the Company was authorized to borrow an additional \$1,600,000 from the City. The loan bears interest at 2.1% per annum. As at December 31, 2017, an amount of \$1,205,000 had been drawn by the Company on this loan.

(iv) On September 19, 2016 the Company was authorized to borrow an additional \$3,250,000 from the City. The loan bears interest at 2.1% per annum. As at December 31, 2017, an amount of \$2,325,000 had been drawn by the Company on this loan.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

8. Due to the City of North Vancouver (continued):

(b) Loans from the City of North Vancouver (continued):

- (v) On June 12, 2017 the Company was authorized to borrow an additional \$2,300,000 from the City. The loan bears interest at 2.1% per annum. As at December 31, 2017, an amount of \$625,000 had been drawn by the Company on this loan.
- (vi) On April 4, 2016 the Company was authorized to borrow an additional \$600,000 from the City. The loan bears interest at 2.1% per annum. As at December 31, 2017, an amount of \$600,000 had been drawn by the Company on this loan.
- (vii) On April 4, 2016 the Company was authorized to borrow an additional \$2,300,000 from the City. The loan bears interest at 2.1% per annum. As at December 31, 2017, an amount of \$165,000 had been drawn by the Company on this loan.
- (viii) On September 18, 2017 the Company was authorized to borrow an additional \$1,200,000 from the City. The loan bears interest at 2.1% per annum. As at December 31, 2017, an amount of \$160,000 had been drawn by the Company on this loan.
- (ix) On July 24, 2017 the Company was authorized to borrow an additional \$3,600,000 from the City. The loan bears interest at 2.1% per annum. As at December 31, 2017, no amount had been drawn by the Company on this loan.
- (x) On August 1, 2018 a new five-year demand term loan was issued by the City. This Promissory Note replaces and nullifies all previous Promissory Notes issued by the City to the Company. The loan matures on August 1, 2023 and bears interest at 2.65% per annum. As at December 31, 2018 an amount of \$23,296,926 had been drawn by the Company. Additional funding is available to the Company under the terms of the agreement to a maximum of \$33,661,966.

Although the term loans are due on demand, with the exception of an amount of \$494,982, the amounts have been classified as a non-current liability as the City has not indicated its intention to call the loan within the next fiscal year and the Company has provided a reimbursement schedule to the City, which was accepted by Council that supports this classification.

The interest expense of \$492,448 (2017 - \$351,790) related to the due to the City of North Vancouver are included in finance costs in the Statement of Comprehensive Income.

The loans are secured by an interest in all of the Company's current and future property, including plant and equipment, supplies for the distribution system and other related assets.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

8. Due to the City of North Vancouver (continued):

(c) Loan from Green Municipal Investment Fund:

On June 29, 2012, the City received a loan of \$2,000,000 under the Green Municipal Investment Fund Project Loan through the Municipal Finance Authority ("MFA") to finance Eligible Costs incurred related to the capital projects undertaken by the Company. The loan bears interest at the ten year Government of Canada bond yield rate in effect at the date of request of the disbursement less 1.5% (effective interest rate of 0.3%) and is payable semi-annually and matures on the tenth anniversary of the loan date. As a condition to receive the loan, the Company made a debt reserve deposit payment of \$20,000 to the MFA on behalf of the City which is recorded in other assets on the statement of financial position.

The annual principal payments to the MFA are held in a sinking fund deposit account which accrues interest income based on actuarial estimates. The total principal repayments made including the interest income earned on the sinking fund deposit will be used to retire the loan on June 29, 2022. The difference between the actuarial and actual interest income earned during the term will be paid by or reimbursed to the Company.

The City assumed this loan on behalf of the Company. The City then loaned the proceeds of the loan to the Company with terms consistent with the MFA. The principal payments of this loan are made by the Company directly to the MFA which results in the reduction to the amounts owed by the Company to the City. The loan is subject to certain financial and non-financial covenants. As at December 31, 2018, the City and Company were in compliance with these covenants.

Future principal repayments, including actuarial adjustments of \$228,739 (2017 - \$264,829) on this loan over the next four years are as follows:

2019	\$	210,779
2020		219,210
2021		227,979
2022		237,098
	\$	895,066

The interest expense of \$6,000 (2017 - \$6,000) is included in finance costs in the Statement of Comprehensive Income.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

9. Deferred contributions:

	2018	2017
(a) Green Municipal Investment Fund Project Grant	\$ 1,068,480	\$ 1,150,298
(b) Gas Tax Agreement – Innovation Fund	797,640	822,038
(c) Infrastructure Stimulus Fund Grant	81,728	83,103
(d) Solar Water Installation	150,261	163,921
(e) Contributions from developers and new customers	4,385,788	4,118,994
(f) Contributions from utility company	27,293	30,022
	6,511,190	6,368,376
Current portion	(561,405)	(356,652)
Non-current portion	\$ 5,949,785	\$ 6,011,724

(a) Green Municipal Investment Fund Project Grant:

In 2005, the City and the Federation of Canadian Municipalities (FCM) entered into an agreement whereby FCM provides a grant from the Green Municipal Investment Fund. The grant provides for 25% of the eligible costs, to a maximum of \$2,000,000, related to the construction of the mini-plants, distribution system and project soft costs such as those related to intangible assets, development costs and pre-operating costs. The Company has received the maximum eligible grant of \$2,000,000.

The contribution is recognized over the useful life of the related assets. The portion of the grant that is not recognized as revenue is recorded as deferred contribution.

The following table summarizes the amount recognized as of December 31:

	2018	2017
Deferred contribution - FCM Grant, beginning of year	\$ 1,150,298	\$ 1,232,116
Revenue recognized from grant	(81,818)	(81,818)
Deferred contribution - FCM Grant, end of year	\$ 1,068,480	\$ 1,150,298

(b) Gas Tax Agreement - Innovation Fund:

In 2009, the City and the Union of British Columbia Municipalities (UBCM) entered into an agreement whereby UBCM provided a grant from the Gas Tax Innovation Fund. The grant provides for 100% of the eligible costs, to a maximum of \$973,750 related to the construction of a section of the distribution system in Central Lonsdale.

The contribution is recognized over the useful life of the distribution system at a rate of 2.5% per year from the date the section covered under the grant is available for use. The portion of the grant that is not recognized as revenue is recorded as deferred contribution.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

9. Deferred contributions (continued):

(b) Gas Tax Agreement - Innovation Fund (continued):

The following table summarizes the amount recognized as of December 31:

	2018	2017
Deferred contribution - Gas Tax Grant, beginning of year	\$ 822,038	\$ 846,436
Revenue recognized from grant	(24,398)	(24,398)
Deferred contribution - Gas Tax Grant, end of year	\$ 797,640	\$ 822,038

(c) Infrastructure Stimulus Fund Grant:

In 2011, the City and the Province of British Columbia (Province) entered into agreement whereby the Province provides a grant from the Infrastructure Stimulus Fund. The grant provides for 66.66% of the eligible costs, to a maximum of \$83,332 related to the construction of a section of the distribution system in Central Lonsdale. The maximum contribution of \$83,332 was received in 2011.

The contribution is recognized over the useful life of the distribution system at a rate of 2.5% per year from the date the section completed under the grant is available for use. Depreciation of this section of the distribution system started to be recognized as of November 1, 2017 resulting in the commencement of revenue recognition.

The following table summarizes the amount recognized as of December 31:

	2018	2017
Deferred contribution - Infrastructure grant, beginning and end of year	\$ 83,103	\$ 83,332
Revenue recognized from grant	(1,375)	(229)
Deferred contribution - Infrastructure Stimulus Fund Grant, end of year	\$ 81,728	\$ 83,103

(d) Solar Water Installation:

In 2010, the City transferred the ownership of the Solar Panels to the Company which involved the transfer of all costs incurred and contributions received that were associated with the project.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

9. Deferred contributions (continued):

(d) Solar Water Installation (continued):

The City had incurred a total of \$347,150 in project costs and received two grant contributions from the Federal Government and the Province towards the project for a total of \$273,202. The contributions are recognized over the useful life of the solar panels at rate of 5% per year.

The following table summarizes the amount recognized as of December 31:

	2018	2017
Deferred contribution - Solar Water Installation, beginning of year	\$ 163,921	\$ 177,581
Revenue from contributions recognized	(13,660)	(13,660)
Deferred contribution - Solar Water Installation, end of year	\$ 150,261	\$ 163,921

(e) Contributions from developers and new customers:

The Company recognizes as a contribution from developers the amounts reimbursed by developers to the Company for costs to construct or acquire property and equipment. Revenue is recognized over the useful life of the distribution system at a rate of 2.5% per year from the date a section is available for use.

The Company also includes in the contributions from developers and new customers the non-refundable connection fees or general contributions received as part of the initial connection of a building to the system. These fees and general contributions are linked to the cost of the initial connection including installation of the building heat exchanger. The contributions are recognized over the useful life of the general equipment at a rate of 5% per year from the date of connection of the building. This amount includes compensation of \$98,493 and \$23,676 received in 2016 and 2017 respectively, from the City for service connection rebates granted to rental buildings.

The following table summarizes the amount recognized as of December 31:

	2018	2017
Deferred contribution from developers and new customers, beginning of year	\$ 4,118,994	\$ 3,387,968
Contributions	704,218	964,843
Revenue recognized from contributions	(437,424)	(233,817)
Deferred contribution, end of year	\$ 4,385,788	\$ 4,118,994

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

9. Deferred contributions (continued):

(f) Contribution from utility company:

In 2009, the City received funding under the Efficient Boiler Program administered by Fortis Gas Inc. of \$54,586. The contribution is recognized over the useful life of the boilers at a rate of 5% per year.

The following table summarizes the amount recognized as of December 31:

	2018	2017
Deferred contribution from utility company, beginning of year	\$ 30,022	\$ 32,752
Revenue recognized from contributions	(2,729)	(2,730)
Deferred contribution from utility company, end of year	\$ 27,293	\$ 30,022

10. Share capital:

The authorized capital of the Company consists of an unlimited number of voting common shares without par value. As of December 31, 2018, a total of 2,000,010 (2017 - 2,000,010) shares were issued and outstanding to the Company's sole shareholder, the City.

There were no changes in share capital during the year.

11. Related parties:

The City has incurred expenses, including sales taxes, on behalf of the Company in the year of approximately \$1,263,124 (2017 - \$993,545) by providing staff, purchasing material and installing and operating the distribution system for the Company's benefit. Of this amount \$271,651 (2017 - \$393,117) has been capitalized to plant and equipment. Specifically, City staff has been involved in designing, purchasing materials for and installing and operating components of the distribution system. These costs have been charged to the Company by the City on a cost recovery basis. Included in revenue for 2018 is \$204,053 (2017 - \$207,941) for heating and cooling services rendered by the Company to the City.

Included in the services provided to the Company by the City is key management personnel compensation, comprised of the president, executive director, deputy director, manager - engineering, two project engineers, construction manager, senior energy specialist - hydrogen, and accountant. These key management personnel are directly employed by the City and contracted to the Company based on an allocation of their compensation. For the year ended December 31, 2018, key management personnel compensation of \$874,142 (2017 - \$479,422) was included in the costs charged to the Company by the City.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

12. Revenue:

	<i>Note</i>	2018	2017
Revenue from contracts with customers			
Energy sales		\$4,132,957	\$3,900,077
Other			
Contributions from Government	9(a)–(d)	\$121,251	\$120,105
Contributions from developers	9(e)	112,534	51,050
Connection fees	9(e)	130,595	117,316
Contributions from utilities companies	9(f)	2,729	2,729
Application fee revenue	9(e)	194,295	65,451
Miscellaneous		10,422	1,025
		\$571,832	\$357,676
Total revenue		\$4,704,789	\$4,257,753

13. Commitments and contingencies:

- (a) As at December 31, 2018, the Company has approximately \$1,028,831 (2017 - \$1,467,528) in open purchase and work orders relating to plant and equipment.
- (b) As a condition of the Green Municipal Investment Fund Project Loan from the MFA (note 8(c)), the City executed a demand note in connection with the loan whereby the City may be required to lend certain amounts to the MFA. The demand note relating to the loan is \$66,291. The demand note is contingent in nature and is therefore not recorded as a liability.
- (c) On October 5, 2017, the Company entered in an agreement with Greater Vancouver Sewerage and Drainage District for the purchase of thermal energy from the new North Shore wastewater treatment plant currently under construction. Under the agreement, as of mid-2021, the Company will be obligated to purchase minimal quantities of energy from the new plant. The cost of this future energy is based on an agreed upon pricing model.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

14. Fair values:

Financial Assets and Liabilities:

The Company uses the following hierarchy to determine and disclose fair value of financial instruments:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data, which are unobservable inputs.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company does not have any financial assets or liabilities that are carried at fair value.

The fair values of cash, accounts receivable, accounts payable and accrued liabilities, due to the City of North Vancouver, and security deposits approximate their carrying values due to their short term nature.

The fair value of the loan from the City of North Vancouver is equal to its carrying amount as the loan is due on demand.

The fair value of the loan from the Green Municipal Investment Fund at year end is \$842,925 (2017 - \$1,081,634) and is classified as level 3.

15. Financial risk management:

Overview

The Company has exposure to the following risks from its use of financial instruments:

- operational risk
- credit risk
- liquidity risk
- market risk

Risk management framework:

Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

15. Financial risk management (continued):

Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of spending authority;
- ethical and business standards; and
- risk mitigation, including insurance when this is effective.

Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has established a credit policy under which each new customer and developer must provide a security deposit that is held for 18 months following the issuance of a building occupancy permit.

As at December 31, 2018, \$41,139 (2017 - \$0) of accounts receivable exceeded 90 days.

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

15. Financial risk management (continued):

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The Company anticipates that its cash flows from operations and current grant agreements will be sufficient to satisfy its current obligations. The City provides financing to the Company through its formal related party loan which has a specified rate of interest but no specified terms of repayment.

As at December 31, 2018, all financial liabilities, except for the loan from the Green Municipal Investment Fund and the loan from City of North Vancouver, have been classified as current as they are contractually due within the next fiscal year.

As at December 31, 2018	Carrying amount	Total contractual cash flows	Less than one year	1 to 5 years	More than 5 years
Loan from Green Municipal Investment Fund	\$ 895,066	\$ 916,066	\$ 216,779	\$ 699,287	\$ -
Loan from City of North Vancouver	23,293,926	23,293,926	-	23,293,926	-

As at December 31, 2017	Carrying amount	Total contractual cash flows	Less than one year	1 to 5 years	More than 5 years
Loan from Green Municipal Investment Fund	\$ 1,097,739	\$ 1,124,739	\$ 208,672	\$ 916,066	\$ -
Loan from City of North Vancouver	19,241,926	19,241,926	-	19,241,926	-

LONSDALE ENERGY CORP.

Notes to Financial Statements (continued)

Year ended December 31, 2018

15. Financial risk management (continued):

Market risk:

Market risk is the risk that changes in market prices, such as energy prices, interest rates and other rate risks, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

- Interest rate risk:

In respect of financial assets, the Company's policy is to invest cash at fixed rates of interest in order to maintain liquidity. The loan from the Green Municipal Investment Fund and the loan from City of North Vancouver bear a fixed rate of interest. The loan from City of North Vancouver is maturing on August 1, 2023 and the Company is cognizant that the interest rate may be adjusted in line with market pricing at that time.

16. Capital management:

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern to sustain future development of the business, so that it can provide returns for the shareholder and benefits for other stakeholders.

The Company considers the items included in shareholder's equity as capital. There were no changes in the Company's approach to capital management during the year.

UNANIMOUS CONSENT RESOLUTIONS OF THE SHAREHOLDER

OF

LONSDALE ENERGY CORP.

(the "Company")

in lieu of the annual general meeting

The undersigned, being the sole shareholder of the Company entitled to vote at an annual general meeting, hereby consents to and adopts in writing the following resolutions:

RESOLVED THAT:

1. the financial statements of the Company for the period ended December 31, 2018, made up of statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows as at the end of that period and the report of the auditors thereon are hereby received and filed;
2. all lawful acts, contracts, proceedings, appointments and payments of money by the directors of the Company since the last annual reference date of the Company, and which have previously been disclosed to the shareholder, are hereby adopted, ratified and confirmed;
3. the number of Directors of the Company is hereby fixed at 3;
4. the following persons, each of whom has consented in writing to act as a director, are hereby elected as directors of the Company, to hold office until the next annual general meeting of the Company or unanimous resolutions consented to in lieu of holding an annual general meeting, or until their successors are appointed:

Jessica McIlroy

Leanne McCarthy

Ben Themens

5. BDO Canada LLP be appointed as auditors of the Company until the next annual reference date of the Company or until a successor is appointed, at a remuneration to be fixed by the Directors; and
6. June 15, 2019 be and is hereby selected as the annual reference date for the Company for its current annual reference period.

DATED as of July 08, 2019.

**THE CORPORATION OF THE CITY OF
NORTH VANCOUVER**

Mayor Linda Buchanan

Karla Graham, City Clerk

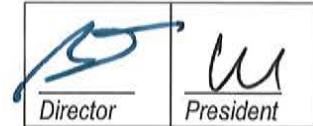
Historical Data for 2004 - 2018 Years of Operations

Income Statement line description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	\$ 176,707	\$ 409,108	\$ 415,741	\$ 630,088	\$ 1,016,118	\$ 1,158,110	\$ 1,434,108	\$ 1,562,007	\$ 1,693,413	\$ 2,038,134	\$ 2,594,229	\$ 2,647,001	\$ 2,838,793	\$ 3,900,077	\$ 4,132,957
Cost of Sales	\$ 66,777	\$ 187,089	\$ 245,839	\$ 299,299	\$ 479,519	\$ 469,707	\$ 722,351	\$ 752,254	\$ 747,330	\$ 965,876	\$ 1,261,027	\$ 1,175,841	\$ 1,196,282	\$ 1,538,595	\$ 1,678,140
Gross profit	\$ 109,930	\$ 222,019	\$ 169,902	\$ 330,789	\$ 536,599	\$ 688,403	\$ 711,757	\$ 809,753	\$ 946,083	\$ 1,072,258	\$ 1,333,202	\$ 1,471,160	\$ 1,642,511	\$ 2,361,482	\$ 2,454,817
Plant Operation and Maintenance	\$ 19,087	\$ 91,585	\$ 95,244	\$ 98,149	\$ 114,689	\$ 138,289	\$ 143,305	\$ 191,350	\$ 212,842	\$ 289,346	\$ 310,795	\$ 289,127	\$ 225,115	\$ 134,380	\$ 218,812
Depreciation	\$ 68,531	\$ 114,823	\$ 127,777	\$ 146,220	\$ 212,246	\$ 293,444	\$ 273,586	\$ 309,667	\$ 430,542	\$ 564,686	\$ 693,517	\$ 795,568	\$ 886,925	\$ 1,064,736	\$ 1,206,818
General and Administrative	\$ 98,268	\$ 145,543	\$ 172,968	\$ 140,987	\$ 173,957	\$ 146,916	\$ 185,574	\$ 188,783	\$ 309,926	\$ 445,511	\$ 361,409	\$ 348,892	\$ 497,248	\$ 405,632	\$ 587,399
Total - Operating Expenses	\$ 185,886	\$ 351,951	\$ 395,989	\$ 385,356	\$ 500,892	\$ 578,649	\$ 602,465	\$ 689,800	\$ 953,310	\$ 1,299,543	\$ 1,365,721	\$ 1,433,587	\$ 1,609,288	\$ 1,604,748	\$ 2,013,029
Income (loss) before other expenses	\$ (75,956)	\$ (129,932)	\$ (226,087)	\$ (54,567)	\$ 35,707	\$ 109,754	\$ 109,292	\$ 119,953	\$ (7,227)	\$ (227,285)	\$ (32,519)	\$ 37,573	\$ 33,223	\$ 756,734	\$ 441,788
Contributions		\$ 60,136	\$ 259,458	\$ 38,804	\$ 63,416	\$ 117,389	\$ 120,875	\$ 146,532	\$ 174,480	\$ 211,010	\$ 225,615	\$ 232,648	\$ 260,629	\$ 357,676	\$ 571,832
Finance income		\$ 23,432	\$ 22,037	\$ 24,530	\$ 17,321	\$ 5,111	\$ 11,171	\$ 15,742	\$ 25,121	\$ 32,071	\$ 34,429	\$ 27,172	\$ 27,691	\$ 42,975	\$ 65,425
Finance costs	\$ (111,951)	\$ (207,481)	\$ (194,850)	\$ (34,141)	\$ (123,277)	\$ (125,421)	\$ (128,876)	\$ (131,322)	\$ (139,585)	\$ (157,986)	\$ (214,870)	\$ (253,282)	\$ (302,870)	\$ (357,790)	\$ (498,448)
Subtotal	\$ (111,951)	\$ (123,913)	\$ 86,645	\$ 29,193	\$ (42,540)	\$ (2,921)	\$ 3,170	\$ 30,952	\$ 60,016	\$ 85,095	\$ 45,174	\$ 6,538	\$ (14,550)	\$ 42,861	\$ 138,809
Income before non-recurring expenses	\$ (187,907)	\$ (253,845)	\$ (139,442)	\$ (25,374)	\$ (6,833)	\$ 106,833	\$ 112,462	\$ 150,905	\$ 52,789	\$ (142,190)	\$ 12,655	\$ 44,111	\$ 18,673	\$ 799,595	\$ 580,597
Non-recurring expenses												\$ (1,030,721)			
Net Income and Comprehensive Income	\$ (187,907)	\$ (253,845)	\$ (139,442)	\$ (25,374)	\$ (6,833)	\$ 106,833	\$ 112,462	\$ 150,905	\$ 52,789	\$ (142,190)	\$ 12,655	\$ (986,610)	\$ 18,673	\$ 799,595	\$ 580,597
Total Net Accumulated Surplus (loss)	\$ (277,787)	\$ (531,632)	\$ (671,074)	\$ (696,448)	\$ (703,281)	\$ (596,449)	\$ (483,987)	\$ (333,082)	\$ (280,293)	\$ (422,483)	\$ (409,828)	\$ (1,396,438)	\$ (1,377,765)	\$ (578,170)	\$ 2,427
Sales (kW.hr)	1,175,900	3,630,109	4,981,300	6,828,400	11,063,030	14,120,569	18,737,975	22,847,087	23,945,719	27,921,503	31,254,231	32,401,971	37,787,274	49,502,564	49,502,564

Attachment 4

Summary of LEC Statistics As of December 31, 2018

• Total square footage of buildings served:	5,702,012	square feet
• Square footage of new buildings connected in 2017:	519,633	square feet
• Total number of customer accounts served:	80	
○ Residential Buildings	37	
○ Mixed Residential / Commercial	17	
○ Commercial	16	
○ Institution	6	
○ Cooling	3	
○ Hotel	1	
• New customers connected in 2018:	5	
• Total number of residential suites connected:	4,919	
• New residential suites connected in 2018:	526	
• Total number of boilers installed in LEC Mini-Plants:	28	
• Number of new boilers installed in 2018:	2	
• Trench kilometers of distribution system:	11.6	kilometers
• Kilowatt-hours of heating delivered to customers in 2018:	53,109,668	kW.h
• Kilowatt-hours of cooling delivered to customers in 2018:	515,980	kW.h
• Total Energy Capacity	26	MW



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REPORT

To: Mayor Linda Buchanan and Members of Council

From: Ben Themens, Director, LEC

SUBJECT: REVIEW OF OUTSTANDING LOANS AND BORROWING REQUEST

Date: July 9, 2019

RECOMMENDATION

PURSUANT to the report of the Director of Lonsdale Energy Corp., dated July 9, 2019 entitled "Review of Outstanding Loans and Borrowing Request":

THAT Lonsdale Energy Corp. be authorized to borrow up to \$1,681,000 in additional funding from the City of North Vancouver under the same terms and conditions than the existing August 1, 2018 City loan.

ATTACHMENTS

1. Loans from the City of North Vancouver as at June 30, 2019

PURPOSE

The following resolution was adopted by Council at the July 16, 2018, regular meeting of Council:

PURSUANT to the report of the Director of Lonsdale Energy Corp., dated July 11, 2018 entitled "Lonsdale Energy Corp. – Review of City Loan Terms":

THAT the loans currently outstanding and authorized by the City of North Vancouver be renewed on a 5 year demand term and interest rate of 2.65% compounded quarterly as of August 1, 2018;

THAT Lonsdale Energy Corp. be authorized to borrow up to \$4,200,000 in additional funding from the City of North Vancouver under the same terms and conditions than the renewed loan;

THAT Lonsdale Energy Corp. pay to the shareholder, on an annual basis, a dividend of 5% of the amount of capital reimbursed to the City during the year;

AND THAT Lonsdale Energy Corp. provide an annual report on the balance and payments of principal and interest of the loan, as well as on construction activities impacting borrowing and loan repayment.

This report provides an overview of the financial position of Lonsdale Energy Corp. (LEC), a detailed review of LEC's outstanding City of North Vancouver (the City) loans, a request for additional loan authorization to fund 2019-2021 projects as well as a history and projection of loan reimbursements.

BACKGROUND

On December 16, 2013 the City converted its amounts due from LEC into a five-year demand term loan, maturing on December 16, 2018, bearing interest at 2.1% per annum. The initial loan agreement authorized LEC to borrow up to \$12 million from this source. This amount covered expenses incurred by the City for the construction of the LEC distribution network between 2009 and 2015. Expenses for construction prior to 2009 had been reimbursed to the City.

Subsequently, on August 4, 2015 and November 26, 2015, LEC borrowed \$2,000,000 and \$611,966 from the City, bearing the same interest rate and terms as the above loan to provide for the legal settlement of the purchase price of equipment payable to Corix by LEC. In 2016, LEC received authorization to borrow up to \$7,750,000 from the City for construction of Mini-Plant 8 and additions to the LEC distribution network. In 2017, Council approved additional funding of \$2,300,000 for the 2017-2018 LEC Construction Program, \$3,600,000 for the connection of the heat recovery plant at the North Shore Wastewater Treatment Plant (NSWWTP), and \$1,200,000 for expansion of the cooling capacity at Mini-Plant 5 for the servicing of Lot 5. Additional funding was approved by Council in 2018 consisting of \$1,200,000 for the future construction of a mini-plant at the Harbourside Concert Properties development and \$3,000,000 of additional distribution system construction.

On August 1, 2018, these authorized amounts were consolidated into a new five-year demand term loan, maturing on August 1, 2023, and bearing an interest rate of 2.65% per annum. The total authorized amount of this new loan is \$33,661,966. As of December 31 2018, the amount owed to the City against the loan was \$23,293,926.

On June 29, 2012 the City received a loan of \$2,000,000 under the Green Municipal Investment Fund Project Loan through the Municipal Finance Authority ("MFA") to finance eligible capital costs. Funding was transferred to LEC who is responsible for interest payments and reimbursement. As of December 31, 2018, the loan had an outstanding balance of approximately \$895,066.

In a report to Council dated June 6, 2017 titled "2017-2018 LEC Construction Program Financing", the company informed Council of its intention to cease using its operating revenue for the purpose of funding capital expansions and major upgrades. To enhance transparency, LEC is borrowing funding for future capital projects so that operating revenue may be targeted toward the payment of interest and principal of existing loans. The report provided a loan repayment schedule which indicated that the company intended to allocate \$1.1 million to this purpose in 2018. This was achieved through payment of \$498,448 in interest to the City and payments against the principal amount of loans outstanding: \$202,672 to MFA on May 9, 2018; \$233,000 to the City on June 28, 2018; and \$165,880 on March 21, 2019. While LEC had funding in hand, the final scheduled 2018 payment was delayed into 2019 to provide contingency cash flow to the company during the winter season in consideration of natural gas pricing uncertainty due to the rupture of the Enbridge pipeline. Once the cold winter conditions subsided and natural gas prices stabilized, the final payment was made. With the inclusion of this delayed payment, LEC fulfilled its 2018 payment target as set out by the repayment schedule. In addition to these payments, administrative services as well as maintenance and operation activities provided by the City are reimbursed on a quarterly basis.

DISCUSSION

LEC's district energy system has seen rapid growth over the past several years. In addition to the continued connection of buildings in the vicinity of the existing distribution network, LEC has significantly expanded its network during the past two years. As long as LEC's primary heating source was natural gas, there was limited incentive to interconnect different service areas. LEC is now implementing increased alternative energy sources that will provide energy to more than one service area at a time. While natural gas boilers will still provide energy to meet peak demand and backup requirements, the interconnection of the service areas will ensure that alternative energy sources are used at their full capacity, whenever available and appropriate.

For instance, LEC has recently completed the expansion of Mini-Plant 5 (MP5), located in the parking lot of the Pinnacle Hotel. The additional capacity will allow heat recovery through provision of cooling services to new buildings in The Shipyards and the outdoor public skating rink. On warm summer days, it is expected that heat generated by the cooling system will exceed the needs of the Lower Lonsdale service area and at certain times, it could meet most of the demand of the whole network, thus creating a need to interconnect this service area with the others.

The impending connection of the NSWWTP, currently under construction, will also provide heat in excess of the demand requirements of the nearest service area. The interconnection of the Marine Drive and Central Lonsdale service areas will ensure that LEC takes full advantage of this alternative energy source once construction of the NSWWTP is completed.

Finally, the redevelopment of the Moodyville area and its heating demand created an opportunity to further enhance the LEC system. No new energy sources were added, this area being serviced from the plants in Lower Lonsdale service area.

These opportunities have translated in the planning or completion of several major projects in the past two years:

- 2017: Distribution piping (1.1 km) on West Keith Road from Bewicke Avenue to Queen Mary School including piping for future pressure booster station at St. Thomas Aquinas High School and Network Transfer Station at 717 Chesterfield Avenue.
- 2018: Distribution piping (1.1 km) on East 3rd Street from St. Georges Avenue to Moody Avenue including piping for future pressure booster station at 366 E 3rd Street.
- 2018-2019: Distribution piping (850 m) on St. Georges Avenue from 3rd Street to 11th Street including Network Transfer Station at 160 East 6th Street.
- Planned 2020: Distribution piping (1.1 km) on West 1st Street from Fell Avenue to Pemberton Avenue (site of the NSWWTP).

LEC's rapid expansion over this period has been facilitated by funding from the City. This provided the City with an opportunity to make a long-term investment in LEC while earning competitive return on investment via quarterly interest payments.

The table in **Attachment 1** provides a summary of LEC's outstanding loans to the City as of June 30, 2019.

LEC's Financial Position

In 2017 and 2018, LEC achieved its highest annual net incomes since commencing operations: \$799,595 and \$580,597. These amounts considerably exceed previous years. The substantial increase in profit is a combination of multiple factors:

- The addition of new customers including the Centreview building on Lonsdale and 13th Street, LEC's largest customer to date
- Structured annual rate increases
- A revision of the application fee to 0.15% of assigned construction value
- Increased efficiency from plant control and automation upgrades
- Optimization of natural gas purchases despite impacts by the Enbridge pipeline rupture
- Lower operating costs as a result of increased capital activities in 2017

LEC's revenue grew by 46% from \$2,838,793 to \$4,132,957 between 2016 and 2018 and is on target to almost reach \$5 million in 2019. While such increases are not sustainable in the long-term, LEC is consistently adding new customers to LEC's network. LEC expects to generate a significant profit again in 2019 and excess revenue can be used to reimburse the principal of outstanding loans.

Reimbursement of Outstanding Loans

LEC has reimbursed \$2,164,592 of its debt obligation to date and intends to make an additional payment of \$319,000 to the City in 2019. LEC has also paid over \$1.6 million in interest to the City over the past five year (2014-2018). On June 6, 2019, for the first time, LEC issued a dividend to the City. The dividend of \$30,100 represents 5% of the amount of capital reimbursed to the City during 2018.

Up until 2017, LEC reinvested its operating revenue to fund some of its capital projects. However, in 2017, LEC deferred this practice in an effort to increase transparency

around its capital investments and loan repayments to the City. LEC intends to continue securing new loans for significant capital projects and allocate operating revenues to the repayment of outstanding loans related to older assets.

In line with this approach LEC is making a funding request for the purpose of funding the following projects over the next three years:

Name	Expected Service Commencement Date	Requested Amount (\$)
Bewicke Ave - 14th St. to 715 W 15th St. (HE220)	9/1/2019	\$ 130,000
Ridgeway Ave. - 3rd to 1st St. (Trails phased connections)	10/1/2019	\$ 375,000
MP2 Boiler Addition	11/1/2019	\$ 286,000
E 8th St. - St. Georges Ave. to 128 E 8th St. (HE133)	7/1/2020	\$ 150,000
Booster Pump Station 2 at 366 E 3rd Street	9/1/2020	\$ 100,000
E 17th St. - Lonsdale Ave. to 143 E 17th St. (HE135)	1/11/2021	\$ 260,000
E 12th St. - St. Georges Ave. to 127 E 12th St. (HE136)	2/1/2021	\$ 230,000
E 20th St. - Lonsdale Ave. to 125 E 20th St. (HE137)	TBD	\$ 150,000
Total		<u>\$ 1,681,000</u>

It is important to note that considering that this amount is to be spent over a period of three years; this request is substantially lower than the requests submitted in previous years. No major projects are included in the request. With the exception of MP2 Boiler Addition and a Booster Pump Station, which are required to meet forecasted demand, all the above projects will extend the network for the purpose of immediately connecting buildings which will increase demand and revenue.

With regard to the Ridgeway Avenue request, it should be noted that this section of the distribution network was planned to be funded from a loan authorized by Council in April 2016 that funded the connection of the Moodyville area. Exceptionally, this project which included 1.1 km of distribution piping on East 3rd Street from St. Georges Avenue to Moody Avenue, including piping for future pressure booster station at 366 East 3rd Street, has exceeded budget due to the following reasons:

- cost escalation between the 2016 funding request and the 2018 project implementation;
- significant traffic management effort and maintenance of bus route operation during construction;
- unfavourable soil conditions; and
- increased quality control measures which are now included in all new distribution piping projects.

The additional funding would increase the total amount authorized by Council to \$35,178,374 net of reimbursements to date and including future authorized project disbursements of \$9,771,000. The latest financial modeling predicted reimbursement of city loans by 2036. Based on LEC's loan reimbursement schedule provided below, it is expected that with the addition of the proposed loan, LEC would reimburse its debt obligation by 2037.

Loan Reimbursement Schedule
as at June 30, 2019

Debt obligation allocation increase (2018-2026): 10%

Debt obligation allocation increase (2027-2036): 5%

Interest Rate used in Forecast: 2.65%

		Capacity Charge Revenue Allocated to	Outstanding	Future Disbursements from Available		Annual	
	Year	Debt Obligation	Loan	Loan Balance	Interest	Reimbursement	Dividend
Actual	2013	\$ 181,399	\$ 11,411,018		\$ 14,817	\$ 166,582	
Actual	2014	\$ 388,115	\$ 12,324,620		\$ 214,870	\$ 173,245	
Actual	2015	\$ 433,457	\$ 15,130,982		\$ 253,282	\$ 180,175	
Actual	2016	\$ 490,252	\$ 15,907,770		\$ 302,870	\$ 187,382	
Actual	2017	\$ 1,002,667	\$ 21,691,926		\$ 357,790	\$ 644,877	
*Actual	2018	\$ 1,100,000	\$ 24,188,992		\$ 498,448	\$ 601,552	
**Forecast	2019	\$ 1,210,000	\$ 25,451,531	\$ 1,396,000	\$ 680,466	\$ 529,534	\$ 30,100
Forecast	2020	\$ 1,331,000	\$ 26,317,997	\$ 4,740,000	\$ 703,427	\$ 627,573	\$ 31,379
Forecast	2021	\$ 1,464,100	\$ 30,430,423	\$ 2,435,000	\$ 812,406	\$ 651,694	\$ 32,585
Forecast	2022	\$ 1,610,510	\$ 32,213,730		\$ 859,664	\$ 750,846	\$ 37,542
Forecast	2023	\$ 1,771,561	\$ 31,462,884	\$ 1,200,000	\$ 833,766	\$ 937,795	\$ 46,890
Forecast	2024	\$ 1,948,717	\$ 31,725,089		\$ 840,715	\$ 1,108,002	\$ 55,400
Forecast	2025	\$ 2,143,589	\$ 30,617,087		\$ 811,353	\$ 1,332,236	\$ 66,612
Forecast	2026	\$ 2,357,948	\$ 29,284,851		\$ 776,049	\$ 1,581,899	\$ 79,095
Forecast	2027	\$ 2,475,845	\$ 27,702,952		\$ 734,128	\$ 1,741,717	\$ 87,086
Forecast	2028	\$ 2,599,637	\$ 25,961,235		\$ 687,973	\$ 1,911,665	\$ 95,583
Forecast	2029	\$ 2,729,619	\$ 24,049,570		\$ 637,314	\$ 2,092,306	\$ 104,615
Forecast	2030	\$ 2,866,100	\$ 21,957,264		\$ 581,868	\$ 2,284,233	\$ 114,212
Forecast	2031	\$ 3,009,405	\$ 19,673,032		\$ 521,335	\$ 2,488,070	\$ 124,403
Forecast	2032	\$ 3,159,875	\$ 17,184,962		\$ 455,401	\$ 2,704,474	\$ 135,224
Forecast	2033	\$ 3,317,869	\$ 14,480,488		\$ 383,733	\$ 2,934,136	\$ 146,707
Forecast	2034	\$ 3,483,763	\$ 11,546,352		\$ 305,978	\$ 3,177,784	\$ 158,889
Forecast	2035	\$ 3,657,951	\$ 8,368,568		\$ 221,767	\$ 3,436,184	\$ 171,809
Forecast	2036	\$ 3,840,848	\$ 4,932,384		\$ 130,708	\$ 3,710,140	\$ 185,507
Forecast	2037	\$ 4,032,891	\$ 1,222,244		\$ 32,389	\$ 1,222,244	\$ 61,112
Forecast	2038	\$ -	\$ -		\$ -	\$ -	\$ -

Future Disbursements \$ 9,771,000

* The Annual Reimbursement amount includes a payment made March 21, 2019, this payment was originally scheduled to be made during December 2018, however as part of a contingency plan to provide cash flow for increased natural gas prices due to the rupture of the Enbridge pipeline on October 9, 2018 the payment was delayed.

** The Outstanding Loan amount is the actual amount as of June 30, 2019. Dividends of \$30,100 were issued to the City on June 6, 2019.

LEC endeavors to provide a return on investment to the City and increase sustainability within the community. The financing provided by the City to LEC has allowed LEC to grow at a rapid rate and to provide a return on investment to the City. Funding has also been used to introduce alternative energy sources which increase the sustainability of LEC's system.

FINANCIAL IMPLICATIONS

The financial implications are addressed throughout the report.

RESPECTFULLY SUBMITTED BY:


Ben Themens, MBA, P.Eng., CGA
Director, LEC

Loans from the City of North Vancouver
as at June 30, 2019

Date	Loan Purpose	Amt Authorized by Council	Amt Disbursed to LEC	Loan Balance Available = A - B	Amt Reimbursed C	Loan Amt Outstanding (Due to City) = B - C
Authorized by Council		A	B			
6/19/2012	FCM Grant - Loan through the City	\$ 2,000,000	\$ 2,000,000	\$ -	\$(1,315,712)	\$ 684,288
12/16/2013	Distribution System Construction & Working Capital	12,000,000	12,000,000	-	(848,880)	11,151,120
6/13/2015	Corix Agreement Expiration Settlement	2,000,000	2,000,000	-	-	2,000,000
11/2/2015	Corix Agreement Expiration Settlement	611,966	611,966	-	-	611,966
1/25/2016	Construction of Mini-Plant 8	1,600,000	1,205,000	395,000	-	1,205,000
9/12/2016	W Keith Road Financing & NTS1	3,250,000	3,125,000	125,000	-	3,125,000
6/12/2017	2017-18 Construction Financing - E 18th St - Lonsdale to 154 E 18th	360,000	345,000	15,000	-	345,000
6/12/2017	2017-18 Construction Financing - Chesterfield Ave - 15th to 1549 Chesterfield	220,000	220,000	-	-	220,000
6/12/2017	2017-18 Construction Financing - Chesterfield Ave - 1549 to 1730 Chesterfield	400,000	-	400,000	-	-
6/12/2017	2017-18 Construction Financing - E 15th St - Lonsdale to 1441 & 1549 St Georges	620,000	-	620,000	-	-
6/12/2017	2017-18 Construction Financing - Mahon Ave - Ext. to 63 Mahon (Alcuin College)	75,000	-	75,000	-	-
6/12/2017	2017-18 Construction Financing - Controls Replacement & Upgrade: MP4,6, & 7	325,000	290,000	35,000	-	290,000
6/12/2017	2017-18 Construction Financing - MP5 Capacity Increase	100,000	100,000	-	-	100,000
6/12/2017	2017-18 Construction Financing - Carrie Cates Court - Cost Overrun	200,000	200,000	-	-	200,000
4/4/2016	Connection of 160 E 6th	600,000	600,000	-	-	600,000
4/4/2016	Connection of Moodyville	2,300,000	2,300,000	-	-	2,300,000
9/18/2017	Cooling Services at Lot 5	1,200,000	1,150,000	50,000	-	1,150,000
7/24/2017	Heat Recovery from the NSWWTTP	3,600,000	-	3,600,000	-	-
7/16/2018	St. Georges Ave - 160 E 6th Street to E 3rd Street & NTS2	1,600,000	1,425,000	175,000	-	1,425,000
7/16/2018	Construction of MP9 at Harbourside Concert Properties	1,200,000	-	1,200,000	-	-
7/16/2018	E 15th Street - St. Georges Ave to 250 E 15th Street & LGH	450,000	-	450,000	-	-
7/16/2018	Chesterfield Ave - W Keith Road to W 3rd Street	950,000	-	950,000	-	-
TOTAL		\$35,661,966	\$27,571,966	\$ 8,090,000	\$(2,164,592)	\$25,407,374

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141 West 14th Street, North Vancouver BC V7M 1H9

REPORT

To: Mayor Linda Buchanan and Members of Council

From: Ben Themens, Director, LEC

SUBJECT: 2019 RATE REVIEW AND BYLAW AMENDMENT

Date: July 9, 2019

RECOMMENDATION

PURSUANT to the report of the Director of Lonsdale Energy Corp., dated July 9, 2019 entitled "2019 Rate Review and Bylaw Amendment":

THAT this report and proposed "City of North Vancouver Hydronic Heat Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2019, No. 8730" be forwarded to LEC customers for information and comment;

AND THAT "City of North Vancouver Hydronic Heat Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2019, No. 8730" be considered and referred to a Public Meeting on September 16, 2019, to receive input from LEC customers and the public.

ATTACHMENTS

1. City of North Vancouver Hydronic Heat Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2019, No. 8730
2. Report from the Director of LEC entitled "Heat Recovery from the New North Shore Wastewater Treatment Plant", dated July 19, 2017
3. Summary of LEC revenue and expenses 2004 – 2018
4. City of North Vancouver Consolidated Hydronic Heat Energy Service Bylaw, 2004, No. 7575

PURPOSE

This report provides an overview of past rate setting and the rationale for proposed rate adjustments to the Meter and Capacity Charges. Lonsdale Energy Corp. (LEC) recommends adjusting both the Meter and Capacity charges by the Consumer Price Index (CPI) rate of inflation to account for general increases in purchasing costs. LEC's Commodity Charge continues to be adjusted based on the cost of natural gas and therefore is not adjusted for inflation.

LEC is also recommending a 5% increase to the Capacity Charge after adjusting for the rate of inflation. In the report "Heat Recovery from the New North Shore Wastewater Treatment Plant", reviewed at the July 24, 2017, Council meeting (Attachment 2), staff indicated that LEC would file for additional annual increases of 5% to the Capacity Charge as part of a 5 year plan to fund LEC's costs for the recovery of heat from the North Shore Wastewater Treatment Plant (NSWWTP). The planned five-year increase provides LEC with the capital to cover the additional costs outlined in the agreement signed between LEC and the Greater Vancouver Sewerage and Drainage District (GVS&DD) on October 5, 2017, as well as allows for the timely reimbursement of LEC's loans from the City of North Vancouver (the City). Given that the increase is only applied to the Capacity Charge, the net increase of the total amount invoiced is expected to be approximately 3% per year, or cumulatively approximately 15% above the rate of inflation over a 5 year period. LEC's proposed rate adjustment for 2019 consists of the following:

Rate Schedule 1 (Consumption up to approximately 300 MWh per year)

Charge	Current Rate	CPI Rate of Inflation	Rate Adj. for Inflation	5% Increase to Capacity	2019 Rates
Meter Charge (per month)	\$ 30.88	2.2%	\$ 31.56	n/a	\$ 31.56
Capacity Charge (per kW)	\$ 4.0329	2.2%	\$ 4.1216	5.0%	\$ 4.3277
Commodity Charge (per kW.h)	\$ 0.04201	n/a	\$ 0.04201	n/a	\$ 0.04201

Rate Schedule 2 (Consumption over approximately 300 MWh per year)

Charge	Current Rate	CPI Rate of Inflation	Rate Adj. for Inflation	5% Increase to Capacity	2019 Rates
Meter Charge (per month)	\$ 166.27	2.2%	\$ 169.93	n/a	\$ 169.93
Capacity Charge (per kW)	\$ 4.0329	2.2%	\$ 4.1216	5.0%	\$ 4.3277
Commodity Charge (per kW.h)	\$ 0.03549	n/a	\$ 0.03549	n/a	\$ 0.03549

Finally, this report compares the pricing of various Lower Mainland utilities.

BACKGROUND

LEC has been in operation since 2004 following the enactment of Bylaw No. 7575, creating the energy service. LEC currently provides heating and cooling services to 79 buildings, totaling more than 5.85 million square feet of building area. This includes approximately 5,000 residential units, a 106 room hotel, numerous offices, commercial outlets, a school, hospital buildings, and various municipal buildings. LEC operates in four separate service areas (Lower Lonsdale, Central Lonsdale, Harbourside / Marine Drive, and Moodyville), which are being interconnected this year. Interconnection allows LEC to transfer energy from its various plants and alternative energy sources throughout the entirety of its distribution network.

LEC is continuously exploring new ways to innovate and increase the sustainability of its district energy system. Currently, LEC is producing thermal energy from the following alternative energy sources: a hydronic solar thermal panel array on the roof of the Library, a geo-exchange field under and around the School District 44 head office, as well as recovery of rejected heat from the cooling process for LEC's cooling customer buildings. These sources are used in priority and directly offset energy that would otherwise be provided by using natural gas fired boilers in LEC's system.

In addition to these sources, on October 5, 2017, LEC entered into an agreement with GVS&DD to purchase thermal energy by recovering heat from the treated sewage at NSWWTP. The plant is currently under construction at Pemberton Avenue and West 1st Street and heat delivery is expected to commence in 2021. Based on the agreement, GVS&DD will install heat pumps inside the NSWWTP to capture the heat and deliver it to LEC's district energy system at a temperature compatible with the system's requirements. LEC is to design and build the distribution system connecting the NSWWTP to LEC's network. GVS&DD has estimated that greenhouse gas (GHG) emissions will be reduced by 7,200 tonnes per year, greatly reducing GHG emissions within the City.

Finally, LEC received a grant from FortisBC to cover a significant portion of the hiring cost of a Senior Energy Specialist to complete a Hydrogen Injection Study that could displace some, if not all, the natural gas currently consumed by LEC. The study was completed in March 2019 and the results are being reviewed by LEC and FortisBC.

Historical Customer Rate Reviews

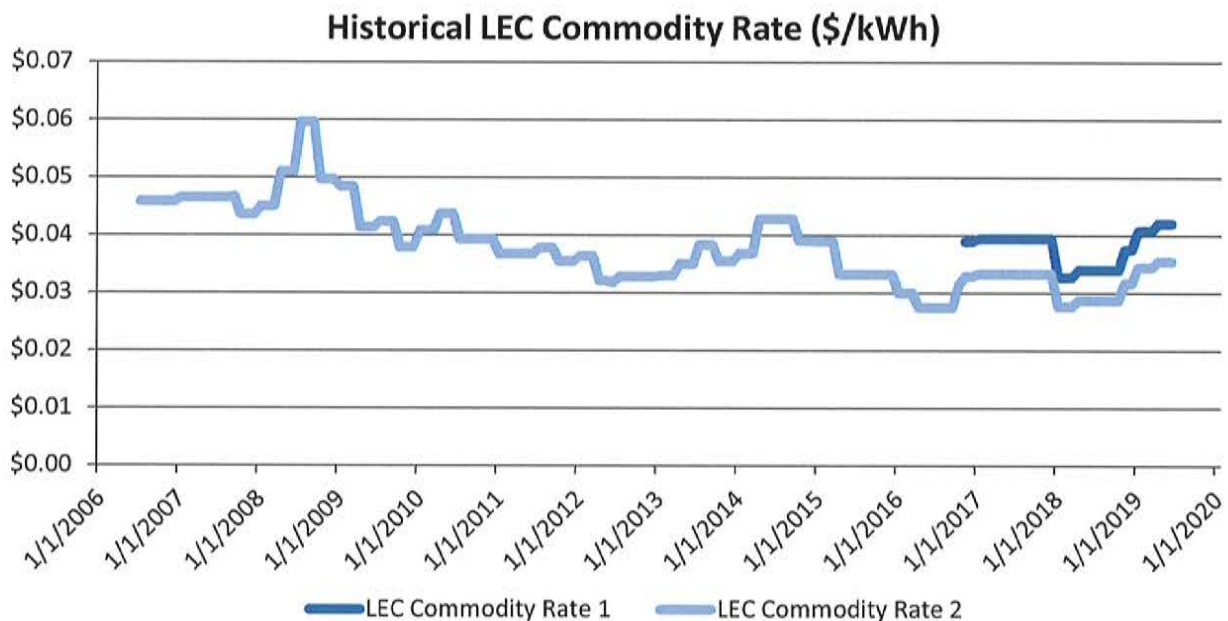
Since the start of its operations, LEC has always aimed to provide competitive rates to its customers. In November of 2016, LEC introduced a new rate structure with two separate rate schedules providing customers with more flexibility based on their annual energy consumption. The new structure allows for smaller customer buildings with lower energy consumption to have a reduced fixed cost (Meter Charge), while increasing the rate for the variable cost based on consumption (Commodity Charge).

LEC adjusts its rates on an annual basis on November 1st of each year. The 2018 rate adjustment implemented a rate increase of 1.5% to the Meter and Capacity Charges based on the past year's CPI rate of inflation, as well as a 5% increase in the Capacity Charge. This was the second Capacity Charge rate increases outlined in LEC's five year plan to fund capital and operating costs for heat recovery at the NSWWTP.

The proposed current adjustment is to be implemented on November 1, 2019, and is based on a rate of inflation of 2.2% for the preceding 12 months. An early approval is requested so that Property Managers may consider the information for building operating cost budget preparation.

Commodity Charge

The Commodity Charge recovers the cost of energy used to generate the heat delivered to customers and the rate is regularly adjusted to follow FortisBC's Rate 3 natural gas pricing fluctuations. As it reacts directly to the cost of purchasing gas, the Commodity Charge is not adjusted for inflation and is instead adjusted when the Fortis Rate 3 changes.



The increase in cost of purchasing natural gas since the end of 2018 is due to the rupture of an Enbridge pipeline on October 9, 2018 outside of Prince Rupert, BC and the subsequent market reaction. Recent reports suggest that the pipeline will return to 100% service in the fall and prices will stabilize.

DISCUSSION

Rationale for the proposed rate increases

CPI Rate of Inflation

The Meter Charge aims to recover the capital cost of the meters and heat exchangers, as well as the operating costs related to meter readings, maintenance, and invoicing. The Capacity Charge is intended to recover the capital and operating costs of the generation facilities (e.g. boiler plants) and distribution system. Over time the expenses for these services increase and LEC's rates are adjusted at the CPI rate of inflation to allow the company to protect its purchasing power. Also, part of the revenue generated by the Meter and Capacity Charges are used to reimburse LEC's debt. The proposed

increase is based on an estimate of the annual change in the CPI as reported by Statistics Canada.

Capacity Charge Increase of 5%

LEC's capital cost commitment to connect to NSWWTP is estimated at \$3.6 million, the majority of which is to construct 1 km of distribution piping from NSWWTP to LEC's Mini-Plant 7 at the intersection of Fell Avenue and 2nd Street. In addition to the capital cost, LEC will be required to reimburse GVS&DD for the operation and maintenance of the heat recovery facility. These operating and maintenance costs will significantly increase LEC's annual expenses and without the annual increases to the Capacity Charge, LEC could begin to incur significant losses in 2021 when NSWWTP is expected to commence heat delivery. LEC will also be responsible for the cost of electricity related to the heat recovery. It is assumed that the savings in natural gas purchases will offset the variable cost of the electricity; however, the savings will be insufficient to cover fixed costs.

An annual Capacity Charge increase of 5% above the rate of inflation from 2018 to 2022 has been recommended to:

- fund the \$3.6 million in capital costs;
- increase revenues to mitigate the future increase in annual expenses resulting from the operation of the heat recovery system; and
- provide cash flow to continue reimbursing amounts owed to the City.

As previously mentioned this increase would increase the total cost of LEC's energy by approximately 15% above the rate of inflation over 5 years. The first increase of 5% was approved by Council on November 20, 2017 and implemented on January 1, 2018 and the second was approved June 11, 2018 and implemented on November 1, 2018. It is expected that by taking a proactive approach and spreading the rate increase over 5 years, the impact of the NSWWTP project on LEC's financial results will be minimized.

The recovery of heat from NSWWTP is a substantial alternative energy source and an opportunity for clean energy that is unique in size and scope. By displacing the use of natural gas in the LEC system, GVS&DD estimates a reduction in GHG emissions of 7,200 tonnes per year. By 2021, NSWWTP is expected to deliver 20,000 to 30,000 MWh of energy to LEC per year. In 2018, LEC delivered 53,100 MWh of heat to its customers, the heat recoverable from NSWWTP could have provided approximately half of LEC's heat from a low-carbon energy source, aligning with both LEC and the City's visions of climate action, reducing GHG emissions and improving sustainability. Without this project, LEC would continue using natural gas boilers to generate the majority of its heat supply and the useable heat processed by the NSWWTP would be discharged into the Burrard Inlet.

Cost of Service – LEC's Competitiveness

The following table provides a comparison of the cost of services of other Lower Mainland district energy providers with LEC, as well as an estimate of the equivalent cost of natural gas and electricity used for heating purposes.

Comparison of LEC rate with other Energy Providers as at May 31, 2019

Energy Provider	Type of Service	Year of rate	Rate (\$ / MWh)	Difference with LEC
LEC	Hot Water	2019	\$81	-
BC Hydro	Electricity	2019	\$118	46%
Fortis BC	Stand-alone NG Boiler	2018	\$89	10%
River District Energy (East Fraserlands)	Hot Water	2018	\$96	19%
South East False Creek (SEFC/NEU)	Hot Water	2019	\$113	40%
SFU UniverCity Energy	Hot Water	2019	\$121	49%
Richmond Oval Village District Energy	Hot Water	2019	\$94	16%
Surrey City Energy	Hot Water	2019	\$115	42%

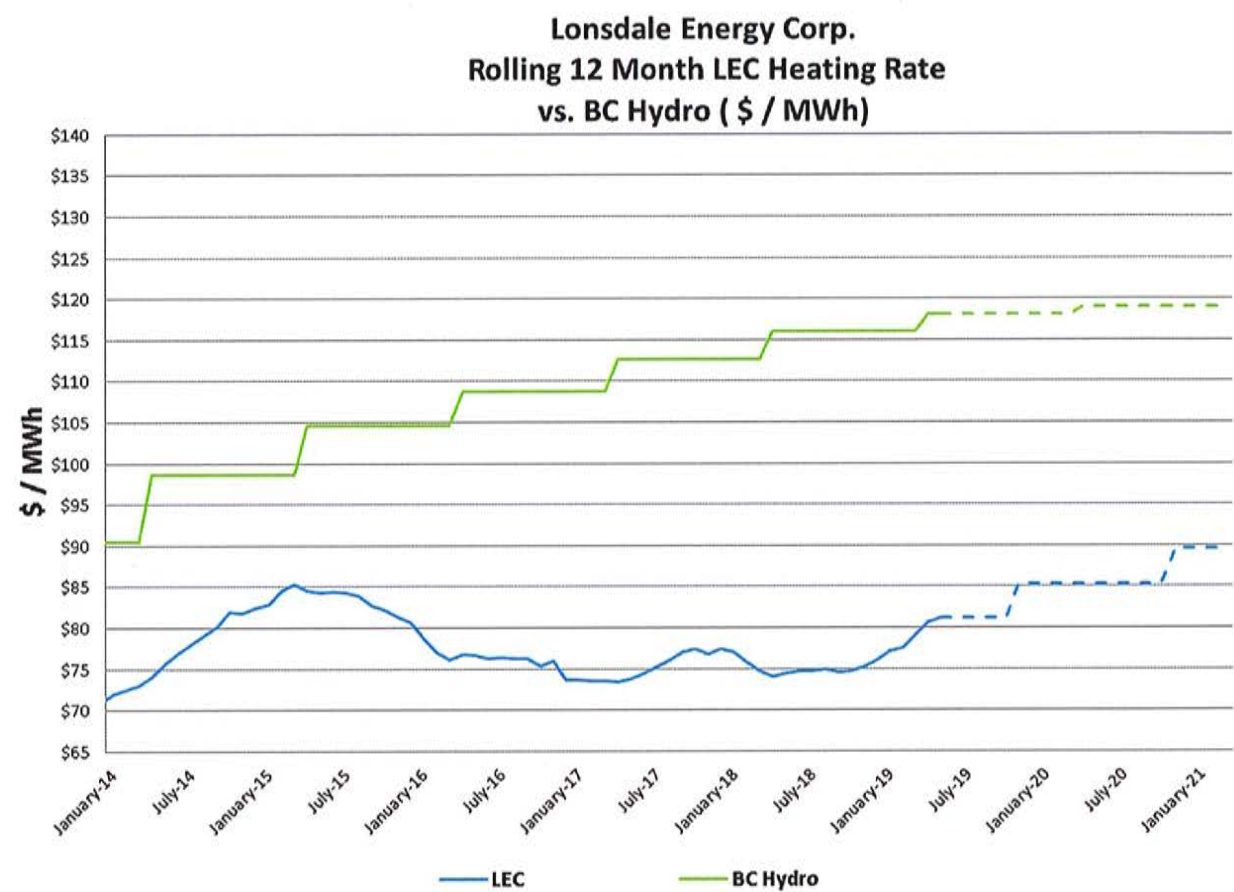
Notes:

- LEC rate is based on revenue and heat delivered for the 12 months ended May 31, 2019.
- BC Hydro cost based on purchase of 50% residential step 1 and 50% residential step 2 electricity price as of April 1, 2019 and a 0% rate rider. Based on these assumptions the 2019 electric cost would be \$118 / MWh.
- Cost of FortisBC, River District Energy, SEFC, SFU UniverCity, Richmond Oval and Surrey City Energy taken from City of Vancouver report dated November 20, 2018.
- Creative Energy Ltd. and UBC Neighbourhood DEU have been omitted, as their systems have historically been steam based.

From June 1, 2018 to May 31, 2019 LEC delivered 54,896,109 kWh of heat and invoiced \$4,458,715 for heating services. This translates into an average energy cost of \$81 / MWh. The above table shows LEC as the lowest price provider of hot water based district energy in the Lower Mainland per megawatt hour. Also, LEC rates are significantly more economical (46%) than using baseboard electric heat (BC Hydro). With the proposed increase in LEC's Capacity Charge, LEC will still provide customers with thermal energy below the price of electricity.

To provide further context, the chart below compares LEC's average annual rate with that of BC Hydro assuming 2,700 kWh of consumption at 50% step 1 and 50% step 2 residential rates. In February of 2019, BC Hydro filed its Revenue Requirement Application for fiscal 2020 and 2021 with the British Columbia Utilities Commission (BCUC). The application proposes net rate increases of 1.76% on April 1, 2019 and 0.72% for April 1, 2020. The BCUC approved the interim rate increase for April 1, 2019. These smaller rate increases represent a change in strategic direction from the past five years, which saw a range of increases by BC Hydro from 3-9% annually. A large portion of this reduced increase in rates is due to the elimination of the Deferral Account Rate Rider (DARR) from 5% to 0%. Amounts received from this fee were used to recover additional and unpredictable energy costs, such as low water inflows or unexpected high market prices. The net rate increase is made up of an increase of 6.85% for energy services less the reduction of the DARR, which results in a net increase of 1.76%.

As seen in the chart below, assuming fixed natural gas costs and the same energy consumption for customers on the LEC network, the proposed net increase would result in an energy cost of just under \$90 / MWh in 2021. This figure assumes an annual increase of 3% above an average inflation rate of 2% over the next two years. The average energy cost is still well below the current cost of electric baseboard heating, \$118 / MWh, and remains below other district energy providers. The historical lows in natural gas prices from 2016-2018 should also be considered as contributors to the low prices LEC has been able to provide customers. The rupture of the Enbridge pipe caused these natural gas prices to rise from late 2018 to early 2019 and LEC prices rose concurrently.



Since its inception, it was envisioned that LEC would aim at providing heat at a rate that would not exceed the cost of electricity by more than 15%. Electric baseboard heating is one of the cheapest alternatives in terms of construction costs and is often preferred by developers. Based on the proposed increases of BC Hydro's rates, the cost of electricity in 2021 will be approximately \$119 / MWh and an additional 15% above this cost of electricity would create a rate ceiling of \$137 / MWh for LEC. LEC's forecasted cost of \$90 / MWh in 2021 remains significantly lower than the cost of electricity and LEC's initial target.

LEC's management and business practices have allowed it to be a low rate provider of district energy and provided opportunities to fund the implementation of carbon neutral

sources of energy, while maintaining costs of service below industry benchmarks and below its goal of less than the cost of electricity plus 15%. LEC endeavors to have rates that are fair to both LEC users as well as municipal residents considering the City has invested in LEC and is funding some of its capital costs.

Other Bylaw Adjustments

Proposed Bylaw No. 8730 makes the following additional adjustments.

The bylaw proposes to increase the one-time service Connection Fee paid by builders or developers by the CPI rate of inflation previously mentioned. This translates into increasing the current Connection Fee from \$81.05 per kilowatt to \$82.83 per kilowatt. LEC believes that this cost is reasonable when considered in the context of the savings provided to developers who do not have to build a boiler/mechanical system to generate hydronic energy.

The fee for "Meter Reading and Invoicing Fee" of additional meters in a premise is to also increase from \$30.88 per month to \$31.56 to account for inflation.

Customer Input

LEC will inform customers of the proposed rate increase by letter inviting them to attend a September 16, 2019, Public Meeting. LEC will also include information on its website and include advertisement in the North Shore News.

Financial Forecasting

The current rate structure seems sufficiently fair, reasonable, and accurate to support adjusting the Meter and Capacity Charges as recommended, assuming that LEC continues providing heating service predominantly using natural gas boiler technology and introducing heat recovery from the NSWWTP in 2021.

The recommendation to increase the above noted rates are based on:

- Maintaining LEC's purchasing power in respect to inflation
- LEC's needs to generate more revenue to fund and operate the substantial alternative energy source at the NSWWTP
- Enabling timely reimbursement of outstanding loans due to the City
- LEC's past success in achieving lower than industry standard rates provides latitude for the proposed rate increase

Staff suggests that planning and decision-making be based on comparing alternatives and opportunities with the business-as-usual scenario that considers current BC Hydro rates and heat generation using natural gas boiler technology. At this time, given the uncertainty concerning the future rate of real estate development in the City, as well as the rate of implementation and cost of alternative energy generation technology, it is challenging to generate a reliable detailed long-term (e.g. 20-year) financial forecast/model.

SUMMARY

LEC aims to be cost neutral to both system users and city residents, and to achieve an appropriate balance of environmental, social, and economically sustainable benefits to the City. Since the start of its operations, LEC has tried to compare its rates with those of BC Hydro to ensure that the amount paid by its customers would not exceed the cost of using electric baseboard by more than 15%. It also must be considered that if rates were significantly lower than the cost of using other technologies including electric baseboards, LEC customers would be benefiting at the expense of the community. The income generated by LEC should be used to provide the City with a return on investment and/or to further diversify LEC's heating sources to include alternative energy which will benefit the whole community.

On that basis and considering the fact that LEC continues to successfully implement alternative energy sources, LEC staff considers that the proposed rate increase, primarily for the funding of the heat recovery from NSWWTP, is fair and reasonable to both LEC customers and the City's residents.

FINANCIAL IMPLICATIONS

The financial implications are addressed throughout the report.

RESPECTFULLY SUBMITTED BY:



Ben Themens, MBA, P.Eng., CGA
Director, LEC

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8730

**A Bylaw to amend the City of North Vancouver
“Hydronic Energy Service Bylaw, 2004, No. 7575”**

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as **“City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2019, No. 8730”**.
2. The “Service Connection Fee” in the “Standard Fees and Charges Schedule” attached to “Hydronic Energy Service Bylaw, 2004, No. 7575” is amended by deleting “\$81.05 per kilowatt” and replacing it with the following: “\$82.83 per kilowatt”.
3. The “Meter Reading and Invoicing Fee” in the “Standard Fees and Charges Schedule” attached to “Hydronic Energy Service Bylaw, 2004, No. 7575” is amended by deleting “\$30.88 per month” and replacing it with “\$31.56 per month”.
4. Deleting Schedule “C” attached to “Hydronic Energy Service Bylaw, 2004, No. 7575” and replacing it with the Schedule “C” attached to this bylaw.
5. This Bylaw shall be effective as of the 1st day of November, 2019.

READ a first time on the <> day of <>, 2019.

READ a second time on the <> day of <>, 2019.

READ a third time on the <> day of <>, 2019.

ADOPTED on the <> day of <>, 2019.

MAYOR

CITY CLERK

SCHEDULE “C”
FEES, RATES AND CHARGES
BYLAW 8730

The rates, fees and charges payable in respect of the Service defined in “Hydronic Energy Service Bylaw, 2004, No. 7575” are as set out below.

Except as otherwise stated, capitalized terms in this Schedule “C” shall have the meaning defined in the General Terms and Conditions of “Hydronic Energy Service Bylaw, 2004, No. 7575” attached as Schedule “B”.

Provision of Heating to Premises:

The rates payable for the provision of Hydronic Energy Heating Service to Premises are a combination of the meter charge, capacity charge and commodity charge.

RESIDENTIAL SERVICE

RATE SCHEDULE 1

- (a) **Meter Charge** – A monthly charge of \$31.56 for each Service Connection serving the Premises.
- (b) **Capacity Charge** – A monthly charge of \$4.3277 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.
- (c) **Commodity Charge** – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying \$0.03398 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 from the price established as of July 1, 2016.

RATE SCHEDULE 2

- (a) **Meter Charge** – A monthly charge of \$169.93 for each Service Connection serving the Premises.
- (b) **Capacity Charge** – A monthly charge of \$4.3277 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.
- (c) **Commodity Charge** – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying \$0.02871 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 from the price established as of July 1, 2016.

COMMERCIAL SERVICE

RATE SCHEDULE 1

- (a) **Meter Charge** – A monthly charge of \$31.56 for each Service Connection serving the Premises.
- (b) **Capacity Charge** – A monthly charge of \$4.3277 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.
- (c) **Commodity Charge** – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying \$0.03398 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 from the price established as of July 1, 2016.

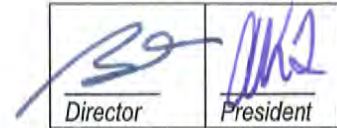
RATE SCHEDULE 2

- (a) **Meter Charge** – A monthly charge of \$169.93 for each Service Connection serving the Premises.
- (b) **Capacity Charge** – A monthly charge of \$4.3277 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.
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Provision of Cooling to Premises:

The rates payable for the provision of Hydronic Energy Cooling Service to Premises shall be determined by Council for each Premises which connects to and uses the Hydronic Energy Cooling Service.

In addition to the foregoing rates the fees and charges set out in the Standard Fees and Charges attached as a schedule to the General Terms and Conditions will apply to the provision of the Service.



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REPORT

To: Mayor Darrell Mussatto and Members of Council

From: Ben Themens, Director, LEC

SUBJECT: HEAT RECOVERY FROM THE NEW NORTH SHORE WASTEWATER TREATMENT PLANT

Date: July 19, 2017

RECOMMENDATION:

PURSUANT to the report of the Director of Lonsdale Energy Corp., dated July 19, 2017, entitled, "Heat Recovery from the new North Shore Wastewater Treatment Plant":

THAT pending successful negotiations with the Greater Vancouver Sewerage and Drainage District, Lonsdale Energy Corp. be authorized to enter into a Thermal Energy Sale and Purchase Agreement with the Greater Vancouver Sewerage and Drainage District;

THAT a provision of \$3,600,000 be included in Lonsdale Energy Corp. future borrowing request to provide for the City portion of the cost of the heat recovery project;

AND THAT Lonsdale Energy Corp. submit a rate increase application in Fall 2017 that will provide a rate increase schedule to fund the heat recovery project and the reimbursement of City loans.

ATTACHMENT:

1. Report to GVRD Utilities Committee entitled "Effluent Heat Recovery at North Shore Wastewater Treatment Plant", prepared by Jeff Carmichael, Division Manager, Utility Research and Innovation, Liquid Waste Services, dated July 6, 2017

PURPOSE:

Since 2014, the Greater Vancouver Sewerage and Drainage District (GVS&DD) and Lonsdale Energy Corp. (LEC) have been reviewing the opportunity to recover heat from the new North Shore Wastewater Treatment Plant (NSWWTP). This report provides an overview of the status of the project. Furthermore, since the Agreement has implications for debt and LEC rates, LEC seeks Council's authorization prior to entering into an Agreement with GVS&DD.

This authorization is sought while an Agreement has yet to have been finalized with GVS&DD. The Agreement is between GVS&DD and LEC and under this recommendation Council would confirm its support while deferring to the LEC Board the authority to finalize an Agreement that aligns with the conditions described in this report and with the interests of both the City and LEC. Early approval is being sought in recognition of the fact that the current project approval schedule requires LEC to finalize an Agreement with GVS&DD in late August, while Council is not scheduled to meet until September 11th, 2017.

BACKGROUND:

Since starting operations in 2003, Lonsdale Energy Corp. (LEC) has implemented several alternative energy sources. During the heating season, natural gas boiler technology still supplies a substantial amount of the energy consumed by LEC. However, the following sources provide an increasingly significant amount of energy for heating, particularly during the summer when space heating demand is low but domestic hot water consumption becomes relatively high:

- 120 solar thermal panels on the roof of the Library;
- geexchange field owned and operated by LEC at the site of the School District 44 (SD44) at West 22nd Street and Lonsdale Avenue;
- provision of cooling service at the above-mentioned SD44 site through the use of heat pumps that allows the recovery of rejected heat for use in the Central Lonsdale LEC network;
- provision of cooling service at various Shipyards buildings through the use of heat pumps that allows the recovery of rejected heat for use in the Lower Lonsdale LEC network. Those heat pumps will also be used to recover heat during ice making of a planned skating rink at the waterfront and potentially in a similar way at the Harry Jerome once renovated.

DISCUSSION:

LEC has been working on the opportunity of recovering heat from NSWWTP. In 2014, Metro Vancouver issued a Request for Qualifications and Interest to determine potential heat purchasers in the surrounding area of the NSWWTP. LEC is considered the nearest large customer and was the only respondent to the request.

Since then, LEC has worked in collaboration with Metro Vancouver staff on establishing the requirements of a Heat Pump Energy Centre that is to be located at the NSWWTP site. Those requirements were included in an Appendix of a Design-Build-Finance agreement recently awarded by GVS&DD for the construction of the NSWWTP.

At its Regular Meeting of July 13, 2017, the GVRD Utilities Committee considered a report (Attachment 1) concerning effluent heat recovery.

The Utilities Committee unanimously adopted the following resolution:

That the GVS&DD Board:

- a) direct staff to enter into contract negotiations with Lonsdale Energy Corporation for the sale of effluent heat; and
- b) authorize ADaPT Consortium to proceed with the effluent heat recovery portion of the NSWWTP project, subject to award of a contract with Lonsdale Energy Corporation for effluent heat sale.

The resolution is expected to be included in the agenda of the July 28, 2017 GVS&DD Board meeting for further consideration.

For the past few months, staffs of both Metro Vancouver and LEC have been investigating technical and economic considerations of entering into a potential Agreement for sale of effluent heat. The target is to have a draft Agreement substantially completed in the coming weeks to allow GVS&DD approval by September. Metro Vancouver has until October 5, 2017 to exercise the option to proceed with effluent heat recovery as part of the NSWWTP design and construction contract already awarded to ADaPT Consortium.

Project Scope

The project aims to recover some of the heat contained in the NSWWTP effluent. GVS&DD is to install heat pumps inside the NSWWTP to capture the heat and deliver it at a temperature that meets LEC requirements. LEC is to design and build the distribution system from the NSWWTP property line to LEC's existing distribution system which includes a section within District of North Vancouver (DNV) with bridge access requirements over Mackay Creek. It is worth noting that DNV has yet to provide its approval, which must be obtained before ratifying an Agreement, to minimize project risks.

Greenhouse Gas Reduction

Without this project, the heat contained in the effluent will be discharged into Burrard Inlet and LEC will continue to use natural gas boilers to generate a substantial portion of the heat that it supplies, particularly during the winter.

GVS&DD has estimated that by displacing the use of natural gas in LEC's district energy system, the effluent heat recovery project will reduce GHG emissions by over 7,000 tonnes per year. GHG reductions are proposed to be allocated in proportion of respective contributions to capital project costs. As indicated in the table below, this would translate in annual GHG reductions of 1,200 tonnes being allocated to LEC.

Estimated Capital Cost Allocation and GHG Allocation

	Capital commitment	GHG allocation	Annual GHG reduction credits
GVS&DD	\$16,926,000	79%	5,700 tonnes CO ₂ e/yr
LEC	\$3,543,000	16%	1,200 tonnes CO ₂ e/yr
BC Hydro (Grant)	\$1,000,000	5%	300 tonnes CO ₂ e/yr

While a significant portion of the GHG reduction credits will be allocated to GVS&DD, the fact remains that the total GHG reduction will allow LEC to supply substantially cleaner energy to its customers. To better understand the implications of this project, LEC delivered 37,800 MWh of heat to its customers in 2016. The effluent heat recovery project is anticipated to deliver between 20,000 and 30,000 MWh of energy to LEC by 2021. This translates into one-half to two-thirds of the energy supplied to LEC's customers would be considered green. Existing alternative energy sources and natural gas boiler plants would be generating the remaining energy.

FINANCIAL IMPLICATIONS:

From a capital cost perspective, LEC's Commitment estimated at \$3.6 million is principally to cover the cost of the distribution pipe from the existing LEC plant near the intersection of Fell Avenue and First Street to the location of the NSWWTP near the intersection of Pemberton Avenue and First Street.

In addition to this amount, while GVS&DD is to be responsible for the operation and maintenance of the heat recovery facility, LEC is to reimburse the cost incurred by GVS&DD for this work. The amount is currently under review by both organizations. LEC will also be responsible to compensate GVS&DD for the cost of electricity to run the heat pumps. While it is assumed that the variable cost of the electricity would be offset by natural gas savings, those savings would be insufficient to cover fixed electricity-related costs such as BC Hydro's Demand Charge.

Staff have reviewed the financial implications of the additional debt charge and ongoing fixed costs on LEC's rates. The fixed costs would significantly increase LEC's annual expenses, reducing liquidity and delaying City loans reimbursement. If LEC rates were to remain unchanged, LEC would incur significant losses starting in 2021, the year when the NSWWTP is expected to start delivering heat.

While some of the cost increase will be recovered from growth, rates will also need to be substantially increased. Fortunately, due to a combination of low natural gas prices and good cost controls, LEC's rates have been lower than BC Hydro rates as well as those of several other Lower Mainland district energy utilities. As a consequence, LEC considers that it has some latitude to increase rates in the coming years.

Fixed costs such as those described above have typically been recovered through LEC's Capacity Charge. The Capacity Charge approximately makes up between 50% and 60% of LEC's total revenue. Consequently, a 25% increase of the Capacity Charge would translate in an increase of approximately 15% of the total amount invoiced by LEC.

To allow for the recovery of heat from the NSWWTP, LEC is contemplating annual Capacity Charge increases of 5% above the rate of inflation from 2018 to 2022. This would increase the total cost of LEC's energy by approximately 15% above the rate of inflation over a period of 5 years. Assuming natural gas and electricity prices fluctuating with inflation, such an increase would still provide LEC's customers with energy below the price of electricity.

By smoothing the rate increase and pre-emptively increasing its rates, a basic modeling of the proposed rate increase and other financial implications indicates that LEC would suffer relatively modest losses in 2021 and 2022, when the NSWWTP would come online and fixed costs would increase significantly. Furthermore, the planned repayment of current City loans, which would need to provide an additional \$3.6 million for the project, would be delayed from 2032 (as per June 6th, 2017 report) to 2035.

Staff will review in greater details the cost implications of the project if/once an Agreement with GVS&DD has been finalized. LEC will submit to City Council a formal rate increase application including the details of the Agreement's financial implications in the fall of 2017.

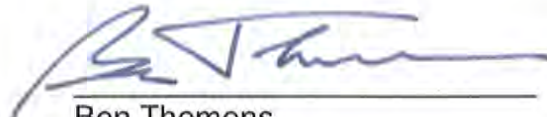
OPTION:

As an alternative, if Council does not support this project, Council could receive and file the report or request that staff investigate other purchasing arrangements for the heat. This being said, LEC is facing a tight and firm deadline to satisfy GVS&DD approval requirements and enter into an agreement as well as to meet the contractually stated date of October 5, 2017 to exercise the option to proceed with effluent heat recovery as part of the NSWWTP design and construction contract.

The project is a cost-effective opportunity of substantial size. Staff has yet to identify an opportunity that would provide GHG emission savings of this magnitude. This opportunity is the result of a combination of convergent factors including the stated GVS&DD goal of reducing GHG emissions and the proximity of the LEC network to NSWWTP. Such circumstances are unlikely to be replicated in the near future. Both GVS&DD and LEC will benefit from the efficiencies of coordinating construction of the heat recovery facility with the plant.

In summary, staff is of the opinion that this provides an exceptional opportunity for both organizations.

RESPECTFULLY SUBMITTED BY:

A handwritten signature in blue ink, appearing to read 'Ben Themens', is written over a horizontal line.

Ben Themens
Director, LEC



To: Utilities Committee

From: Jeff Carmichael, Division Manager, Utility Research and Innovation, Liquid Waste Services

Date: July 6, 2017 Meeting Date: July 13, 2017

Subject: **Effluent Heat Recovery at North Shore Wastewater Treatment Plant**

RECOMMENDATION

That the GVS&DD Board:

- a) direct staff to enter into contract negotiations with Lonsdale Energy Corporation for the sale of effluent heat; and
 - b) authorize ADaPT Consortium to proceed with the effluent heat recovery portion of the NSWWTP project, subject to award of a contract with Lonsdale Energy Corporation for effluent heat sale.
-

PURPOSE

The purpose of this report is to seek GVS&DD Board authorization to proceed with effluent heat recovery as part of the North Shore Wastewater Treatment Plant (NSWWTP) project and to seek authorization to negotiate a contract with Lonsdale Energy Corporation for the sale of effluent heat from the NSWWTP that acquires enough greenhouse gas (GHG) reduction credits to make the Liquid Waste utility carbon neutral.

BACKGROUND

In April 2017, the Design-Build-Finance contract for the NSWWTP was awarded to ADaPT Consortium for \$525 million. Effluent heat recovery was included in the Design-Build-Finance contract as an optional item. GVS&DD has until October 5, 2017 to exercise the optional item and direct ADaPT Consortium to design and construct the effluent heat recovery system. The NSWWTP has the potential to be a net producer of energy by implementing effluent heat recovery. The GVS&DD's Liquid Waste utility has the opportunity to reduce its carbon footprint to zero if GVS&DD commits to effluent heat recovery at NSWWTP.

This report brings forward for Board consideration approval of the NSWWTP optional project to design and build an effluent heat recovery system, which would proceed once a contract with the Lonsdale Energy Corporation has been approved by the Board.

BUSINESS CASE

Effluent heat recovery has the potential to contribute to the goals of the *Integrated Liquid Waste and Resource Management Plan*, which directs Metro Vancouver to use liquid waste as a resource and to evaluate opportunities for energy recovery from major wastewater treatment plant projects. Effluent heat recovery contributes to the goals of the NSWWTP project and has been highlighted in the descriptions of the plant that resulted in the federal and provincial governments committing significant funding towards the NSWWTP.

For effluent heat recovery to be financially viable, a nearby customer must be willing to purchase the energy. Lonsdale Energy Corporation (LEC), a district energy provider wholly owned by the City of North Vancouver, was the only respondent to a Request for Qualifications and Interest in 2014. Metro Vancouver staff and LEC staff have subsequently been investigating technical and commercial considerations of providing effluent heat from the NSWWTP to LEC's district energy system.

Cost Estimates

ADApT Consortium provided a guaranteed cost of \$13,245,668 to build the effluent heat recovery system within the NSWWTP and a monthly cost of \$223,320 for up to 12 months during the performance period, for a total rounded cost of \$15,926,000. If the project proceeds, an additional \$2,000,000 will be required for BC Hydro infrastructure, for a total GVS&DD investment of \$17,926,000. LEC would be required to spend an estimated \$3,543,000 to install distribution piping from the NSWWTP to the LEC district energy system to be able to receive the effluent heat. In total, the cost for the project is \$21,469,000. Operating costs over the project life would be recovered from LEC.

Greenhouse Gas Emission Reductions

It is projected that the effluent heat recovery project will reduce GHG emissions by over 7,000 tonnes per year on average over the 25-year project life. These reductions will be achieved by displacing the use of natural gas in LEC's district energy system.

Following the guidelines in the *Liquid Waste Heat Recovery Policy* (Attachment 1), GHG reductions are proposed to be allocated in proportion to respective contributions to project costs, as indicated in Table 1. An estimated 16 per cent of GHG reductions will be allocated to LEC based on their capital expenditure. BC Hydro has indicated intent to contribute up to \$1,000,000 to the effluent heat project in return for GHG emission reduction credits, which amounts to 5 per cent of the GHG reductions. Confirmation of BC Hydro funding is expected by September 2017. The remaining 79 per cent of GHG reductions, approximately 5,700 tonnes per year, will be allocated to GVS&DD based on its net capital contribution of \$16,926,000.

Table 1. Estimated GHG allocation based on contributions to project cost

	Capital commitment	GHG allocation	Average annual GHG reduction credits
GVS&DD	\$16,926,000	79%	5,700 tonnes CO ₂ e/yr
LEC	\$3,543,000	16%	1,200 tonnes CO ₂ e/yr
BC Hydro	\$1,000,000	5%	300 tonnes CO ₂ e/yr

Carbon Neutral Commitments

In the 2010 *Corporate Climate Action Plan*, Metro Vancouver committed to becoming carbon neutral by reducing corporate emissions, providing renewable energy to other parties to avoid emissions in the region, sequestering carbon, and as a last resort, purchasing or creating offset credits. The anticipated reduction in GHG emissions from Metro Vancouver's existing portfolio of projects is not sufficient to achieve corporate carbon neutrality. New sources of GHG reductions are required.

Effluent heat recovery at NSWWTP is the first major GHG reduction project within Metro Vancouver's operations that is ready to be implemented and is cost-effective due to efficiencies of coordination with the construction of the NSWWTP and its proximity to LEC's district energy system.

Metro Vancouver's corporate carbon footprint for all energy and transportation related emissions is approximately 20,000 tonnes CO₂e per year, of which 5,000 tonnes are from the Liquid Waste utility. These emissions are projected to increase after the secondary upgrades of the North Shore and Iona Island Wastewater Treatment Plants.

GVS&DD would receive GHG reductions of over 5,000 tonnes per year as soon as the NSWWTP is commissioned by investing in the effluent heat project. This would make the Liquid Waste utility carbon neutral starting in 2021. The cost of investing in these GHG reductions is \$120/tonne. This cost is lower than the price of \$150/tonne established in the *Carbon Price Policy* (Attachment 2), showing that this is a cost-effective GHG reduction project.

Based on the business case analysis, including opportunities to reduce overall GHG emissions in the region, the following alternatives are presented for consideration.

ALTERNATIVES

1. That the GVS&DD Board:
 - a) direct staff to enter into contract negotiations with Lonsdale Energy Corporation for the sale of effluent heat; and
 - b) authorize ADAPt Consortium to proceed with the effluent heat recovery portion of the NSWWTP project, subject to award of a contract with Lonsdale Energy Corporation for effluent heat sale.
2. That the GVS&DD Board authorize ADAPt Consortium to proceed with the effluent heat recovery portion of the NSWWTP project.
3. That the GVS&DD Board receive for information the report dated July 6, 2017, titled "Effluent Heat Recovery at North Shore Wastewater Treatment Plant" and provide alternate direction.

FINANCIAL IMPLICATIONS

If the Board approves Alternative 1, GVS&DD would commit \$17,926,000 for the effluent heat recovery project. Of that, \$15,926,000 would be to the ADAPt Consortium to build and commission the effluent heat recovery facility, and \$2,000,000 for associated BC Hydro infrastructure. These costs would be partially offset by grant contributions from BC Hydro of up to \$1,000,000 toward the project. GVS&DD would also acquire associated GHG reduction credits. All operating costs for effluent heat recovery over the life of the project would be recovered from LEC.

The NSWWTP project has a total budget of \$700 million including contingency and committed funding from the federal and provincial governments of \$405 million. The effluent heat recovery project is an optional item that will be added to the NSWWTP project, in addition to the \$700 million. However, it is possible that some or all of the cost of the optional effluent heat recovery project may be accommodated within the \$700 million NSWWTP budget depending on final outcome on expenditures from the project contingency. If required to support the project, additional funds of up to \$17,926,000 will be included within the 2018-2022 Financial Plan.

The capital expenditure will be contingent on successful negotiation of a contract with Lonsdale Energy Corporation for the sale of effluent heat. The contract would allocate the GHG reduction credits based on respective contributions to project costs. If the recommendation is supported by the Board, the proposed contract with LEC will be presented to the Board for approval at the September Board meeting. The contract must be executed before the October 5, 2017 deadline to exercise the

optional item for ADaPT Consortium to proceed with design and construction of the effluent heat recovery system.

If the Board approves Alternative 2, GVS&DD would make a commitment of \$17,926,000, less any grant contributions from BC Hydro, to build and commission the effluent heat recovery project without requiring a contract for sale of effluent heat to be in place. The risk exists that no effluent heat contract would be awarded, and consequently that the equipment would never be beneficially used and is not recommended.

SUMMARY / CONCLUSION

In April 2017, the Design-Build-Finance contract for the NSWWTP was awarded to ADaPT Consortium for \$525 million. Effluent heat recovery was included in the Design-Build-Finance contract as an optional item. GVS&DD has until October 5, 2017 to exercise the optional item and direct ADaPT Consortium to design and construct the effluent heat recovery system. The NSWWTP has the potential to be a net producer of energy by implementing effluent heat recovery. The GVS&DD's Liquid Waste utility has the opportunity to reduce its carbon footprint to zero if the GVS&DD invests in effluent heat recovery at NSWWTP.

Metro Vancouver's corporate carbon footprint is approximately 20,000 tonnes per year, of which 5,000 tonnes are from the Liquid Waste utility. Metro Vancouver has committed to becoming carbon neutral and needs new sources of GHG reductions to achieve this commitment. Implementing effluent heat recovery at NSWWTP would result in GHG emission reductions of more than 7,000 tonnes annually. GHG reduction credits from the project will be allocated in proportion to respective contributions to project costs.

GVS&DD can achieve carbon neutrality for the Liquid Waste utility starting in 2021 by investing in the NSWWTP effluent heat recovery project. The investment would acquire an annual average of 5,700 tonnes of GHG reductions. The cost of achieving the GHG reductions is \$120/tonne which is considered cost-effective. Staff recommend Alternative 1.

Attachments

1. Liquid Waste Heat Recovery Policy
2. Carbon Price Policy

21990261

BOARD POLICY**LIQUID WASTE HEAT RECOVERY**

Effective Date: June 23, 2017

Approved By: GVS&DD Board

PURPOSE

To enable beneficial use of waste heat and associated greenhouse gas emission reductions from Metro Vancouver's liquid waste system by external parties.

DEFINITIONS

"Waste heat" is excess heat that is available from GVS&DD operations, including but not limited to heat from untreated sewage, treated effluent, equipment or processes.

"Heat user" is a third party interested in accessing excess heat from GVS&DD's liquid waste system. A heat user may be a member municipality or other entity.

POLICY

Metro Vancouver is committed to pursuing strategies and actions that mitigate climate change. Waste heat recovery projects that displace the use of fossil fuels result in a reduction in regional greenhouse gas emissions. Recovering waste heat from the liquid waste system contributes to GVS&DD's *Integrated Liquid Waste and Resource Management Plan* goal of using waste as a resource.

This policy enables expedient access to waste heat where technically and financially feasible while ensuring that GVS&DD is able to convey and treat wastewater and meet all service objectives. This policy applies to situations where external parties request waste heat from GVS&DD's liquid waste system and to situations where GVS&DD offers waste heat to interested external parties.

COLLECTION SYSTEM PROJECTS**Allocation of Waste Heat**

GVS&DD will allocate access to untreated sewage for heat recovery on a first-come first-served basis in response to requests by interested heat users, provided the proposed heat recovery project will not adversely impact GVS&DD services or other established heat recovery projects, as determined by GVS&DD review. If an established heat recovery project that is already in place or approved for development by GVS&DD could be impacted by a proposed new heat recovery project, the established project's heating and/or cooling requirements will have priority. Private entities requesting access to waste heat must provide a letter of support from the host municipality demonstrating support and cooperation including allowance for works within municipal rights of way. Projects that access heat from municipal sewers do not require GVS&DD approval.

Ownership and Responsibilities

GVS&DD owns a sewerage system and is responsible for sewage in its liquid waste system, including any associated resources such as heat. The boundaries of responsibility for heat recovery equipment and infrastructure are primarily tied to property ownership and will be defined in a contract between

GVS&DD and the heat user. GVS&DD will own and be responsible for the portion of the tie-in up to and including a shut-off valve on both the diversion and return lines. GVS&DD will consider an in-line heat recovery system built directly in a GVS&DD sewer if the system will not impair GVS&DD operations.

Cost Recovery

GVS&DD will charge the heat user for all costs incurred to establish and maintain access to sewage. The value of sewage will be assessed using business case processes, including consideration of nominal value of sewage, and incorporated into sewage access contracts.

Environmental Attributes

Benefits associated with greenhouse gas reductions (such as carbon offset credits) and the costs of administering those benefits will be allocated on a case-by-case basis, in accordance with the costs and risks incurred by the parties involved in developing the heat recovery project.

TREATMENT PLANT AND OUTFALL PROJECTS

Allocation of Waste Heat

When GVS&DD identifies waste heat opportunities in wastewater treatment plants and effluent outfalls, GVS&DD will follow competitive processes in offering available waste heat to potential heat users, to ensure fairness and transparency.

Ownership and Responsibilities

The boundaries of responsibility for heat recovery equipment and infrastructure are primarily tied to property ownership and will be defined in a contract between GVS&DD and the heat user. GVS&DD will own and be responsible for waste heat recovery equipment and related infrastructure installed within its wastewater treatment plants and effluent outfalls, except in cases where ownership by an external party is deemed preferable to the GVS&DD.

Cost Recovery

Heat recovery projects within wastewater treatment plants and effluent outfalls will require capital investment by GVS&DD and will require ongoing operations and maintenance by GVS&DD. GVS&DD will recover the costs incurred in providing waste heat to external parties over the life of the project. GVS&DD does not seek to profit from the provision of heat. GVS&DD staff will evaluate heat recovery projects using established life cycle cost analysis and options analysis frameworks and will consider each project on a case by case basis. Benefits will include the value of avoided greenhouse gas emissions. A contract with the heat user will be established for each project that assigns the costs and benefits between GVS&DD, the heat user and other funding sources.

Environmental Attributes

Benefits associated with greenhouse gas reductions (such as carbon offset credits) and the costs of administering those benefits will be allocated on a case-by-case basis, in accordance with the costs and risks incurred by the parties involved in developing the heat recovery project.

CARBON PRICE

Effective Date: June 23, 2017

Approved By: MVRD Board

PURPOSE

To establish a price on Applicable Greenhouse Gas (GHG) Emissions, and to enable the value of those GHG emissions to be incorporated into Life Cycle Cost Analyses for Metro Vancouver projects or initiatives.

The objectives of the *Carbon Price Policy* are to:

- Incorporate consideration of climate change mitigation (i.e., GHG emissions reduction) into options analyses for all Metro Vancouver projects or initiatives; and
- Provide a mechanism to reduce financial risk of increased operating costs associated with rising external carbon taxes over the lifetime of a Metro Vancouver project or initiative.

DEFINITIONS

"Applicable Greenhouse Gas (GHG) Emissions" are GHG emissions associated with Metro Vancouver projects or initiatives, in particular GHG emissions related to energy use and utility processes, and GHG emissions reductions (or avoided GHG emissions) related to ecological carbon storage/sequestration.

"Carbon dioxide equivalent (CO₂e)" is the common metric used to quantify and compare different types of GHG emissions, and is expressed in tonnes.

"Carbon Price" is the total dollar value (including any provincial and federal carbon taxes) assigned by Metro Vancouver to one tonne of CO₂e.

"Life Cycle Cost Analysis" is the process to establish the net present value of all costs and revenues associated with a Metro Vancouver project or initiative over its expected life.

POLICY

When undertaking options analysis for a Metro Vancouver project or initiative, the Carbon Price will be used to calculate the value (expressed as a cost) of Applicable GHG Emissions associated with each option. This value will be included in the Life Cycle Cost Analysis for each option.

Carbon Price

Metro Vancouver will use a total Carbon Price (inclusive of any applicable external carbon taxes) of \$150 per tonne of CO₂e in Life Cycle Cost Analyses.

Financial Services, in coordination with the Air Quality and Climate Change Division, will develop and annually review a *Carbon Price Schedule*. This *Carbon Price Schedule* will provide the incremental cost per unit of purchased energy (e.g., litres of gasoline, GJ of natural gas), as well as the cost per unit of other Applicable GHGs (e.g., tonne of fugitive methane). The carbon price will be adjusted to account for any changes to provincial and federal carbon taxes, to ensure that the total carbon price per tonne of Applicable GHGs is constant at \$150 per tonne of CO₂e.

Application

This policy applies to all options analyses that use Life Cycle Cost Analysis for Metro Vancouver projects or initiatives, including (but not limited to):

- Planning, design, procurement, construction, operation, maintenance, and decommissioning (where applicable) of facilities, vehicles, and equipment owned or operated by Metro Vancouver or by third parties on Metro Vancouver's behalf;
- Acquisition of park land, where protection of the land by Metro Vancouver results in quantifiable GHG emissions reductions compared to business as usual; and
- Management of process emissions from Metro Vancouver facilities.

The Carbon Price will be used to calculate the value of Applicable GHG Emissions associated with:

- Energy purchased by Metro Vancouver or by third parties on Metro Vancouver's behalf for the operation of utilities, fleet, and facilities (including natural gas, liquid petroleum products, propane, and electricity);
- Fugitive methane and nitrous oxide emissions released from wastewater treatment processes and municipal solid waste management processes;
- Avoided GHG emissions due to the displacement of fossil fuels with energy recovered from Metro Vancouver facilities;
- Avoided GHG emissions attributable to the protection and/or restoration of park land such as forests and bogs; and
- Other sources related to Metro Vancouver's activities.

Related Document:

Carbon Price Schedule (22496514)

Historical Data for 2004 - 2018 Years of Operations

Income Statement line description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenue	\$ 176,707	\$ 409,108	\$ 415,741	\$ 630,088	\$ 1,016,118	\$ 1,158,110	\$ 1,434,108	\$ 1,562,007	\$ 1,693,413	\$ 2,038,134	\$ 2,594,229	\$ 2,647,001	\$ 2,838,793	\$ 3,900,077	\$ 4,132,957
Cost of Sales	\$ 66,777	\$ 187,089	\$ 245,839	\$ 299,299	\$ 479,519	\$ 469,707	\$ 722,351	\$ 752,254	\$ 747,330	\$ 965,876	\$ 1,261,027	\$ 1,175,841	\$ 1,196,282	\$ 1,538,595	\$ 1,678,140
Gross profit	\$ 109,930	\$ 222,019	\$ 169,902	\$ 330,789	\$ 536,599	\$ 688,403	\$ 711,757	\$ 809,753	\$ 946,083	\$ 1,072,258	\$ 1,333,202	\$ 1,471,160	\$ 1,642,511	\$ 2,361,482	\$ 2,454,817
Plant Operation and Maintenance	\$ 19,087	\$ 91,585	\$ 95,244	\$ 98,149	\$ 114,689	\$ 138,289	\$ 143,305	\$ 191,350	\$ 212,842	\$ 289,346	\$ 310,795	\$ 289,127	\$ 225,115	\$ 134,380	\$ 218,812
Depreciation	\$ 68,531	\$ 114,823	\$ 127,777	\$ 146,220	\$ 212,246	\$ 293,444	\$ 273,586	\$ 309,667	\$ 430,542	\$ 564,686	\$ 693,517	\$ 795,568	\$ 886,925	\$ 1,064,736	\$ 1,206,818
General and Administrative	\$ 98,268	\$ 145,543	\$ 172,968	\$ 140,987	\$ 173,957	\$ 146,916	\$ 185,574	\$ 188,783	\$ 309,926	\$ 445,511	\$ 361,409	\$ 348,892	\$ 497,248	\$ 405,632	\$ 587,399
Total - Operating Expenses	\$ 185,886	\$ 351,951	\$ 395,989	\$ 385,356	\$ 500,892	\$ 578,649	\$ 602,465	\$ 689,800	\$ 953,310	\$ 1,299,543	\$ 1,365,721	\$ 1,433,587	\$ 1,609,288	\$ 1,604,748	\$ 2,013,029
Income (loss) before other expenses	\$ (75,956)	\$ (129,932)	\$ (226,087)	\$ (54,567)	\$ 35,707	\$ 109,754	\$ 109,292	\$ 119,953	\$ (7,227)	\$ (227,285)	\$ (32,519)	\$ 37,573	\$ 33,223	\$ 756,734	\$ 441,788
Contributions	\$ 60,136	\$ 259,458	\$ 38,804	\$ 63,416	\$ 117,389	\$ 120,875	\$ 146,532	\$ 174,480	\$ 211,010	\$ 225,615	\$ 232,648	\$ 260,629	\$ 357,676	\$ 571,832	\$ 571,832
Finance income	\$ 23,432	\$ 22,037	\$ 24,530	\$ 17,321	\$ 5,111	\$ 11,171	\$ 15,742	\$ 25,121	\$ 32,071	\$ 34,429	\$ 27,172	\$ 27,691	\$ 42,975	\$ 65,425	\$ 65,425
Finance costs	\$ (111,951)	\$ (207,481)	\$ (194,850)	\$ (34,141)	\$ (123,277)	\$ (125,421)	\$ (128,876)	\$ (131,322)	\$ (139,585)	\$ (157,986)	\$ (214,870)	\$ (253,282)	\$ (302,870)	\$ (357,790)	\$ (498,448)
Subtotal	\$ (111,951)	\$ (123,913)	\$ 86,645	\$ 29,193	\$ (42,540)	\$ (2,921)	\$ 3,170	\$ 30,952	\$ 60,016	\$ 85,095	\$ 45,174	\$ 6,538	\$ (14,550)	\$ 42,861	\$ 138,809
Income before non-recurring expenses	\$ (187,907)	\$ (253,845)	\$ (139,442)	\$ (25,374)	\$ (6,833)	\$ 106,833	\$ 112,462	\$ 150,905	\$ 52,789	\$ (142,190)	\$ 12,655	\$ 44,111	\$ 18,673	\$ 799,595	\$ 580,597
Non-recurring expenses												\$ (1,030,721)			
Net Income and Comprehensive Income	\$ (187,907)	\$ (253,845)	\$ (139,442)	\$ (25,374)	\$ (6,833)	\$ 106,833	\$ 112,462	\$ 150,905	\$ 52,789	\$ (142,190)	\$ 12,655	\$ (986,610)	\$ 18,673	\$ 799,595	\$ 580,597
Total Net Accumulated Surplus (loss)	\$ (277,787)	\$ (531,632)	\$ (671,074)	\$ (696,448)	\$ (703,281)	\$ (596,449)	\$ (483,987)	\$ (333,082)	\$ (280,293)	\$ (422,483)	\$ (409,828)	\$ (1,396,438)	\$ (1,377,765)	\$ (578,170)	\$ 2,427
Sales (kW.hr)	1,175,900	3,630,109	4,981,300	6,828,400	11,063,030	14,120,569	18,737,975	22,847,087	23,945,719	27,921,503	31,254,231	32,401,971	37,787,274	49,502,564	49,502,564



THE CORPORATION OF THE CITY OF NORTH VANCOUVER

**“City Of North Vancouver
Hydronic Energy Service Bylaw, 2004, No. 7575”**

CONSOLIDATED FOR CONVENIENCE – JULY 16, 2018

Amendment Bylaw, 2007, No. 7843	Schedule A, Schedule B and Schedule C
Amendment Bylaw, 2007, No. 7865	Section 4 and Schedule A
Amendment Bylaw, 2007, No. 7891	Section 15, Schedule B and Schedule C
Amendment Bylaw, 2008, No. 7954	Service Connection Fee
Amendment Bylaw, 2009, No. 8059	Schedule C, Fees Rates and Charges Schedule
Amendment Bylaw, 2010, No. 8086	Schedule C and Housekeeping
Amendment Bylaw, 2010, No. 8123	Schedule C - Meter Charge
Amendment Bylaw , 2010, No. 8187	Schedule C – Service Connection Fee
Amendment Bylaw, 2013, No. 8321	Standard Fees and Charges Schedule & Capacity Charge
Amendment Bylaw, 2016, No. 8497	Schedule B, Standard Fees and Charges Schedule, Schedule C
Amendment Bylaw, 2017, No. 8545	Standard Fees and Charges Schedule
Amendment Bylaw, 2017, No. 8561	Standard Fees and Charges Schedule
Amendment Bylaw, 2017, No. 8596	Schedule C
Amendment Bylaw, 2018, No. 8660	Addition of Section 14.10
Amendment Bylaw, 2018, No. 8656	Schedule C

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 7575

A Bylaw to Create a Hydronic Energy Service

WHEREAS the *Community Charter* empowers the municipality to provide any service that the Council considers necessary or desirable.

WHEREAS the City of North Vancouver ("City") wishes to establish a service for the purpose of providing hydronic heat energy for space heating and domestic hot water to multi-family, residential, commercial, institutional and industrial buildings.

NOW THEREFORE the Council of The Corporation Of The City Of North Vancouver in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as "**City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575**".
2. The service of providing hydronic heat energy for space heating and domestic hot water ("Heating Service") and the service of providing hydronic cooling energy for space cooling ("Cooling Service") to properties with multi-family residential, commercial, institutional and industrial buildings thereon (collectively the "Service") is hereby established.
3. The Service may be provided to properties with multi-family residential, commercial, industrial or institutional buildings thereon in the City of North Vancouver ("Service Area").
4. There shall be three classes of property within the Service Area:
 - Class 1 – properties described in Schedule "A";
 - Class 2 – properties, other than Class 1 properties, on which it is proposed to construct or renovate (to an extent that requires substantial occupancy postponement) multi-family residential, commercial, industrial and institutional buildings having a combined floor area of greater than 1000 square metres; and *[Bylaw 8596, December 11, 2017]*
 - Class 3 – properties other than Class 1 properties and Class 2 properties.
5. Multi-family residential, commercial, industrial and institutional buildings:
 - (a) on Class 1 properties, are required to apply for, be connected to and use the Heating Service and may apply for, be connected to and use the Cooling Service unless the City's Director of Finance considers that the cost of providing the Cooling Service to the property and buildings would be excessive to the City;
 - (b) on Class 2 properties, are required to apply for, be connected to and use the Heating Service and may apply for, be connected to and use the Cooling Service unless the City's Director of Finance considers that the cost of providing the

Heating Service or the Cooling Service as the case may be to the property and buildings would be excessive to the City; and

- (c) on Class 3 properties, may apply for, be connected to and use the Heating Service and the Cooling Service unless the City's Director of Finance considers that the cost of providing the Heating Service or the Cooling Service as the case may be to the property and the buildings would be excessive to the City.
- 6. The Service shall be provided and used in accordance with the terms and conditions described in Schedule "B" ("General Terms and Conditions").
 - 7. The fees payable in respect of the Service shall be those described in Schedule "C" which shall be based on the cost of providing, maintaining and expanding the Service and may be different for different properties and buildings based upon the use, capacity and consumption of those properties and buildings
 - 8. The City may operate the Service directly or through another organization (the "Service Provider").
 - 9. The City authorizes its officers and employees and the officers, employees, agents, servants, contractors and subcontractors of the Service Provider to enter onto any property or into any building applying for, connecting or connected to or using the Service or required to apply for connect to and use the Service to connect or disconnect the Service and to inspect and determine whether all regulations, prohibitions and requirements contained in this Bylaw and the General Terms and Conditions are being met.
 - 100. The City authorizes its officers and employees and the officers and employees of the Service Provider to require persons applying for, connecting or connected to or using the Service to provide security with respect to the Service in an amount determined by the City or the Service Provider.
 - 11. Except as provided in the General Terms and Conditions and Sections 12, 13 and 14 of this Bylaw no building situated on a Class 3 property which is connected to and using the Service may be disconnected from the Service unless the City Engineer is satisfied, in his sole discretion, that the building will be adequately supplied with an alternate form of energy capable of heating the building and no building situated on a Class 1 or Class 2 property which is connected to and using the Service may be disconnected from the Service.
 - 12. The City or the Service Provider may discontinue providing the Service to a person or property because of:
 - (a) unpaid fees or taxes in relation to the Service; or
 - (b) non-compliance with the General Terms and Conditions or the provisions of this Bylaw.
 - 13. The City or the Service Provider may discontinue providing the Service to a person or property upon providing not less than 48 (forty-eight) hours written notice outlining the reasons for the discontinuance.

14. A person whose Service is discontinued for non-compliance with the General Terms and Conditions or the provisions of this Bylaw other than a failure to pay fees or taxes payable in respect of the Service may appeal such discontinuance to the Council of the City by delivering to the City, within 10 (ten) days of the date of the written notice of discontinuance, written notice of their intention to appeal stating in a concise fashion the grounds upon which the appeal is based. If, upon receipt of a written notice of intention to appeal, the Service has not yet been discontinued then the decision of the City or the Service Provider to discontinue the Service shall be stayed until the appeal has been considered by the Council unless the Service is to be discontinued for reasons which the City or the Service Provider reasonably believe will endanger persons or property, including the property of the City or the Service Provider, in which case the decision will not be stayed and the Service will be discontinued in accordance with the notice of discontinuance.

READ a first time by the Council on the 23rd day of February, 2004.

READ a second time by the Council on the 23rd day of February, 2004.

READ a third time and passed by the Council on the 23rd day of February, 2004.

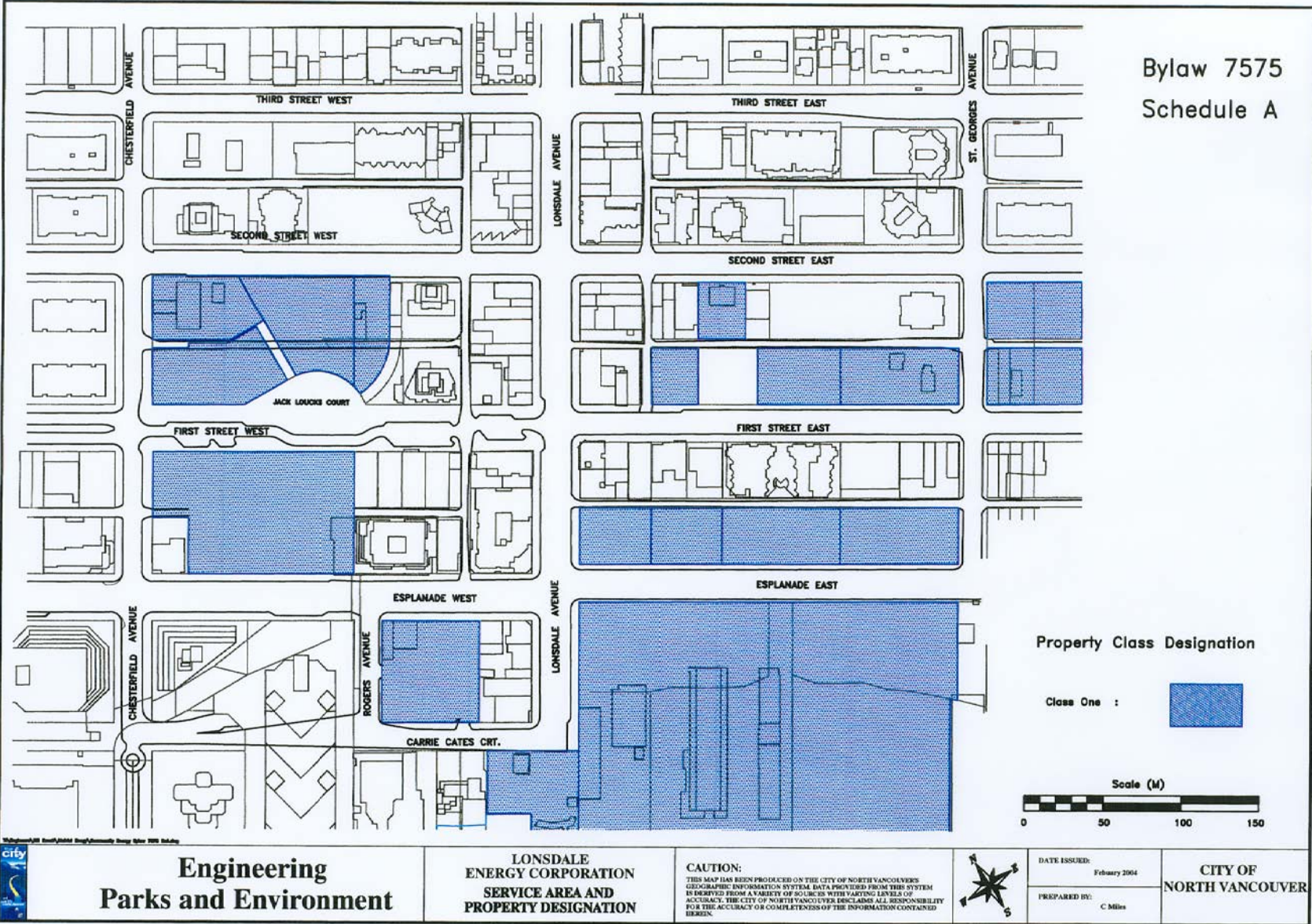
RECONSIDERED and finally adopted by the Council, signed by the Mayor and City Clerk and sealed with the Corporate Seal on the 1st day of March, 2004.

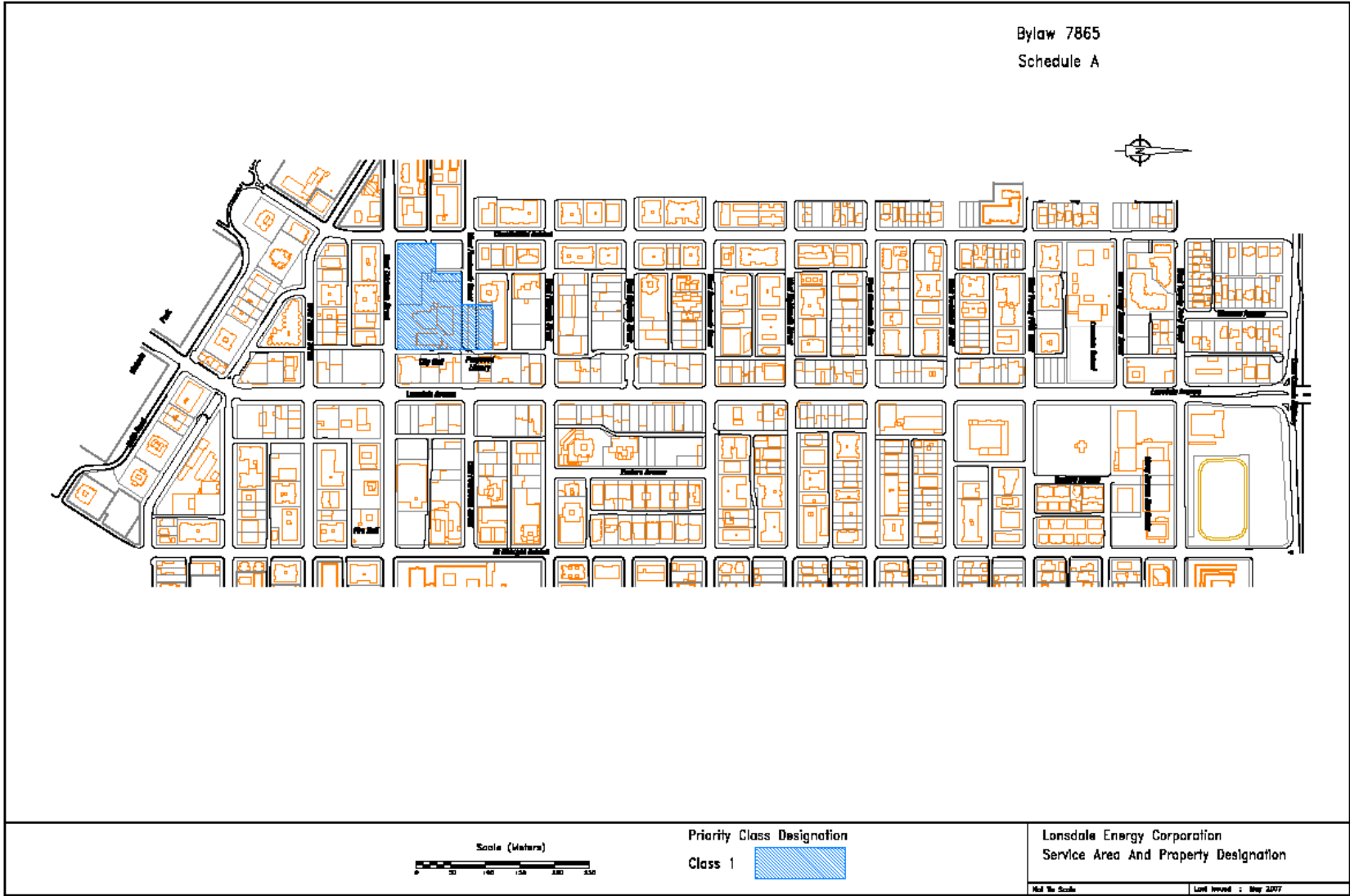
"Barbara A. Sharp"

MAYOR

"Bruce A. Hawkshaw"

CITY CLERK





SCHEDULE “B”

GENERAL TERMS AND CONDITIONS

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DEFINITIONS

Unless the context indicates otherwise, in these General Terms and Conditions and in the rate schedules referred to herein the following words have the following meanings:

Class 1 Properties means the properties within the Service Area described in the schedule attached to and forming part of the General Terms and Conditions.

Class 2 Properties means properties within the Service Area, other than Class 1 Properties, on which it is proposed to construct multi-family residential, commercial, industrial and institutional buildings having a combined floor area of greater than 1000 square meters.”;

Class 3 Properties means properties within the Service Area other than Class 1 Properties and Class 2 Properties

Commercial Service means the provision of Hydronic Energy Service to commercial, institutional and industrial Premises.

Commodity means the fuel used by the Service Provider in the Hydronic Energy System to create the Hydronic Energy.

Conversion Factor means a factor, or combination of factors, which converts Hydronic Energy meter data to kilowatts or cubic metres for billing purposes.

Cooling means the energy transferred for the purpose of lowering the ambient air temperature in a Premise including all energy transferred at a temperature of 21 degree C or less.

Customer means a Person who is being provided Service or who has filed an application for Service with the Service Provider that has been approved by the Service Provider.

Day means any period of 24 consecutive Hours beginning and ending at 7:00 a.m. Pacific Standard Time or as otherwise specified in the Service Agreement.

Delivery Point means the outlet of the Heat Exchanger unless otherwise specified in the Service Agreement.

Delivery Temperature and replacing it by the following “Delivery Temperature means the Hydronic Energy transfer temperature as determined by the Service Provider available to the Customer at the Delivery Point.”

Distribution System means the system of water pipes, fittings and ancillary components used for distributing water for the purposes of providing Hydronic Energy to Premises in the Service Area including all additions thereto and replacements thereof and the system of water pipes connecting the Distribution System to the Service Connection including all additions thereto and replacements thereof.

General Terms & Conditions means these general terms and conditions as amended from time to time by the Council of the City of North Vancouver.

Heating means the energy transferred for the purpose of raising the ambient air or domestic hot water temperature in a Premise including all energy transferred at a temperature exceeding 21 degree C.

Heat Exchanger means the equipment including ventilation systems installed at the Customer's Premises to transfer Hydronic Energy from the Hydronic Energy System to the Customer's Premises.

Hour means any consecutive 60 minute period.

Hydronic Energy Hydronic Energy means heated water and cooled water.

Hydronic Energy Service means the delivery of Hydronic Energy through the Hydronic Energy System to a Delivery Point and through a Meter Set for use in multi-family residential, commercial, institutional and industrial Premises.

Hydronic Energy System means the Hydronic Energy generation system including the Distribution System and water boilers, heat pumps and solar panels used for the purpose of heating or cooling the water that flows through the Distribution System and the Service Connections and all equipment including the pressure vessels, conduits, pipes, valves, lines, pumps, Heat Exchangers and Meter Sets together with all ancillary appliances and fittings necessary to provide Hydronic Energy to Premises in the Service Area and all additions thereto and replacements thereof as such system is expanded, reduced or modified from time to time.

Hydronic Energy System Extension means an extension or expansion of the Hydronic Energy System including the upgrading of existing pipes, and ancillary equipment on private property, but does not include the installation of Service Connections, Heat Exchangers or Meter Sets.

LEC means Lonsdale Energy Corporation, a body corporate incorporated pursuant to the laws of the Province of British Columbia.

Meter Set means an assembly of metering and ancillary equipment, including Heat Exchangers, that measure the amount of Hydronic Energy consumed by a Customer.

Month means a period of time, for billing purposes, of 27 to 34 consecutive Days.

Other Service means the provision of service other than Hydronic Energy Service.

Other Service Charges means charges for damages, alterations and repairs, financing, insurance, and late payment charges, Social Service Tax, Goods and Services Tax or other taxes related to these charges.

Person means a natural person, partnership, corporation, society, unincorporated entity or body politic.

Premises means a building, a separate unit of a building, or machinery together with the surrounding land.

Rate Schedule means a schedule attached to and forming part of the General Terms and Conditions, which sets out the charges for Service and certain other related terms and conditions for a class of Service.

Residential Service means the provision of Hydronic Energy Service to multi-family residential Premises.

Return Temperature means the temperature, as determined by the Service Provider and measured at the Heat Exchanger, at which water from the Customer's Premises may be returned to the Hydronic Energy System.

Service means the provision of Hydronic Energy Service and Other Service by the Service Provider.

Service Agreement means an agreement between the Service Provider and a Customer for the provision of Service.

Service Area means that portion of the City of North Vancouver designated by the Council of the City of North Vancouver for the provision of Hydronic Energy Service.

Service Connection means that portion of the Hydronic Energy System extending from the Distribution System to the Delivery Point.

Service Provider means the Person who provides Service to Customers in accordance with the General Terms and Conditions including without limitation LEC and its successors, assigns, officers, employees, servants, agents and contractors;

Service Related Charges include, but are not limited to, application fees, Service Connection installation fees, disconnection fees and late payment charges, plus Social Services Tax, Goods and Service Tax, or other taxes related to these charges.

Standard Fees & Charges Schedule means the schedule attached to and forming part of the General Terms and Conditions which lists the various fees and charges relating to Service provided by the Service Provider as approved from time to time by the Council of the City of North Vancouver.

Utility Services means the hydro-electric, water, sewer and other utility services required by the Service Provider to provide the Hydronic Energy Service.

Year means a period of 12 consecutive Months.

SERVICE AREAS

These General Terms and Conditions refer to the provision of Hydronic Energy Service in the City of North Vancouver or such portions thereof as may be designated by the Council of the City of North Vancouver and such other areas as may be added from time to time by the Council of the City of North Vancouver.

1. APPLICATION REQUIREMENTS

1.1 Requesting Services - A Person requesting the Service Provider to provide Service, including

- (a) providing Hydronic Energy Services,
- (b) providing a Service Connection,
- (c) re-activating existing Service Connections,
- (d) transferring an existing account,
- (e) changing the type of Service provided, or
- (f) making alterations to existing Service Connections, Heat Exchangers or Meter Sets,

must apply to the Service Provider in person, by mail, by telephone, by facsimile or by other electronic means.

1.2 Required Documents - An applicant for Service may be required to sign an application and a Service Agreement provided by the Service Provider.

1.3 Separate Premises / Businesses - If an applicant is requesting Service from the Service Provider at more than one Premises, or for more than one separately operated business, then the applicant will be considered a separate Customer for each of the Premises and businesses. For the purposes of this provision, the Service Provider will determine whether any building contains one or more Premises or any business is separately operated.

1.4 Required References – The Service Provider may require an applicant for Service to provide reference information and identification acceptable to the Service Provider.

1.5 Refusal of Application – The Service Provider may refuse to accept an application for Service for any of the reasons listed in Section 19 (Discontinuance of Service and Refusal of Service).

2. AGREEMENT TO PROVIDE SERVICE

2.1 Service Agreement - The agreement for Service between a Customer and the Service Provider will be:

- (a) the oral or written application of the Customer that has been approved by the Service Provider and that is deemed to include the General Terms and Conditions, or
- (b) a Service Agreement signed by the Customer.

2.2 Customer Status - A Person becomes a Customer of the Service Provider when the Service Provider

- (a) approves the Person's application for Service, or
- (b) provides Service to the Person.

2.3 Service Connections

Subject to the following, the Service Provider will serve each parcel of land with one Service Connection. Additional Service Connections may be provided at the sole discretion of the Service Provider. In the case of buildings which have been subdivided by way of strata plan all strata lots and common property will be served by one Service Connection and the Customer will be the Strata Corporation.

2.4 No Assignment/Transfer – A Customer may not transfer or assign a Service Agreement without the written consent of the Service Provider.

3. CONDITIONS ON USE OF SERVICE

3.1 Return Temperature – A Customer will ensure that the temperature of the water returning from the Customer's Premises to the Distribution System complies with the requirements of the Service Provider.

3.2 Unauthorized Sale / Supply / Use - Unless authorized in writing by the Service Provider, a Customer will not sell or supply Hydronic Energy supplied to it by the Service Provider to other Persons or use Hydronic Energy supplied to it by the Service Provider for any purpose other than as specified in the Service Agreement and the General Terms and Conditions.

4. RATE CLASSIFICATION

4.1 Rate Classification - Customers may be served under any Rate Schedule for which they meet the applicability criteria as set out in the appropriate Rate Schedule.

4.2 Rate Selection – The Service Provider will endeavour to provide the Customer with information and advice on all rates available to the Customer from time to time, but in every case the selection of the appropriate Rate Schedule will be the sole responsibility of the Customer.

In the absence of instructions from the Customer, the Service Provider will select a Rate Schedule on behalf of the Customer on the basis of information available at the time of selection. If the Customer wishes to be on a specific Rate Schedule, then the Customer must inform the Service Provider in writing prior to November 1 of their Rate Schedule selection. The selected Rate Schedule will remain in effect for one (1) year, starting November 1. *[Bylaw 8497, October 17, 2016]*

4.3 Periodic Review – the Service Provider may

- (a) conduct periodic reviews of the quantity of Hydronic Energy and the rate of delivery of Hydronic Energy to a Customer to determine which Rate Schedule applies to the Customer, and
- (b) change the Customer's charge to the appropriate charge, or
- (c) change the Customer to the appropriate Rate Schedule.

5. APPLICATION AND SERVICE CONNECTION INSTALLATION FEES AND CHARGES

5.1 Application and Service Connection Installation Fees - An applicant for Service must pay the applicable application and installation fees set out in the Standard Fees and Charges Schedule.

5.2 Waiver of Application Fee - The application fee will be waived by the Service Provider if Service to a Customer is reactivated after it was discontinued for any of the reasons described in Section 12.2 (Right to Restrict).

5.3 Reactivation Charges – If Service is terminated

(a) for any of the reasons described in Section 19 (Discontinuance of Service and Refusal of Service), or

(b) to permit Customers to make alterations to their Premises,

and the same Customer or the spouse, employee, contractor, agent or partner of the same Customer requests reactivation of Service to the Premises within one Year, then the applicant for reactivation must pay the greater of

(c) the costs the Service Provider incurs in de-activating and re-activating the Service, or

(d) the sum of the minimum charges set out in the applicable Rate Schedule which would have been paid by the Customer between the time of termination and the time of reactivation of Service.

5.4 Identifying Load or Premises Served by Meter Sets - If a Customer requests the Service Provider to identify the Meter Set that serves the Premises and/or load after the Meter Set was installed, then the Customer will pay the cost the Service Provider incurs in re-identifying the Meter Set where

(a) the Meter Set is found to be properly identified, or

(b) the Meter Set is found to be improperly identified as a result of Customer activity, including

(i) a change in the legal civic address of the Premises,

(ii) renovating or partitioning the Premises, or

(iii) rerouting Hydronic Energy lines after the Delivery Point.

6. SECURITY FOR PAYMENT OF BILLS

6.1 Security for Payment of Bills - If a Customer or applicant cannot establish or maintain credit to the satisfaction of the Service Provider, then the Customer or applicant may be required to provide a security deposit in the form of cash or an equivalent form of security acceptable to the Service Provider. As security for payment of bills, all Customers who have not established or maintained credit to the satisfaction of the Service Provider, may be required to provide a security deposit or equivalent form of security, the amount of which may not

- (a) be less than \$50, and
- (b) exceed an amount equal to the estimate of the total bill for the two highest consecutive Months consumption of Hydronic Energy by the Customer or applicant.

6.2 Interest – The Service Provider will pay interest to a Customer on a security deposit at the rate and at the times specified in the Standard Fees and Charges Schedule. Subject to Section 6.5, if a security deposit in whole or in part is returned to the Customer for any reason, the Service Provider will credit any accrued interest to the Customer's account at that time.

No interest is payable

- (a) on any unclaimed deposit left with the Service Provider after the account for which is security is closed, and
- (b) on a deposit held by the Service Provider in a form other than cash.

6.3 Refund of Deposit - When the Customer pays the final bill, the Service Provider will refund any remaining security deposit plus any accrued interest or cancel the equivalent form of security.

6.4 Unclaimed Refund - If the Service Provider is unable to locate the Customer to whom a security deposit is payable, the Service Provider will take reasonable steps to trace the Customer; but if the security deposit remains unclaimed 10 Years after the date on which it first became refundable, the deposit, together with any interest accrued thereon, becomes the absolute property of the Service Provider.

6.5 Application of Deposit - If a Customer's bill is not paid when due, then the Service Provider may apply all or any part of the Customer's security deposit or equivalent form of security and any accrued interest toward payment of the bill. Even if the Service Provider applies the security deposit or calls on the equivalent form of security, the Service Provider may, under Section 19 (Discontinuance of Service and Refusal of Service), discontinue Service to the Customer for failure to pay for Service on time.

6.6 Replenish Security Deposit - If a Customer's security deposit or equivalent form of security is called upon by the Service Provider towards paying an unpaid bill, then the Customer must re-establish the security deposit or equivalent form of security before the Service Provider will reconnect or continue Service to the Customer.

6.7 Failure to Pay - Failure to pay a security deposit or to provide an equivalent form of security acceptable to the Service Provider may, in the Service Provider's discretion, result in discontinuance or refusal of Service as set out in Section 19 (Discontinuance of Service and Refusal of Service).

7. TERM OF SERVICE AGREEMENT

7.1 Term for Residential and Commercial Service to Class 1 and Class 2 Properties If a Customer is being provided Residential Service or Commercial Service at a Class 1 or Class 2 Property then the term of the Service Agreement will be until the Service Agreement is terminated in accordance with the General Terms and Conditions.

7.2 Initial Term for Residential and Commercial Service - If a Customer is being provided Residential Service or Commercial Service at a Class 3 Property, the initial term of the Service Agreement

- (a) when a new Service Connection is required will be one Year, or
- (b) when a Hydronic Energy System Extension is required will be for a period of time fixed by the Service Provider.

7.3 Renewal of Initial Term of Agreement for Residential and Commercial Service to a Class 3 Property – Unless

- (a) the Service Agreement or the applicable Rate Schedule specifies otherwise, or
- (b) the Service Agreement is terminated under Section 8 (Termination of Service Agreement),

the Service Agreement described in Section 7.2 will be automatically renewed at the end of its initial Term from Month to Month for Residential or Commercial Service,

8. TERMINATION OF SERVICE AGREEMENT

8.1 Termination by Customer – Subject to applicable federal, provincial and local government laws, statutes, regulations, bylaws, orders and policies, unless the Service Agreement or applicable Rate Schedule specifies otherwise, a Customer whose Premises are located at a Class 3 Property only may terminate the Service Agreement after the end of the initial term by giving the Service Provider at least 48 Hours notice and paying the applicable disconnection fees set out in the Standard Fees and Charges Schedule.

- 8.2 Continuing Obligation** - The Customer is responsible for, and must pay for, all Hydronic Energy delivered to the Premises and is responsible for all damages to and loss of Heat Exchangers, Meter Sets or other equipment of the Service Provider on the Premises until the Service Agreement is terminated.
- 8.3 Effect of Termination** - The Customer is not released from any previously existing obligations to the Service Provider under a Service Agreement by the termination of the agreement.
- 8.4 Sealing Service Connection** - After the termination of Hydronic Energy Service to a Premises and after a reasonable period of time during which a new Customer has not applied for Hydronic Energy Service at the Premises, the Service Provider may seal off the Service Connection to the Premises.
- 8.5 Termination by the Service Provider** - Subject to applicable federal, provincial and local government laws, statutes, regulations, bylaws, orders and policies, unless the Service Agreement or applicable Rate Schedule specifies otherwise, the Service Provider may terminate a Service Agreement for Premises at Class 1, 2 and 3 Properties by giving the Customer at least 48 Hours written notice if Service is discontinued under Section 19 (Discontinuance of Service and Refusal of Service).

9. SERVICE CONNECTIONS

- 9.1 Provided Installation** - If the Hydronic Energy System is adjacent to the Customer's Premises, then the Service Provider
- (a) will designate the location of the Heat Exchanger, Meter Set and Service Connections on the Customer's Premises and determine the amount of space that must be left unobstructed around them,
 - (b) will install the Heat Exchanger and Meter Set upon payment of the applicable installation fees set out in the Standard Fees and Charges Schedule; and
 - (c) will install the Service Connection from the Hydronic Energy System to the Delivery Point on the Customer's Premises at no additional cost to the Customer provided the Service Connection follows the route which is the most suitable to the Service Provider.
- 9.2 Customer Requested Routing – If:**
- (a) the Hydronic Energy System is adjacent to the Customer's Premises,
 - (b) the Customer requests that its piping or Service Connection enter its Premises at a different point of entry or follow a different route from the point or route designated by the Service Provider, and
 - (c) the Customer requests that the Heat Exchanger or Meter Set be installed at a different location from the location designated by the Service Provider,

then the Service Provider may charge the Customer for all additional costs as determined by the Service Provider to install the Heat Exchanger, Meter Set and Service Connection in accordance with the Customer's request.

- 9.3 Additional Connections** - If a Customer requests more than one Service Connection to the Premises, on the same Rate Schedule, then the Service Provider may install the additional Service Connection and may charge the Customer the Application Fee set out in the Standard Fees and Charges Schedule, as well as the full cost (including overhead costs) for the Service Connection installation in lieu of the Service Connection Installation Fee set out in the Standard Fees and Charges Schedule. The Service Provider will bill the additional Service Connection from a separate meter and account. If the additional Service Connection is requested by a, contractor, employee, agent or partner of the existing Customer, then the same charges will apply.
- 9.4 Easement Required** - If an intervening property is located between the Customer's Premises and the Hydronic Energy System, then the Customer is responsible for the costs of obtaining an easement in favour of the Service Provider and in a form specified by the Service Provider, for the installation, operation and maintenance on the intervening property of all necessary facilities for supplying Hydronic Energy to the Customer.
- 9.5 Ownership** – The Customer does not own any part of the Service Connection from the Hydronic Energy System up to and including the Heat Exchanger and Meter Set, whether it is located inside or outside the Customer's Premises.
- 9.6 Maintenance** – The Service Provider will maintain the Heat Exchanger, Meter Set and Service Connection.
- 9.7 Supply Cut Off** - If the supply of Hydronic Energy to a Customer's Premises is cutoff for any reason then, the Service Provider may, but is not required to, remove the Heat Exchanger, Meter Set or Service Connection from the Customer's property or Premises.
- 9.8 Damage Notice** - The Customer must advise the Service Provider immediately of any damage occurring to the Heat Exchanger, Meter Set or Service Connection.
- 9.9 Prohibition** - A Customer must not construct any permanent structure which, in the opinion of the Service Provider, obstructs access to a Service Connection, Heat Exchanger or Meter Set.
- 9.10 No Unauthorized Changes** - No changes, extensions, connections to or replacement of, or disconnection from the Distribution System or Service Connections, will be made except by the Service Provider's authorized employees, contractors or agents or by other Persons authorized in writing by the Service Provider. Any change in the location of an existing Service Connection
- (a) must be approved in writing by the Service Provider, and
 - (b) will be made at the expense of the Customer if the change is requested by the Customer or necessitated by the actions of the Customer.

9.11 Site Preparation - The Customer will be responsible for all necessary site preparation including but not limited to clearing building materials, construction waste, equipment, soil and gravel piles over the proposed service line route to the standards established by the Service Provider. The Service Provider may recover any additional costs associated with delays or site visits necessitated by inadequate or substandard site preparation by the Customer.

10. HEAT EXCHANGERS, METER SETS & METERING

10.1 Installation – In order to provide Hydronic Energy and bill the Customer for Hydronic Energy delivered, the Service Provider will install one or more Heat Exchangers and Meter Sets on the Customer's Premises. The technical specifications of all Heat Exchangers and Meter Sets will be determined by the Service Provider. Unless approved by the Service Provider, all Heat Exchangers and Meter Sets will be located at locations designated by the Service Provider.

10.2 Measurement - The quantity of Hydronic Energy delivered to the Premises will be metered using apparatus approved by the City of North Vancouver. The amount of Hydronic Energy registered by the Meter Set during each billing period will be converted to kilowatts and rounded to the nearest one-tenth of a kilowatt.

10.3 Testing Meters - If a Customer applies for the testing of a Meter Set and

- (a) the Meter Set is found to be recording incorrectly, then the cost of removing, replacing and testing the meter will be borne by the Service Provider subject to Section 20.4 (Responsibility for Heat Exchanger and Meter Set), and
- (b) if the testing indicates that the Meter Set is recording correctly, then the Customer must pay the Service Provider for the cost of removing, replacing and testing the Meter Set as set out in the Standard Fees and Charges Schedule.

10.4 Defective Meter Set - If a Meter Set ceases to register, then the Service Provider will estimate the volume of Hydronic Energy delivered to the Customer according to the procedures set out in Section 14.6 (Incorrect Register).

10.5 Protection of Equipment - The Customer must take reasonable care of and protect all Heat Exchangers, Meter Sets and related equipment on the Customer's Premises. The Customer's responsibility for expense, risk and liability with respect to all Heat Exchangers, Meter Sets and related equipment is set out in Section 20.4 (Responsibility for Heat Exchanger and Meter Set).

10.6 No Unauthorized Changes - No Heat Exchangers, Meter Sets or related equipment will be installed, connected, moved or disconnected except by the Service Provider's authorized employees, contractors or agents or by other Persons with the Service Provider's written permission.

10.7 Removal of Service - At the termination of a Service Agreement, the Service Provider may disable, disconnect or remove a Heat Exchanger and Meter Set on or from the Premises if a new Customer is not expected to apply for Service for the Premises within a reasonable time.

10.8 Customer Requested Heat Exchanger and Meter Relocation or Modifications - Any change in the location of a Heat Exchanger, Meter Set or related equipment, or any modifications to the Heat Exchanger or Meter Set, including automatic and/or remote meter reading

(a) must be approved by the Service Provider in writing, and

(b) will be made at the expense of the Customer if the change or modification is requested by the Customer or necessitated by the actions of the Customer. If any of the changes to the Heat Exchanger, Meter Set or related equipment require the Service Provider to incur ongoing incremental operating and maintenance costs, the Service Provider may recover these costs from the Customer through a Monthly charge.

10.9 Meter Set Consolidations - A Customer who has more than one Meter Set at the same Premises or adjacent Premises may apply to the Service Provider to consolidate its Meter Sets. If the Service Provider approves the Customer's application, then the Customer will be charged the value for all portions of the Hydronic Energy System abandoned except for Meter Sets that are removed to facilitate Meter Set consolidations. In addition, the Customer will be charged the Service Provider's full costs, including overheads, for any abandonment, Meter Set removal and alteration downstream of the new Meter Set. If a new Service Connection is required, then the Service Provider will charge the Customer the Service Connection Installation Fee and the Application Fee. In addition, the Customer will be required to sign a release waiving the Service Provider's liability for any damages should the Customer decide to re-use the abandoned plant downstream of the new Meter Set.

11. HYDRONIC ENERGY SYSTEM EXTENSIONS

11.1 System Extension and Expansion – The Service Provider will make extensions and expansions of its Hydronic Energy System in accordance with system development requirements.

11.2 Ownership - All extensions and expansions of the Hydronic Energy System will remain the property of the Service Provider as between the Service Provider and the Customer.

11.3 Contribution - If the proposed provision of Hydronic Energy Service to Premises will require the Service Provider to extend or expand the Hydronic Energy System and the recovery of the cost of that extension or expansion could result in an increase in the rates paid by existing Customers, then the Customer requiring the extension or expansion will be required to contribute to the cost of the extension or expansion.

12. INTERRUPTION OF SERVICE

12.1 Regular Supply – The Service Provider will use its best efforts to provide the constant delivery of Hydronic Energy and the maintenance of unvaried temperatures.

12.2 Right to Restrict – The Service Provider may require any of its Customers, at all times or between specified Hours, to discontinue, interrupt or reduce to a specified degree or quantity, the delivery of Hydronic Energy for any of the following purposes or reasons:

- (a) in the event of a temporary or permanent shortage of Hydronic Energy, whether actual or perceived by the Service Provider,
- (b) in the event of a breakdown or failure of the supply of Commodity or Utility Service to the Hydronic Energy System,
- (c) to comply with any legal requirements,
- (d) to make repairs or improvements to any part of the Hydronic Energy System, or
- (e) in the event of fire, flood, explosion or other emergency to safeguard Persons or property against the possibility of injury or damage.

12.3 Notice – The Service Provider will, to the extent practicable, give notice of its requirements and removal of its requirements under Section 12.2 (Right to Restrict) to its Customers by

- (a) newspaper, radio or television announcement, or
- (b) notice in writing that is
 - (i) sent through the mail to the Customer's billing address,
 - (ii) left at the Premises where Hydronic Energy is delivered,
 - (iii) served personally on a Customer, or
 - (iv) sent by facsimile or other electronic means to the Customer, or
- (c) oral communication.

12.4 Failure to Comply - If, in the opinion of the Service Provider, a Customer has failed to comply with any requirement under Section 12.2 (Right to Restrict), then the Service Provider may, after providing notice to the Customer in the manner specified in Section 12.3 (Notice), discontinue Service to the Customer.

13. Access to Premises and Equipment

13.1 Access to Premises – The Service Provider has a right of entry to the Customer's Premises. The Customer must provide free access to its Premises at all times to the Service Provider's authorized employees, contractors and agents for the purpose of reading, testing, repairing or removing Service Connections, Meter Sets, Heat Exchangers and ancillary equipment, turning Hydronic Energy on or off, completing system leakage surveys, stopping leaks, examining pipes, connections, fittings and

appliances and reviewing the use made of Hydronic Energy delivered to the Customer, or for any other related purpose which the Service Provider requires.

- 13.2 Access to Equipment** - The Customer must provide clear access to the Service Provider's equipment including the equipment described in section 13.1. The equipment installed by the Service Provider on the Customer's Premises will remain the property of the Service Provider as between the Service Provider and the Customer and may be removed by the Service Provider upon termination of Service.

14. BILLING

- 14.1 Basis for Billing** – The Service Provider will bill the Customer in accordance with the Customer's Service Agreement, the Rate Schedule under which the Customer is provided Service, and the fees and charges contained in the General Terms and Conditions.
- 14.2 Meter Measurement** – The Service Provider will measure the quantity of Hydronic Energy delivered to a Customer using a Meter Set and the starting point for measuring delivered quantities during each billing period will be the finishing point of the preceding billing period.
- 14.3 Multiple Meters** - Hydronic Energy Service to each Meter Set will be billed separately for Customers who have more than one Meter Set on their Premises.
- 14.4 Estimates** - For billing purposes, the Service Provider may estimate the Customer's meter readings if, for any reason, the Service Provider does not obtain a meter reading.
- 14.5 Estimated Final Reading** - If a Service Agreement is terminated then the Service Provider may estimate the final meter reading for final billing.
- 14.6 Incorrect Register** - If any Meter Set has failed to measure the delivered quantity of Hydronic Energy correctly, then the Service Provider may estimate the meter reading for billing purposes, subject to Section 15 (Back-Billing).
- 14.7 Bills Issued** – The Service Provider may bill a Customer as often as the Service Provider considers necessary but generally will bill on a Monthly basis.
- 14.8 Bill Due Dates** -The Customer must pay the Service Provider's bill for Service on or before the due date shown on the bill which will be
- (a) the first business Day after the twenty-first calendar Day following the billing date, or
 - (b) such other period as may be agreed upon by the Customer and the Service Provider.
- 14.9 Historical Billing Information** - Customers who request historical billing information may be charged the cost of processing and providing the information.

14.10 Sub-Metering and allocation of Hydronic Energy Fees - Customers may allocate to a Person, fees billed by the Service Provider on the following basis:

- (a) Unless a fee set out in Schedule “B” and “C” of this Bylaw is recovered in compliance with section 99(2) of the *Strata Property Act*, every strata corporation that wishes to collect the fee from a strata lot owner must do so only in compliance with paragraph (c).
- (b) Unless a fee set out in Schedule “B” and “C” of this Bylaw is included in the lump sum regular monthly rent payments stipulated in a rental agreement between the rental property owner and renter, every rental property owner who wishes to collect the fee from a rental unit renter or other occupier must do so only in compliance with paragraph (c).
- (c) Every strata corporation or rental property owner referred to in paragraphs (a) and (b) must collect a fee set out in Schedule “B” and “C” of this Bylaw only on the following basis:
 - (i) a flat fee, including Meter Charge and Capacity Charge, must be recovered on a flat fee basis with the invoice clearly showing:
 - A. the flat fee set out in Schedule “B” and “C” of this Bylaw, and
 - B. the calculation of the amount owing;
 - (ii) a metered fee, including Commodity Charge, must be recovered on a metered fee basis with the invoice clearly showing:
 - A. the metered fee set out in Schedule “B” of this Bylaw,
 - B. the quantity of metered hydronic energy in kilowatt hours, and
 - C. the calculation of the amount owing;
 - (iii) a mark-up above the fee must:
 - A. be provided on a separate line on the invoice,
 - B. identify the purpose of the mark-up, and
 - C. specify that the amount of the mark-up is not regulated by the City of North Vancouver;
 - (iv) for a metered fee under this Bylaw, the quantity of metered Hydronic Energy in respect of the amount of the fee due and owing must be metered. No person may issue an invoice for a fee or otherwise collect a fee based on an estimate of usage or through the use of a device other than a thermal metering device that measures flow and temperature differential at point of delivery.

[Bylaw 8660, July 9, 2018]

15. BACK-BILLING

- 15.1 When Required** – The Service Provider may, in the circumstances specified herein, charge, demand, collect or receive from its Customers for a regulated Service rendered thereunder a greater or lesser compensation than that specified in the subsisting schedules applicable to that Service.

In the case of a minor adjustment to a Customer's bill, such as an estimated bill or an equal payment plan billing, such adjustments do not require back-billing treatment to be applied.

- 15.2 Definition** - Back-billing means the rebilling by the Service Provider for Services rendered to a Customer because the original billings are discovered to be either too high (overbilled) or too low (under-billed). The discovery may be made by either the Customer or the Service Provider. The cause of the billing error may include any of the following non-exhaustive reasons or combination thereof:

- (a) stopped meter
- (b) metering equipment failure
- (c) missing meter now found
- (d) switched meters
- (e) double metering
- (f) incorrect meter connections
- (g) incorrect use of any prescribed apparatus respecting the registration of a meter
- (h) incorrect meter multiplier
- (i) the application of an incorrect rate
- (j) incorrect reading of meters or data processing
- (k) tampering, fraud, theft or any other criminal act.

- 15.3 Billing Basis** - Where metering or billing errors occur, the consumption and demand will be based upon the records of the Service Provider for the Customer, or the Customer's own records to the extent they are available and accurate, or if not available, reasonable and fair estimates may be made by the Service Provider. Such estimates will be on a consistent basis within each Customer class or according to a contract with the Customer, if applicable.

- 15.4 Tampering/Fraud** - If there are reasonable grounds to believe that the Customer has tampered with or otherwise used the Service Provider's Service in an unauthorized way, or there is evidence of fraud, theft or other criminal acts, or if a reasonable Customer should have known of the under-billing and failed to promptly bring it to the attention of the Service Provider, then the extent of back-billing will be for the duration of the unauthorized use, subject to the applicable limitation period provided by law, and the provisions of Sections 15.7 (Under-Billing) to 15.10 (Changes in Occupancy), below, do not apply.

In addition, the Customer is liable for the direct (unburdened) administrative costs incurred by the Service Provider in the investigation of any incident of tampering, including the direct costs of repair, or replacement of equipment.

Under-billing resulting from circumstances described above will bear interest at the rate normally charged by the Service Provider on unpaid accounts from the date of the original under-billed invoice until the amount under-billed is paid in full.

- 15.5 Remediating Problem** - In every case of under-billing or over-billing, the cause of the error will be remedied without delay, and the Customer will be promptly notified of the error and of the effect upon the Customer's ongoing bill.
- 15.6 Over-billing** - In every case of over-billing, the Service Provider will refund to the Customer all money incorrectly collected for the duration of the error, subject to the applicable limitation period provided by law. Simple interest, computed at the short-term bank loan rate applicable to the Service Provider on a Monthly basis, will be paid to the Customer.
- 15.7 Under-billing** - Subject to Section 15.4 (Tampering/Fraud), above, in every case of under-billing, the Service Provider will back-bill the Customer for the shorter of
- (a) the duration of the error; or
 - (b) six Months for Residential or Commercial Service; and
 - (c) one Year for all other Customers or as set out in a special or individually negotiated contract with the Service Provider.
- 15.8 Terms of Repayment** - Subject to Section 15.4 (Tampering/Fraud), above, in all cases of under-billing, the Service Provider will offer the Customer reasonable terms of repayment. If requested by the Customer, the repayment term will be equivalent in length to the back-billing period. The repayment will be interest free and in equal instalments corresponding to the normal billing cycle. However, delinquency in payment of such instalments will be subject to the usual late payment charges.
- 15.9 Disputed Back-bills** - Subject to Section 15.4 (Tampering/Fraud), above, if a Customer disputes a portion of a back-billing due to under-billing based upon either consumption, demand or duration of the error, then the Service Provider will not threaten or cause the discontinuance of Service for the Customer's failure to pay that portion of the back-billing, unless there are no reasonable grounds for the Customer to dispute that portion of the back-billing. The undisputed portion of the bill will be paid by the Customer and the Service Provider may threaten or cause the discontinuance of Service if such undisputed portion of the bill is not paid.
- 15.10 Changes in Occupancy** - Subject to Section 15.4 (Tampering/Fraud), above, back-billing in all instances where changes of occupancy have occurred, the Service Provider will make a reasonable attempt to locate the former Customer. If, after a period of one year, such Customer cannot be located, then the applicable over or under billing will be cancelled.

16. EQUAL PAYMENT PLAN

- 16.1** The Service Provider may, at its discretion, create and administer an Equal Payment Plan in which case Sections 16.2 to 16.7 apply.

- 16.2 Definitions** - In this Section 16, “**equal payment plan**” means a plan created and administered by the Service Provider whereby Customers may average their Hydronic Energy costs over a specified period of time and “**equal payment plan period**” means a period of twelve consecutive Months commencing with a normal meter reading date at the Customer's Premises.
- 16.3 Application for Plan** - A Customer may apply to the Service Provider by mail, by telephone, by facsimile or by other electronic means to pay fixed Monthly instalments for Hydronic Energy delivered to the Customer during the equal payment plan period. Acceptance of the application will be subject to the Service Provider finding the Customer's credit to be satisfactory.
- 16.4 Monthly Instalments** – The Service Provider will fix Monthly instalments for a Customer so that the total sum of all the instalments to be paid during the equal payment plan period will equal the total amount payable for the Hydronic Energy which the Service Provider estimates the Customer will consume during the equal payment plan period.
- 16.5 Changes in Instalments** – The Service Provider may, at any time, increase or decrease the amount of Monthly instalments payable by a Customer in light of new consumption information or changes to the Rate Schedules or the General Terms and Conditions.
- 16.6 End of Plan** – Participation in the equal payment plan may be ended at any time
- (a) by the Customer giving 5 Days' notice to the Service Provider,
 - (b) by the Service Provider, without notice, if the Customer has not paid the Monthly instalments as required; or
 - (c) by the Service Provider if the Service Provider terminates the Equal Payment Plan.
- 16.7 Payment Adjustment** - At the earlier of the end of the equal payment plan period for a Customer or the end of the Customer's participation in the plan under Section 16.6 (End of Plan), the Service Provider will
- (a) compare the amount which is payable by the Customer to the Service Provider for Hydronic Energy actually consumed on the Customer's Premises from the beginning of the equal payment plan period to the sum of the Monthly instalments billed to the Customer from the beginning of the equal payment plan period, and
 - (b) pay to the Customer or credit to the Customer's account any excess amount or bill the Customer for any deficit amount payable.
- 17. LATE PAYMENT CHARGE**
- 17.1 Late Payment Charge** - If the amount due for Service or Service related Charges on any bill has not been received in full by the Service Provider or by an agent acting on behalf of the Service Provider on or before the due date specified on the bill, and the unpaid balance is \$15 or more, then the Service Provider may include in the next bill to

the Customer the late payment charge specified in the Standard Fees and Charges Schedule.

- 17.2 Equal Payment Plan** - If the Monthly instalment, Service Related Charges and payment adjustment as defined under Section 16.7 (Payment Adjustments) due from a Customer billed under the equal payment plan set out in Section 16 have not been received by the Service Provider or by an agent acting on behalf of the Service Provider on or before the due date specified on the bill, then the Service Provider may include in the next bill to the Customer the late payment charge in accordance with Section 17.1 (Late Payment Charge) on the amount due.

18. RETURNED CHEQUE CHARGE

- 18.1 Dishonoured Cheque Charge** - If a cheque received by the Service Provider from a Customer in payment of a bill is not honoured by the Customer's financial institution for any reason other than clerical error, then the Service Provider may include a charge specified in the Standard Fees and Charges Schedule in the next bill to the Customer for processing the returned cheque whether or not the Service has been disconnected.

19. DISCONTINUANCE OF SERVICE AND REFUSAL OF SERVICE

- 19.1 Discontinuance With Notice and Refusal Without Notice** – Subject to applicable federal, provincial, and local government laws, statutes, regulations, bylaws, orders and policies the Service Provider may discontinue Service to a Customer with at least 48 Hours written notice to the Customer or Customer's Premises, or may refuse Service for any of the following reasons:
- (a) the Customer has not fully paid the Service Provider's bill with respect to Services on or before the due date,
 - (b) the Customer or applicant has failed to pay any required security deposit, equivalent form of security, or post a guarantee or required increase in it by the specified date,
 - (c) the Customer or applicant has failed to pay the Service Provider's bill in respect of another Premises on or before the due date,
 - (d) the Customer or applicant occupies the Premises with another occupant who has failed to pay the Service Provider's bill, security deposit, or required increase in the security deposit in respect of another Premises which was occupied by that occupant and the Customer at the same time,
 - (e) the Customer or applicant is in receivership or bankruptcy, or operating under the protection of any insolvency legislation and has failed to pay any outstanding bills to the Service Provider,
 - (f) the Customer has failed to apply for Service, or
 - (g) the land or portion thereof on which the Service Provider's facilities are, or are proposed to be, located contains contamination which the Service Provider, acting reasonably, determines has adversely affected or has the potential to

adversely effect the Service Provider's facilities, or the health or safety of its workers or which may cause the Service Provider to assume liability for clean up and other costs associated with the contamination. If the Service Provider, acting reasonably, determines that contamination is present it is the obligation of the occupant of the land to satisfy the Service Provider that the contamination does not have the potential to adversely affect the Service Provider or its workers. For the purposes of this Section, "contamination" means the presence in the soil, sediment or groundwater of special waste or another substance in quantities or concentrations exceeding criteria, standards or conditions established by the British Columbia Ministry of Water, Land and Air Protection or as prescribed by present and future laws, rules, regulations and orders of any other legislative body, governmental agency or duly constituted authority now or hereafter having jurisdiction over the environment.

19.2 Discontinuance or Refusal Without Notice – Subject to applicable federal, provincial and local government laws, statutes, regulations, bylaws, orders and policies the Service Provider may discontinue without notice or refuse the supply of Hydronic Energy or Service to a Customer for any of the following reasons:

- (a) the Customer or applicant has failed to provide reference information and identification acceptable to the Service Provider, when applying for Service or at any subsequent time on request by the Service Provider,
- (b) the Customer has defective pipe, appliances, or Hydronic Energy fittings in the Premises,
- (c) the Customer uses Hydronic Energy in such a manner as in the Service Provider's opinion:
 - (i) may lead to a dangerous situation, or
 - (ii) may cause undue or abnormal fluctuations in the temperature of Hydronic Energy in the Hydronic Energy System,
- (d) the Customer fails to make modifications or additions to the Customer's equipment which have been required by the Service Provider to prevent the danger or to control the undue or abnormal fluctuations described under paragraph (c),
- (e) the Customer breaches any of the terms and conditions upon which Service is provided to the Customer by the Service Provider,
- (f) the Customer fraudulently misrepresents to the Service Provider its use of Hydronic Energy or the volume delivered,
- (g) the Customer vacates the Premises,
- (h) the Customer's Service Agreement is terminated for any reason,
- (i) the Customer stops consuming Hydronic Energy on the Premises, or

- (j) the Customer fails to ensure that the temperature of the water returning from the Customer's Premises to the Hydronic Energy System complies with the requirements of the Service Provider.

20. LIMITATIONS ON LIABILITY

20.1 Responsibility for Delivery of Hydronic Energy – The Service Provider, its employees, contractors or agents are not responsible or liable for any loss, damage, costs or injury (including death) incurred by any Customer or any Person claiming by or through the Customer caused by or resulting from, directly or indirectly, any discontinuance, suspension or interruption of, or failure or defect in the supply or delivery or transportation of, or refusal to supply, deliver or transport Hydronic Energy, or provide Service, unless the loss, damage, costs or injury (including death) is directly attributable to the gross negligence or wilful misconduct of the Service Provider, its employees, contractors or agents provided, however that the Service Provider, its employees, contractors and agents are not responsible or liable for any loss of profit, loss of revenues, or other economic loss even if the loss is directly attributable to the gross negligence or wilful misconduct of the Service Provider, its employees, contractors or agents.

20.2 Responsibility Before Delivery Point - The Customer is responsible for all expense, risk and liability for:

- (a) the use or presence of Hydronic Energy before it passes the Delivery Point in the Customer's Premises, and
- (b) the Service Provider-owned facilities serving the Customer's Premises

if any loss or damage caused by or resulting from failure to meet that responsibility is caused, or contributed to, by the act or omission of the Customer or a Person for whom the Customer is responsible.

20.3 Responsibility After Delivery Point - The Customer is responsible for all expense, risk and liability with respect to the use or presence of Hydronic Energy after it passes the Delivery Point.

20.4 Responsibility for Heat Exchanger and Meter Set - The Customer is responsible for all expense, risk and liability with respect to all Heat Exchangers, Meter Sets or related equipment at the Customer's Premises unless any loss or damage is

- (a) directly attributable to the negligence of the Service Provider, its employees, contractors or agents, or
- (b) caused by or resulting from a defect in the equipment. The Customer must prove that negligence or defect.

For greater certainty and without limiting the generality of the foregoing, the Customer is responsible for all expense, risk and liability arising from any measures required to be taken by the Service Provider to ensure that the Heat Exchangers, Meter Sets or related equipment on the Customer's Premises are adequately protected, as well as any updates or alterations to the Service Connection(s) on the Customer's Premises

necessitated by changes to the grading or elevation of the Customer's Premises or obstructions placed on such Service Connection(s).

- 20.5 Customer Indemnification** - The Customer will indemnify and hold harmless the Service Provider, its employees, contractors and agents from all claims, loss, damage, costs or injury (including death) suffered by the Customer or any Person claiming by or through the Customer or any third party caused by or resulting from the use of Hydronic Energy by the Customer or the presence of Hydronic Energy in the Customer's Premises, or from the Customer or Customer's employees, contractors or agents damaging the Service Provider's facilities.

21. MISCELLANEOUS PROVISIONS

- 21.1 Taxes** - The rates and charges specified in the applicable Rate Schedules do not include any local, provincial or federal taxes, assessments or levies imposed by any competent taxing authorities which the Service Provider may be lawfully authorized or required to add to its normal rates and charges or to collect from or charge to the Customer.
- 21.2 Conflicting Terms and Conditions** - Where anything in these General Terms and Conditions conflicts with the provisions of a bylaw adopted by the City of North Vancouver or conflicts with special terms or conditions specified under an applicable Rate Schedule or Service Agreement, then the terms or conditions specified under the bylaw or the Rate Schedule or Service Agreement govern.
- 21.3 Authority of Agents of the Service Provider** - No employee, contractor or agent of the Service Provider has authority to make any promise, agreement or representation not incorporated in these General Terms and Conditions or in a Service Agreement, and any such unauthorized promise, agreement or representation is not binding on the Service Provider.
- 21.4 Additions, Alterations and Amendments** - The General Terms and Conditions, fees and charges, and Rate Schedules may be added to, cancelled, altered or amended by the Council of the City of North Vancouver from time to time.
- 21.5 Headings** - The headings of the Sections set forth in the General Terms and Conditions are for convenience of reference only and will not be considered in any interpretation of the General Terms and Conditions.

STANDARD FEES AND CHARGES SCHEDULE

Application Fee

When the Service Provider is involved in the process of building permit issuance or is required to perform an inspection or inspections in order to determine compliance with an issued building permit, the Service Provider shall charge a fee in an amount equal to 0.15% of the construction value of the work associated with the building permit. Such fee will be due and payable at the time of building permit issuance. For the purposes of this section, “value of the work” means the construction values as determined by Construction Regulation Bylaw. *[Bylaw 8545, March 6, 2017]*

Service Connection Fee

\$81.05 per kilowatt
[Bylaw 8656, July 16, 2018]

Multiplied by the energy capacity of the Premises as determined for the purpose of calculating the monthly Capacity Charge except those areas of existing buildings applying for connection that received an occupancy permit at least five years prior to the date of connection *[Bylaw 8561, June 19, 2017]* which shall be multiplied by 50% of the energy capacity of such areas. This charge will be assessed on the basis of the fee in place as of the date of the Service Agreement. *[Bylaw 8497, October 17, 2016]*

Service Disconnection Fee

At cost

Whereas provision of the service of the Hydronic Energy System requires the construction of capacity for each Customer connecting to the system, and whereas rates are established for each Customer based, in part, on recovery of such capacity costs, therefore, where a Customer is permitted to disconnect from the Hydronic Energy System, and where the Service Provider determines that such disconnection will result in additional costs to the remaining customers on the Hydronic Energy System in respect of capacity constructed for the disconnecting Customer, the Service Provider may require the disconnecting Customer to pay such costs as determined by the Service Provider.

Disputed Meter Testing Fees

If a Customer requests that a meter be tested for accuracy, the Customer shall be required to provide a deposit of \$500 to the Service Provider, which will be returned to the Customer if the meter proves inaccurate, as determined by the Service Provider. If the meter proves accurate, the Customer requesting the testing of the meter shall reimburse the Service Provider for the full cost of the testing procedure.

Meter Reading and Invoicing Fee

\$30.88 per month
[Bylaw 8656, July 16, 2018]

In cases where the Service Provider reads and invoices a Customer on the basis of more than one meter on the Premises; and provided that the secondary meter or Meter Set has been fully paid and maintained by the Customer, the Customer shall be invoiced a Meter Reading and Invoicing Fee for each secondary meter or Meter Set. *[Bylaw 8321, October 7, 2013]*

Administrative Charges

Dishonoured Cheque Charge \$15

Interest on Cash Security Deposits

The Service Provider will pay interest on cash security deposits at the Service Provider's prime interest rate minus 2%. The Service Provider's prime interest rate is defined as the floating annual rate of interest which is equal to the rate of interest declared from time to time by the Service Provider's lead bank as its "prime rate" for loans in Canadian dollars.

Late Payment Charge

The late payment charge is to be 1.5% per month (19.56% per annum). The charge is to be calculated from the date that the invoiced amount was due until payment is received. *[Bylaw 8497, October 17, 2016]*

RATE SCHEDULE – RESIDENTIAL SERVICE

The rate payable for Residential Service is a combination of a meter charge, capacity charge and a commodity charge, more particularly described in Schedule 'C' attached to "City of North Vancouver Bylaw, 2004, No. 7575", as amended from time to time.

RATE SCHEDULE – COMMERCIAL SERVICE

The rate payable for Residential Service is a combination of a meter charge, capacity charge and a commodity charge, more particularly described in Schedule 'C' attached to "City of North Vancouver Bylaw, 2004, No. 7575", as amended from time to time.

SCHEDULE “C”

FEES, RATES AND CHARGES

The rates, fees and charges payable in respect of the Service defined in “Hydronic Energy Service Bylaw, 2004, No. 7575” are as set out below.

Except as otherwise stated, capitalized terms in this Schedule “C” shall have the meaning defined in the General Terms and Conditions of “Hydronic Energy Service Bylaw, 2004, No. 7575” attached as Schedule “B”.

Provision of Heating to Premises:

The rates payable for the provision of Hydronic Energy Heating Service to Premises are a combination of the meter charge, capacity charge and commodity charge.

RESIDENTIAL SERVICE

RATE SCHEDULE 1

- (a) **Meter Charge** – A monthly charge of \$30.88 for each Service Connection serving the Premises.
- (b) **Capacity Charge** – A monthly charge of \$4.0329 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.
- (c) **Commodity Charge** – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying \$0.03398 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 from the price established as of July 1, 2016.

RATE SCHEDULE 2

- (a) **Meter Charge** – A monthly charge of \$166.27 for each Service Connection serving the Premises.
- (b) **Capacity Charge** – A monthly charge of \$4.0329 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.
- (c) **Commodity Charge** – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying \$0.02871 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 from the price established as of July 1, 2016.

COMMERCIAL SERVICE

RATE SCHEDULE 1

- (a) **Meter Charge** – A monthly charge of \$30.88 for each Service Connection serving the Premises.
- (b) **Capacity Charge** – A monthly charge of \$4.0329 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.
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Provision of Cooling to Premises:

The rates payable for the provision of Hydronic Energy Cooling Service to Premises shall be determined by Council for each Premises which connects to and uses the Hydronic Energy Cooling Service.

In addition to the foregoing rates, the fees and charges set out in the Standard Fees and Charges attached as a schedule to the General Terms and Conditions will apply to the provision of the Service.

[Bylaw 8656, July 16, 2018]

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8730

**A Bylaw to amend the City of North Vancouver
“Hydronic Energy Service Bylaw, 2004, No. 7575”**

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as **“City of North Vancouver Hydronic Energy Service Bylaw, 2004, No. 7575, Amendment Bylaw, 2019, No. 8730”**.
2. The “Service Connection Fee” in the “Standard Fees and Charges Schedule” attached to “Hydronic Energy Service Bylaw, 2004, No. 7575” is amended by deleting “\$81.05 per kilowatt” and replacing it with the following: “\$82.83 per kilowatt”.
3. The “Meter Reading and Invoicing Fee” in the “Standard Fees and Charges Schedule” attached to “Hydronic Energy Service Bylaw, 2004, No. 7575” is amended by deleting “\$30.88 per month” and replacing it with “\$31.56 per month”.
4. Deleting Schedule “C” attached to “Hydronic Energy Service Bylaw, 2004, No. 7575” and replacing it with the Schedule “C” attached to this bylaw.
5. This Bylaw shall be effective as of the 1st day of November, 2019.

READ a first time on the <> day of <>, 2019.

READ a second time on the <> day of <>, 2019.

READ a third time on the <> day of <>, 2019.

ADOPTED on the <> day of <>, 2019.

MAYOR

CITY CLERK

SCHEDULE “C”
FEES, RATES AND CHARGES
BYLAW 8730

The rates, fees and charges payable in respect of the Service defined in “Hydronic Energy Service Bylaw, 2004, No. 7575” are as set out below.

Except as otherwise stated, capitalized terms in this Schedule “C” shall have the meaning defined in the General Terms and Conditions of “Hydronic Energy Service Bylaw, 2004, No. 7575” attached as Schedule “B”.

Provision of Heating to Premises:

The rates payable for the provision of Hydronic Energy Heating Service to Premises are a combination of the meter charge, capacity charge and commodity charge.

RESIDENTIAL SERVICE

RATE SCHEDULE 1

- (a) **Meter Charge** – A monthly charge of \$31.56 for each Service Connection serving the Premises.
- (b) **Capacity Charge** – A monthly charge of \$4.3277 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.
- (c) **Commodity Charge** – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying \$0.03398 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 from the price established as of July 1, 2016.

RATE SCHEDULE 2

- (a) **Meter Charge** – A monthly charge of \$169.93 for each Service Connection serving the Premises.
- (b) **Capacity Charge** – A monthly charge of \$4.3277 per kilowatt multiplied by the energy capacity of the Premises, as determined by a professional engineer qualified for such purposes and described in kilowatts.
- (c) **Commodity Charge** – A charge per kilowatt hour of Hydronic Energy provided to the Premises calculated by multiplying \$0.02871 by the percentage increase or decrease in the price of 1,000 GJ/month under FortisBC rate schedule 3 from the price established as of July 1, 2016.

COMMERCIAL SERVICE

RATE SCHEDULE 1

- (a) **Meter Charge** – A monthly charge of \$31.56 for each Service Connection serving the Premises.
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Provision of Cooling to Premises:

The rates payable for the provision of Hydronic Energy Cooling Service to Premises shall be determined by Council for each Premises which connects to and uses the Hydronic Energy Cooling Service.

In addition to the foregoing rates the fees and charges set out in the Standard Fees and Charges attached as a schedule to the General Terms and Conditions will apply to the provision of the Service.

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Rezoning Applications for Cannabis Retail Stores

Presented July 15, 2019
Planning and Development Department

Background

- October 17, 2018
 - Recreational Cannabis legalized
- Federal Government
 - Cannabis Act
- Government of British Columbia
 - Cannabis Control and Licensing Act
- City of North Vancouver
 - Recreational Cannabis Retail Policy

Recreational Cannabis Retail Policy



- September 17, 2018
 - Council approved the way recreational cannabis could be distributed in the City
 - Six retail stores maximum
 - Recreational grade only
 - Medicinal cannabis through Federal licensed producers only

Recreational Cannabis Retail Policy



- Location Criteria (OCP)
 - Mixed Use Level 2, 3, 4A, 4B, Mixed Use Harbourside Waterfront, and Commercial
 - 2 in Central Lonsdale
 - 2 in Lower Lonsdale
 - 1 in the West part of the City
 - 1 in the East part of the City

Recreational Cannabis Retail Policy



- Separation from Sensitive Uses (100 metres)
 - Community Recreation Centers
 - North Shore Neighbourhood House
 - North Shore Shelter
 - North Vancouver School District Office
 - Public elementary and secondary schools

Recreational Cannabis Retail Policy



- Recreational Cannabis Sales currently not allowed anywhere in the City
 - Requires a rezoning application
 - Would permit Cannabis Sales use on that particular property
 - Approval or refusal of rezoning would form the Municipal response to the applicant's request for a cannabis retail license

Recreational Cannabis Retail Policy



- November 19, 2018, six applications selected through open submission on a first-come-first-served basis
- Successful candidates were invited to make a full application and go through the rezoning process
 - 333 Brooksbank Avenue (Park and Tilford)
 - 1717 Lonsdale Avenue
 - 221 West 1st Street
 - 1200 Lonsdale Avenue
 - 725 West 14th Street
 - 315 Lonsdale Avenue

Urban Design - Streetfront




- Provincial regulations
- Staff to work with applicants and Provincial regulators during the Building Permit process



Thank you.

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 Division Manager	 Director	 CAO
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The Corporation of **THE CITY OF NORTH VANCOUVER**
PLANNING AND DEVELOPMENT DEPARTMENT

REPORT

To: Mayor Linda Buchanan and Members of Council

From: David Johnson, Development Planner

Subject: REZONING APPLICATION: 333 BROOKSBANK AVENUE (MARK LONG / BC LIQUOR DISTRIBUTION BRANCH)

Date: June 12, 2019 File No: 08-3360-20-0493/1

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION:

PURSUANT to the report of the Development Planner, dated June 12, 2019, entitled "Rezoning Application: 333 Brooksbank Avenue (Mark Long / BC Liquor Distribution Branch)":

THAT "Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8718" (Mark Long / BC Liquor Distribution Branch, 333 Brooksbank Avenue, CD-131 Text Amendment) be considered and referred to a Public Hearing;

THAT notification be circulated in accordance with the *Local Government Act*.

AND THAT a copy of the resolution be forwarded to the Provincial Liquor and Cannabis Regulation Branch.

ATTACHMENTS:

1. Context Map (doc#[1773014](#))
2. Proposed Site Plan (doc#[1790024](#))
3. Submitted Drawings (doc#[1775389](#))
4. Community Impact Statement (doc#[1775388](#))
5. Proposed Security Plan (doc#[1775390](#))
6. Recreational Cannabis Retail Policy (doc#[1774193](#))
7. Public Consultation Summary for 333 Brooksbank Avenue Street (doc#[1775343](#))
8. Public Consultation Sign-In Sheet and General Comments (doc#[1775340](#))
9. Zoning Text Amendment Bylaw No. 8718 (doc#[1774381](#))

PURPOSE

The purpose of this report is to present a rezoning application for Council to consider a Recreational Cannabis Retail Store within a new retail building at the north east corner of Park and Tilford Shops and Gardens site at 333 Brooksbank Avenue (Attachment #1).

BACKGROUND

With the legalization of recreational cannabis on October 17, 2018, the Federal Government under the Cannabis Act provided the legal framework for the production, distribution, sale and possession of both medical and non-medical (recreational) cannabis. The Province of British Columbia created a legislative framework through the Cannabis Control and Licensing Act to supplement federal legislation and facilitate legal and controlled access to recreational cannabis in the Province.

In coordination with both federal and provincial regulations, Council approved the Recreational Cannabis Retail Policy on September 17, 2018, which created the framework under which recreational cannabis retail businesses can be established in the City (Attachment #5). The policy considers the sale of non-medical grade cannabis and does not consider the production, distribution or sales of medicinal cannabis. Medicinal cannabis can be obtained through a federally licensed producer.

The policy focused on the location criteria for where businesses can be located in the City, as well as establishing an application procedure due to the high level of interest. The criteria included limiting Cannabis Retail Stores to properties with the following Official Community Plan designations:

- Mixed Use Level 2 (Medium Density);
- Mixed Use Level 3 (Medium Density);
- Mixed Use Level 4A (High Density);
- Mixed Use Level 4B (High Density)
- Harbourside Waterfront (Mixed Use); and
- Commercial.

The policy also limits locations that are within 100 metres of the following sensitive uses:

- Community Recreational Centres;
- North Shore Neighbourhood House;
- North Shore Shelter;
- North Vancouver school District Office; and
- Public elementary and secondary schools.

The policy includes a maximum of six (6) retail cannabis businesses to be considered, and prescribes a distribution throughout the City as follows:

- Two businesses in the Central Lonsdale area;
- Two in the Lower Lonsdale area;
- One in the west part of the City; and
- One to the east part of the City.

On November 19, 2018, applications were received on a first-come-first-served basis, with each of the geographic areas in the policy represented. Five applications met the policy criteria and were invited to make an application for a Zoning Bylaw Amendment. No applications were received in the eastern part of the City. On January 14, 2019, Council supported staff processing these five applications, and would allow a sixth on a first-come-first-served basis for the east part of the City. The City received the sixth application for a store at the Park and Tilford Shops and Gardens on March 6, 2019.

DISCUSSION

Project Description

The proposed retail building is to be located at the north east corner of the Park and Tilford Shops and Gardens site and would occupy approximately 365.1 square metres (3,930 square feet) of floor space within the building (Attachment #2), an overall increase to the site of 300.0 square metres (3,230 square feet).

The floor plan submitted is a general plan of the store that identifies locations for displays and back area offices. It is intended the entire building would house a Cannabis Sales use (Attachment #3).

The applicant has also provided a Community Impact Statement (Attachment #4), which describes the applicant's contribution towards the regulation of safer cannabis products and distribution and their proposed Security Plan (Attachment #5) that outlines how their operation will comply with Provincial regulations.

Site Context and Surrounding Use

The subject site at 333 Brooksbank Avenue is the location of the Park and Tilford Shops and Gardens at the north west corner of Brooksbank Avenue and Cotton Road (Attachment #1). The proposed building is to be located at the north east corner of the site, adjacent to the existing vehicle access to Brooksbank Avenue, at the northern side of the site (please see 'CRU G' of Attachment #2).

The immediate area contains a mixture of car orientated retail, office and mixed employment uses contained in one and two level buildings.

The location is along a public transit route and is close to many other commercial businesses within walking distance.

PLANNING ANALYSIS

Policy Context

2014 Official Community Plan

The subject site has a designated land use of Commercial which supports a wide range of commercial uses offering retail, office, goods and services. The OCP does not limit floor

area as the designation is for employment generation and does not permit residential uses. The amount of floor area to a Commercial site would be left to Council discretion, and limited to the allowable off-street parking available on the site in accordance with the Zoning Bylaw.

While no building plans have been provided, the applicant has indicated the proposed building is to keep the design theme of all the existing commercial buildings on the site, in particular along the Brooksbank Avenue frontage. The proposed entrance would be orientated toward the south to provide off-street parking at the front of the store, and would provide easier access to pedestrian traffic along Brooksbank Avenue and from the remaining shopping mall site.

Regulations from senior levels of government require all cannabis retail stores to enclose their store fronts to block viewing into the store from the street as a means to discourage minors from entering into the store. Such a measure conflicts with the goal objectives of the OCP to promote a greater pedestrian friendly street front by limiting views into the store from the street. Staff will work with both the applicant and the senior levels of government to achieve OCP objectives and to meet the criteria of storefronts to dissuade minors from entering the store. In this situation, the windows in the proposed building will need to be covered to meet this requirement.

Overall, no amendment to the OCP is required with this application.

Recreational Cannabis Retail Policy

The application does conform with the criteria provided within the policy, as it is in the allowable land use designation as identified in the OCP, it is outside of the 100 metre radii of all the sensitive uses listed in the policy, and it was the only application to be received in the east part of the City, which allows only one store.

Zoning Bylaw 1995, No. 6700

The Zoning Bylaw currently does not allow Cannabis Sales as a permitted use anywhere in the City. Cannabis Sales is defined in the Zoning Bylaw and;

means the retail or wholesale sale of Cannabis, and includes an operation which provides referrals and facilitates access to Cannabis not physically sold on the premises, but does not include sales by a British Columbia Registered Pharmacist in a British Columbia regulated Pharmacy.

Zoning Amendment Bylaw 8718 (Attachment #9) would allow the use of one recreational Cannabis Sales store to exist in this location, as well as update the Siting Plan for the proposed new building. The current Zone of Comprehensive Development 131 (CD-131) does permit retail stores.

Limits to allowable Gross Floor Area and Lot Coverage does not need to be altered with the amending Bylaw as the proposed new building would not exceed the maximum already listed under this Zone. Off-street parking requirements with the proposed new building are met under the existing Zone.

COMMUNITY CONSULTATION

An Open House for all applicants was held on April 9, 2019 for members of the general public to learn about and make comment on all six applications. From the 91 people who signed in for the event (Attachment #7), staff received one written comment relating to this application in support of the store.

General public comments as well as comments that were not tied to a particular application can be found after the sign-in sheets in Attachment #8.

CONCLUSION

The proposal does conform to the Land Use Map of the OCP and meets the criteria of the Recreational Cannabis Retail Policy.

Amendment Bylaw No. 8718 would support the addition of one Cannabis Store as well as update the Siting Plan of the current CD-131 Zone to permit a new building. Final building considerations will be reviewed with a forthcoming Building Permit for the new building.

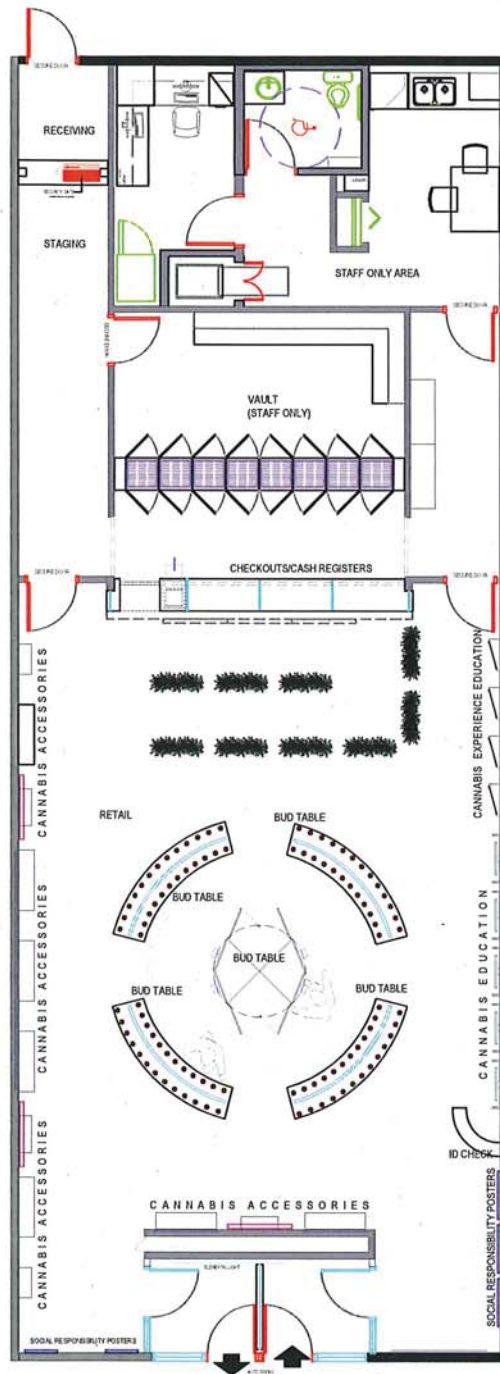
The proposed location of the store supports the retail orientation of Park and Tilford Shops and Gardens, and staff will work with the applicant to finalize their store front presentation during the review of their Building Permit application.

The proposed location of the store supports the retail orientation of the area. Through the Building Permit review, mitigation measures for the storefront design will be finalized.

RESPECTFULLY SUBMITTED:


David Johnson
Development Planner

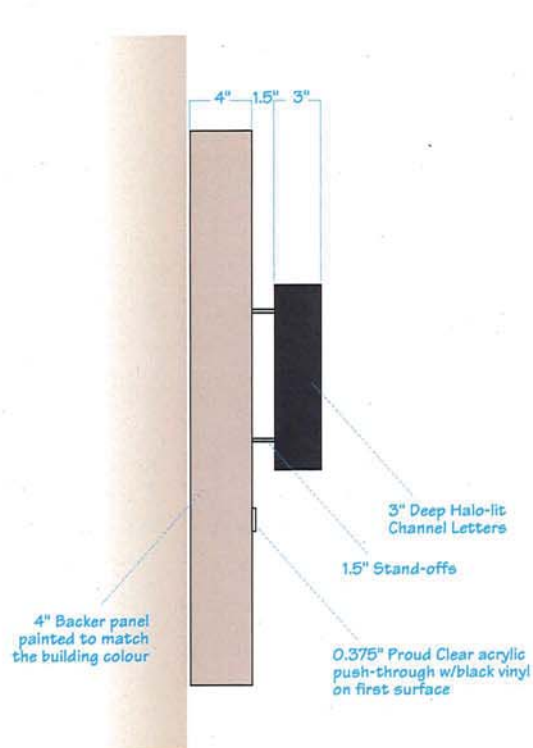
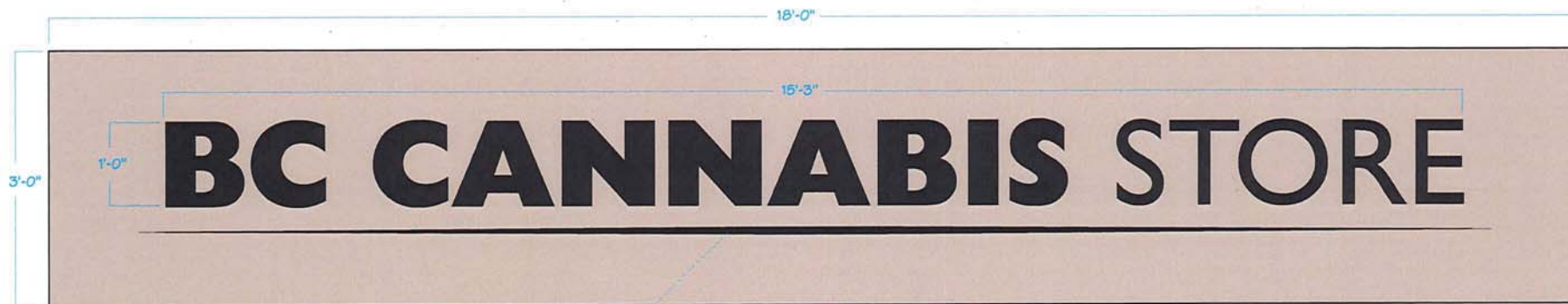






BC CANNABIS STORES

APPROVED CONCEPT

[concept proposed. to be applied to available locations]



 ARTISTIC sign service ltd. 745 Sacree St. East Kamloops, BC Phone 250-372-9288 Fax 250-372-9283	Client's Approval: _____		Date: October 18, 2018	File Name: BC Cannabis Store fascia sign.pdf	Revision: 001sr
	Project Name: _____	Project Description: _____		Vinyl Colours: _____	Paint Colours: _____
	_____	Halo lit channel letters and push-through acrylic on backer panel		Black	Black Letters Backer panel to match building
	Date: _____	_____		_____	 <small>ORIGINAL GRAPHIC DESIGN & PRODUCTION CONCEPTS ARE THE PROPERTY OF ARTISTIC SIGN SERVICE LTD. AND MAY NOT BE REPRODUCED WITHOUT AUTHORIZATION. REPRODUCTIONS OF CLIENT LOGOS & TRADEMARKS ARE SOLELY FOR THE PURPOSE AND APPLICATIONS REQUESTED BY THE CLIENT AND REMAIN THE PROTECTED PROPERTY OF THEIR RESPECTIVE COMPANIES.</small>

BC CANNABIS STORES



**LIQUOR
DISTRIBUTION
BRANCH**



**Professional.
Experienced.
Responsible.**

**With nearly 100 years of
experience retailing liquor
products, we know what it
means to be a good neighbour.**

Purpose

To make high-quality cannabis products and education available to all customers – from the discerning to the new – through a responsible retail channel that provides expert and friendly service.

SOCIAL RESPONSIBILITY

Every decision is made with a lens that prioritizes public health and safety.

SERVICE

We know our customers intimately and we are highly knowledgeable about the products we sell.

PEOPLE

We are intensely curious, deeply passionate about this space, and nimble, digital thinkers.

INTEGRITY

We always do the right thing and live our values every day, in every role, in every situation.

RESPECT

We work together as a cohesive team and recognize the unique talents of each individual.

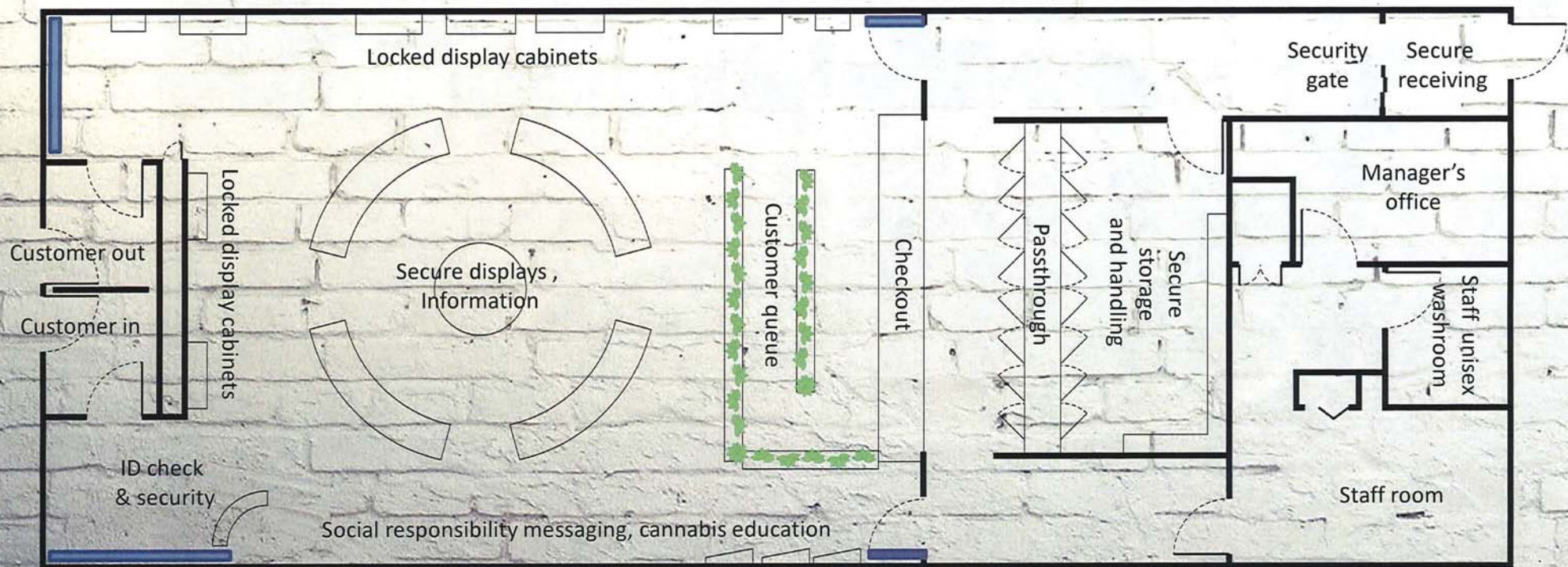
CONTINUOUS IMPROVEMENT


We are agile and quick; we take initiative to fill gaps and propose solutions.

Storefront



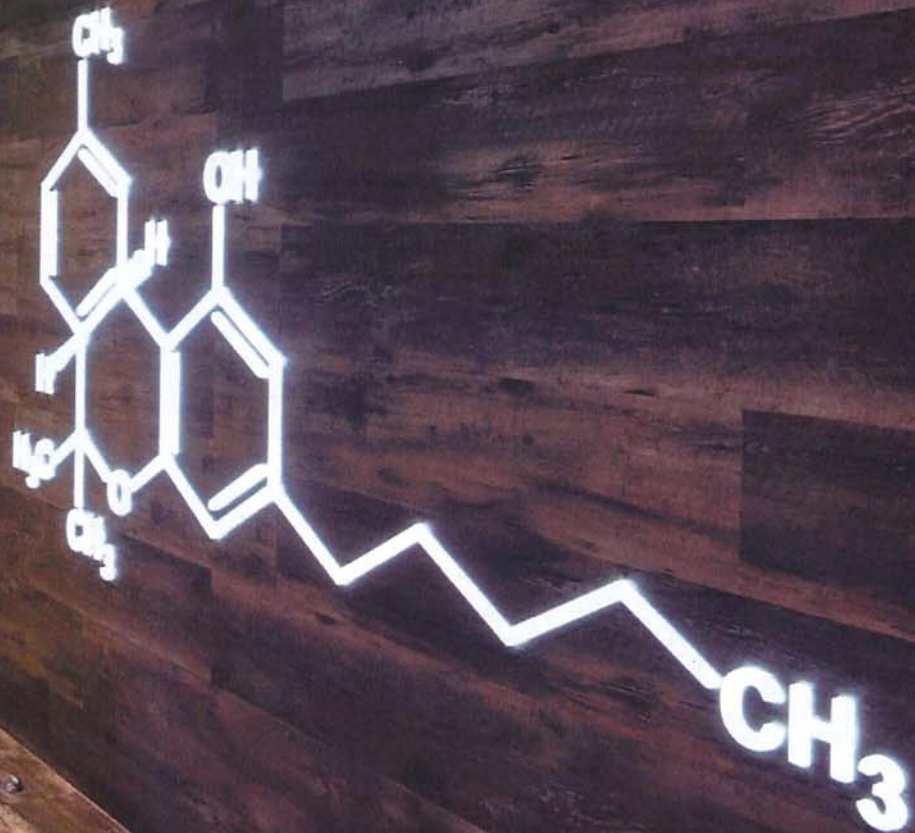
Concept Floorplan:



 = Social responsibility signage

Store interior





KEEP
MARIJUANA
AWAY
FROM
YOUTH.



KEEP CANNABIS AWAY FROM YOUTH.

It's illegal to buy for minors. Youth are at a greater risk of harm from non-medical cannabis.

BC CANNABIS
bccannabis



Before You Buy

Know the risks. Cannabis can affect your health and safety. It can also affect your ability to drive or operate machinery. It's illegal to buy for minors. Youth are at a greater risk of harm from non-medical cannabis.

Plant Anatomy

Learn about the parts of a cannabis plant and how they grow. The plant has a main stem, leaves, and flowers. The flowers are where the buds form.

Plant Types

There are two main types of cannabis plants: Indica and Sativa. Indica plants are shorter and bushier, while Sativa plants are taller and more slender.

THC & CBD

THC (Tetrahydrocannabinol) is the main psychoactive compound in cannabis. CBD (Cannabidiol) is a non-psychoactive compound that may have therapeutic benefits.

Terpenes

Terpenes are aromatic compounds found in many plants, including cannabis. They give cannabis its unique smell and may have health benefits.

YOUR WAY

Learn more about cannabis products and how to use them. Includes information on edibles, topicals, and more.





Store operations

- Store entranceways will have a counter for a two ID-check policy to prevent minors from entering the store.
- Store staff and in-store material will create a safe and informed customer experience.
- Digital signage and take-away brochures help educate customers of potential risks associated with cannabis use, supporting our mission of social responsibility (SR).
- Products are kept behind the checkout in an employee-only area of the store, out of sight from minors passing by the front of the store.

Proven track record of public service and accountability that will carry over to cannabis

- Our strict “ID Under 30” policy in BC Liquor Stores is a strong contributing factor to our successful compliance record. For cannabis, for proof of age, all customers will be required to show two pieces of ID.
- Responsible consumption awareness programs in stores and in our communities like **Dry Grad** and **Get Home Safe** protect young people and their community.
- Our at-the-till charitable collections and employee contributions raise nearly \$1 million for local communities annually.
- We thrive as an environmental leader through responsible waste management.



**START
LOW,
GO
SLOW.**

For the safest experience,
start with products that are
low in THC.

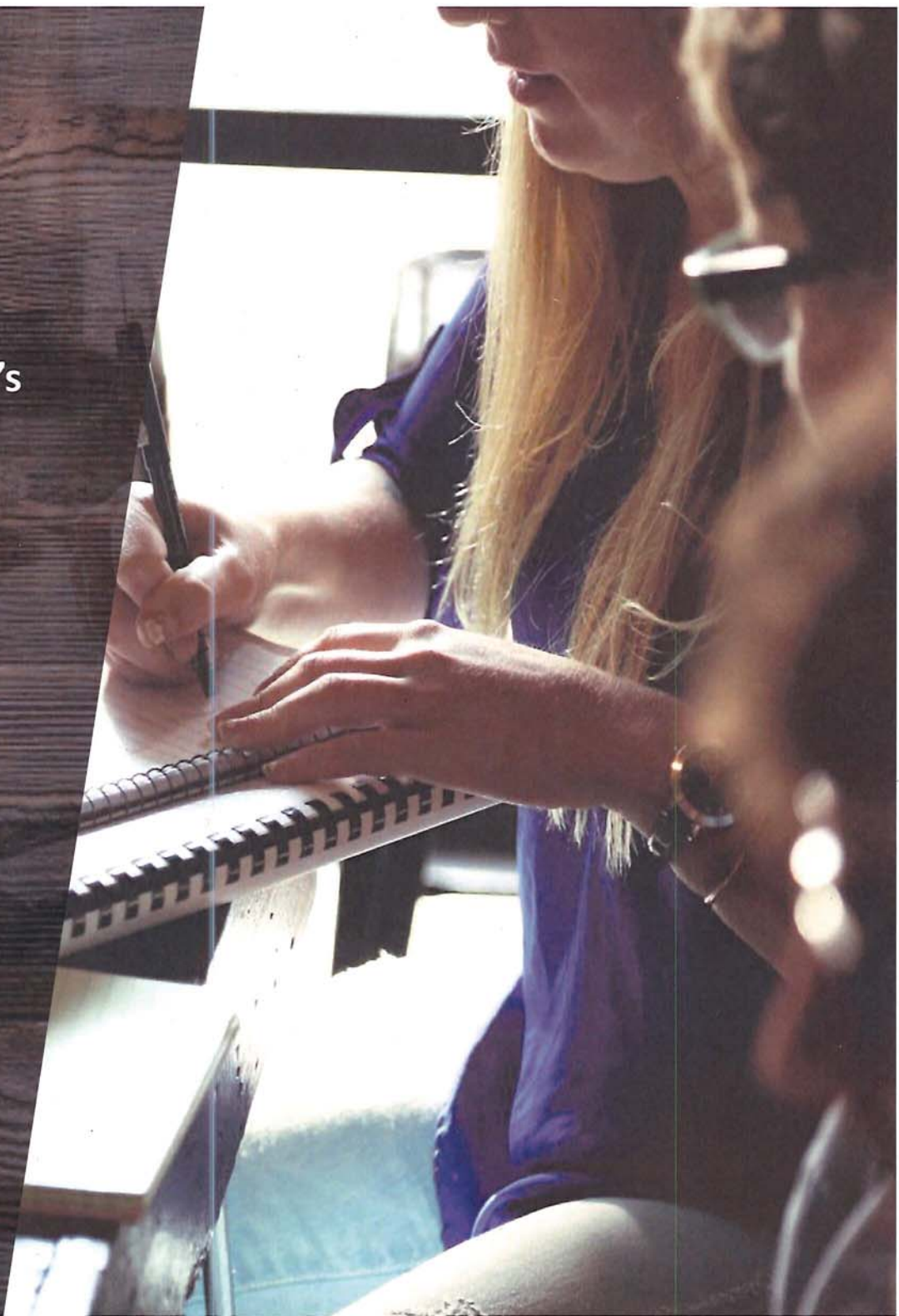
BC CANNABIS STORES

bccannabisstores.com

A reputable place to work.

We take pride in being named one of BC's Top Employers time and time again.

- Mandatory criminal background checks are performed on all employees.
- Comprehensive product knowledge and customer service training are integral to the cannabis consultant onboarding experience.
- As with liquor, we will mandate a Serving It Right equivalent certification for all cannabis consultants.
- Each store will have a Store Manager, Assistant Store Manager, and Cannabis Consultants.





Safety and security

Customer, employee and community safety is paramount.

- Intruder and fire monitoring systems
- Interior and exterior camera surveillance
- Accessories will be locked in tempered glass display cases.
- A secure storage room that will require access cards to enter.
- Durable and reliable commercial-grade doors and locks.
- Smash-resistant windows.
- Product will not incinerated or disposed on-premise.

We are committed to working with local governments and local law enforcement agencies



Accountable. Partners.



**LIQUOR
DISTRIBUTION
BRANCH**

CONTACT
Kerri Lore
Director of Policy
kerri.lore@bcldb.com
604-252-3196

CONTACT
Mark Long
A/Director, Real Estate
mark.long@bcldb.com
604-252-3113



**LIQUOR
DISTRIBUTION
BRANCH**

REZ 2019-00006

RECEIVED

MAR 06 2019

CITY OF NORTH VANCOUVER
COMMUNITY SERVICES
DEPARTMENT

February 19th, 2019

Planning Department
City of North Vancouver
141 West 14th Street
North Vancouver BC V7M 1H9

Dear Mayor and Councillors:

Re: Cannabis Retail Store Application

Please accept our application to locate a **government operated cannabis retail store** at Park & Tilford Shopping Centre, 333 Brooksbank Avenue. The Liquor Distribution Branch (LDB) has received support from the property owner to proceed with this application (Authorization letter attached).

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 17th, 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

This location was selected by the LDB for a proposed cannabis retail store for a number of reasons, including that the site is:

- Located in a large retail complex and therefore consistent with the nature of the immediate area;
- Located in area 4 that permits cannabis retail use;
- Located at least a 100-metre radius from the following sensitive uses: all public schools, North Vancouver School District Office, North Shore Neighbourhood House, Community and recreation centres, and North Shore Shelter;
- 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 the site and building for a cannabis retail store:

- The intended use of the site is consistent with the “retail” nature of the immediate area.
- The size of the proposed cannabis retail store is approximately 4000 square feet.
- The site will provide for ample parking and efficient traffic flow.

The site is a new build site and due to construction it will take about two years for the store to be operational.

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 LCRB¹, 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.

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 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.

¹ 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.

****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

BC Cannabis Stores will be bright, clean, welcoming and professional, with the intent of creating a safe and favourable alternative to purchasing cannabis from the illicit market. Storefronts will have frosted windows to align with Health Canada's requirements that cannabis not be visible to minors.

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.

All stores will employ unionized staff – stores in large municipalities will have approximately 12-20 employees and stores in smaller municipalities will have approximately 6-12 employees. Each store will have a Store Manager, at least one Assistant Store Manager, and staff comprised of full and part-time Cannabis Consultants. All employees go through criminal background checks. 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 are 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 receive 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
2. Application Package



**LIQUOR
DISTRIBUTION
BRANCH**

British Columbia Cannabis Store - Security Plan

The British Columbia Liquor Distribution Branch (BCLDB) has its own in-house Corporate Loss Prevention (CLP) which consists of a Monitoring Station, maintained 24/7, 365 days a year, our own Technical Security Officers and Investigators for all our locations.

With respect to our Cannabis locations once an application is granted we perform a risk assessment tied to the geographical area we will be operating in and then apply Crime Prevention Through Environment Design (CPTED) to all our locations. The municipal authority having jurisdiction is also incorporated into our physical security plans to ensure community safety.

At minimum, to satisfy federal and provincial legislative requirements, the physical security at all BC Government cannabis stores will be:

1. Bollards at the front and back of stores
2. Security grills over all exterior glazing
3. High security locks and keys
4. Lockable cabinet/showcase displays
5. Monitored burglar alarm system
6. Hold up buttons
7. CCTV coverage of all areas of stores with one year video retention
8. Secure vault room, where the majority of cannabis will be stored
9. Access control for restricted areas of store
10. Cash safe and cash deposit boxes for POS
11. Armoured car pickup and delivery



Where ideas work.

The BCLDB also has its own Corporate Loss Prevention Manual which consists of what to do in the event of criminal activity at our locations, how to deal with Store Emergencies, Currency, Physical Security, Employee Conduct, Documentation of Incidents and Injuries, and a number of appendices. This is a 63 page document that is made available internally to our Cannabis employees. We also employ training in regards to staff safety titled "Keep It Safe" to all employees.

Questions can be directed to:

Brendan Alexander
Director, Corporate Loss Prevention
British Columbia Liquor Distribution Branch
(604) 252-3051
brendan.alexander@bclddb.com



Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

POLICY

Recreational Cannabis Retail Policy

REASON FOR POLICY

The Government of Canada has announced the recreational use of cannabis will become legal in Canada on October 17, 2018. The federal Cannabis Act is the legal framework under which the production, distribution, sale and possession of cannabis, for both medical and non-medical (recreational) purposes, is regulated in Canada. Through legislation including the Cannabis Control and Licensing Act, the Province of British Columbia has created a legislative framework to supplement federal legislation and facilitate legal and controlled access to recreational cannabis in British Columbia following federal legalization.

In coordination with federal and provincial regulations, this Policy creates a framework under which recreational cannabis retail businesses will be established in the City, with a focus on the following:

1. Defining **locational criteria** for where businesses may be situated, based on land use requirements, separation from sensitive uses and geographical distribution;
2. Implementing the **application procedure** under which proposals for new cannabis retail businesses are to be submitted, assessed and approved to operate within the City.

Applicability

This policy is applicable to all rezoning applications to operate a recreational cannabis retail business in the City.

Authority to Act

The legislative framework of the Province of British Columbia, including the Community Charter, Local Government Act, and the Cannabis Control and Licensing Act, provides the basis upon which the City may regulate certain locational aspects of recreational cannabis retail businesses, as well as procedures for assessing and approving business proposals.

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Administration of this policy is delegated to the Planning Department.

PROVISIONS AND PROCEDURES

The following describes locational criteria for all recreational cannabis retail businesses in the City and outlines the procedure under which applications will be accepted, assessed and approved.

Locational Criteria

1. Recreational cannabis retail businesses may only be located on properties assigned with the following land use designations under the 2014 Official Community Plan (OCP) – Schedule A Land Use Map (see Schedule 1):
 - Mixed-Use Level 2 (Medium Density);
 - Mixed-Use Level 3 (Medium Density);
 - Mixed-Use Level 4A (High Density);
 - Mixed-Use Level 4B (High Density);
 - Harbourside Waterfront (Mixed-Use); and,
 - Commercial.
2. Recreational cannabis retail businesses may not be located within a 100-metre radii of the following sensitive uses (see Schedule 2):
 - Community and Recreational Centres;
 - North Shore Neighbourhood House;
 - North Shore Shelter;
 - North Vancouver School District Office; and,
 - Public elementary and secondary schools.
3. A maximum of six (6) retail businesses will be considered. Business locations are to be distributed throughout four areas in the City, in accordance with Schedule 3.

Application Procedure

1. Resources for application submission, including detailed instructions and links to the application form, submission requirements and other relevant information, will be posted on the City website at www.cnv.org/cannabis on October 1, 2018.

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

2. The City will accept applications between November 19, 2018 at 10:00 am (PST) and November 30, 2018 at 5:00 pm (PST). All applications must include the information identified in Schedule 4 to be considered complete. Initial evaluation will be based on whether required documentation has been submitted. Through the rezoning process, a more in-depth analysis will be completed, at which point additional documents may be required.

Applications will only be accepted online through the City's file transfer service. Submissions will be deemed successfully received once displayed as a new e-mail in the inbox of the City's e-mail address. The order of which applications are received in the City's inbox will be considered the official register of applications received by the City. The City will not be liable for any application submission delay for any reason, including technological delays, or issues with either party's network or e-mail program. The City will also not be liable for any damages associated with submissions not received. The link to the file transfer service will be posted at www.cnv.org/cannabis.

The following rules apply to submissions:

- Only one submission per business/operator per area will be accepted;
 - Should the City receive multiple submissions from the same business/operator for the same location, only the first received submission will be considered;
 - A submission containing more than one application will not be considered and will be disqualified; and,
 - A submission containing more than one proposed location will not be considered and will be disqualified;
3. After the intake period, staff will review applications on a "first-come, first-serve" basis for application completeness. Applications that are deemed incomplete will not be further considered and disqualified.
 4. The City will consider a total of up to six (6) business locations, distributed throughout areas of the City in accordance with Schedule 3. The first two (2) complete applications received in Areas 1 and 2 and the first complete applications received in Areas 3 and 4 will be eligible to submit a rezoning application.
 5. All applications that proceed to the rezoning stage must submit an application fee of \$4,026.25.

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

6. Staff will process the first set of rezoning applications as a single batch if possible. All rezoning applicants must follow standard procedures for the rezoning process, including the following:
 - a. Responding to feedback and comments from staff, applicable advisory bodies, and the public;
 - b. Organizing an open house session and conducting other applicable public notification and consultation measures; and,
 - c. Attending standard Council proceedings, including a Public Hearing, when scheduled.

Should an applicant withdraw from the rezoning process during this stage, the applicant(s) who had submitted the next complete application in the same area, as defined in Schedule 3, will be eligible to submit a rezoning application.

7. All applications will be held at Third Reading pending confirmation of approval for a Provincial Non-Medical Cannabis Retail License. Should an application at Third Reading not receive Provincial approval, the next complete application in the same area, as defined in Schedule 3, will be eligible to submit a rezoning application.
8. Upon rezoning approval, applicants may submit a business license application and, if applicable, a building permit application to the City.
9. Once operational, staff will monitor businesses to keep Council informed on the state of recreational cannabis retail in the City. After a period of two years, staff will reassess the Policy to determine whether amendments are warranted and/or if additional stores should be considered in the City, and return to Council with a recommendation for next steps. Council may request an alternative timeline for staff reassessment of the Policy at their discretion.
10. Should the City not receive the appropriate number of complete applications for each area, as defined in Schedule 3, during the timeframe outlined above in the Policy, future applications will be accepted on a 'first come, first serve' basis that are consistent with the requirements of this Policy.

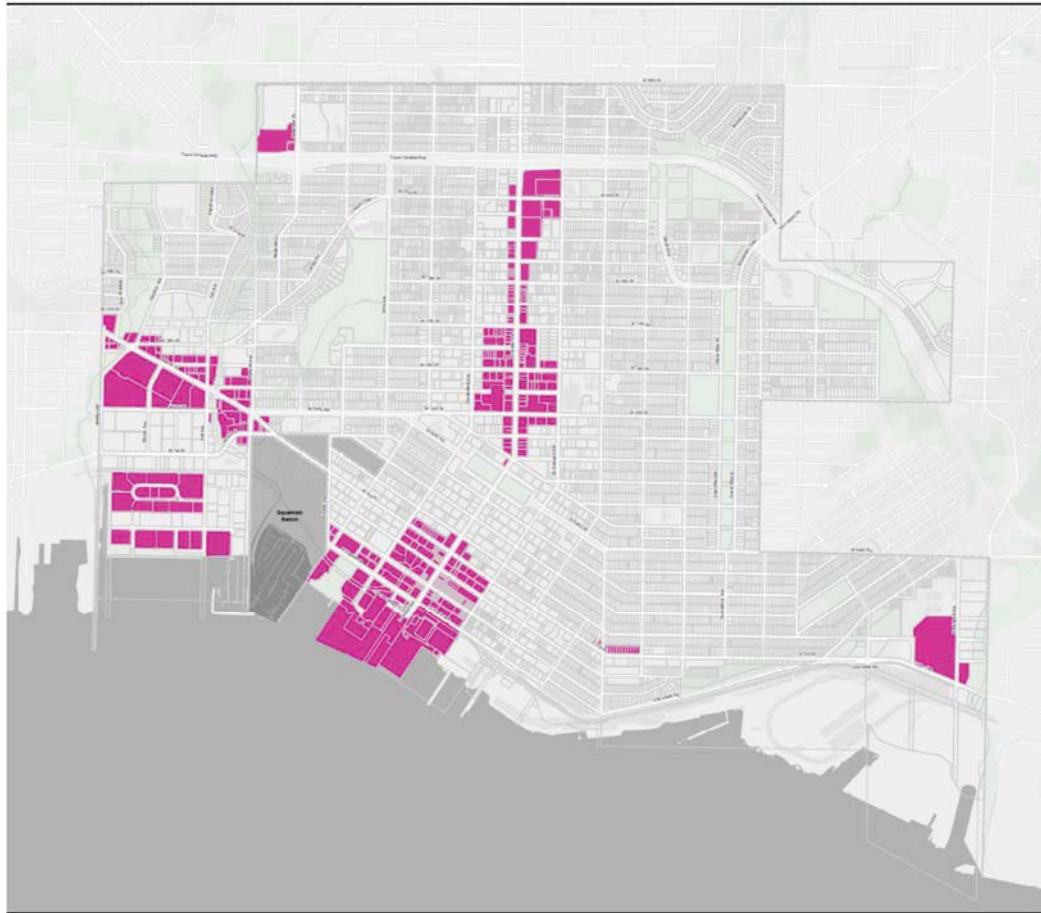
Approval date:	September 24, 2018	Approved by:	Council
Effective date:		Revision date:	

Policy Name: Recreational Cannabis Retail Policy




Policy Number: 7

Schedule 1

Permitted OCP Land Use Designations for Recreational Cannabis Retail Business Locations



Legend

-  Permitted OCP Land Use Designations
-  Legal Parcels
-  City Boundary








Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Schedule 2
Recreational Cannabis Retail Businesses
100-metre Radius Separation Requirement from Sensitive Uses



Legend

-  Sensitive Use Buildings
-  School/ School District
-  Lookout Society
-  Community/ Recreation Centres
-  100m exclusion buffer *
-  OCP Land Use Designation
-  Legal Parcels
-  City Boundary

* buffers have been measured from legal parcel boundaries

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Schedule 3
Recreational Cannabis Retail Businesses
Areas of Consideration



Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Schedule 4
Recreational Cannabis Retail Businesses - Submission Requirements

REQUIRED INFORMATION / DOCUMENTATION	YES	NO
Name and contact information of applicant(s)		
Civic address and legal description of property where the proposed business is to be located		
Letter of consent signed by the subject property strata corporation or registered owner(s) authorizing application submission and proof of an option for lease or purchase of the subject property; or a State of Title Certificate confirming the ownership of the subject property		
Confirmation that the proposed location complies with all locational requirements as per this policy		
Full description of the proposed business operation, including, at minimum, the following information: <ul style="list-style-type: none">• past business experience• corporate structure• number of staff, products sold, target market, and hours of operation• other general business information		
Letter confirming that all individuals/corporate entities associated with the proposed business are <u>not</u> currently operating any illegal recreational cannabis operations in the City of North Vancouver		
Description of the expected time frame for commencing business activities within the City, if approved		
A Community Impact Statement outlining the following: <ul style="list-style-type: none">• Potential positive and negative economic, social and environmental impacts the business may have on the immediate neighbourhood and wider community• Strategies for mitigating potential negative impacts		
A Security Plan demonstrating security features that comply or exceed Provincial requirements		
Provincial licensing referral from Liquor and Cannabis Regulation Branch (required to be received from Province)		

333 Brooksbank Avenue

Public Open House

Please Note: Should you provide your name and address, this form will become part of the staff report to City Council on this proposal and will be publically available. If you do not wish to be identified, please do not include your name on the form, only your address. Your comments will be taken into consideration by City staff in its review of the application; however it will not be viewed by City Council or the public.

[DATE] [TIME]

Name: Mark Johnson	
Address: 161 West 4th St. N.V.	
1. Do you support the proposed project?	Yes
2. What do you like most about the proposed project?	availability.
3. Do you have any concerns about the proposed project?	no
4. What would you suggest to improve or enhance the proposed project?	nothing.
5. Please provide any additional comments. (use back of page if necessary)	

Comments will be delivered to the City of North Vancouver for consideration. Alternatively, you may mail or email your comments to either the City of North Vancouver or to the applicant. All comments will be forwarded to the City.

CONTACTS:

Applicant: Mark Long

City of North Vancouver: David Johnson

Telephone: 604 252-3133

Telephone: 604 990 4219

E-Mail: bccs_lgapps@bcldb.com

E-Mail: djohnson@cnv.org

Public Open House for Cannabis Retail Stores

SIGN IN SHEET

Please Note: This form will become part of the staff report to City Council on this development proposal and will be publically available. If you do not wish to be identified, please do not include your name on the form, only your address.

CANNABIS RETAIL STORES

DATE: 4/9/2019

TIME: 6:00 pm to 8:00 pm

LOCATION: John Braithwaite Community Centre – Harbourview Room

No.	Name	Address	Time
1	Robin Baxter		6:00P
2	Sim NEILL	C-12	
3	Heather Habib	712-333 Brooksbank Ave. N. Van.	6pm
4	Jim Strand	507-345 Lonsdale Ave	6pm
5	Jeff Moscos	209-305 Lonsdale Ave	6pm
6	Carlos Flores	315-733 West 14 St.	6:00pm
7	Andrea Theargeld	517-345 Lonsdale Ave	
8	Robynne Edwards	H1-1576 Tatlow Ave. N. Van.	6:00pm
9	Mackenzie Grantham	"	6:00pm
10	Lorenzo Edwards	"	6:00pm
11	Sylvia Collins	609-345 Lonsdale Ave	6:00pm
12	Heather Dens	734 Lonsdale Ave	6:00pm
13	Gandy HARVEY	733 W. 14th St. NV	6:00pm
14	Brendan Storestreet	733 West 14 street	6pm
15	Yalda Ahmadvand	180-700 Marine Drive NV	6:00pm
16	Don Rowlett	508-345 Lonsdale NV	6:00pm
17	Gray Jennica	1890 Cardinal Ave	6:00pm
18	Jim Kennedy	#503-305 Lonsdale	6:00pm
19	Jim Kennedy	1516 Kenford Dr White Rock	6:00
20	Shelly O'Meara	224-255 W 1st St N.V.	6:00
21	Yvonne Cote	#502-305 Lonsdale	6:00
22	Meghan Koop	502-277 1st St. West	6:00
23	Meghan Koop + Nathan	406-305 Lonsdale Ave	6:00
24	Caitlin Mann	56-718 15th St W	6:05
25	Christina Hall		6:10

No.	Name	Address	Time
26	BOB Burtin	655 5 th ST	6pm
27	WAYNE CATTONI	8084 17 th AVE NW	
28	Kamal Nanavaty	111 E 13 th ST	
29	Feroze Nanavaty	111 E 13 th ST	
30	Trace Kennedy	503-305 Lonsdale Ave NW.	
31	Ericc Maxime	#223 255 West 5 th Street	
32	Joe Lappan	#224 - 255 West 1st St	6 pm
33	Sermaz Brent	302-305 Lonsdale Ave.	6 pm
34	Andy Hellmuth	#203 - 17 th W - 125 Lonsdale	6 PM
35	MARLENE TAMBEAU	305-305 LONSDALE AVE	6pm
36	Peter Bachmann	407-1200 Lonsdale Ave. North Vancouver	6:05
37	MICHAEL ROSSI	#56-728 West 14 th St.	
37	Morgan Mink, D	#5 728 West 14 th	6:00
38	VERONICA B		6:00
39	ANDREW HAWTHOR	3264 W. 31 st AVE VAN B.C	
40	MAEV GATO/ KENO GATO	306-305 LONSDALE AVE. N. VAN BC	6PM
41	B. Moge	111 East 13 th Street	6:00
42	A. MOYE	111 E 13 th ST N. VAN	6:10
43	Brad Helgeson	#421-255 West 1st Street.	6:11
44	Kyle McMurtry	1655 Edwards Rd	6:11
45	BRAIN LARSEN	1720 GRAND BLVD E.	6:12
46	Debbie Dickie	1119 Pinning Rd (103 East 12 th)	
47	Kathy Chan	P.O. #6 Lions Bay BC	6:15
48	Julie VanBreegen	#204, 131-3rd St West North Van	
49	Myra	#101 461 WEST 16 N VAN	6:15
50	Leona Gallon	961 WILLOW LANE NWAN	6:15

Public Open House for Cannabis Retail Stores

SIGN IN SHEET

Please Note: This form will become part of the staff report to City Council on this development proposal and will be publically available. If you do not wish to be identified, please do not include your name on the form, only your address.

CANNABIS RETAIL STORES

DATE: 4/9/2019

TIME: 6:00 pm to 8:00 pm

LOCATION: John Braithwaite Community Centre – Harbourview Room

No.	Name	Address	Time
1	Ezekiel UHOA	1250 Lonsdale Ave	6:00 pm
2	Nathalie Poirier	255 West 1st Street	6:00 PM
3	Brad Helgason	255 West 1st Street	6:15 PM
4	Jess Wagstaffe	507-719 West 3rd St	
5	GEORGE BEWER	3819 CAMBRIDGE W. VAN	6:15 PM
6	PICK JEFFERY	#204 131 W 3rd St N. VAN	6:15
7	ISCIAN MEAKIN	1151 EDGEMOOR RD N. VAN	6:15 pm
8	LEIGHTON HARRISON	408-305 Lonsdale Ave N. VAN	6:15 pm
9	Don Holtz	601-12th W	6:15
10	Garry Johnston	319 EAST 6TH	6:15
11	Athenne A. Ambrose	137-East 1st St. #406, N. Van	6:25
12	BRUCE BASSEL	351 BEWICK AVE. NORTH VANCOUVER	6:27
13	Dorene Russell	2-240 E 4th St N. Vancouver	6:27
14	KKE ROBERTSON	702-124 W 1st St N. VAN	6:30
15	ANDREW KLAYDE	213 EAST 22ND ST N. VAN	6:25
16	JOE MARTON	303-317 BEWICK N. VAN	6:35
17	Stord Scalford	312 East 1st St Apt. #103	6:40
18	Courtney Anson	252 2nd St W	6:40
19	Janet Kotalovic	255 W. 1st St N Van	6:55
20	HECTOR HERNANDEZ	310-124 3rd St W N Van	19:43
21	Jennifer Erin Vaughan	201-733 West 14th St N. Van BC V7M 0C6	7:00 PM
22	Sarah Baldwin	730 Marine Dr. Opposed to 725 Marine Loc.	7:00
23			
24			
25			

No.	Name	Address	Time
51	DINA WEEKS	305 Lonsdale Ave. North	6:15 pm
52	RAQUEL JOHNSTON	319 E 6th N. Van	6:15 pm
53	Havona Hibbard	137-406 E 1st Street	6:25 pm
54	Howard Hao	201-332 Lonsdale Ave.	18:25 pm
55	Brady Fought	317 Bewicke Avenue	18:25 pm
56	Amya Hirji	305 Lonsdale Ave #202	18:25 pm
57	BRIAN RABBIT	1661 PHILIP AVE	6:28
58	DONNA TONEY	317 Bewicke Ave.	6:30
59	Alic Batemi	209-211 700 Marine Dr N. VAN	6:30
60	Mark Johnson	111 306-161- West 4th St. N Van.	6:45
61	ALEX RAKS	1214 23rd ST W.	6:45
62	Steven Rakis	780 W ST Georges	6:45
63	Chester Wolff	822 - BSTEM.	
64	Rita Hernandez	310-124 W 3rd Street North Van	6:55
65	Bernette Howard	277 - W 1st Street	7:05
66	Dominic Howard	277 - W. 1st street.	7:05 pm
67	MICHAEL GALLAGHER		7:15
68	Julia Dickson	255 1st St W.	7:15
69	Colm Flavin	111 East 3rd.	
70			
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76			

Recreational Cannabis Retail Store

Public Open House

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April 9, 2019

6:00 pm to 8:00 pm

Name: Brady Fought	
Address: 317 Bewicke Avenue	
1. Do you support the proposed project?	Yes! Great to see these professional, local business seeking establishment in North Vancouver. Welcomed.
2. What do you like most about the proposed project?	The 'Weeds' store by my house (now closed) was very welcoming, courteous and professional. No smoke issues. These projects and reps. seem to be equally established and a great fit for the community.
3. Do you have any concerns about the proposed project?	No. Please have bike racks!
4. What would you suggest to improve or enhance the proposed project?	↓
5. Please provide any additional comments. (use back of page if necessary)	I see no issues, CNV planning a brewery district, it seems no different and they should receive equal support both as legal products

Comments will be delivered to the City of North Vancouver for consideration. Alternatively, you may mail or email your comments to either the City of North Vancouver or to the applicant. All comments will be forwarded to the City.

CONTACTS:

City of North Vancouver: David Johnson

Telephone: 604 990-4219

E-Mail: djohnson@cnv.org

Recreational Cannabis Retail Store Public Open House

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April 9, 2019

6:00 pm to 8:00 pm

Name:	
Address:	
1. Do you support the proposed project? <i>YES</i>	
2. What do you like most about the proposed project? <i>IT IS CLEAN AND GOOD FOR THE COMMUNITY</i>	
3. Do you have any concerns about the proposed project? <i>NO</i>	
4. What would you suggest to improve or enhance the proposed project? <i>KEEP THE PUBLIC INFORMED</i>	
5. Please provide any additional comments. (use back of page if necessary) <i>MAKE THE DISTRIBUTORS OPEN & FRIENDLY</i>	

Comments will be delivered to the City of North Vancouver for consideration. Alternatively, you may mail or email your comments to either the City of North Vancouver or to the applicant. All comments will be forwarded to the City.

CONTACTS:

City of North Vancouver: David Johnson

Telephone: 604 990-4219

E-Mail: djohnson@cnv.org

Recreational Cannabis Retail Store Public Open House

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April 9, 2019

6:00 pm to 8:00 pm

Name:	
Address:	
1. Do you support the proposed project?	NO
2. What do you like most about the proposed project?	NOTHING
3. Do you have any concerns about the proposed project?	YES ,
4. What would you suggest to improve or enhance the proposed project?	DON'T PROCEED
5. Please provide any additional comments. (use back of page if necessary)	THIS TYPE OF COMMERCIAL ACTIVITY IS UNDESIRABLE FOR FAMILIES IN THIS AREA AND IS MOST UNWELCOME. PLEASE DO NOT PROCEED. THIS IS UNWANTED!

Comments will be delivered to the City of North Vancouver for consideration. Alternatively, you may mail or email your comments to either the City of North Vancouver or to the applicant. All comments will be forwarded to the City.

CONTACTS:

City of North Vancouver: David Johnson

Telephone: 604 990-4219

E-Mail: djohnson@cnv.org

David Johnson

From: [REDACTED]
Sent: March-27-19 9:24 PM
To: David Johnson
Attachments: text_1553747028630.txt

Umm I rent I the area, but this weed licences wrong spelling wont
bo through and I'll make sure of it

This message was sent from a Bell mobile phone.

Bell

-----Original Message-----

From: Ben Rieder <[REDACTED]>

Sent: April-03-19 7:48 PM

To: Web_Feedback <info@cnv.org>

Subject: to the Mayor ,urgent

Good day Mrs Buchanan

hope you are well
Fed election coming.

Why the North Van municipality wants to pu dispensary on lonsdale and 3rd street?
why not in Lynn Valley ,Marine drive ,Edgmond village ,
cb there those place re for rich people,

-poor and middle class live on Lonsdale,
the dispensary stores on Lonsdale are to close to the children sport school :

juitstu and Champions and close to the primary school and day care,community centers,
already 1 store go the permit on first street ,HAGGAR booze shop.

-we dont want any of those customers parking there cars ,pick up ,unrully and swearing to any one ,
-we don't want those dispensary useless store in NORTH VAN.

Thank you for launching a massive petition against this please>
if the NDP does not stand to protect our children ,family
we are not going to support you for the next city election and we are going to push the NDP to ban those
store in North Van

they can go on Marine drive ,Dollarton ,lynn Valley ,Edgmond if you like not on Lonsdale near our
community ,children school ,posrt scholl as well please!

Since October ,0 zero store in North Van ,all was well until now!
we can live without them.

king regards

Benny

Begin forwarded message:

From: Hibilly Blu <[REDACTED]>

Date: April 2, 2019 at 3:47:23 PM PDT

To: lbuchanan@cnv.org

Subject: Restricted access to cannabis on the North Shore

Cannabis has been legal for 5 months now, that said it is harder to get than before legalization. Places to smoke cannabis is relegated to the streets, if you don't own your own place, if an agreement is not in place with your landlord if you rent. People on the North Shore have issues with smoking cigareets let alone cannabis. I do not want to smoke outside on the streets or alleys. We need lounges and meeting places for cannabis consumers, Just like the alcohol drinkers have. The laws surrounding cannabis are not fair and too restrictive as they stand.

When it comes to alcohol, parents are trusted to manage their children in liquor stores where the consumption of an intoxicating substance is entirely normalized. Considering all cannabis product packaging will be intentionally unappealing to minors and there will be no consumption or sampling permitted in the store, it would inherently seem to be a safer place for Canada's youth than the sidewalk or liquor stores. Yet, out of 6 positions to apply for a cannabis store here, only 5 licenses handed out and almost half of them to alcohol dealers.

Cannabis should be treated like alcohol, was the message coming from government. Yet, all I have been seeing is the oppiste.

North Vancouver has restricted all access and disrupted a market that was already working.

Thank you for your time and consideration on this matter.
Stephen Nilsson

333 Brooksbank Avenue (Bylaw 8718)

- OCP designation of Commercial
- Outside of the sensitive use areas
 - Brooksbank Elementary (930 metres)
- New 365 m² (3,930 ft²) building being proposed
 - Bylaw 8718 would permit proposed building
- Building to be integrated with the other buildings within the property



BC CANNABIS STORES



**LIQUOR
DISTRIBUTION
BRANCH**

A close-up photograph of a wooden puzzle piece fitting into a larger assembly of white puzzle pieces. The wooden piece is a light brown color with a visible wood grain and is positioned in the lower right quadrant of the frame. It is surrounded by several white puzzle pieces, some of which are slightly out of focus. The word "Purpose" is overlaid in a large, bold, black sans-serif font on the left side of the image, partially covering the white puzzle pieces.

Purpose

To make high-quality cannabis products and education available to all customers – from the discerning to the new – through responsible channels that provide expert and friendly service.

Social responsibility messages instore



**KEEP
CANNABIS
AWAY
FROM
YOUTH.**

It's illegal to buy for minors.
Youth are at a greater risk of
harm from non-medical cannabis.

BC CANNABIS STORES
bccannabisstores.com



**KNOW
THE
LIMIT.**

Adults may possess up to 30 grams of
dried cannabis (or equivalent) in public.
In-store and online purchases cannot
exceed this amount.

BC CANNABIS STORES
bccannabisstores.com



**START
LOW,
GO
SLOW.**

For the safest experience, start with
products that are low in THC.

BC CANNABIS STORES
bccannabisstores.com



**DON'T
DRIVE
HIGH**

Using cannabis before you drive
may impact your ability to operate
a vehicle safely.

BC CANNABIS STORES
bccannabisstores.com



Safety and security is our top priority.

Customer, employee and community safety is paramount.

- Superior intruder and fire monitoring systems maximize response time and minimize losses.
- Interior and exterior camera surveillance used to deter theft.
- Locking valuable accessories in tempered glass display cases prevents shoplifting and creates an added barrier for burglars.
- A secure storage room keeps regulated product out of sight from minors and out of reach from shoplifters.
- Durable and reliable commercial-grade doors and locks secure our store premises.
- Smash-resistant windows obstruct vandalism and break-ins.
- Attractive and visible on-premise signage of security measures deter would-be thieves and criminals.

A reputable place to work.

We take pride in being named one of BC's Top Employers time and time again.

- Mandatory Enhanced Security Screening is completed for all employees.
- Comprehensive product knowledge and customer service training are integral to the product consultant onboarding experience.
- As with liquor, we mandate a Serving It Right equivalent certification for all product consultants.



Welcome to BC Cannabis Stores



Restricted Access: 2 ID Check



Open & bright interior



Bud display pods



All product secured safely



Checkout



From: Merrilee Miller <>
Sent: July-05-19 3:09 PM
To: Submissions
Subject: Public Hearing for Bylaws 8714, 8715 8718 (Cannabis)

City of North Vancouver,

In regards to applications for Zoning Bylaw Amendments for **cannabis retail shops**, plus adding more breweries and pubs in the Lonsdale area, has there been consideration for adding **Drug and Alcohol Treatment** centres, residences, and programs for recovery? Also, what about adding more **Education to students and youth** in the North Vancouver schools about substance abuse?

Merrilee Miller
309-159 West 22nd Street
Vancouver, BC V7M 0B6

From: mike Jenkins <>
Sent: July-08-19 1:26 PM
To: Submissions
Subject: Pot Shops

Cannabis retail stores must not be allowed to operate in these designated areas of North Vancouver. At the moment we have a number of vagrants sitting and begging on Lonsdale ave. and nothing is being done about that.

We believe the pot shops will increase the numbers. We also believe that crime will increase in our neighborhood because of these shops, example being break ins to these shops, and dubious people coming around our streets.

Traffic will increase for those coming from afar to these shops. For many years we have enjoyed the quality of life in this area, and we hope that all Council members have too.

Please do not allow these pot shops to operate here, because it will harm our quality of life that we are use to and enjoy.

Thank you
Mike and B. Jenkins
1403 - 112 East 13th St
North Vancouver

NOTICE OF PUBLIC HEARINGS

Notice is hereby given that Council will consider the following 6 bylaws on 2 separate evenings:

Public Hearing for Bylaws 8714, 8715 and 8718

Monday, July 15, 2019 at 6:30 pm

**Council Chamber, City Hall
141 West 14th Street, North Vancouver**

Zoning Amendment Bylaw No. 8714

Address: 1717 Lonsdale Avenue

Applicant: The Herb Co.

To rezone the property from a General Commercial (C-2) Zone to a Comprehensive Development 721 (CD-721) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property and to reduce the number of required off-street parking stalls from 9 to 6.



Zoning Amendment Bylaw No. 8715

Address: 221 West 1st Street

Applicant: 1st Cannabis

To amend the text of Comprehensive Development 454 (CD-454) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.



Zoning Amendment Bylaw No. 8718

Address: 333 Brooksbank Avenue

Applicant: BC Liquor Dist. Branch

To amend the text of Comprehensive Development 131 (CD-131) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property and adjust the site schedule to permit the placement of a new 365.1 sq. m. (3,930 sq. ft.) building at the northeast corner of the property.



Public Hearing for Bylaws 8713, 8716 and 8717

Wednesday, July 17, 2019 at 6:00 pm

**Council Chamber, City Hall
141 West 14th Street, North Vancouver**

Zoning Amendment Bylaw No. 8713

Address: 725 West 14th Street

Applicant: City Cannabis

To rezone the property from a Service Commercial (CS-1) Zone to a Comprehensive Development 720 (CD-720) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.



Zoning Amendment Bylaw No. 8716

Address: 315 Lonsdale Avenue

Applicant: Lonsdale Cannabis Co.

To amend the text of Comprehensive Development 341 (CD-341) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.



Zoning Amendment Bylaw No. 8717

Address: 1200 Lonsdale Avenue

Applicant: BC Liquor Dist. Branch

To rezone the property from a General Commercial (C-2) Zone to a Comprehensive Development 722 (CD-722) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.



All persons who believe they may be affected by the proposals will be afforded an opportunity to be heard in person and/or by written submission. Written or email submissions must include your name and address and should be sent to the City Clerk at input@cnv.org or by mail or delivered to City Hall. Submissions must be received no later than 4:00 pm, Monday, July 15, 2019 to ensure their availability to Council at the Public Hearings. Once the Public Hearings have concluded no further information or submissions can be considered by Council.

The proposed Zoning Amendment Bylaws and background material will be available for viewing at City Hall between 8:30 am and 5:00 pm, Monday to Friday, except Statutory Holidays, from July 5, 2019, and online at cnv.org/PublicHearings.

Please direct any inquiries to **David Johnson**, Development Planner, at djohnson@cnv.org or 604-990-4219.

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8718

A Bylaw to amend “Zoning Bylaw, 1995, No. 6700”

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as “**Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8718**” (Mark Long / BC Liquor Distribution Branch, 333 Brooksbank Avenue, CD-131 Text Amendment).
2. Part 11 of Division V: Comprehensive Development Regulations of Document “A” of “Zoning Bylaw, 1995, No. 6700” is hereby amended by:
 - A. In the CD-131 Zone:
 - (1) Adding to Section (1):
 - (i) Maximum of one Cannabis Sales Retail Store;
 - (2) Replacing Schedule 26 with the Schedule 26 attached to this bylaw.

READ a first time on the 24th day of June, 2019.

READ a second time on the 24th day of June, 2019.

RECEIVED APPROVAL FROM THE
MINISTRY OF TRANSPORTATION ON THE
<> DAY OF <>, 2019.

READ a third time on the <> day of <>, 2019.

ADOPTED on the <> day of <>, 2019.

MAYOR

CITY CLERK

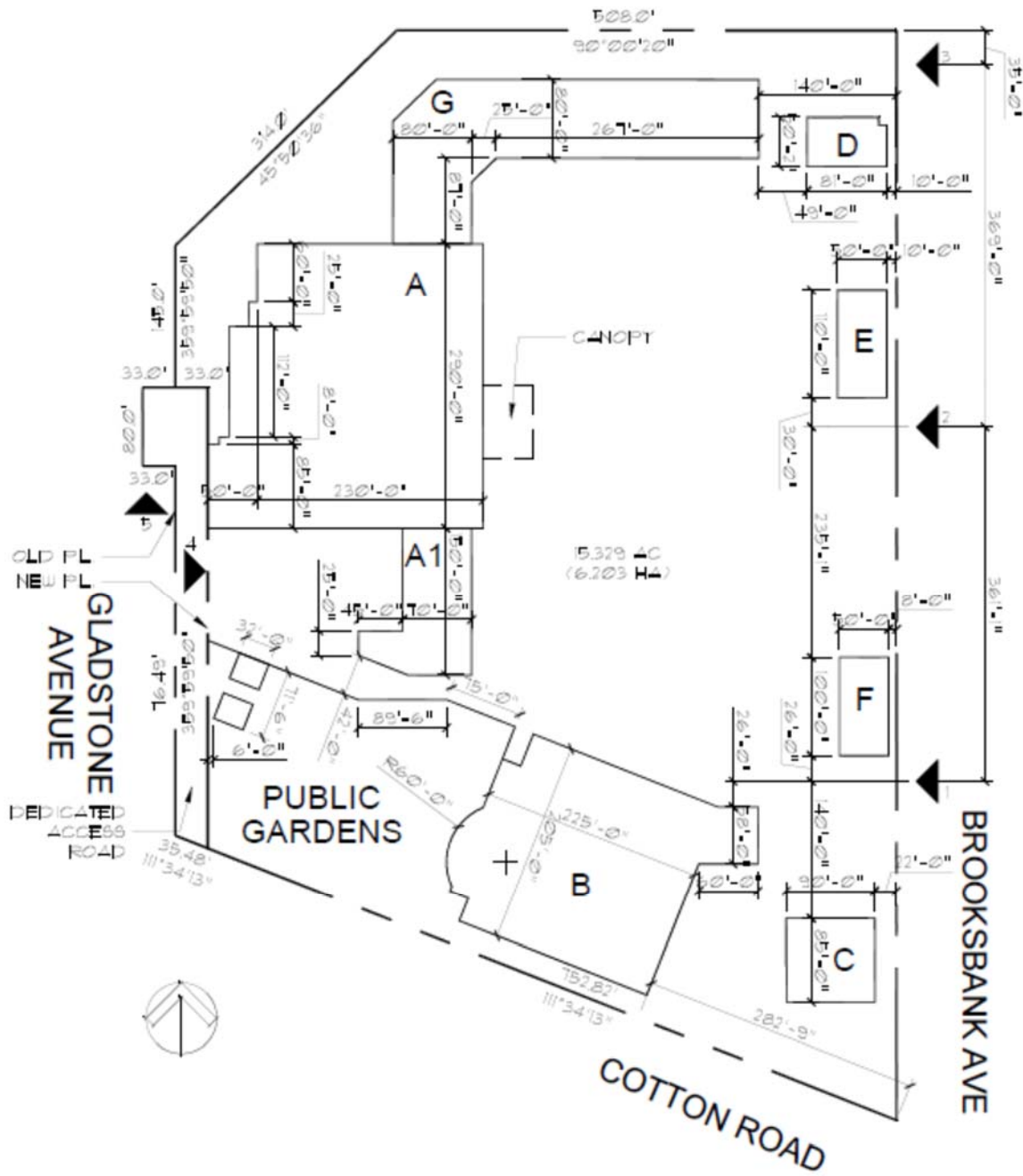
CD-131

Amending Bylaw No. 8718




SCHEDULE 26

Page 1 of 1

TITLE: SITING PLAN





 Division Manager	 Director	 CAO
-----------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------

The Corporation of **THE CITY OF NORTH VANCOUVER**
PLANNING AND DEVELOPMENT DEPARTMENT

REPORT

To: Mayor Linda Buchanan and Members of Council

From: David Johnson, Development Planner

Subject: REZONING APPLICATION: 1717 LONSDALE AVENUE (THE HERB CO. / SCOTT HAMILTON)

Date: June 12, 2019 File No: 08-3360-20-0494/1

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION:

PURSUANT to the report of the Development Planner, dated June 12, 2019, entitled "Rezoning Application: 1717 Lonsdale Avenue (The Herb Co. / Scott Hamilton)":

THAT "Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8714" (The Herb Co. / Scott Hamilton, 1717 Lonsdale Avenue, CD-721) be considered and referred to a Public Hearing;

THAT notification be circulated in accordance with the *Local Government Act*;

AND THAT a copy of the resolution be forwarded to the Provincial Liquor and Cannabis Regulation Branch.

ATTACHMENTS:

1. Context Map (doc#[1772979](#))
2. Submitted Drawings (doc#[1761856](#))
3. Community Impact Statement and Proposed Security Plan (doc#[1761859](#))
4. Recreational Cannabis Retail Policy (doc#[1774193](#))
5. Public Consultation Summary for 1717 Lonsdale Avenue (doc#[1791579](#))
6. General Public Comments (doc#[1775340](#))
7. Zoning Text Amendment Bylaw No. 8714 (doc#[1774195](#))

PURPOSE

The purpose of this report is to present a rezoning application for Council to consider a Recreational Cannabis Retail Store at 1717 Lonsdale Avenue.

BACKGROUND

With the legalization of recreational cannabis on October 17, 2018, the Federal Government under the Cannabis Act provided the legal framework for the production, distribution, sale and possession of both medical and non-medical (recreational) cannabis. The Province of British Columbia created a legislative framework through the Cannabis Control and Licensing Act to supplement federal legislation and facilitate legal and controlled access to recreational cannabis in the Province.

In coordination with both federal and provincial regulations, Council approved the Recreational Cannabis Retail Policy on September 17, 2018, which created the framework under which recreational cannabis retail businesses can be established in the City (Attachment #5). The policy considers the sale of non-medical grade cannabis and does not consider the production, distribution or sales of medicinal cannabis. Medicinal cannabis can be obtained through a federally licensed producer.

The policy focused on the location criteria for where businesses can be located in the City, as well as establishing an application procedure due to the high level of interest. The criteria included limiting Cannabis Retail Stores to properties with the following Official Community Plan designations:

- Mixed Use Level 2 (Medium Density);
- Mixed Use Level 3 (Medium Density);
- Mixed Use Level 4A (High Density);
- Mixed Use Level 4B (High Density)
- Harbourside Waterfront (Mixed Use); and
- Commercial.

The policy also limits locations that are within 100 metres of the following sensitive uses:

- Community Recreational Centres;
- North Shore Neighbourhood House;
- North Shore Shelter;
- North Vancouver school District Office; and
- Public elementary and secondary schools.

The policy includes a maximum of six (6) retail cannabis businesses to be considered, and prescribes a distribution throughout the City as follows:

- Two businesses in the Central Lonsdale area;
- Two in the Lower Lonsdale area;
- One in the west part of the City; and
- One to the east part of the City.

On November 19, 2018, applications were received on a first-come-first-served basis, with each of the geographic areas in the policy represented. Five applications met the policy criteria and were invited to make an application for a Zoning Bylaw Amendment. No applications were received in the eastern part of the City. On January 14, 2019, Council supported staff processing these five applications, and would allow a sixth on a first-come-first-served basis for the east part of the City. The City received the sixth application for a store at the Park and Tilford Shops and Gardens on March 6, 2019.

DISCUSSION

Project Description

The building on the subject site currently has a laundromat and a shoe store adjacent to the unit. The proposed store would occupy approximately 130.0 square metres (1,400 square feet) of retail floor space within the building. The floor plan identifies locations for displays, back area offices and security gates (Attachment #2).

The applicant has also provided a Community Impact Statement and their proposed Security Plan, which outlines the applicant's contribution towards the regulation of safer cannabis products and distribution as well as outlining how their operation will be complying with Provincial regulations (Attachment #3).

Site Context and Surrounding Use

The subject site at 1717 Lonsdale Avenue is along the west side of the street, between West 17th Street to the south and West 18th Street to the north (Attachment #1).

The area has a mixture of ground floor commercial along the Lonsdale Avenue corridor, with multi-family residential buildings to the west. The location is along a major public transit corridor with many other commercial businesses and residential buildings within easy walking distance.

PLANNING ANALYSIS

Policy Context

2014 Official Community Plan

The subject site has a designated land use of Mixed Use Level 3 which supports a mix of higher-density multi-family and commercial uses to strengthen the City's major arterial roads and corridors.

Regulations from senior levels of government require all cannabis retail stores to enclose their store fronts to block viewing into the store from the street as a means to discourage minors from entering into the store. Such a measure conflicts with the goal objectives of the OCP to promote a greater pedestrian friendly street front by limiting views into the store from the street. Staff will work with both the applicant and the senior levels of government to achieve OCP objectives and to meet the criteria of storefronts to dissuade minors from

entering the store. In this situation, the width of the unit is relatively narrow and not excessive given the scale of all the commercial units along this street front that has transparency into the units.

The current building is a single storey commercial building that has been around since the late 1950's. The only change that is being proposed would be a Tenant Improvement to the unit space that would require a Building Permit.

No amendment to the OCP is required with this application.

Recreational Cannabis Retail Policy

The application does conform to the criteria provided within the policy (Attachment #4). The subject site is in the allowable land use designation as identified in the OCP, it is outside of the 100 metre radii of Carson Graham Secondary School as well as the North Vancouver School District Office, and is one of two applications to be received in the Central Lonsdale area, which allows up to two stores.

Zoning Bylaw 1995, No. 6700

The Zoning Bylaw currently does not allow Cannabis Sales as a permitted use anywhere in the City. Cannabis Sales is defined in the Zoning Bylaw and;

means the retail or wholesale sale of Cannabis, and includes an operation which provides referrals and facilitates access to Cannabis not physically sold on the premises, but does not include sales by a British Columbia Registered Pharmacist In a British Columbia regulated Pharmacy.

Zoning Amendment Bylaw 8714 (Attachment #7) would allow the use to exist in this location. The current Zone of the property is General Commercial (C-2) and does permit retail stores.

The size of the store would require the applicant to supply at least three parking stalls within the property. The minimum requirement for the whole building is nine parking stalls and the site has six. A variance to the off-street parking would be required to support the current parking configuration. Staff is supportive of the variance given the location is along a major Public Transit line and the building pre-dates the current Zoning Bylaw requirement of one stall per 50 square metres (or 538.2 square feet). The proposed use would not increase this same requirement.

COMMUNITY CONSULTATION

An Open House for all applicants was held on April 9, 2019 for members of the general public to learn about and make comment on all six applications (Attachment #6). From the 91 people who signed in for the event (Attachment #5), staff received two written comments relating to this application.

The comment relates to the smoking of cannabis and the smell it generates affecting the enjoyment of using their own patio as a non-smoker. There was opposition to a store in

close proximity to the one proposed at Lonsdale and 12th Street, and the proposed operating hours is excessive.

General public comments as well as comments that were not tied to a particular application can be found after the sign-in sheets in Attachment #6.

CONCLUSION

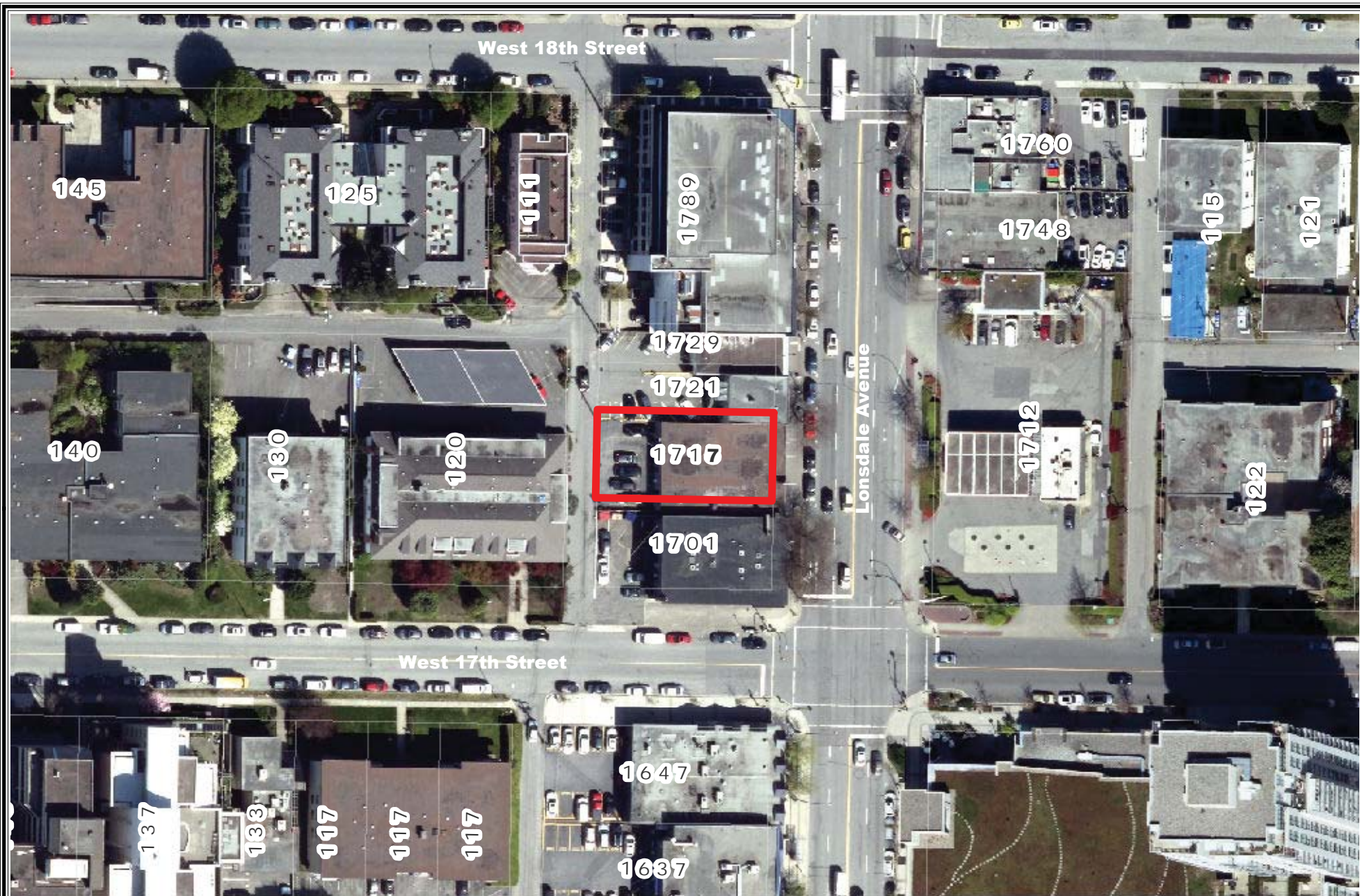
The proposal is consistent with the criteria of the Recreational Cannabis Retail Policy.

The proposed location of the store supports the retail orientation of the Lonsdale Avenue corridor. Through the Building Permit review, mitigation measures for the storefront design will be finalized.

RESPECTFULLY SUBMITTED:



David Johnson
Development Planner



THE CITY OF NORTH VANCOUVER
RECREATIONAL CANNABIS RETAIL APPLICATION



Prepared, Experienced, and Knowledgeable Cannabis Retailers For Your Community

Business Contact:

Kimmy Budd kimmy@theherbco.ca 604-728-7443

February 12, 2019



Community Impact Statement

Potential Positive Impacts to the Community

- Economic - Bringing more patrons into the area - We estimate to serve around 300+ customers per day and this increase in customer traffic would benefit neighbouring businesses
- Economic - Additional tax revenue for city
- Social/Economic - More jobs being created in the community with above average incomes
- Social/Economic - Purchases of cannabis is more controlled, taking away sales from illegal street-level dealers
- Social - A robust security system creates safety amongst businesses in the immediate surroundings

Strategies to Mitigate Potential Negative Impacts

Staff will undergo regular training and testing throughout their employment. The Herb Co. manual will be provided as a guide to training all staff and will include all policies. The staff will be regularly tested to show their knowledge and understanding of these policies. Through initial and ongoing staff training, we will address our commitment to the environment and the community. Our in-house training includes how to recognize intoxicated patrons, how to properly ID patrons, and how to recommend a safe dosage.

Environmental - Patrons smoking inside, outside, or close to the store

In order to prevent smoking inside, outside, and near the store, the following steps will be taken:

- Security guard at door to monitor inside and outside of store
- The store will have prominent signage inside and outside that states smoking is not permitted inside, outside, or near the store
- Staff will monitor the store to ensure that customers do not smoke outside or near the store
- If customers are smoking inside, outside, or near the store, staff or security will ask them to stop smoking
- We will not sell lighters or matches at the store in order to discourage customers from smoking outside or near the store



Social - Disturbances within the vicinity of the store

Our strategies to prevent disturbances outside the store include:

- Security guard monitoring outside of store
- Installing adequate lighting outside the store
- Supervising parking areas
- Posting signs asking patrons not to disturb the neighbours
- Installing ample security cameras monitoring the exterior & interior of shop

Social - Underaged patrons being served

Our strategies to prevent access to minors include:

- Security guard at door to check identification
- Prominent signage outside store entrance stating “No entry to persons under the age of 19”
- Staff will be trained in legally acceptable forms of identification
- Cameras will be placed to monitor the entry and exits of the store
- Cash registers will prompt staff to check ID prior to any sale
- Cannabis and cannabis accessories will not be visible from outside the store

Social - Patrons over-consuming products

Our strategies to prevent over-consumption of products include:

- Trained budtenders recommending a safe dosage
- Discouraging inappropriate behaviour - identifying, preventing, and dealing with inappropriate behaviours and disturbances
- Refusing service to intoxicated patrons and making sure they leave the premises safely

Social - Cannabis dependency or addiction

Our strategies to prevent cannabis dependency include:

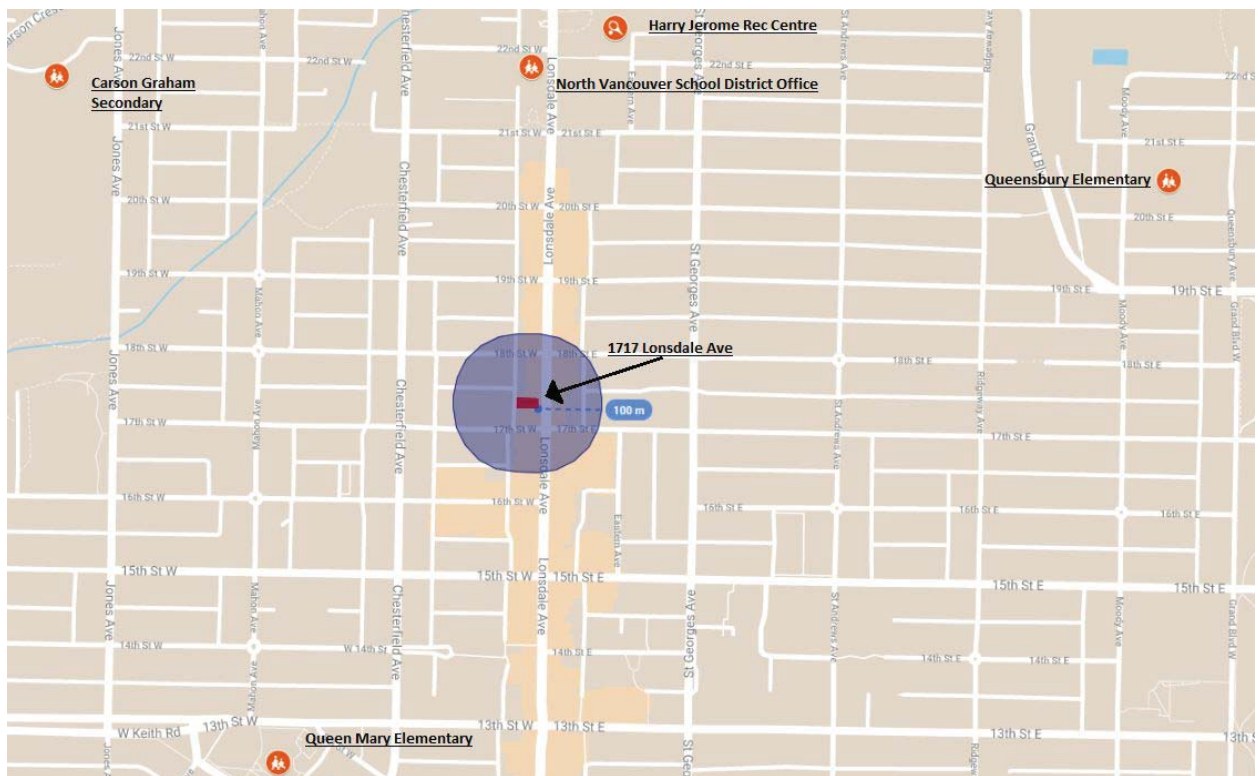
- Trained budtenders recommending a safe dosage
- Refusing service to intoxicated patrons and making sure they leave the premises safely



Our Location

Our proposed store is located in the vibrant Upper Lonsdale community and is not within a 100-metre radius of any of the following sensitive uses:

- All public schools
- North Vancouver School District Office
- North Shore Neighbourhood House
- Community and recreation centres
- North Shore Shelter





Our Community

Our target market will include 19+ year olds in the City of North Vancouver. According to census data, [the population of 19+ year olds in the City of North Vancouver was 53,010 in 2016.](#)

Other potential markets in close proximity:

Summerhill Retirement Residence - 135 15th St W, North Vancouver, BC V7M 1R7:

We can create a safe and positive environment for individuals in the retirement community to explore cannabis as a safer alternative to opiate-based medication for chronic symptoms. Many of our products come in a non-psychoactive, CBD-based form. This would cater to those who want to avoid the inebriating effects of THC but still want to tap into the potential medicinal properties of cannabis. The Herb Co. has been servicing patients in the medical cannabis space for three years. Our staff are well trained to provide individual guidance and education to customers who are less familiar with cannabis and cannabis products. Our location on Main Street in Vancouver caters to the diverse and vibrant community in the Downtown Eastside, accommodating a wide range of individual needs. We are fully aware that this is still a nascent industry. Cannabis is very new to a large portion of the population and customers will have many questions. We strive to maintain our open and accepting practices to all customers interested in learning about this new and exciting industry.

North Shore Wellness Centre - 145 17th St W #200, North Vancouver, BC V7M 3G4:

We see ourselves as a complementary service that can bring potential value to their treatment plans. As previously mentioned, our staff are well-trained professionals that can provide guidance and education as needed. We envision potential collaboration efforts with surrounding wellness centres interested in exploring alternative or corroborative treatments.



Our Security Plan

Pending approval of our application to the next stage, we will have a professional security plan created by

3SI Security Systems, Inc. The Herb Co. has worked with a security professional to create a similar security plan for each existing location. The highlights of these plans include the following:

Plan Preparation

Identified assets included the retail premises, Point-Of-Sale scales and computerized inventory management systems, secure storage and most importantly, staff working on the premises.

Potential loss events were identified as inventory shrinkage, damage to or theft of cannabis, fire, flood or power failure. None of the potential loss events are expected to be likely, or to be extremely infrequent based on the operational histories of similar businesses in the Greater Vancouver area.

Robbery or theft of cannabis will be mitigated by maintaining the minimum inventory in the retail sales cannabis storage area at all times. Any supplemental inventory will be stored in a safe in the back office. Cash not required for making change will be stored in a cash drop box located on the premises, out of sight of customers.

The impact of any single severe loss event such as fire or flood is expected to only shut down retail operations for a few days to a week. Less severe loss events such as theft or damage to retail goods are not expected to impact business operations for more than 1 business day. Contingency options and risk mitigation strategies are included in The Herb Co.'s business plan.

The Herb Co. Retail Location

The Herb Co.'s 1717 Lonsdale Ave storefront is located in Lower Lonsdale area, on the West side of Lonsdale Ave in North Vancouver, bounded by 19th W St to the North and 17th W St to the South. This cannabis retail store is located in the centre of a retail block. The adjacent stores include a laundromat and a shoe store.

Opening, Closing & After-Hours Operational Procedures

The Herb Co. retail hours are 9:00 AM to 11:00 PM, 7 days a week.

Cannabis will be purchased through the The Liquor Distribution Branch (LDB). Stocks will be inventoried prior to store opening each to ensure accurate record keeping. Two staff will open the store, disarm the intrusion alarm system and verify the duress buttons operate correctly and the video system is functioning properly. Once the inventory is complete, the cannabis will be on view in the open vault at the back of the staff area behind the counter, out of reach of



customers. Opening the store to the public will be performed after staff are at their stations and operation of security measures is confirmed.

A minimum of 2 staff will be on the premises at all times while the store is open to the public. The store will not be opened to customers if any physical, electronic or procedural security measures are inoperative.

Store closing will entail clearing all customers from the premises and locking the front door prior to inventory of remaining cannabis and comparing against the morning inventory and the day's sales. After the product is inventoried, the vault will be closed and locked. The cash float and accumulated sales proceeds will be locked in the vault. Cash being removed from the premises will be managed during the day at varied intervals. The till will be left open as a visual indicator that no cash is retained on the premises.

Closing staff will leave the store after exterior camera views are checked to ensure no prowlers are present. Both staff will secure the scissor gate that crosses the entire width of the cannabis retail store waiting area. One of the staff will manage arming the alarm system and opening/securing doors while the second person provides backup observation of the sidewalk and street.

Nighttime hours will have the security video feeds operating to record and transmit video imaging triggered by activity inside the store or video activity exceeding preset activity thresholds set for each exterior camera. The ULC monitored intrusion alarm system will immediately trigger full time recording from all cameras in the event of a breach or internal activity sensed by interior volumetric motion detectors. An alarm will be sent to the monitoring centre and verified via immediate review of security video clips sent in conjunction with the alarm.

North Vancouver RCMP will then be notified of a verified alarm event by the alarm company so police may be dispatched immediately. The Herb Co. manager on call will also be notified so they may attend the store and assist police with their response and investigation.

Intrusion, Fire & Duress Alarm Systems

The store is equipped with an intrusion alarm system connected to a ULC compliant monitoring centre. There is an alarm contact at the front door and motion detectors providing coverage of the front retail space, staff area, and back office space. There is an alarm siren that sounds when the intrusion alarm system is triggered. This system also monitors the smoke detectors to provide continuous fire protection.

A duress alarm system operates in conjunction with the intrusion alarm and is activated when staff trigger one of their wireless fobs. The siren is activated and an alarm signal and video feed is transmitted to the monitoring centre to initiate a police response.



Physical Security & Access Control

The cannabis retail store has only one entrance. Store openings, closings and customer access to the premises will be managed through this front door. Access control is managed with restricted keys issued to staff. Additional keys may be issued in future for security patrol alarm response in accordance with ULC monitoring and mobile security response standards. The flip-up deadbolt lock at the front door has an outside cylinder with a restricted keyway and lever handle on the inside.

All retail product display cases will have high-level commercial grade locks to provide physical security for cannabis on display.

There will be two locked cannabis storage cabinets, which are made of commercial grade steel, to provide physical security for the store's inventory of cannabis.

A cash drop box provides physical security for excess cash during the day's routine retail operations. This box is securely fastened to the counter, out of sight of customers.

The glazing is protected with laminated polyester security film to prevent 'smash and grab' attempts.

The windows will be kept free of obstructions that may prevent passersby from observing activities inside the store. Interior lighting will be sufficient to provide an easy view of the retail space from outside during a sunny day. Exterior lighting levels and glare will be managed to provide easy viewing of interior activities during evening hours.

We propose two options that will prevent visibility of our products from the street:

- 1) The store windows will be frosted as to prevent youth and other pedestrians from observing activities from the outside. The film will be opaque to ensure non-visibility while maintaining a clean outer look that avoids glare onto the street
- 2) Our locked display cases will be fully frosted, except for the top, restricting customers from viewing any products or accessories until they are close enough for a top down view. In addition, our locked storage cabinets will be fully enclosed with no transparency at all. One will be in the back office out of site. The other will be located in the back of the store behind a counter and a wall/pick up window (as seen in our floor plan), far from a pedestrian's line of site.

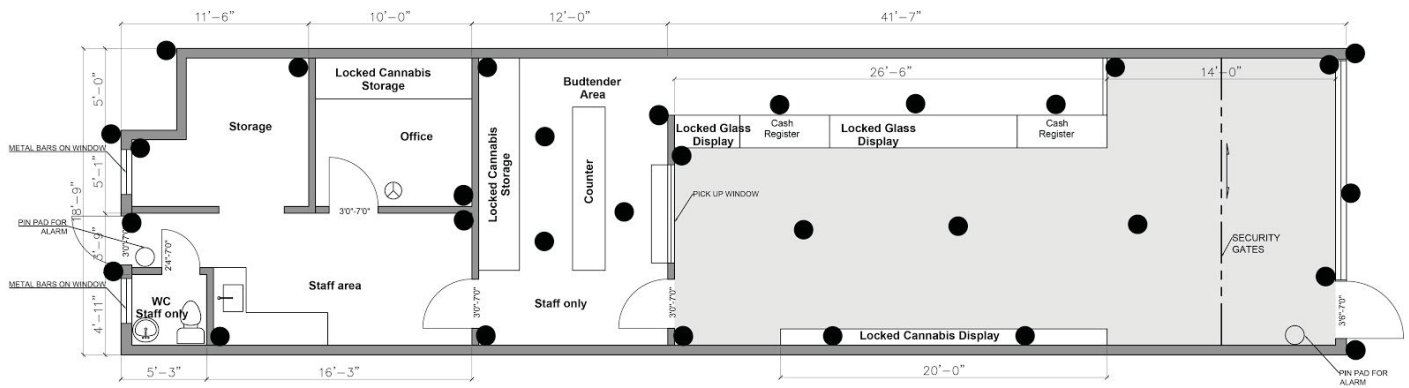
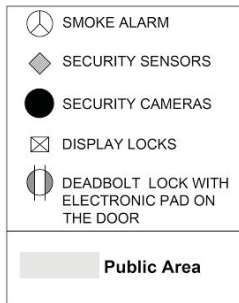


Rendering of Store Exterior:





Floor Plan with Security Cameras:



FLOOR PLAN

SCALE: 1/4"=1'-0"



Security Video Device, Viewing Angles & Storage

- **Alarm System Provider:** Metro Guard
- **Camera Models:** Sibell IPVD-SB4IR, IPOB-SB4IR, IPVD-SB4IRZA
- **NVR Model:** Sibell NVR-SB32-16P

Security cameras will be HD (high definition) with a minimum of 5 Megapixels.

Security cameras will have a full unobstructed view of:

- a. the retail sales area
- b. any product storage area
- c. both the interior and exterior of all store entrances/exits.

The cameras will be active and recording at all times, including when the store is not open for business. All security camera footage will be stored for at least 30 days after recording.

Signage is installed informing customers that all activity on the premises is recorded on security video.

The Herb Co. site surveillance cameras are located at both the exterior and interior of the premises. The exterior cameras are primarily intended to observe and record activity. The interior cameras are intended to provide sufficiently detailed images for identification of individuals and record activity.

The camera provides usable images under any lighting conditions and is equipped with IR illuminators. This camera provides a wide angle view of the entire retail area, front windows and doorway.

The cameras are housed in vandal-resistant enclosures and firmly mounted out of easy reach. All cameras feed a DVR with storage capacity of 30 days as a minimum. Video is recorded on motion to minimize hard drive storage space requirements and facilitate searching for specific events. Image size and quality will be sufficient to identify individuals as they enter and move about the premises.

The angle of view for each camera will be optimized to provide video coverage commensurate with the purpose of each camera. The camera observing the entrance door will have high resolution and sufficiently restricted angle of view to capture everyone entering the store without leaving gaps by which customers might enter and leave undetected. Views of lounging and waiting areas will be wide to cover the entire room so that customer and staff activities may be recorded. (See attached floor plan to see camera locations and angles of view.)

The exterior cameras have a wide angle of view and low light capability to enable staff to observe potential prowlers before removing cash from the store for secure storage.

Video is streamed to Management cellular phones for real-time assessment of site activities at



any time. Views from all of the cameras are shown in a multiplex, real time display on an LCD monitor in the office, out of sight of customers.

The DVR is installed in a concealed, locked enclosure to prevent tampering.

Security Video Transmission & Retrieval

In the event of a security incident, The Herb Co.'s manager on call will immediately download relevant video clips to a hard drive for police to use as a forensic investigation aid. An additional copy of the previous 30 days imaging will be archived to a portable hard drive as a full record of activities on and around the premises.

Video is continuously streamed to management phones but not recorded on these devices. The Herb Co. members and the public will not be permitted to view live or recorded video at any time.

Video will also be streamed to the alarm monitoring centre if an intrusion, fire or duress alarm is triggered. This will allow the alarm dispatcher to provide a verified alarm call to VPD for immediate response.

Staff Security Training

All new staff will complete our comprehensive Workplace Violence Prevention security training program which includes incident response and loss-prevention during their initial weeks of training. All staff will complete a refresher Workplace Violence Prevention security training every six months.



Security Event Operational & Response Procedures

In the event of a robbery on the premises, The Herb Co. has instructed its employees to cooperate and comply with any demands made by the robber(s). Employee training on procedures to follow during a robbery includes the following steps:

1. Remain calm.
2. Do not make sudden moves.
3. Do not argue with the robber.
4. Cooperate and comply with the robber's demands.
5. Always assume a robber is armed.
6. Pay close attention to the robber's appearance (height, weight, skin color/texture, hair color & length, scars/tattoos, clothing, jewellery etc.), voice and mannerisms.
7. Activate the duress alarm if it is safe to do so.
8. Do not physically confront or fight with the robber unless forced to protect yourself or another person.
9. Verify with customers and staff present during the robbery that they are uninjured and call for medical assistance as required.
10. Obtain the names and phone numbers of customers and other witnesses present during the robbery to assist with the police investigation.
11. Secure the store and note where the robber may have left fingerprints, debris, an article of clothing or other evidence. Do not permit other staff or customers to touch evidence.
12. Note the direction the robber fled and whether they used a vehicle.

Thefts should be managed in a non-violent manner. If a staff member witnesses a theft, they should only confront or apprehend the suspected thief if it appears safe for the staff members to do so. Police should be called immediately to respond to any incidence of theft and informed of the details of the incident. Video evidence must be supplied to police on request to assist in their investigation and possible prosecution of the crime.

All incidents of graffiti or other vandalism must be reported to police by the staff member discovering it. Video evidence must be supplied to police on request to assist in their investigation and possible prosecution of the crime.

Unruly patrons should be immediately escorted off the premises. Ejecting the patron from the premises via physical confrontation should be avoided unless you are confident of your ability to manage the situation and are certain that the patron is unarmed. If the patron threatens other staff or customers or becomes physically combative, trigger the duress alarm and



withdraw from the confrontation if possible.

Incident Reporting Procedures

Serious security incidents will be managed by calling 9-1-1, filing a police report and generating a written record of the incident. Events that qualify as serious security incidents include thefts, break and enter attempts, threats or assaults on or near company premises and vandalism.

Suspect identification sheets will be kept on the premises as an aid to remembering and describing a robber or person committing other criminal acts at The Herb Co. Incident report forms will not be used. Staff will be advised to write their report on standard size 8.5" by 11" paper using the 'W5' format:

Who – identify the persons involved and witnesses to the incident.

What – briefly describe the facts of the incident.

When – note the day, date and time of the incident, and the time the report was created.

Where – accurately describe the location(s) of the incident and whether the location changed before the incident concluded.

Why – describe the cause of the incident, if known.

The finished report will be signed by the author and handed off to The Herb Co. Manager responsible for security management. Copies of the suspect identification sheet(s) and incident report will be provided to VPD and regulatory agencies as required.

Less serious security incidents such as inventory irregularities and non-compliance or shortfalls with safety and security policies will be written into permanent company records and managed by The Herb Co. management as a team.



Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

POLICY

Recreational Cannabis Retail Policy

REASON FOR POLICY

The Government of Canada has announced the recreational use of cannabis will become legal in Canada on October 17, 2018. The federal Cannabis Act is the legal framework under which the production, distribution, sale and possession of cannabis, for both medical and non-medical (recreational) purposes, is regulated in Canada. Through legislation including the Cannabis Control and Licensing Act, the Province of British Columbia has created a legislative framework to supplement federal legislation and facilitate legal and controlled access to recreational cannabis in British Columbia following federal legalization.

In coordination with federal and provincial regulations, this Policy creates a framework under which recreational cannabis retail businesses will be established in the City, with a focus on the following:

1. Defining **locational criteria** for where businesses may be situated, based on land use requirements, separation from sensitive uses and geographical distribution;
2. Implementing the **application procedure** under which proposals for new cannabis retail businesses are to be submitted, assessed and approved to operate within the City.

Applicability

This policy is applicable to all rezoning applications to operate a recreational cannabis retail business in the City.

Authority to Act

The legislative framework of the Province of British Columbia, including the Community Charter, Local Government Act, and the Cannabis Control and Licensing Act, provides the basis upon which the City may regulate certain locational aspects of recreational cannabis retail businesses, as well as procedures for assessing and approving business proposals.

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Administration of this policy is delegated to the Planning Department.

PROVISIONS AND PROCEDURES

The following describes locational criteria for all recreational cannabis retail businesses in the City and outlines the procedure under which applications will be accepted, assessed and approved.

Locational Criteria

1. Recreational cannabis retail businesses may only be located on properties assigned with the following land use designations under the 2014 Official Community Plan (OCP) – Schedule A Land Use Map (see Schedule 1):
 - Mixed-Use Level 2 (Medium Density);
 - Mixed-Use Level 3 (Medium Density);
 - Mixed-Use Level 4A (High Density);
 - Mixed-Use Level 4B (High Density);
 - Harbourside Waterfront (Mixed-Use); and,
 - Commercial.
2. Recreational cannabis retail businesses may not be located within a 100-metre radii of the following sensitive uses (see Schedule 2):
 - Community and Recreational Centres;
 - North Shore Neighbourhood House;
 - North Shore Shelter;
 - North Vancouver School District Office; and,
 - Public elementary and secondary schools.
3. A maximum of six (6) retail businesses will be considered. Business locations are to be distributed throughout four areas in the City, in accordance with Schedule 3.

Application Procedure

1. Resources for application submission, including detailed instructions and links to the application form, submission requirements and other relevant information, will be posted on the City website at www.cnv.org/cannabis on October 1, 2018.

Policy Name: Recreational Cannabis Retail Policy

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2. The City will accept applications between November 19, 2018 at 10:00 am (PST) and November 30, 2018 at 5:00 pm (PST). All applications must include the information identified in Schedule 4 to be considered complete. Initial evaluation will be based on whether required documentation has been submitted. Through the rezoning process, a more in-depth analysis will be completed, at which point additional documents may be required.

Applications will only be accepted online through the City's file transfer service. Submissions will be deemed successfully received once displayed as a new e-mail in the inbox of the City's e-mail address. The order of which applications are received in the City's inbox will be considered the official register of applications received by the City. The City will not be liable for any application submission delay for any reason, including technological delays, or issues with either party's network or e-mail program. The City will also not be liable for any damages associated with submissions not received. The link to the file transfer service will be posted at www.cnv.org/cannabis.

The following rules apply to submissions:

- Only one submission per business/operator per area will be accepted;
 - Should the City receive multiple submissions from the same business/operator for the same location, only the first received submission will be considered;
 - A submission containing more than one application will not be considered and will be disqualified; and,
 - A submission containing more than one proposed location will not be considered and will be disqualified;
3. After the intake period, staff will review applications on a "first-come, first-serve" basis for application completeness. Applications that are deemed incomplete will not be further considered and disqualified.
 4. The City will consider a total of up to six (6) business locations, distributed throughout areas of the City in accordance with Schedule 3. The first two (2) complete applications received in Areas 1 and 2 and the first complete applications received in Areas 3 and 4 will be eligible to submit a rezoning application.
 5. All applications that proceed to the rezoning stage must submit an application fee of \$4,026.25.

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

6. Staff will process the first set of rezoning applications as a single batch if possible. All rezoning applicants must follow standard procedures for the rezoning process, including the following:
 - a. Responding to feedback and comments from staff, applicable advisory bodies, and the public;
 - b. Organizing an open house session and conducting other applicable public notification and consultation measures; and,
 - c. Attending standard Council proceedings, including a Public Hearing, when scheduled.

Should an applicant withdraw from the rezoning process during this stage, the applicant(s) who had submitted the next complete application in the same area, as defined in Schedule 3, will be eligible to submit a rezoning application.

7. All applications will be held at Third Reading pending confirmation of approval for a Provincial Non-Medical Cannabis Retail License. Should an application at Third Reading not receive Provincial approval, the next complete application in the same area, as defined in Schedule 3, will be eligible to submit a rezoning application.
8. Upon rezoning approval, applicants may submit a business license application and, if applicable, a building permit application to the City.
9. Once operational, staff will monitor businesses to keep Council informed on the state of recreational cannabis retail in the City. After a period of two years, staff will reassess the Policy to determine whether amendments are warranted and/or if additional stores should be considered in the City, and return to Council with a recommendation for next steps. Council may request an alternative timeline for staff reassessment of the Policy at their discretion.
10. Should the City not receive the appropriate number of complete applications for each area, as defined in Schedule 3, during the timeframe outlined above in the Policy, future applications will be accepted on a 'first come, first serve' basis that are consistent with the requirements of this Policy.

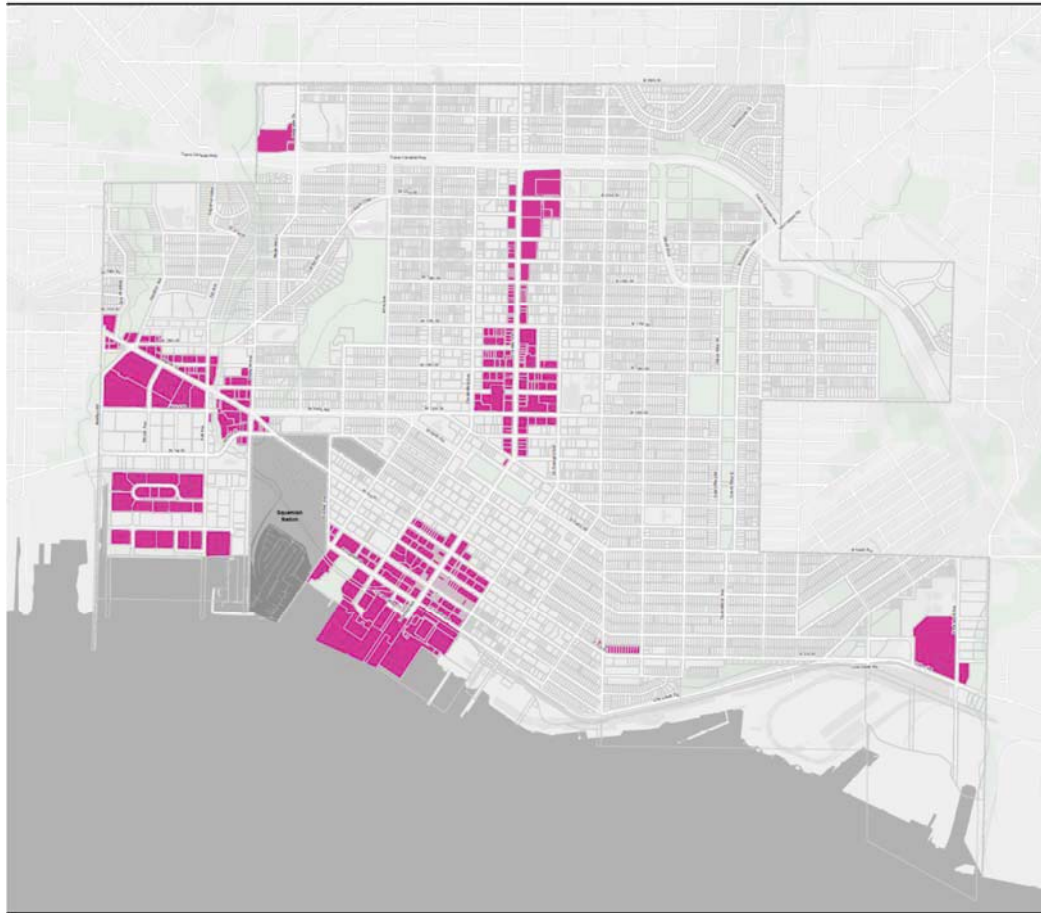
Approval date:	September 24, 2018	Approved by:	Council
Effective date:		Revision date:	

Policy Name: Recreational Cannabis Retail Policy




Policy Number: 7

Schedule 1

Permitted OCP Land Use Designations for Recreational Cannabis Retail Business Locations



Legend

-  Permitted OCP Land Use Designations
-  Legal Parcels
-  City Boundary








Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Schedule 2
Recreational Cannabis Retail Businesses
100-metre Radius Separation Requirement from Sensitive Uses



Legend

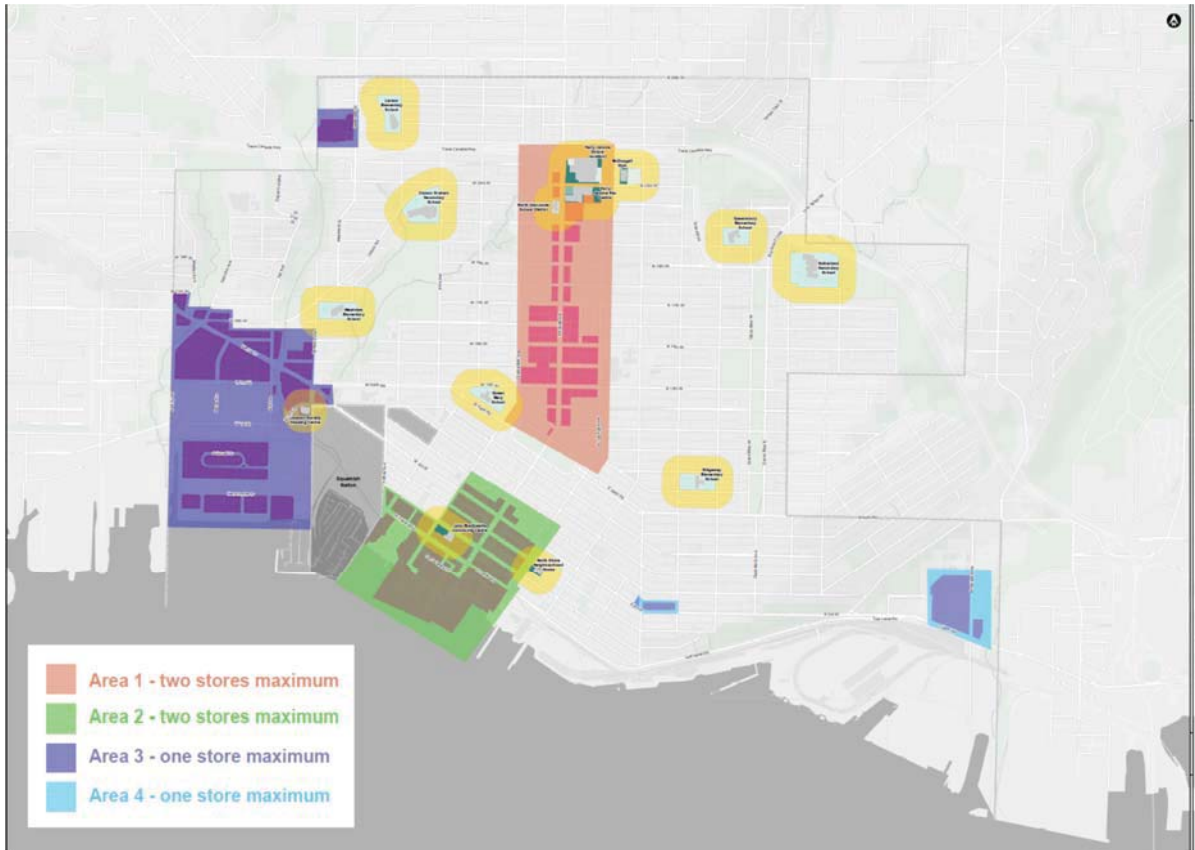
-  Sensitive Use Buildings
-  School/ School District
-  Lookout Society
-  Community/ Recreation Centres
-  100m exclusion buffer *
-  OCP Land Use Designation
-  Legal Parcels
-  City Boundary

* buffers have been measured from legal parcel boundaries

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Schedule 3
Recreational Cannabis Retail Businesses
Areas of Consideration



Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Schedule 4
Recreational Cannabis Retail Businesses - Submission Requirements

REQUIRED INFORMATION / DOCUMENTATION	YES	NO
Name and contact information of applicant(s)		
Civic address and legal description of property where the proposed business is to be located		
Letter of consent signed by the subject property strata corporation or registered owner(s) authorizing application submission and proof of an option for lease or purchase of the subject property; or a State of Title Certificate confirming the ownership of the subject property		
Confirmation that the proposed location complies with all locational requirements as per this policy		
Full description of the proposed business operation, including, at minimum, the following information: <ul style="list-style-type: none">• past business experience• corporate structure• number of staff, products sold, target market, and hours of operation• other general business information		
Letter confirming that all individuals/corporate entities associated with the proposed business are <u>not</u> currently operating any illegal recreational cannabis operations in the City of North Vancouver		
Description of the expected time frame for commencing business activities within the City, if approved		
A Community Impact Statement outlining the following: <ul style="list-style-type: none">• Potential positive and negative economic, social and environmental impacts the business may have on the immediate neighbourhood and wider community• Strategies for mitigating potential negative impacts		
A Security Plan demonstrating security features that comply or exceed Provincial requirements		
Provincial licensing referral from Liquor and Cannabis Regulation Branch (required to be received from Province)		

David Johnson

From: Anita Macphee [REDACTED]
Sent: April-03-19 11:45 AM
To: David Johnson
Subject: Cannabis store at 1717 Lonsdale Avenue

I am writing this in spite of my feeling that the city does not really care what the general public's opinion is on community issues but I still have hope that someone will listen. Does anyone ever think of how those of us who live in condos have to put up with the cannabis smoke and also cigarette smoke, plus the idiots that throw their butts onto patios or the roof top garden below them. There are times when I can not go out and enjoy my patio with a cup of coffee and a newspaper because the smell is so bad from those who don't care about others, just their need for Marijuana - yes even at 6:30- 7:00 AM. There have also been times I can not sleep with my window open as I have awakened in the middle of the night where it smells like I have a skunk under my bed. Do I not have the right to breathe clean air when I sleep? We legalize things but don't think about how the rules can be enforced easily to protect others.

This is a totally non smoking building but the onus falls on the affected resident to prove exactly what unit the smoke is coming from. That is almost impossible to do. There is no consideration for the rights of us who are non-smokers. The strata does its best but it is a huge issue and one that is almost impossible to pin down.

That of course, does not have much to do with a pot shop close by, but I do not want to see pot shops in our city period, but at least don't put them in high traffic areas, near schools, day cares and condos. Who says the city has to authorize this project?

Sorry about the "rant", but I hope someone will think about what non-smokers have to put up with and how smoking, whatever type it may be affects the non-smokers and those with medical conditions like asthma.

I am totally against this project.

Thank you, Anita Macphee

Sent from my iPad

1717 Lonsdale Avenue

Public Open House

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April 9, 2019 6 p.m. - 8 p.m.

Name: <u>Andy Hellmuth</u>	
Address: <u>120 W 17th St.</u>	
1. Do you support the proposed project?	No, there is a proposal for 12th St, understand so I don't think we would need one for this proposed location.
2. What do you like most about the proposed project?	that it is still a proposal and that city council listen to concerned citizens that will be affected by this pot shop.
3. Do you have any concerns about the proposed project?	I live in the Old Colony, so my concerns are the pot smoke, increased traffic, perhaps crime around where I and others live. Don't want to have to breathe it in.
4. What would you suggest to improve or enhance the proposed project?	Shorten the hours. & move it to the Lonsdale Quay.
5. Please provide any additional comments. (use back of page if necessary)	I spoke to a few of the representatives, I think their proposal for 9am → 9pm 7 days a week is excessive. They didn't come prepared with a brochure or website (they had to write it out). I know of two

Comments will be delivered to the City of North Vancouver for consideration. Alternatively, you may mail or email your comments to either the City of North Vancouver or to the applicant. All comments will be forwarded to the City.

cont. →

CONTACTS:

Applicant: Scott Hamilton

City of North Vancouver: David Johnson

RECEIVED
APR 18 2019

Telephone:

Telephone: 604 990 4219

E-Mail: scott.hamilton999@outlook.com

E-Mail: djohnson@cnv.org

→ neighbours who were notified of the Open House after
the day of the openhouse. I do not think there was
proper information given to people that will be affected by
this shop, especially the seniors living in the old Colony.

David Johnson

From: David Johnson
Sent: April-18-19 2:00 PM
To: 'Laraine Hamilton'
Subject: RE: 1717 Lonsdale - Dev.Info.Open House

Hi Laraine.

My apologies for not responding to your message sooner.

I was sorry to hear that you missed the Open House on April 9. There isn't another meeting scheduled, however I am happy to review the application with you and to receive any comments you may have. There is another public opportunity to speak to the application at a Public Hearing that is tentatively scheduled for June 24.

Please feel free to contact me at the information below should you wish to discuss further.

Regards,

David Johnson

Development Planner, Planning and Development Department
t: 604.990.4219 | e: djohnson@cnv.org

City of North Vancouver

141 West 14th Street, North Vancouver, BC V7M 1H9
Reception: 604.985.7761 | www.cnv.org



From: Laraine Hamilton <[REDACTED]>
Sent: April-10-19 2:12 PM
To: David Johnson <djohnson@cnv.org>
Subject: 1717 Lonsdale - Dev.Info.Open House

Dear Mr. Johnson:

Since the invitation to attend the Open House only arrived at my home today (Wed. April 10th) and the Information session was scheduled for Tuesday, April 9th it is rather difficult to provide community input/response to this application. My address 208-120 West 17th Street. I am going to assume that another session will be scheduled...

Regards,

Laraine Hamilton

Public Open House for Cannabis Retail Stores

SIGN IN SHEET

Please Note: This form will become part of the staff report to City Council on this development proposal and will be publically available. If you do not wish to be identified, please do not include your name on the form, only your address.

CANNABIS RETAIL STORES

DATE: 4/9/2019

TIME: 6:00 pm to 8:00 pm

LOCATION: John Braithwaite Community Centre – Harbourview Room

No.	Name	Address	Time
1	Robin Baxter		6:00P
2	Sim NEILL	C-12	
3	Heather Habib	712-333 Brooksbank Ave. N. Van.	6pm
4	Jim Strand	507-345 Lonsdale Ave	6pm
5	Jeff Moscos	209-305 Lonsdale Ave	6pm
6	Carlos Flores	315-733 West 14 St.	6:00pm
7	Andrea Theargeld	517-345 Lonsdale Ave	
8	Robynne Edwards	H1-1576 Tatlow Ave. N. Van.	6:00pm
9	Mackenzie Grantham	"	6:00pm
10	Lorenzo Edwards	"	6:00pm
11	Sylvia Collins	609-345 Lonsdale Ave	6:00pm
12	Heather Dens	734 Lonsdale Ave	6:00pm
13	Gandy HARVEY	733 W. 14th St. NV	6:00pm
14	Brendan Storestreet	733 West 14 street	6pm
15	Yalda Ahmadvand	180-700 Marine Drive NV	6:00pm
16	Don Rowlett	508-345 Lonsdale NV	6:00pm
17	Gray Jennica	1890 Cardinal Ave	6:00pm
18	Jim Kennedy	#503-305 Lonsdale	6:00pm
19	Jim Kennedy	1516 Kenfoot Dr White Rock	6:00
20	Shelly O'Meara	224-255 W 1st St N.V	6:00
21	Yvonne Cote	#502-305 Lonsdale	6:00
22	Meghan Koop	502-277 1st St. West	6:00
23	Meghan Koop + Nathan	406-305 Lonsdale Ave	6:00
24	Caitlin Mann	56-718 15th St W	6:05
25	Christina Hall		6:10

No.	Name	Address	Time
26	BOB Burtin	655 5 th ST	6pm
27	WAYNE CATTONI	8084 17 th AVE W	
28	Kamal Nanavaty	111 E 13 th ST	
29	Feroze Nanavaty	111 E 13 th ST	
30	Trace Kennedy	503-305 Lonsdale Ave NV.	
31	Ericc Maxime	#223 255 West 5 th Street	
32	Joe Lappan	#224 - 255 West 1st St	6 pm
33	Sermaz Brent	302-305 Lonsdale Ave.	6 pm
34	Andy Hellmuth	#203 - 17 th W - 125 Lonsdale	6 PM
35	MARLENE TAMBEAU	305-305 LONSDALE AVE	6pm
36	Peter Bachmann	407-1200 Lonsdale Ave. North Vancouver	6:05
37	MICHAEL ROSSI	#56-728 West 14 th St.	
37	Morgan Mink, D	#5 728 West 14 th	6:00
38	VERONICA B		6:00
39	ANDREW HAWTHOR	3264 W. 31 st AVE VAN B.C	
40	MAEV GATO/ KENO GATO	306-305 LONSDALE AVE. N. VAN BC	6PM
41	B. Moge	111 East 13 th Street	6:00
42	A. MOYE	111 E 13 th ST N. VAN	6:10
43	Brad Helgeson	#421-255 West 1st Street.	6:11
44	Kyle McMurtry	1655 Edwards Rd	6:11
45	BRAIN LARSEN	1720 GRAND BLVD E.	6:12
46	Debbie Dickie	1119 Pinning Rd (103 East 12 th)	
47	Kathy Chan	P.O. #6 Lions Bay BC	6:15
48	Julie VanBreegen	#204, 131-3rd St West North Van	
49	Myra	#101 461 WEST 16 N VAN	6:15
50	Leona Gallon	961 WILLOW LANE W VAN	6:15

Public Open House for Cannabis Retail Stores

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CANNABIS RETAIL STORES

DATE: 4/9/2019

TIME: 6:00 pm to 8:00 pm

LOCATION: John Braithwaite Community Centre – Harbourview Room

No.	Name	Address	Time
1	Ezekiel UHOA	1250 LONSDALE AVE	6:00 PM
2	Nathalie Poirier	255 West 1st Street	6:00 PM
3	Brad Helgason	255 West 1st Street	6:15 PM
4	Jess Wagstaffe	507-719 West 3rd St	
5	GEORGE BEWICK	3819 CAMBRIDGE W. VAN	6:15 PM
6	PICK JEFFERY	#204 131 W 3rd St N. VAN	6:15 PM
7	ISCIAN MEAKIN	1151 EDGEMOOR RD N. VAN	6:15 PM
8	LEIGHTON HARRISON	408-305 Lonsdale Ave N. VAN	6:15 PM
9	Don Holtz	601-12th W	6:15 PM
10	Garry Johnston	319 EAST 6TH	6:15 PM
11	Athenne A. Ambrose	137-East 1st St. #406, N. Van	6:25 PM
12	BRUCE BASSEL	351 BEWICK AVE. NORTH VANCOUVER	6:27 PM
13	Dorene Russell	2-240 E 4th St N. Vancouver	6:27 PM
14	KKE ROBERTSON	702-124 W 1st St N. VAN	6:30 PM
15	ANDREW KLAYDE	213 EAST 22ND ST N. VAN	6:25 PM
16	JOE MARTON	303-317 BEWICK N. VAN	6:35 PM
17	Stord Scalford	312 East 1st St Apt. #103	6:40 PM
18	Courtney Anson	252 2nd St W	6:40 PM
19	Janet Kotalovic	255 W. 1st St N Van	6:55 PM
20	HECTOR HERNANDEZ	310-124 3rd St W N Van	7:43 PM
21	Jennifer Erin Vaughan	201-733 West 14th St N. Van BC V7M 0C6	7:00 PM
22	Sarah Baldwin	730 Marine Dr. Opposed to 725 Marine Loc.	7:00 PM
23			
24			
25			

No.	Name	Address	Time
51	DINA WEEKS	305 Lonsdale Ave. North	6:15 pm
52	RAQUEL JOHNSTON	319 E 6th N. Van	6:15 pm
53	Havona Hibbard	137-406 E 1st Street	6:25 pm
54	Howard Hao	201-332 Lonsdale Ave.	18:25 pm
55	Brady Fought	317 Bewicke Avenue	18:25 pm
56	Amya Hirji	305 Lonsdale Ave #202	18:25 pm
57	BRIAN RABBIT	1661 PHILIP AVE	6:28
58	DONNA TONEY	317 Bewicke Ave.	6:30
59	Alic Batemi	209-211 700 Marine Dr N. VAN	6:30
60	Mark Johnson	306 306-161- West 4th St. N Van.	6:45
61	ALEX RAKS	1212 23rd ST W.	6:45
62	Steven Rakis	780 W ST Georges	6:45
63	Chester Wolff	822 BSTEM.	
64	Rita Hernandez	310-124 W 3rd Street North Van	6:55
65	Bernette Hessel	277 W 1st Street	7:05
66	Dominic Hessel	277 W. 1st street.	7:05 pm
67	MICHAEL GALLAGHER		7:15
68	Julia Dickson	255 1st St W.	7:15
69	Colm Flavin	111 East 3rd.	
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Recreational Cannabis Retail Store

Public Open House

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April 9, 2019

6:00 pm to 8:00 pm

Name: Brady Fought	
Address: 317 Bewicke Avenue	
1. Do you support the proposed project?	Yes! Great to see these professional, local business seeking establishment in North Vancouver. Welcomed.
2. What do you like most about the proposed project?	The 'Weeds' store by my house (now closed) was very welcoming, courteous and professional. No smoke issues. These projects and reps. seem to be equally established and a great fit for the community.
3. Do you have any concerns about the proposed project?	No. Please have bike racks!
4. What would you suggest to improve or enhance the proposed project?	↓
5. Please provide any additional comments. (use back of page if necessary)	I see no issues, CNV planning a brewery district, it seems no different and they should receive equal support both as legal products

Comments will be delivered to the City of North Vancouver for consideration. Alternatively, you may mail or email your comments to either the City of North Vancouver or to the applicant. All comments will be forwarded to the City.

CONTACTS:

City of North Vancouver: David Johnson

Telephone: 604 990-4219

E-Mail: djohnson@cnv.org

Recreational Cannabis Retail Store Public Open House

Please Note: Should you provide your name and address, this form will become part of the staff report to City Council on this proposal and will be publically available. If you do not wish to be identified, please do not include your name on the form, only your address. Your comments will be taken into consideration by City staff in its review of the application; however it will not be viewed by City Council or the public.

April 9, 2019

6:00 pm to 8:00 pm

Name:	
Address:	
1. Do you support the proposed project? <i>YES</i>	
2. What do you like most about the proposed project? <i>IT IS CLEAN AND GOOD FOR THE COMMUNITY</i>	
3. Do you have any concerns about the proposed project? <i>NO</i>	
4. What would you suggest to improve or enhance the proposed project? <i>KEEP THE PUBLIC INFORMED</i>	
5. Please provide any additional comments. (use back of page if necessary) <i>MAKE THE DISTRIBUTORS OPEN & FRIENDLY</i>	

Comments will be delivered to the City of North Vancouver for consideration. Alternatively, you may mail or email your comments to either the City of North Vancouver or to the applicant. All comments will be forwarded to the City.

CONTACTS:

City of North Vancouver: David Johnson

Telephone: 604 990-4219

E-Mail: djohnson@cnv.org

Recreational Cannabis Retail Store Public Open House

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April 9, 2019

6:00 pm to 8:00 pm

Name:	
Address:	
1. Do you support the proposed project?	NO
2. What do you like most about the proposed project?	NOTHING
3. Do you have any concerns about the proposed project?	YES ,
4. What would you suggest to improve or enhance the proposed project?	DON'T PROCEED
5. Please provide any additional comments. (use back of page if necessary)	THIS TYPE OF COMMERCIAL ACTIVITY IS UNDESIRABLE FOR FAMILIES IN THIS AREA AND IS MOST UNWELCOME. PLEASE DO NOT PROCEED. THIS IS UNWANTED!

Comments will be delivered to the City of North Vancouver for consideration. Alternatively, you may mail or email your comments to either the City of North Vancouver or to the applicant. All comments will be forwarded to the City.

CONTACTS:

City of North Vancouver: David Johnson

Telephone: 604 990-4219

E-Mail: djohnson@cnv.org

David Johnson

From: [REDACTED]
Sent: March-27-19 9:24 PM
To: David Johnson
Attachments: text_1553747028630.txt

Umm I rent I the area, but this weed licences wrong spelling wont
bo through and I'll make sure of it

This message was sent from a Bell mobile phone.

Bell

-----Original Message-----

From: Ben Rieder <[REDACTED]>

Sent: April-03-19 7:48 PM

To: Web_Feedback <info@cnv.org>

Subject: to the Mayor ,urgent

Good day Mrs Buchanan

hope you are well
Fed election coming.

Why the North Van municipality wants to pu dispensary on lonsdale and 3rd street?
why not in Lynn Valley ,Marine drive ,Edgmond village ,
cb there those place re for rich people,

-poor and middle class live on Lonsdale,
the dispensary stores on Lonsdale are to close to the children sport school :

juitstu and Champions and close to the primary school and day care,community centers,
already 1 store go the permit on first street ,HAGGAR booze shop.

-we dont want any of those customers parking there cars ,pick up ,unrully and swearing to any one ,
-we don't want those dispensary useless store in NORTH VAN.

Thank you for launching a massive petition against this please>
if the NDP does not stand to protect our children ,family
we are not going to support you for the next city election and we are going to push the NDP to ban those
store in North Van

they can go on Marine drive ,Dollarton ,lynn Valley ,Edgmond if you like not on Lonsdale near our
community ,children school ,posrt scholl as well please!

Since October ,0 zero store in North Van ,all was well until now!
we can live without them.

king regards

Benny

Begin forwarded message:

From: Hibilly Blu <[REDACTED]>

Date: April 2, 2019 at 3:47:23 PM PDT

To: lbuchanan@cnv.org

Subject: Restricted access to cannabis on the North Shore

Cannabis has been legal for 5 months now, that said it is harder to get than before legalization. Places to smoke cannabis is relegated to the streets, if you don't own your own place, if an agreement is not in place with your landlord if you rent. People on the North Shore have issues with smoking cigareets let alone cannabis. I do not want to smoke outside on the streets or alleys. We need lounges and meeting places for cannabis consumers, Just like the alcohol drinkers have. The laws surrounding cannabis are not fair and too restrictive as they stand.

When it comes to alcohol, parents are trusted to manage their children in liquor stores where the consumption of an intoxicating substance is entirely normalized. Considering all cannabis product packaging will be intentionally unappealing to minors and there will be no consumption or sampling permitted in the store, it would inherently seem to be a safer place for Canada's youth than the sidewalk or liquor stores. Yet, out of 6 positions to apply for a cannabis store here, only 5 licenses handed out and almost half of them to alcohol dealers.

Cannabis should be treated like alcohol, was the message coming from government. Yet, all I have been seeing is the oppiste.

North Vancouver has restricted all access and disrupted a market that was already working.

Thank you for your time and consideration on this matter.
Stephen Nilsson

1717 Lonsdale Avenue (Bylaw 8714)

- OCP designation of Mixed-Use Level 3
- Located along Lonsdale Avenue commercial corridor
- Outside of the sensitive use areas
 - Carson Graham Elementary School (760 metres)
 - North Vancouver School District Office (470 metres)
- Bylaw includes variance to off-street parking requirements (from 9 stalls to 6)





THE HERB CO.

CANADA



About Us

Our Experience

- We've operated two licensed cannabis retail locations in Vancouver since 2016 & 2017
- Our staff are thoroughly trained in safety practices & procedures to prevent:
 - Access to minors
 - Service to intoxicated patrons
 - Smoking anywhere near the premises
- We have comprehensive operations, business & security plans





Location

Why Central Lonsdale?

- Our stylish & modern storefront integrates well with the vibrant Lonsdale neighbourhood
- This is primarily a commercial area
- Neighbouring businesses have been very positive & receptive to welcoming a cannabis retail store into the Lonsdale neighbourhood
- Our store is over 300m from any sensitive uses





Distances From Sensitive Use



Our location is over 300m away from any sensitive uses listed by the city; well beyond the legal 100m requirement including:

- All public schools
- North Van School District Office
- North Shore Neighbourhood House
- Community and recreation centres
- North Shore Shelter

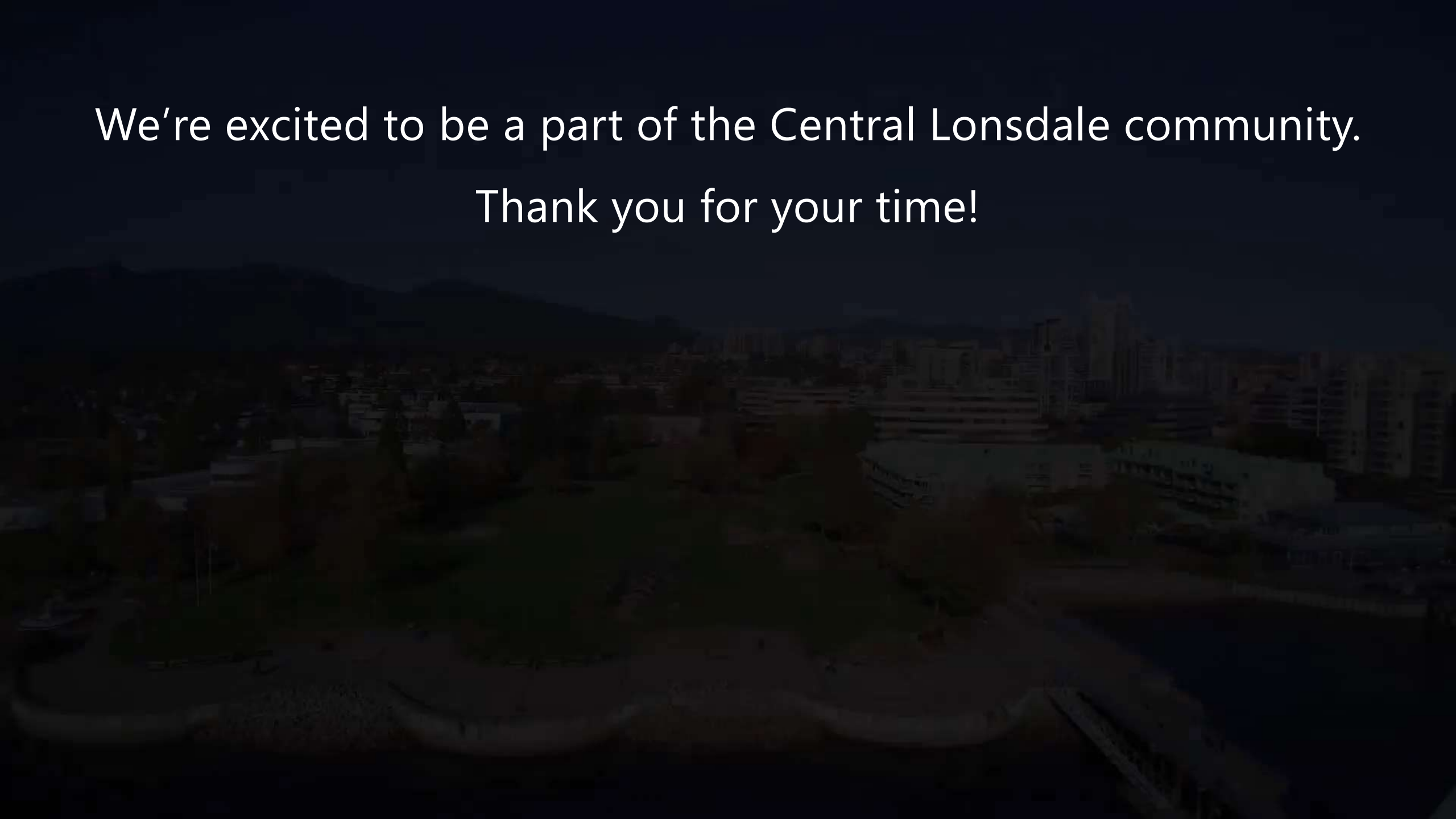


Accomplishments

- Established in 2015, The Herb Co. received one of the first three development permits issued by the City of Vancouver for cannabis retail followed by 2 business licenses in 2016 & 2017
- We are a BC-based retailer & lifestyle brand voted one of the top three cannabis retailers in the Georgia Straight's 'Best of Vancouver 2017'
- We've received the top score (50 of 52 points) in New West's vigorous application process based on:
 - Business plan, aesthetics, security plan & how the business fits into the community

We're excited to be a part of the Central Lonsdale community.

Thank you for your time!



From: Merrilee Miller <>
Sent: July-05-19 3:09 PM
To: Submissions
Subject: Public Hearing for Bylaws 8714, 8715 8718 (Cannabis)

City of North Vancouver,

In regards to applications for Zoning Bylaw Amendments for **cannabis retail shops**, plus adding more breweries and pubs in the Lonsdale area, has there been consideration for adding **Drug and Alcohol Treatment** centres, residences, and programs for recovery? Also, what about adding more **Education to students and youth** in the North Vancouver schools about substance abuse?

Merrilee Miller
309-159 West 22nd Street
Vancouver, BC V7M 0B6

From: Nathan Salomon <>
Sent: July-05-19 8:42 PM
To: Submissions
Cc: Veronica Salomon
Subject: Support for Zoning Amendment Bylaw No 8714

Hi,

Our names are Nathan and Veronica Salomon and we live at 344 18th St W. We would like to offer our support for the bylaw 8714. We believe a cannabis retail store at that location is appropriate and a welcome addition to the neighbourhood.

Thank you for your consideration,
Nathan and Veronica
344 West 18th Street

From: mike Jenkins <>
Sent: July-08-19 1:26 PM
To: Submissions
Subject: Pot Shops

Cannabis retail stores must not be allowed to operate in these designated areas of North Vancouver. At the moment we have a number of vagrants sitting and begging on Lonsdale ave. and nothing is being done about that.

We believe the pot shops will increase the numbers. We also believe that crime will increase in our neighborhood because of these shops, example being break ins to these shops, and dubious people coming around our streets.

Traffic will increase for those coming from afar to these shops. For many years we have enjoyed the quality of life in this area, and we hope that all Council members have too.

Please do not allow these pot shops to operate here, because it will harm our quality of life that we are use to and enjoy.

Thank you
Mike and B. Jenkins
1403 - 112 East 13th St
North Vancouver

NOTICE OF PUBLIC HEARINGS

Notice is hereby given that Council will consider the following 6 bylaws on 2 separate evenings:

Public Hearing for Bylaws 8714, 8715 and 8718

Monday, July 15, 2019 at 6:30 pm

Council Chamber, City Hall

141 West 14th Street, North Vancouver

Zoning Amendment Bylaw No. 8714

Address: 1717 Lonsdale Avenue

Applicant: The Herb Co.

To rezone the property from a General Commercial (C-2) Zone to a Comprehensive Development 721 (CD-721) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property and to reduce the number of required off-street parking stalls from 9 to 6.



Zoning Amendment Bylaw No. 8715

Address: 221 West 1st Street

Applicant: 1st Cannabis

To amend the text of Comprehensive Development 454 (CD-454) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.



Zoning Amendment Bylaw No. 8718

Address: 333 Brooksbank Avenue

Applicant: BC Liquor Dist. Branch

To amend the text of Comprehensive Development 131 (CD-131) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property and adjust the site schedule to permit the placement of a new 365.1 sq. m. (3,930 sq. ft.) building at the northeast corner of the property.



Public Hearing for Bylaws 8713, 8716 and 8717

Wednesday, July 17, 2019 at 6:00 pm

Council Chamber, City Hall

141 West 14th Street, North Vancouver

Zoning Amendment Bylaw No. 8713

Address: 725 West 14th Street

Applicant: City Cannabis

To rezone the property from a Service Commercial (CS-1) Zone to a Comprehensive Development 720 (CD-720) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.



Zoning Amendment Bylaw No. 8716

Address: 315 Lonsdale Avenue

Applicant: Lonsdale Cannabis Co.

To amend the text of Comprehensive Development 341 (CD-341) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.



Zoning Amendment Bylaw No. 8717

Address: 1200 Lonsdale Avenue

Applicant: BC Liquor Dist. Branch

To rezone the property from a General Commercial (C-2) Zone to a Comprehensive Development 722 (CD-722) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.



All persons who believe they may be affected by the proposals will be afforded an opportunity to be heard in person and/or by written submission. Written or email submissions must include your name and address and should be sent to the City Clerk at input@cnv.org or by mail or delivered to City Hall. Submissions must be received no later than 4:00 pm, Monday, July 15, 2019 to ensure their availability to Council at the Public Hearings. Once the Public Hearings have concluded no further information or submissions can be considered by Council.

The proposed Zoning Amendment Bylaws and background material will be available for viewing at City Hall between 8:30 am and 5:00 pm, Monday to Friday, except Statutory Holidays, from July 5, 2019, and online at cnv.org/PublicHearings.

Please direct any inquiries to **David Johnson**, Development Planner, at djohnson@cnv.org or 604-990-4219.

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THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8714

A Bylaw to amend “Zoning Bylaw, 1995, No. 6700”

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as “**Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8714**” (The Herb Co. / Scott Hamilton, 1717 Lonsdale Avenue, CD-721).
2. Division VI: Zoning Map of Document “A” of “Zoning Bylaw, 1995, No. 6700” is hereby amended by reclassifying the following lots as henceforth being transferred, added to and forming part of CD-721 (Comprehensive Development 721):

Lots	Block	D.L.	Plan	
2	19	548/549	1133	from CS-2

3. Part 11 of Division V: Comprehensive Development Regulations of Document “A” of “Zoning Bylaw, 1995, No. 6700” is hereby amended by:
 - A. Adding the following section to Section 1100, thereof, after the designation “CD-720 Comprehensive Development 720 Zone”:

“CD-721 Comprehensive Development 721 Zone”
 - B. Adding the following to Section 1101, thereof, after the “CD-720 Comprehensive Development 720 Zone”:

“CD-721 Comprehensive Development 721 Zone”

In the CD-721 Zone, permitted Uses, regulations for permitted Uses, regulations for the size, shape and siting of Buildings and Structures and required Off-Street Parking shall be as in the C-2 Zone, except that:

- (1) In addition to the Principal Uses permitted in the C-2 Zone, one Cannabis Sales Retail Store shall be permitted;
- (2) A variance to Section 908 to permit six parking stalls on the site.

READ a first time on the 24th day of June, 2019.

READ a second time on the 24th day of June, 2019.




READ a third time on the <> day of <>, 2019.

ADOPTED on the <> day of <>, 2019.

MAYOR

CITY CLERK



 Division Manager	 Director	 CAO
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The Corporation of **THE CITY OF NORTH VANCOUVER**
PLANNING AND DEVELOPMENT DEPARTMENT

REPORT

To: Mayor Linda Buchanan and Members of Council

From: David Johnson, Development Planner

Subject: REZONING APPLICATION: 221 WEST 1ST STREET (1ST CANNABIS / 1174707 BC LTD.)

Date: June 12, 2019 File No: 08-3360-20-0493/1

The following is a suggested recommendation only. Refer to Council Minutes for adopted resolution.

RECOMMENDATION:

PURSUANT to the report of the Development Planner, dated June 12, 2019, entitled "Rezoning Application: 221 West 1st Street (1st Cannabis. / 1174707 BC Ltd.):

THAT "Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8715" (1st Cannabis / 1174707 BC Ltd., 221 West 1st Street, CD-454 Text Amendment) be considered and referred to a Public Hearing;

THAT notification be circulated in accordance with the *Local Government Act*.

AND THAT a copy of the resolution be forwarded to the Provincial Liquor and Cannabis Regulation Branch.

ATTACHMENTS:

1. Context Map (doc#[1772968](#))
2. Submitted Drawings (doc#[1753260](#))
3. Business Plan, Community Impact Statement and Security Plan (doc#[1775728](#))
4. Recreational Cannabis Retail Policy (doc#[1774193](#))
5. Public Consultation Summary for 221 West 1st Street (doc#[1791506](#))
6. General Public Comments (doc#[1775340](#))
7. Zoning Text Amendment Bylaw No. 8715 (doc#[1774223](#))

PURPOSE

The purpose of this report is to present a rezoning application for Council to consider a Recreational Cannabis Retail Store at 221 West 1st Street.

BACKGROUND

With the legalization of recreational cannabis on October 17, 2018, the Federal Government under the Cannabis Act provided the legal framework for the production, distribution, sale and possession of both medical and non-medical (recreational) cannabis. The Province of British Columbia created a legislative framework through the Cannabis Control and Licensing Act to supplement federal legislation and facilitate legal and controlled access to recreational cannabis in the Province.

In coordination with both federal and provincial regulations, Council approved the Recreational Cannabis Retail Policy on September 17, 2018, which created the framework under which recreational cannabis retail businesses can be established in the City (Attachment #5). The policy considers the sale of non-medical grade cannabis and does not consider the production, distribution or sales of medicinal cannabis. Medicinal cannabis can be obtained through a federally licensed producer.

The policy focused on the location criteria for where businesses can be located in the City, as well as establishing an application procedure due to the high level of interest. The criteria included limiting Cannabis Retail Stores to properties with the following Official Community Plan designations:

- Mixed Use Level 2 (Medium Density);
- Mixed Use Level 3 (Medium Density);
- Mixed Use Level 4A (High Density);
- Mixed Use Level 4B (High Density)
- Harbourside Waterfront (Mixed Use); and
- Commercial.

The policy also limits locations that are within 100 metres of the following sensitive uses:

- Community Recreational Centres;
- North Shore Neighbourhood House;
- North Shore Shelter;
- North Vancouver school District Office; and
- Public elementary and secondary schools.

The policy includes a maximum of six (6) retail cannabis businesses to be considered, and prescribes a distribution throughout the City as follows:

- Two businesses in the Central Lonsdale area;
- Two in the Lower Lonsdale area;
- One in the west part of the City; and
- One to the east part of the City.

On November 19, 2018, applications were received on a first-come-first-served basis, with each of the geographic areas in the policy represented. Five applications met the policy criteria and were invited to make an application for a Zoning Bylaw Amendment. No applications were received in the eastern part of the City. On January 14, 2019, Council supported staff processing these five applications, and would allow a sixth on a first-come-first-served basis for the east part of the City. The City received the sixth application for a store at the Park and Tilford Shops and Gardens on March 6, 2019.

DISCUSSION

Project Description

The building on the subject site currently has a private liquor store that is operated by the applicant. The plan is to occupy approximately 14.3 square metres (154 square feet) of existing space from the liquor store for the proposed cannabis use. The floor plan identifies locations for displays and back area offices (Attachment #2).

The applicant has also provided their business plan that includes a Community Impact Statement, which describes the applicant's contribution towards the regulation of safer cannabis products and distribution and their Security Plan that outlines how their operation will be complying with Provincial regulations. (Attachment #3).

Site Context and Surrounding Use

The subject site at 221 West 1st Street is along the south side of the street, between Semisch Avenue to the west and Chesterfield Avenue to the east (Attachment #1).

The area has a mixture of commercial and mixed use developments on the south side of West 1st Street, with predominately residential uses along the north side of West 1st Street as well as further north toward West 3rd Street and beyond.

Recent developments in the area include the mixed-use West Quay development to the west of Semisch Avenue, between the south side of West 1st Street and West Esplanade.

PLANNING ANALYSIS

Policy Context

2014 Official Community Plan

The subject site has a designated land use of Mixed Use Level 4A which supports a mix of higher-density multi-family and commercial uses in Lower Lonsdale.

Regulations from senior levels of government require all cannabis retail stores to enclose their store fronts to block viewing into the store from the street as a means to discourage minors from entering into the store. Such a measure conflicts with the goal objectives of the OCP to promote a greater pedestrian friendly street front by limiting views into the store from the street. Staff will work with both the applicant and the senior levels of government

to achieve OCP objectives and to meet the criteria of storefronts to dissuade minors from entering the store. In this situation, the size of the space is small and not excessive given the scale of all the commercial units along this street front that has transparency into the units.

The building placed on the subject site is a narrow-shaped single storey commercial building that was built in the late 1950s, and is not being redeveloped at this time. The only modification to the building being proposed would be a Tenant Improvement that would require a Building Permit.

No amendment to the OCP is required with this application.

Recreational Cannabis Retail Policy

The application does conform to the criteria provided within the policy (Attachment #5). The subject site is in the allowable land use designation as identified in the OCP, it is outside of the 100 metre radii of Queen Mary Elementary School, and it is one of two applications for the Lower Lonsdale Area.

The subject site is located within 100 metres of the Foundry, a youth social services facility to serve the wellness needs of young people and their families on the North Shore. When Council approved the policy, the Foundry was removed from the list of sensitive locations.

Zoning Bylaw 1995, No. 6700

The Zoning Bylaw currently does not allow Cannabis Sales as a permitted use anywhere in the City. Cannabis Sales is defined in the Zoning Bylaw and;

means the retail or wholesale sale of Cannabis, and includes an operation which provides referrals and facilitates access to Cannabis not physically sold on the premises, but does not include sales by a British Columbia Registered Pharmacist In a British Columbia regulated Pharmacy.

Zoning Amendment Bylaw 8715 (Attachment #7) would allow the Cannabis Sales use to exist in this location. The current Zone of Comprehensive Development 454 (CD-454) permits retail stores.

The size of both the liquor store and proposed cannabis store would require the applicant to supply at least three parking stalls on the property. The CD-454 Zone permits parking to be supplied in a tandem configuration, and four stalls currently exist off the rear lane.

COMMUNITY CONSULTATION

An Open House for all applicants was held on April 9, 2019 for members of the general public to learn about and make comment on all six applications (Attachment #6). From the 91 people who signed in for the event (Attachment #5), staff received 21 written comments relating to this application.

Of the comments received, the level of opposition to the proposal slightly outweighed those in support. Those in opposition expressed concern over the proposed location from the Foundry. Other areas of concern are that the operation of the Sailor Hagar's Pub is not compatible with a residential area, and that the patio at Sailor Hagar's Pub has a smoking patio which could lead to permitting cannabis use on the patio. Those who support the use have no concerns over the proposed use.

The City's Smoking Bylaw has grandfathered smoking on patios for establishments with a Liquor Primary Licensed Establishment category. According to Vancouver Coastal Health, there is nothing in their Bylaws that would prohibit extending cannabis consumption to outdoor patios.

General public comments as well as comments that were not tied to a particular application can be found after the sign-in sheets in Attachment #6.

CONCLUSION

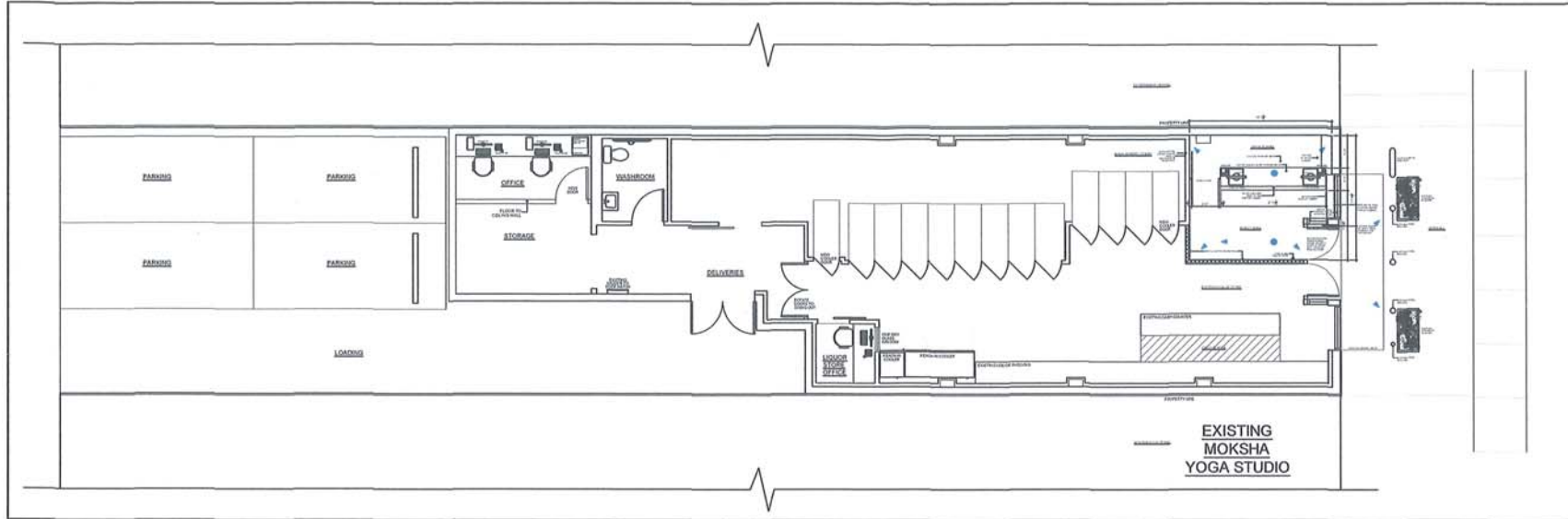
The proposal is consistent with the criteria of the Recreational Cannabis Retail Policy.

The proposed location of the store supports the commercial orientation the West 1st Street corridor. Through the Building Permit review, mitigation measures for the storefront design will be finalized.

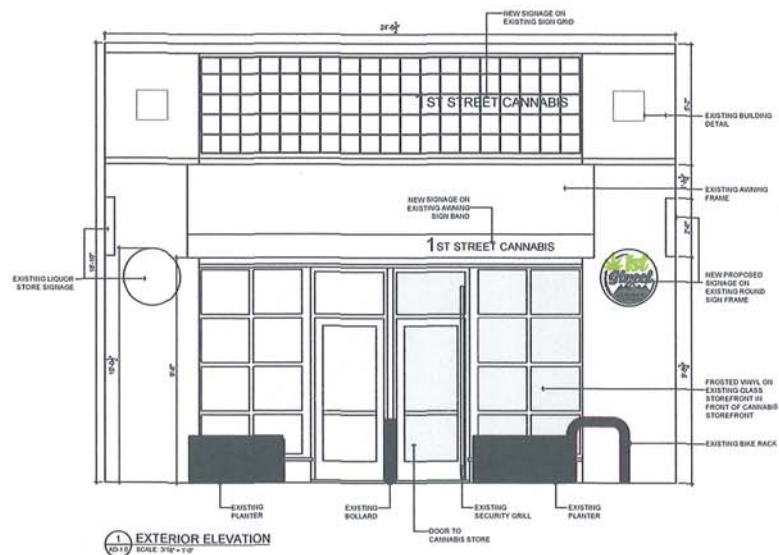
RESPECTFULLY SUBMITTED:


David Johnson
Development Planner





PROPOSED FLOOR PLAN
SCALE: 3/32" = 1'-0"



1 EXTERIOR ELEVATION
AD-10 SCALE: 3/16" = 1'-0"

RECEIVED

FEB 12 2019

CITY OF NORTH VANCOUVER
COMMUNITY SERVICES
DEPARTMENT

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Mission Statement: To provide a safe and secure Licensed Retail Cannabis Store with a warm and friendly shopping environment, providing excellent service and product selection.

Proposed Business Operation

The proposed Retail Cannabis Store will be located within the same building as Sailor Hagar's Liquor Store located at 221 West First St. A part of the store will be sectioned off with a floor to ceiling wall and will have its own entrance/exit door separate from the Liquor Store.

The company applying for the Retail Cannabis License is a numbered company 1174707 B.C. LTD., owned by Brian Riedlinger and Allan Riedlinger (equal owners). The same two owners, Brian Riedlinger and Allan Riedlinger are equal owners of Sailor Hagar's Pub Inc. Sailor Hagar's Pub Inc. is the sole owner of the property located at 221 West First Street, North Vancouver and its has agreed to lease space to the numbered company 1174707 B.C. LTD. to operate the Cannabis Store.

In addition to being owners of Sailor Pub Inc., Brian Riedlinger and Allan Riedlinger are co-General Managers of the Pub and Liquor Store responsible for their daily operation. If the Retail Cannabis Store is approved, both Brian Riedlinger and Allan Riedlinger will be responsible for the overseeing of its day to day operation as well.

Our family has owned and operated Sailor Hagar's Pub and Liquor Store for more than 32 years successfully. Throughout this time, we have always had an exceptional record with the previous 'Liquor Control and Licensing Branch', now known as the 'Liquor and Cannabis Regulation Branch'. Along with this, we have proven to the City of North Vancouver and our community that we are responsible business operators with the sale of alcohol and tobacco. Cannabis is another controlled substance and we are confident we have the experience and expertise to sell it in a responsible manner as well. Our managers always ensure our employees are trained to check for proper government issued identification so that minors are not served and as well, they always ensure our customers are not over served. We reinforce this on a daily regular basis with our employees on a one to one basis, with posted memos and by holding regular staff meetings. Mandatory Provincial Government security checks as well as the required completed course on the sale of cannabis will be done for all of our employees.

Security for the Cannabis Store

From years of experience, operating a Liquor Store, we have learned how to secure a retail store that sells a controlled substance and security will be a top priority for our Cannabis Retail Store as well. We will have a high grade colour security camera system with five cameras inside that will cover all areas of the inside of the store and two cameras outside of the store focusing on the entrance/exit door and activity at the front of the store. This will aid the RCMP with any potential problem customers or security breaches.

Similar to our Liquor Store, our Retail Cannabis Store will have security motion detectors located inside the store which will trigger a signal to a security monitoring company in the event of an intrusion i.e. break and enter. The owners will be notified immediately and the RCMP may be dispatched if necessary.

After hours security will also include a locked security gate on part of the inside of the windows along with shelving along the remainder of the windows that will have a metal back on to prevent anyone from breaking glass and then reaching into the store. With this, rather than a large plate glass window, there will be a series of smaller windows i.e. 2ftX 2ft with aluminum frames that restrict access into the store. As well, there will be a locked security gate on the outside that has a solid siding screen with it that will prevent anyone from accessing or seeing the front entrance/exit door when the store is closed. As per Provincial regulations, all the glass will have a frosted film on them that allows for natural light to enter the store but restricts visibility from the outside to the inside of the store. For further protection, lexan plastic will cover the entrance/exit glass door, leaving it unbreakable. As well, there are existing two concrete planters, and with this, a heavy metal bike rack and four metal security bollards all fastened beneath the ground in front of the building that will prevent a motor vehicle from driving into the building. Finally, we will have a hold-up alarm button that has a direct link to the RCMP and our security company in case of an emergency. Our security company also, will do regular late night walk-by patrols of our store.

All employees of the our Cannabis Store will have the mandatory BC government Security Verification check completed on them, and as well all employees will have completed successfully the mandatory BC Government Cannabis Retail Program before they begin work.

During our hours of operation there will always be a manager or supervisor working in the Cannabis Store. There will always be two employees present and a third one will be added when the store is busy to assist with customer service and security. Our employees will be trained to handle any issues in a safe manner based upon our many years of experience. The aid of the RCMP will be used if any issue escalates. We currently have an exceptional working relationship with the RCMP and this will continue.

Community Impact Statement

We expect to have a very positive impact on the community by being able to provide them with the convenience of shopping for legal recreational cannabis in their own neighbourhood. There are many residents living in condos and apartments etc. on the West side of Lower Lonsdale that will very easily be able to walk and make their purchases from our store. For those residents who prefer to drive and for those live in other parts of our community, we have ample short-term parking (15 minute) conveniently located on First Street in front of and to the immediate east and west of our store. We expect that most of our business will occur in the evenings and weekends and subsequently, the existing commercial loading zone to the west of the store on First Street will provide additional customer street parking. One day a week for less than one hour this same loading zone will be used for the delivery of our Cannabis from the Cannabis Distribution Branch. We also have provided a permanent bike rack available at the front of our store for the many bikers in our neighbourhood. Our building size requires that we have four parking stalls, and we have a total of seven available. This includes four stalls for employee parking at the rear of the building along with three parking stalls that we have purchased from the City of North Vancouver. We will be open from 9:00 am until 11:00 pm, 7 days per week which will allow for the convenience of people who work different shifts. Our store is not a late night business and therefore will have minimum noise impact on our residents located in apartments to the West of the store. Along with this, noise will be minimal on the other side of First Street. This is because it is a wide street that has a natural sound barrier of various types of vegetation including large trees. .

For thirty-two years we have operated a liquor store on the 200 block of West First St. Ten years ago we applied for re-zoning to re-locate our store from 233 West First St. to the current 221 West First St. to accommodate a large store. Even with an increase in store size we have had no negative impact on the community or put added stress on street parking. If there is ever a customer or community concern, we will respond in a quick, diligent manner to ensure a satisfactory result. We have always operated responsibly with the interests of our neighbours in mind. We will ensure any neighbourhood complaints will continue to be resolved appropriately.

As well, we will be strict to ensure minors are not sold any product by asking for proper Government accepted ID. As well, we will ensure that anyone who appears to be impaired from alcohol or drugs will be refused service. Moreover, any unruly customers will not be served and as well any people loitering outside the store will be asked to leave. This deters loitering and potential illegal activity that may occur and minimises noise that may bother nearby residents. All this will create a positive experience for our customers and nearby residents.

In summary, when the store is not open for business, we will ensure our Cannabis store is secure. When it is open we will ensure there will be ample well-trained employees working that will take measures to create a safe and pleasant shopping experience for our customers. In the event an incident occurs, it will be dealt with appropriately based upon our experience and aid of the RCMP. We will insist that all the proper rules and regulations relating to the sale of Cannabis are followed. This will minimize any negative impact on the surrounding neighbourhood.



Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

POLICY

Recreational Cannabis Retail Policy

REASON FOR POLICY

The Government of Canada has announced the recreational use of cannabis will become legal in Canada on October 17, 2018. The federal Cannabis Act is the legal framework under which the production, distribution, sale and possession of cannabis, for both medical and non-medical (recreational) purposes, is regulated in Canada. Through legislation including the Cannabis Control and Licensing Act, the Province of British Columbia has created a legislative framework to supplement federal legislation and facilitate legal and controlled access to recreational cannabis in British Columbia following federal legalization.

In coordination with federal and provincial regulations, this Policy creates a framework under which recreational cannabis retail businesses will be established in the City, with a focus on the following:

1. Defining **locational criteria** for where businesses may be situated, based on land use requirements, separation from sensitive uses and geographical distribution;
2. Implementing the **application procedure** under which proposals for new cannabis retail businesses are to be submitted, assessed and approved to operate within the City.

Applicability

This policy is applicable to all rezoning applications to operate a recreational cannabis retail business in the City.

Authority to Act

The legislative framework of the Province of British Columbia, including the Community Charter, Local Government Act, and the Cannabis Control and Licensing Act, provides the basis upon which the City may regulate certain locational aspects of recreational cannabis retail businesses, as well as procedures for assessing and approving business proposals.

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Administration of this policy is delegated to the Planning Department.

PROVISIONS AND PROCEDURES

The following describes locational criteria for all recreational cannabis retail businesses in the City and outlines the procedure under which applications will be accepted, assessed and approved.

Locational Criteria

1. Recreational cannabis retail businesses may only be located on properties assigned with the following land use designations under the 2014 Official Community Plan (OCP) – Schedule A Land Use Map (see Schedule 1):
 - Mixed-Use Level 2 (Medium Density);
 - Mixed-Use Level 3 (Medium Density);
 - Mixed-Use Level 4A (High Density);
 - Mixed-Use Level 4B (High Density);
 - Harbourside Waterfront (Mixed-Use); and,
 - Commercial.
2. Recreational cannabis retail businesses may not be located within a 100-metre radii of the following sensitive uses (see Schedule 2):
 - Community and Recreational Centres;
 - North Shore Neighbourhood House;
 - North Shore Shelter;
 - North Vancouver School District Office; and,
 - Public elementary and secondary schools.
3. A maximum of six (6) retail businesses will be considered. Business locations are to be distributed throughout four areas in the City, in accordance with Schedule 3.

Application Procedure

1. Resources for application submission, including detailed instructions and links to the application form, submission requirements and other relevant information, will be posted on the City website at www.cnv.org/cannabis on October 1, 2018.

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

2. The City will accept applications between November 19, 2018 at 10:00 am (PST) and November 30, 2018 at 5:00 pm (PST). All applications must include the information identified in Schedule 4 to be considered complete. Initial evaluation will be based on whether required documentation has been submitted. Through the rezoning process, a more in-depth analysis will be completed, at which point additional documents may be required.

Applications will only be accepted online through the City's file transfer service. Submissions will be deemed successfully received once displayed as a new e-mail in the inbox of the City's e-mail address. The order of which applications are received in the City's inbox will be considered the official register of applications received by the City. The City will not be liable for any application submission delay for any reason, including technological delays, or issues with either party's network or e-mail program. The City will also not be liable for any damages associated with submissions not received. The link to the file transfer service will be posted at www.cnv.org/cannabis.

The following rules apply to submissions:

- Only one submission per business/operator per area will be accepted;
 - Should the City receive multiple submissions from the same business/operator for the same location, only the first received submission will be considered;
 - A submission containing more than one application will not be considered and will be disqualified; and,
 - A submission containing more than one proposed location will not be considered and will be disqualified;
3. After the intake period, staff will review applications on a "first-come, first-serve" basis for application completeness. Applications that are deemed incomplete will not be further considered and disqualified.
 4. The City will consider a total of up to six (6) business locations, distributed throughout areas of the City in accordance with Schedule 3. The first two (2) complete applications received in Areas 1 and 2 and the first complete applications received in Areas 3 and 4 will be eligible to submit a rezoning application.
 5. All applications that proceed to the rezoning stage must submit an application fee of \$4,026.25.

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

6. Staff will process the first set of rezoning applications as a single batch if possible. All rezoning applicants must follow standard procedures for the rezoning process, including the following:
 - a. Responding to feedback and comments from staff, applicable advisory bodies, and the public;
 - b. Organizing an open house session and conducting other applicable public notification and consultation measures; and,
 - c. Attending standard Council proceedings, including a Public Hearing, when scheduled.

Should an applicant withdraw from the rezoning process during this stage, the applicant(s) who had submitted the next complete application in the same area, as defined in Schedule 3, will be eligible to submit a rezoning application.

7. All applications will be held at Third Reading pending confirmation of approval for a Provincial Non-Medical Cannabis Retail License. Should an application at Third Reading not receive Provincial approval, the next complete application in the same area, as defined in Schedule 3, will be eligible to submit a rezoning application.
8. Upon rezoning approval, applicants may submit a business license application and, if applicable, a building permit application to the City.
9. Once operational, staff will monitor businesses to keep Council informed on the state of recreational cannabis retail in the City. After a period of two years, staff will reassess the Policy to determine whether amendments are warranted and/or if additional stores should be considered in the City, and return to Council with a recommendation for next steps. Council may request an alternative timeline for staff reassessment of the Policy at their discretion.
10. Should the City not receive the appropriate number of complete applications for each area, as defined in Schedule 3, during the timeframe outlined above in the Policy, future applications will be accepted on a 'first come, first serve' basis that are consistent with the requirements of this Policy.

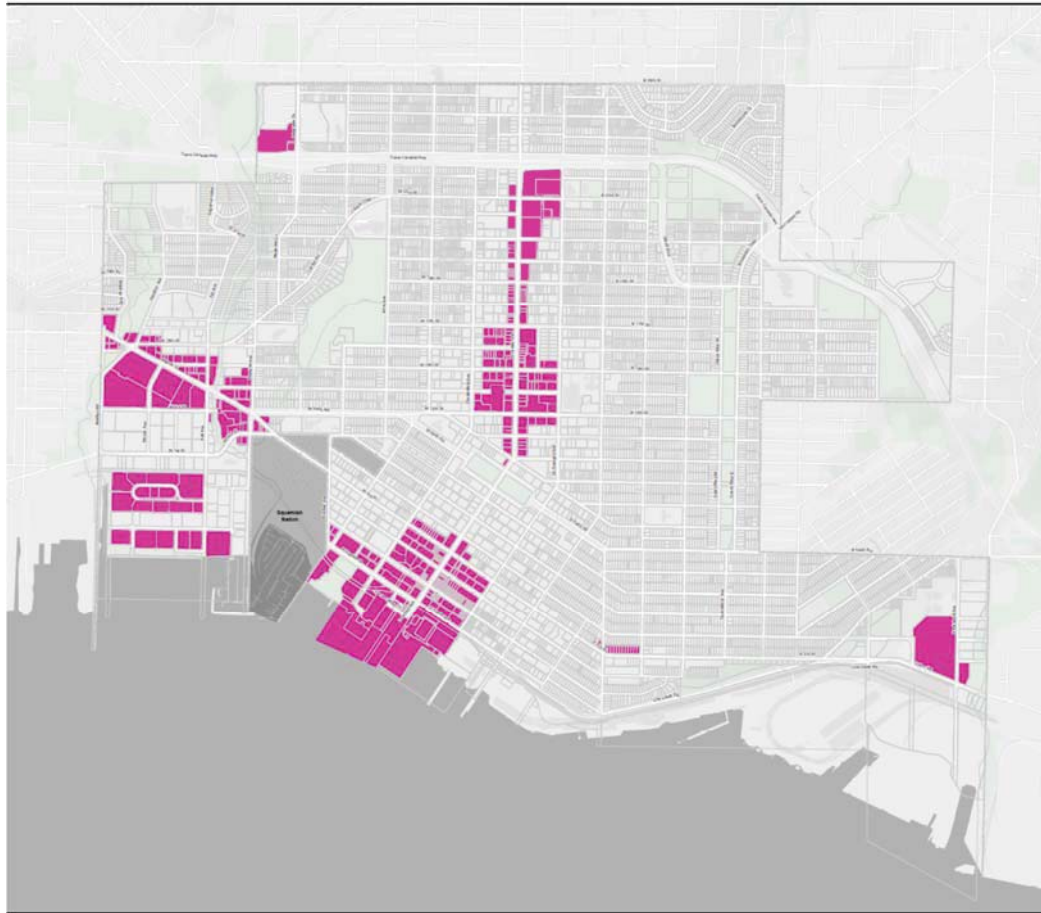
Approval date:	September 24, 2018	Approved by:	Council
Effective date:		Revision date:	

Policy Name: Recreational Cannabis Retail Policy




Policy Number: 7

Schedule 1

Permitted OCP Land Use Designations for Recreational Cannabis Retail Business Locations



Legend

-  Permitted OCP Land Use Designations
-  Legal Parcels
-  City Boundary

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Schedule 2
Recreational Cannabis Retail Businesses
100-metre Radius Separation Requirement from Sensitive Uses



Legend

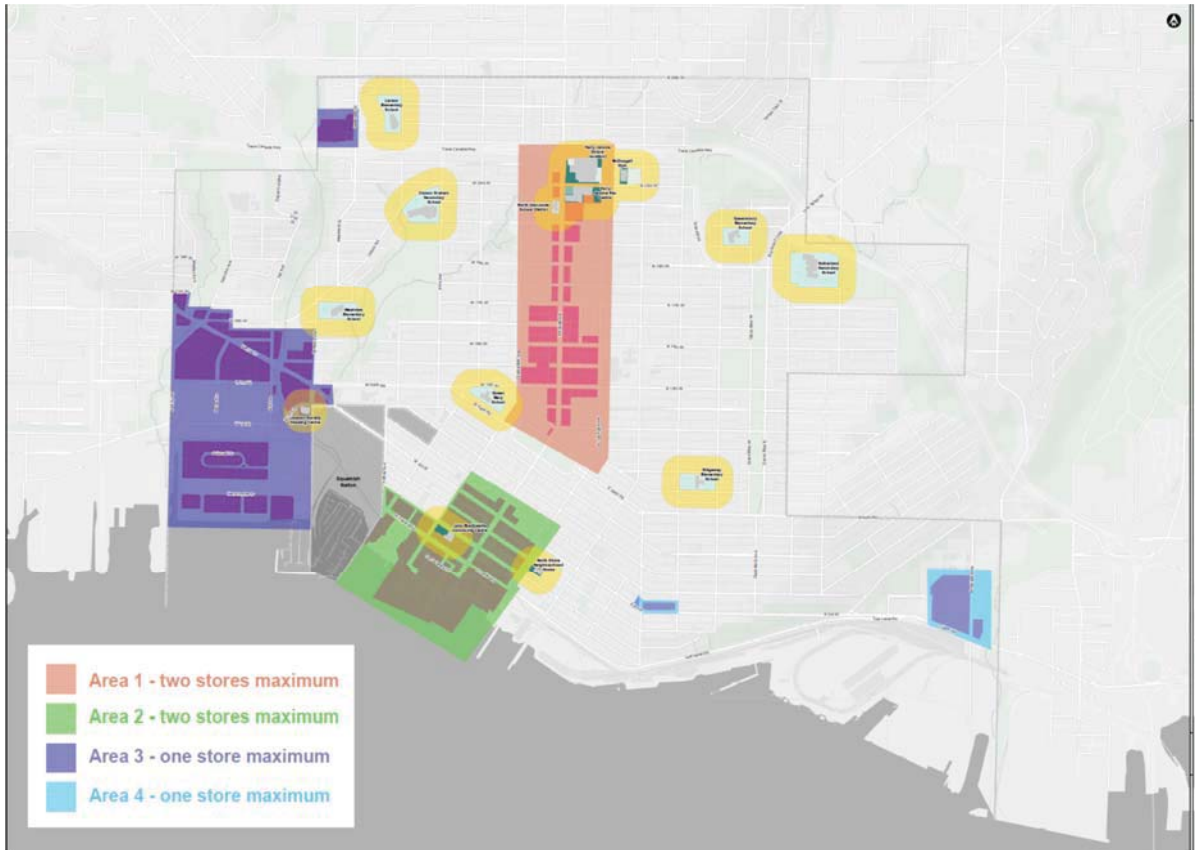
- Sensitive Use Buildings
- School/ School District
- Lookout Society
- Community/ Recreation Centres
- 100m exclusion buffer *
- OCP Land Use Designation
- Legal Parcels
- City Boundary

* buffers have been measured from legal parcel boundaries

Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Schedule 3
Recreational Cannabis Retail Businesses
Areas of Consideration



Policy Name: Recreational Cannabis Retail Policy

Policy Number: 7

Schedule 4
Recreational Cannabis Retail Businesses - Submission Requirements

REQUIRED INFORMATION / DOCUMENTATION	YES	NO
Name and contact information of applicant(s)		
Civic address and legal description of property where the proposed business is to be located		
Letter of consent signed by the subject property strata corporation or registered owner(s) authorizing application submission and proof of an option for lease or purchase of the subject property; or a State of Title Certificate confirming the ownership of the subject property		
Confirmation that the proposed location complies with all locational requirements as per this policy		
Full description of the proposed business operation, including, at minimum, the following information: <ul style="list-style-type: none">• past business experience• corporate structure• number of staff, products sold, target market, and hours of operation• other general business information		
Letter confirming that all individuals/corporate entities associated with the proposed business are <u>not</u> currently operating any illegal recreational cannabis operations in the City of North Vancouver		
Description of the expected time frame for commencing business activities within the City, if approved		
A Community Impact Statement outlining the following: <ul style="list-style-type: none">• Potential positive and negative economic, social and environmental impacts the business may have on the immediate neighbourhood and wider community• Strategies for mitigating potential negative impacts		
A Security Plan demonstrating security features that comply or exceed Provincial requirements		
Provincial licensing referral from Liquor and Cannabis Regulation Branch (required to be received from Province)		

221 West 1st Street Public Open House

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April 9, 2019 6:00 pm to 8:00 pm

Name: Braed Helgason	
Address: #2421 - 255 West 1st Street, North Vancouver	
1. Do you support the proposed project?	I strongly object to this project.
2. What do you like most about the proposed project?	There is Nothing that comes to mind.
3. Do you have any concerns about the proposed project?	① Very close to The Foundry, which is a rehab center for troubled youth. ② Sailor Hagers Pub is <u>NOT</u> a good citizen to our community
4. What would you suggest to improve or enhance the proposed project? Cancel their application	there are numerous noise violations, fights, and other issues which the police are required to deal with on a weekly basis. Allowing these drunk patrons to have easy ^{proximity} access to drugs is ridiculous.
5. Please provide any additional comments. (use back of page if necessary)	

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CONTACTS:

Applicant: 1174707 BC Ltd.

City of North Vancouver: David Johnson

Telephone: 604 809-1084

Telephone: 604 990 4219

E-Mail: brian.1174707@gmail.com

E-Mail: djohnson@cnv.org

221 West 1st Street Public Open House

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April 9, 2019 6:00 pm to 8:00 pm

Name: <u>Nathalie Poirier</u>	
Address: <u>255 west 1st Street, North Vancouver</u>	
1. Do you support the proposed project?	<u>No!</u>
2. What do you like most about the proposed project?	
3. Do you have any concerns about the proposed project?	<u>Yes, The area is concerning where drunk patrons of Sailor Hagar wake us up at night. I fear for our children.</u>
4. What would you suggest to improve or enhance the proposed project?	<u>To Not allow a Cannabis store to open in that location.</u>
5. Please provide any additional comments. (use back of page if necessary)	<u>This location is already problematic with disturbing noises with permission to the pub to allow smoking on their balcony and drunk patrons.</u>

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CONTACTS:

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City of North Vancouver: David Johnson

Adding cannabis will only increase the public disturbances.

Telephone: 604 809-1084

Telephone: 604 990 4219

E-Mail: brian.1174707@gmail.com

E-Mail: djohnson@cnv.org

221 West 1st Street

Public Open House

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April 9, 2019 6:00 pm to 8:00 pm

Name:	
Address:	
1. Do you support the proposed project?	No
2. What do you like most about the proposed project?	
3. Do you have any concerns about the proposed project?	Proximity to a Pub that allows smoking on the patio
4. What would you suggest to improve or enhance the proposed project?	Distance from the pub
5. Please provide any additional comments. (use back of page if necessary)	There seem to be a grey area on if smoking weed is allowed on patios. This is soon be a problem to the neighbors.

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Bar smoking at the pub and Bitts will be fine

Telephone: 604 809-1084

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Recreational Cannabis Retail Store Public Open House

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221 WEST FIRST ST

April 9, 2019

6:00 pm to 8:00 pm

Name: Mark Johnson	
Address: 306 - 161 - west 4th N-V	
1. Do you support the proposed project?	no Yes.
2. What do you like most about the proposed project?	everything.
3. Do you have any concerns about the proposed project?	no
4. What would you suggest to improve or enhance the proposed project?	nothing.
5. Please provide any additional comments. (use back of page if necessary)	

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Telephone: 604 990-4219

E-Mail: djohnson@cnv.org

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April 9, 2019 6:00 pm to 8:00 pm

Name:	
Address:	
1. Do you support the proposed project?	YES
2. What do you like most about the proposed project?	CONVINCENCE
3. Do you have any concerns about the proposed project?	—
4. What would you suggest to improve or enhance the proposed project?	—
5. Please provide any additional comments. (use back of page if necessary)	

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April 9, 2019 6:00 pm to 8:00 pm

Name: L. Harsanyi	
Address:	
1. Do you support the proposed project? YES	
2. What do you like most about the proposed project?	
3. Do you have any concerns about the proposed project? NO	
4. What would you suggest to improve or enhance the proposed project? NO	
5. Please provide any additional comments. (use back of page if necessary) ITS ABOUT TIME.	

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April 9, 2019 6:00 pm to 8:00 pm

Name: <u>Kyle McMurtry</u>	
Address:	
1. Do you support the proposed project?	<u>Yes</u>
2. What do you like most about the proposed project?	<u>location + convenience</u>
3. Do you have any concerns about the proposed project?	<u>NO</u>
4. What would you suggest to improve or enhance the proposed project?	<u>none</u>
5. Please provide any additional comments. (use back of page if necessary)	<u>great concept, cant wait to see</u>

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April 9, 2019 6:00 pm to 8:00 pm

Name: <u>TINA WEEKS</u>	
Address: <u>305 Lansdale Ave North Van.</u>	
1. Do you support the proposed project?	<u>YES</u>
2. What do you like most about the proposed project?	<u>4 WITH A LIQUOR STORE</u>
3. Do you have any concerns about the proposed project?	<u>NO</u>
4. What would you suggest to improve or enhance the proposed project?	
5. Please provide any additional comments. (use back of page if necessary)	

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April 9, 2019 6:00 pm to 8:00 pm

Name: <u>Cath-Anne Ambrose</u>	
Address: <u>137 East 1st Street, North Van.</u>	
1. Do you support the proposed project?	<u>Yes!</u>
2. What do you like most about the proposed project?	<u>Location! Location! Location!</u> <u>- Previous experience with a controlled substance.</u>
3. Do you have any concerns about the proposed project?	<u>No</u>
4. What would you suggest to improve or enhance the proposed project?	<u>All good!</u>
5. Please provide any additional comments. (use back of page if necessary)	

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April 9, 2019 6:00 pm to 8:00 pm

Name: <i>navana hibbard</i>	
Address: <i>137-406 E 1st Street</i>	
1. Do you support the proposed project?	<i>yes!</i>
2. What do you like most about the proposed project?	<i>The location - Awesome owners</i>
3. Do you have any concerns about the proposed project?	<i>No!</i>
4. What would you suggest to improve or enhance the proposed project?	<i>Nope</i>
5. Please provide any additional comments. (use back of page if necessary)	<i>Excited to see what happens</i>

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April 9, 2019 6:00 pm to 8:00 pm

Name: DOM HONG	
Address:	
1. Do you support the proposed project?	<input checked="" type="checkbox"/>
2. What do you like most about the proposed project?	<input checked="" type="checkbox"/>
3. Do you have any concerns about the proposed project?	NO
4. What would you suggest to improve or enhance the proposed project?	NO
5. Please provide any additional comments. (use back of page if necessary)	

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City of North Vancouver: David Johnson

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Telephone: 604 990 4219

E-Mail: brian.1174707@gmail.com
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April 9, 2019 6:00 pm to 8:00 pm

Name: <u>KYLE ROBERTSON</u>	
Address: <u>702-124 W 1ST ST. N. VAN</u>	
1. Do you support the proposed project?	<u>yes</u>
2. What do you like most about the proposed project?	<u>Accessability, Convenience</u>
3. Do you have any concerns about the proposed project?	<u>NO</u>
4. What would you suggest to improve or enhance the proposed project?	
5. Please provide any additional comments. (use back of page if necessary)	<u>IN support</u>

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221 West 1st Street Public Open House

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April 9, 2019 6:00 pm to 8:00 pm

Name: <u>RICK JEFFERY</u>	
Address: <u>#201 131 W 3RD ST. N. VAN</u>	
1. Do you support the proposed project? <u>YES</u>	
2. What do you like most about the proposed project? <u>LOCATION</u>	
3. Do you have any concerns about the proposed project? <u>NO</u>	
4. What would you suggest to improve or enhance the proposed project? <u>HURRY UP.</u>	
5. Please provide any additional comments. (use back of page if necessary) <u>THANKS -</u>	

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April 9, 2019 6:00 pm to 8:00 pm

Name:	Julie VanBoeyen
Address:	4204, 131-3rd St West North Vancouver BC
1. Do you support the proposed project?	Yes
2. What do you like most about the proposed project?	Location
3. Do you have any concerns about the proposed project?	Nope
4. What would you suggest to improve or enhance the proposed project?	Open ASAP
5. Please provide any additional comments. (use back of page if necessary)	

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Mallory

Recreational Cannabis Retail Store Public Open House

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221 WEST FIRST ST

April 9, 2019

6:00 pm to 8:00 pm

Name: Mallory	
Address: 104-237 East 12 th Street N. Vancouver BC	
1. Do you support the proposed project?	Yes
2. What do you like most about the proposed project?	Location
3. Do you have any concerns about the proposed project?	No
4. What would you suggest to improve or enhance the proposed project?	Nothing
5. Please provide any additional comments. (use back of page if necessary)	none

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Recreational Cannabis Retail Store Public Open House

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221 WEST FIRST ST.

April 9, 2019

6:00 pm to 8:00 pm

Name:	
Address:	
1. Do you support the proposed project?	No
2. What do you like most about the proposed project?	—
3. Do you have any concerns about the proposed project?	Yes. The pub next door owned by the applicant allows patrons to smoke in the patio (they are grandfathered on that according to VCH). * see back of page for more comment.
4. What would you suggest to improve or enhance the proposed project?	Ban smoking in the Sailor Heger's pub.
5. Please provide any additional comments. (use back of page if necessary)	Smoking cannabis should not be grandfathered as cigarette smoking is.

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Recreational Cannabis Retail Store

Public Open House

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221 WEST FIRST ST

April 9, 2019

6:00 pm to 8:00 pm

Name:	
Address:	
1. Do you support the proposed project?	No.
2. What do you like most about the proposed project?	
3. Do you have any concerns about the proposed project?	I don't support the sale of cannabis in a residential neighborhood beside an already very road busy pub. There are several intoxicated people, til very late at night being disrespectful to neighbors. The sale of cannabis will ^{could} increase the amount of intoxicated patrons.
4. What would you suggest to improve or enhance the proposed project?	Moving it away from the pub.
5. Please provide any additional comments. (use back of page if necessary)	

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Recreational Cannabis Retail Store

Public Open House

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April 9, 2019

6:00 pm to 8:00 pm

Name:	
Address: 255 West 1st St	
1. Do you support the proposed project?	Conditional. would have to have strict 'No Smoking' laws in effect in area surrounding store
2. What do you like most about the proposed project?	N/A
3. Do you have any concerns about the proposed project?	- Yes. West 1st is designated a 'No Smoking Street' (even a sign depicting this @ 1st + Lansdale). There are plenty of families with children in area & playgrounds/parks nearby as well as new proposed school in vicinity
4. What would you suggest to improve or enhance the proposed project?	Strict No smoking laws with enforcement
5. Please provide any additional comments. (use back of page if necessary)	- We live in a 'Green' (plenty of organic eateries etc) and healthy environment. Don't want to walk through smoke on my way to yoga class etc

Comments will be delivered to the City of North Vancouver for consideration. Alternatively, you may mail or email your comments to either the City of North Vancouver or to the applicant. All comments will be forwarded to the City.

CONTACTS:

City of North Vancouver: David Johnson

Telephone: 604 990-4219

E-Mail: djohnson@cnv.org

221 West 1st Street Public Open House

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April 9, 2019 6:00 pm to 8:00 pm

Name: [REDACTED]	
Address: #224 - 255 West 1st St., North Vancouver	
1. Do you support the proposed project?	No. In fact I strongly object to this particular location. More appropriate locations would be non-residential areas like shopping centres
2. What do you like most about the proposed project?	Nothing I thought the fact it is located across the street from a children's playground (Semisch Park) would have made it a non-starter.
3. Do you have any concerns about the proposed project?	Two things. Proximity to playground and management of operation. Sailor Hagars Pub is not a good neighbor and cannot control rising level of violence and noise pollution
4. What would you suggest to improve or enhance the proposed project?	I'm amazed 221 made it into the group of 6. I remember a few years ago the owners saying they needed the liquor outlet to survive. I imagine they are saying something now.
5. Please provide any additional comments. (use back of page if necessary)	I moved into 255 West 1st condo a year ago October. Initially I thought it would be great to have a neighborhood pub. Since then the level of noise and violence has continuously escalated. (See back)

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CONTACTS:

Applicant: 1174707 BC Ltd.

City of North Vancouver: David Johnson

Telephone: 604 809-1084

Telephone: 604 990 4219

E-Mail: brian.1174707@gmail.com

E-Mail: djohnson@cnv.org

On my last and final visit to Sailor Hagers a fight started on the smoking deck (patio) and spilled into the main area where I was having dinner. I would never take family or friends there. This happened around 7:30 pm. One fellow was screaming he was going to kill the other guy. Since then RCMP attendance has become routine. Recently on a Sunday night a woman was taken away in an ambulance and a man in hand cuffs.

I think having a cannabis outlet at this location under the same management group as Sailor Hagers would only serve to diminish the quality of life in the immediate neighborhood.

On my way home at night I often see people passed out on the adjoining steps at 223 West 1st. A few weeks ago a man was being attended to by an EMT while 4 Mounties looked on.

Prohibition is over. Cannabis should never have been illegal to start with. I am not against cannabis outlets but not in a residential neighborhood across the street from a playground and not managed by a group who cannot control their current operation and with a history of total disregard for safety and quality of life of their neighbors.

Recreational Cannabis Retail Store Public Open House

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221 WEST FIRST ST.

April 9, 2019

6:00 pm to 8:00 pm

Name:	
Address:	
1. Do you support the proposed project?	No
2. What do you like most about the proposed project?	—
3. Do you have any concerns about the proposed project?	Yes. The pub next door owned by the applicant allows patrons to smoke in the patio (they are grandfathered on that according to VCH). * see back of page for more comments.
4. What would you suggest to improve or enhance the proposed project?	Ban smoking in the Sailor Heger's pub.
5. Please provide any additional comments. (use back of page if necessary)	Smoking cannabis should not be grandfathered as cigarette smoking is.

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CONTACTS:

City of North Vancouver: David Johnson

Telephone: 604 990-4219

E-Mail: djohnson@cnv.org

3. Do you have any concerns with the proposed project?

Yes. A second concern is that the Sailor Hager's pub also has a high frequency of police incidents ~~and~~ with patrons disturbing the neighbourhood late at night. They don't seem to make an effort to minimize impact to the neighbors and I'm concerned they would have the same behaviour towards this proposed shop customers.

Proximity to the youth centre and youth clinic both located on 1st St. West is also a concern.

David Johnson

From: Westcoast Livin [REDACTED]
Sent: March-28-19 8:41 PM
To: David Johnson
Subject: 1st cannabis

This place should not be allowed, cause I can go into hagers and leave with a drink in my hand and no one notices, thus selling weed , I believe there will be no due Diligence on the rules

--

Sent from Hotmail Email App for Android

David Johnson

From: snarie <[REDACTED]>
Sent: March-30-19 9:05 AM
To: David Johnson
Subject: There Goes The Neighbourhood

Hello David Johnson,

With all due respect to the City of North Vancouver, we are the neighbours of 221 West 1st Street. Our building is only 4 years old & since we moved in, we have been trying to have the owner of 221 West 1st Street replace the outdated & offending compressor on the roof of his liquor store.

The Health Authority was called out to do a decibel reading by your by-law department and it was found to be OVER the allowable levels for a mixed use residential neighbourhood. The City did not want to take the issue to court but is supposed to be tracking repairs on the machine. The compressor should be replaced in order to respect the current bylaws and allow his neighbours the fundamental right to peace and quiet in their homes.

It may be wise to obtain a report as to how many times refrigeration companies & the RCMP have been called to his current establishments in the past 5 years when considering the current rezoning application to add a cannabis store.

We have no issue with well run cannabis establishments but the noise, idling traffic and mayhem already caused by Brian Reidlinger's establishments will only be further increased by the addition of a weed store considering his current lack of respect for the City or any of his new neighbours.

Regards,

Concerned neighbour.

David Johnson

From: Julie Bartlett <[REDACTED]>
Sent: April-09-19 10:35 AM
To: David Johnson; Linda Buchanan (Mayor); Holly Back (Councillor); Don Bell (Councillor); Angela Girard (Councillor); Tina Hu (Councillor); Jessica Mcilroy (Councillor); Tony Valente (Councillor)
Subject: 1174707 BC Recreational Cannabis retail application

Dear Mr. Johnson, Mayor Buchanan and City Councillors,
I've just read a notice about an "open house" this evening regarding an application to sell recreational cannabis at 221 W.1st Street.

How is it possible that the City of North Vancouver is even considering a cannabis store next door to Foundry!? What kind of cynical message would this send to the youth at Foundry struggling with mental health and addiction, their families and the dedicated professionals who help them?

Substance abuse often begins with mental health issues. I urge you to talk to the psychiatrists and therapists at Foundry and the Hope centre to find out the facts about cannabis and it's effects on young brains. For instance, cannabis can trigger lifelong schizophrenia in young people who have a genetic predisposition (alcohol and other drugs do not).

Symbols matter. Please do not place greed above young lives. Foundry is a lifeline in this community. Hagar's is already making enough profit on people's addictions.

Sincerely,
Julie Bartlett

Public Open House for Cannabis Retail Stores

SIGN IN SHEET

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CANNABIS RETAIL STORES

DATE: 4/9/2019

TIME: 6:00 pm to 8:00 pm

LOCATION: John Braithwaite Community Centre – Harbourview Room

No.	Name	Address	Time
1	Robin Baxter		6:00P
2	Sim NEILL	C-12	
3	Heather Habib	712-333 Brooksbank Ave. N. Van.	6pm
4	Jim Strand	507-345 Lonsdale Ave	6pm
5	Jeff Moscos	209-305 Lonsdale Ave	6pm
6	Carlos Flores	315-733 West 14 St.	6:00pm
7	Andrea Theargeld	517-345 Lonsdale Ave	
8	Robynne Edwards	H1-1576 Tatlow Ave. N. Van.	6:00pm
9	Mackenzie Grantham	"	6:00pm
10	Lorenzo Edwards	"	6:00pm
11	Sylvia Collins	609-345 Lonsdale Ave	6:00pm
12	Heather Dens	734 Lonsdale Ave	6:00pm
13	Gandy HARVEY	733 W. 14th St. NV	6:00pm
14	Brendan Storestreet	733 West 14 street	6pm
15	Yalda Ahmadvand	180-700 Marine Drive NV	6:00pm
16	Don Rowlett	508-345 Lonsdale NV	6:00pm
17	Gray Jennica	1890 Cardinal Ave	6:00pm
18	Jim Kennedy	#503-305 Lonsdale	6:00pm
19	Jim Kennedy	1516 Kenford Dr White Rock	6:00
20	Shelly O'Meara	224-255 W 1st St N.V	6:00
21	Yvonne Cote	#502-305 Lonsdale	6:00
22	Meghan Koop	502-277 1st St. West	6:00
23	Meghan Koop + Nathan	406-305 Lonsdale Ave	6:00
24	Caitlin Mann	56-718 15th St W	6:05
25	Christina Hall		6:10

No.	Name	Address	Time
26	BOB Burtin	655 5 th ST	6pm
27	WAYNE CATTONI	8084 17 th AVE NW	
28	Kamal Nanavaty	111 E 13 th ST	
29	Feroze Nanavaty	111 E 13 th ST	
30	Trace Kennedy	503-305 Lonsdale Ave NW.	
31	Ericc Maxime	#223 255 West 5 th Street	
32	Joe Lappan	#224 - 255 West 1st St	6 pm
33	Sermaz Brent	302-305 Lonsdale Ave.	6 pm
34	Andy Hellmuth	#203 - 17 th W - 125 Lonsdale	6 PM
35	MARLENE TAMBEAU	305-305 LONSDALE AVE	6pm
36	Peter Bachmann	407-1200 Lonsdale Ave. North Vancouver	6:05
37	MICHAEL ROSSI	#56-728 West 14 th St.	
37	Morgan Mink, D	#5 728 West 14 th	6:00
38	VERONICA B		6:00
39	ANDREW HAWTHOR	3264 W. 31 st AVE VAN B.C	
40	MAEV GATO/ KENO GATO	306-305 LONSDALE AVE. N. VAN BC	6PM
41	B. Moge	111 East 13 th Street	6:00
42	A. MOGE	111 E 13 th ST N. VAN	6:10
43	Brad Helgeson	#421-255 West 1st Street.	6:11
44	Kyle LeMay	1655 Edwards Rd	6:11
45	BRAIN LARSEN	1720 GRAND BLVD.	6:12
46	Debbie Dickie	1119 Pinning Rd (103 East 12 th)	
47	Kathy Chan	P.O. #6 Lions Bay BC	6:15
48	Julie VanBreegen	#204, 131-3rd ST WEST NORTH VAN	
49	Myra	#101 461 WEST 16 N VAN	6:15
50	Leona Gallon	961 WILLOW LANE NWAN	6:15

Public Open House for Cannabis Retail Stores

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CANNABIS RETAIL STORES

DATE: 4/9/2019

TIME: 6:00 pm to 8:00 pm

LOCATION: John Braithwaite Community Centre – Harbourview Room

No.	Name	Address	Time
1	Ezekiel UHOA	1250 LONSDALE AVE	6:00 pm
2	Nathalie Poirier	255 West 1st Street	6:00 PM
3	Brad Helgason	255 West 1st Street	6:15 PM
4	Jess Wagstaffe	507-719 West 3rd St	
5	GEORGE BEWICK	3819 CAMBRIDGE W. VAN	6:15 PM
6	PICK JEFFERY	#204 131 W 3rd St N. VAN	6:15
7	ISCIAN MEAKIN	1151 EDGEMOOR RD N. VAN	6:15 pm
8	LEIGHTON HARRISON	408-305 Lonsdale Ave N. VAN	6:15 pm
9	Don Holtz	601-12th W	6:15
10	Garry Johnston	319 EAST 6TH	6:15
11	Athenne A. Ambrose	137-East 1st St. #406, N. Van	6:25
12	BRUCE BASSEL	351 BEWICK AVE. NORTH VANCOUVER	6:27
13	Dorene Russell	2-240 E 4th St N. Vancouver	6:27
14	KKE ROBERTSON	702-124 W 1st St N. VAN	6:30
15	ANDREW KLAYDE	213 EAST 22ND ST N. VAN	6:25
16	JOE MARTON	303-317 BEWICK N. VAN	6:35
17	Stord Scalford	312 East 1st St Apt. #103	6:40
18	Cartenay Anson	252 2nd St W	6:40
19	Janet Kotalovic	255 W. 1st St N Van	6:55
20	HECTOR HERNANDEZ	310-124 3rd St W N Van	19:43
21	Jennifer Erin Vaughan	201-733 West 14th St N. Van BC V7M 0C6	7:00 PM
22	Sarah Baldwin	730 Marine Dr. Opposed to 725 Marine Loc.	7:00
23			
24			
25			

No.	Name	Address	Time
51	DINA WEEKS	305 Lonsdale Ave. North	6:15 pm
52	RAQUEL JOHNSTON	317 E 6th N. Van	6:15 pm
53	Havona Hibbard	137-406 E 1st Street	6:25 pm
54	Howard Hao	201-332 Lonsdale Ave.	18:25 pm
55	Brady Fought	317 Bewicke Avenue	18:25 pm
56	Amya Hirji	305 Lonsdale Ave #202	18:25 pm
57	BRIAN RABBIT	1661 PHILIP AVE	6:28
58	DONNA TONEY	317 Bewicke Ave.	6:30
59	Alic Batoni	209-211 700 Marine Dr N. VAN	6:30
60	Mark Johnson	306 306-161- West 4th St. N Van.	6:45
61	ALEX RAKS	1212 23rd ST W.	6:45
62	Steven Rakis	780 W ST Georges	6:45
63	Chester Wolff	822 BSTEM.	
64	Rita Hernandez	310-124 W 3rd Street North Van	6:55
65	Bernette Havel	277 W 1st Street	7:05
66	Dominic Havel	277 W. 1st street.	7:05 pm
67	MICHAEL GALLAGHER		7:15
68	Julia Dickson	255 1st St W.	7:15
69	Colm Flavin	111 East 3rd.	
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Recreational Cannabis Retail Store

Public Open House

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April 9, 2019

6:00 pm to 8:00 pm

Name: Brady Fought	
Address: 317 Bewicke Avenue	
1. Do you support the proposed project?	Yes! Great to see these professional, local business seeking establishment in North Vancouver. Welcomed.
2. What do you like most about the proposed project?	The 'Weeds' store by my house (now closed) was very welcoming, courteous and professional. No smoke issues. These projects and reps. seem to be equally established and a great fit for the community.
3. Do you have any concerns about the proposed project?	No. Please have bike racks!
4. What would you suggest to improve or enhance the proposed project?	↓
5. Please provide any additional comments. (use back of page if necessary)	I see no issues, CNV planning a brewery district, it seems no different and they should receive equal support both as legal products

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E-Mail: djohnson@cnv.org

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April 9, 2019

6:00 pm to 8:00 pm

Name:	
Address:	
1. Do you support the proposed project? <i>YES</i>	
2. What do you like most about the proposed project? <i>IT IS CLEAN AND GOOD FOR THE COMMUNITY</i>	
3. Do you have any concerns about the proposed project? <i>NO</i>	
4. What would you suggest to improve or enhance the proposed project? <i>KEEP THE PUBLIC INFORMED</i>	
5. Please provide any additional comments. (use back of page if necessary) <i>MAKE THE DISTRIBUTORS OPEN & FRIENDLY</i>	

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April 9, 2019

6:00 pm to 8:00 pm

Name:	
Address:	
1. Do you support the proposed project?	NO
2. What do you like most about the proposed project?	NOTHING
3. Do you have any concerns about the proposed project?	YES ,
4. What would you suggest to improve or enhance the proposed project?	DON'T PROCEED
5. Please provide any additional comments. (use back of page if necessary)	THIS TYPE OF COMMERCIAL ACTIVITY IS UNDESIRABLE FOR FAMILIES IN THIS AREA AND IS MOST UNWELCOME. PLEASE DO NOT PROCEED. THIS IS UNWANTED!

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CONTACTS:

City of North Vancouver: David Johnson

Telephone: 604 990-4219

E-Mail: djohnson@cnv.org

David Johnson

From: [REDACTED]
Sent: March-27-19 9:24 PM
To: David Johnson
Attachments: text_1553747028630.txt

Umm I rent I the area, but this weed licences wrong spelling wont
bo through and I'll make sure of it

This message was sent from a Bell mobile phone.

Bell

-----Original Message-----

From: Ben Rieder <[REDACTED]>

Sent: April-03-19 7:48 PM

To: Web_Feedback <info@cnv.org>

Subject: to the Mayor ,urgent

Good day Mrs Buchanan

hope you are well
Fed election coming.

Why the North Van municipality wants to pu dispensary on lonsdale and 3rd street?
why not in Lynn Valley ,Marine drive ,Edgmond village ,
cb there those place re for rich people,

-poor and middle class live on Lonsdale,
the dispensary stores on Lonsdale are to close to the children sport school :

juitstu and Champions and close to the primary school and day care,community centers,
already 1 store go the permit on first street ,HAGGAR booze shop.

-we dont want any of those customers parking there cars ,pick up ,unrully and swearing to any one ,
-we don't want those dispensary useless store in NORTH VAN.

Thank you for launching a massive petition against this please>
if the NDP does not stand to protect our children ,family
we are not going to support you for the next city election and we are going to push the NDP to ban those
store in North Van

they can go on Marine drive ,Dollarton ,lynn Valley ,Edgmond if you like not on Lonsdale near our
community ,children school ,posrt scholl as well please!

Since October ,0 zero store in North Van ,all was well until now!
we can live without them.

king regards

Benny

Begin forwarded message:

From: Hibilly Blu <[REDACTED]>

Date: April 2, 2019 at 3:47:23 PM PDT

To: lbuchanan@cnv.org

Subject: Restricted access to cannabis on the North Shore

Cannabis has been legal for 5 months now, that said it is harder to get than before legalization. Places to smoke cannabis is relegated to the streets, if you don't own your own place, if an agreement is not in place with your landlord if you rent. People on the North Shore have issues with smoking cigareets let alone cannabis. I do not want to smoke outside on the streets or alleys. We need lounges and meeting places for cannabis consumers, Just like the alcohol drinkers have. The laws surrounding cannabis are not fair and too restrictive as they stand.

When it comes to alcohol, parents are trusted to manage their children in liquor stores where the consumption of an intoxicating substance is entirely normalized. Considering all cannabis product packaging will be intentionally unappealing to minors and there will be no consumption or sampling permitted in the store, it would inherently seem to be a safer place for Canada's youth than the sidewalk or liquor stores. Yet, out of 6 positions to apply for a cannabis store here, only 5 licenses handed out and almost half of them to alcohol dealers.

Cannabis should be treated like alcohol, was the message coming from government. Yet, all I have been seeing is the oppiste.

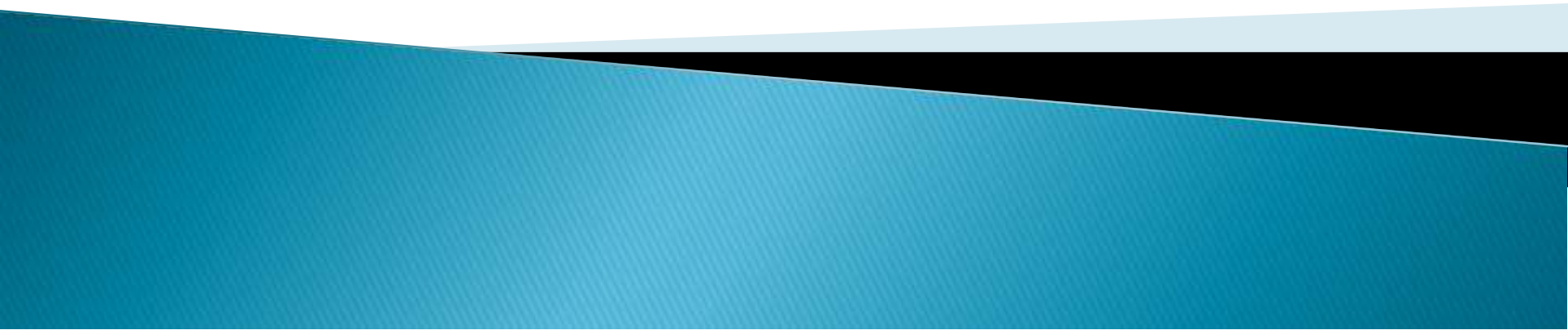
North Vancouver has restricted all access and disrupted a market that was already working.

Thank you for your time and consideration on this matter.
Stephen Nilsson

221 West 1st Street (Bylaw 8715)

- OCP designation of Mixed-Use Level 4A
- Along a commercial section of West 1st Street
- Outside of the sensitive use areas
 - John Braithwaite C.C. (164 metres)
 - Queen Mary Elementary (711 metres)

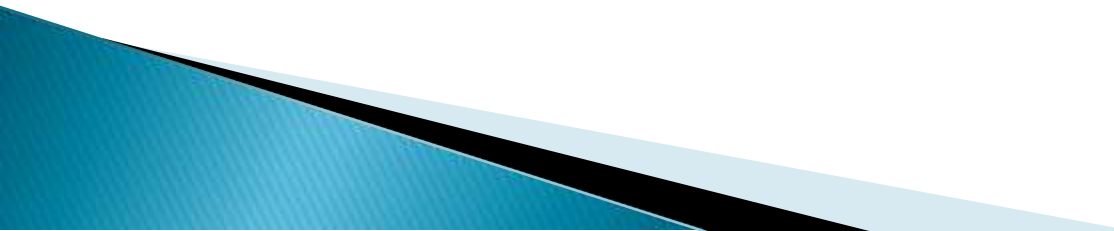





MISSION STATEMENT

- ▶ To provide a safe and secure Licensed Retail Cannabis Store with a warm and friendly shopping environment, providing excellent service and product selection.

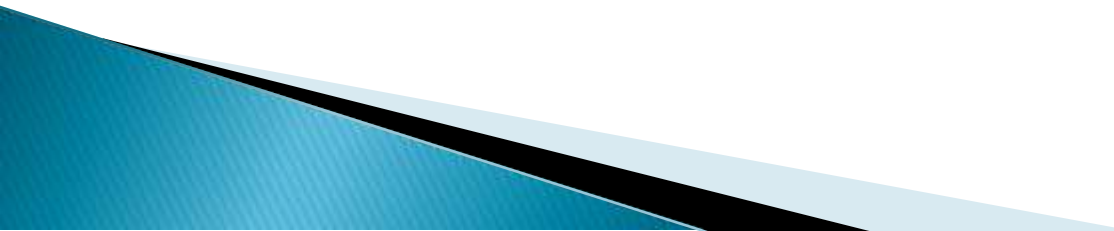
LOCATION

- ▶ 221 WEST FIRST STREET
 - ▶ ESTABLISHED RETAIL LOCATION
 - ▶ LOTS OF SHORT TERM PARKING IN FRONT
 - ▶ 4 STALLS IN REAR WITH 3 MORE OFF-SITE
 - ▶ 150 SQ FT OF RETAIL WITH THE ENTRANCE ON FIRST STREET
- 

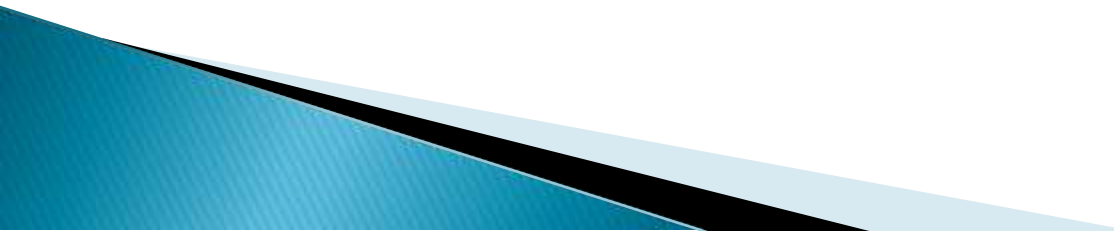
BUSINESS

- ▶ OPEN 9 AM – 11 PM MONDAY THROUGH SUNDAY
 - ▶ SAME HOURS AS ADJACENT LIQUOR STORE
 - ▶ WILL SELL ONLY CANNABIS PRODUCTS PURCHASED FROM THE BCLCB AS WELL AS ACCESSORIES
 - ▶ ALL STAFF ARE CERTIFIED BY BCLCB TO SELL CANNABIS PRODUCTS IN BC
 - ▶ AT LEAST 2 EMPLOYEES ON AT ALL TIMES
 - ▶ CONVENIENCE STORE STYLE
- 

OPERATIONS

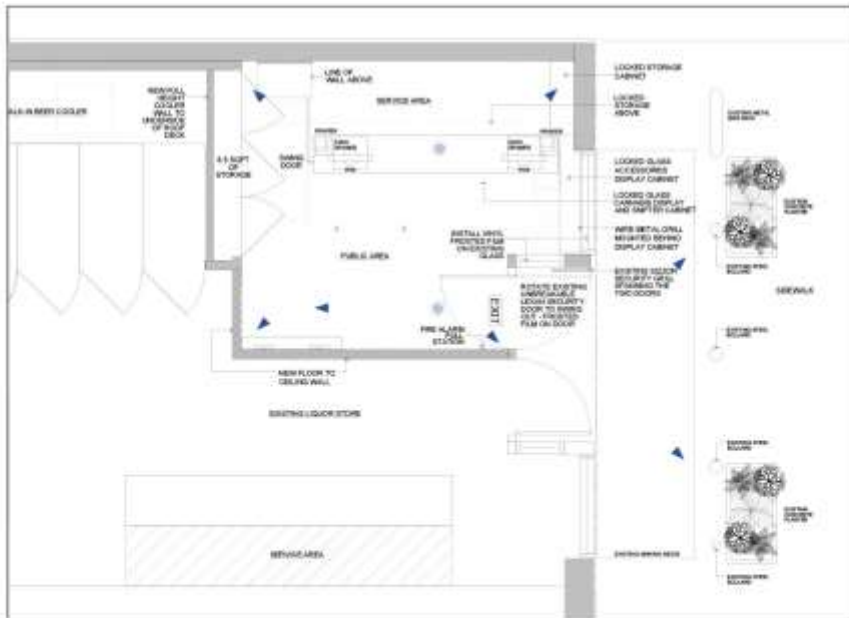
- ▶ OWNERS
 - ▶ EXPERIENCE
 - ▶ MANAGEMENT
 - ▶ STAFF
 - ▶ DELIVERIES
 - ▶ SECURITY
 - ▶ PRODUCTS
- 

NEIGHBOURHOOD CONCERNS

- ▶ CUSTOMERS PURCHASING CANNABIS AND SMOKING IT ON NEIGHBOURING PUB PATIO
 - ▶ PROXIMITY TO THE FOUNDRY
 - ▶ AFTER HOURS NOISE
- 



BUILDING PLAN
PAGE 10-11



PROPOSED FLOOR PLAN
PAGE 10-12

STORE LAYOUT

<p>181 CANNABIS STORE</p> <p>221 WEST 1ST STREET, NORTH VANCOUVER, BC V6M 1G1</p> <p>PROPOSED SAILOR MARGA'S CANNABIS STORE KEY PLAN</p>	
<p>PROJECT NUMBER: 181-001</p> <p>DATE: 10/10/2023</p> <p>BY: [Signature]</p>	<p>PROJECT NUMBER: 181-001</p> <p>DATE: 10/10/2023</p> <p>BY: [Signature]</p>

LIQUOR
STORE
ENTRANCE



1st
CANNABIS
ENTRANCE

OFF HOURS
SECURITY
GATE

SERVICE COUNTER



LAYOUT RENDERING



Received April 6, 2019
PH 221 West 1st Street
File: 01-0550-20-0313/1

City of North Vancouver

input@cnv.org

To whom it may concern,

Please accept this letter as my letter of disapproval for the cannabis store at Sailor Hagar's Liquor Store on West 1st Street in North Vancouver. The neighborhood is already rowdy with Sailor Hagar's Brew Pub, and I feel this would completely destroy the neighborhood making it reckless. If you have any questions or would like further information please don't hesitate to reach out.

Kind regards,

Natasha Pirani

#102-255 West 1st Street

North Vancouver, BC

V7M 3G8

June 24, 2019

By email: kgraham@cnv.org

Dear Karla,

In regards to our application for a Recreational Retail Cannabis License at 221 West First Street, North Vancouver, I would like to provide Mayor and Council with email correspondence I received from the Foundry on February 10, 2017.

From the Public Meeting held recently, there was concern by someone from the Public about the possible location of a Cannabis Store being in close proximity to the Foundry. This email clarifies that the Foundry does not have any concerns about the close proximity of the Foundry and our application for a Liquor Store or Cannabis Store.

I sent a letter to mayor and Council dated September 21, 2018 regarding this issue and I also spoke to it at the two minutes allotted council time.

Because this was prior to the present Mayor and Council, it was suggested to me by one of the current sitting Councillors that I provide them with this information this evening at the City Council Meeting.

Please distribute this information to Mayor and Council.

Thank-you


Brian A. Edlinger

Co-applicant for 1st Cannabis, 221 West First Street, North Vancouver

brian riedlinger

From: brian riedlinger []
Sent: Tuesday, February 14, 2017 10:14 AM
To: 'Bulych, Terry [NS]'
Subject: RE: The Foundry Wellness Centre

Hi Terry,

Having read your email it appears that you consulted everyone but the 30 year established business next door.

Thanks,

Brian

From: Bulych, Terry [NS] [mailto:]
Sent: Friday, February 10, 2017 9:07 AM
To: 'brian riedlinger'
Subject: RE: The Foundry Wellness Centre
Dear Brian,

Thank you for taking the time on Wednesday to meet with me so I could learn more about your concerns regarding the Foundry Wellness Center. I also appreciate the time you took to summarize your concerns below. In response, I've added some additional information here which will help provide further context for FOUNDRY and the services it will provide.

The site was chosen for many reasons:

- Storefront... which is very difficult to find given the very low vacancy rate on the NS.
- its proximity to a transit hub
- its proximity to other youth services such as MCFD and Hollyburn Family Services (within one block)
- its proximity to John Briathwaite Community Centre and their youth drop in center (half a block away) .

The site is a multi-ministerial initiative focusing on youth wellness offering a multitude of services. It is *not* an alcohol counselling addition center. Some of the services that will be offered include:

- Mental health counselling
- Walk-in counselling
- Family counselling
- Substance use counselling
- Medical services (nurses & doctors)
- Groups for parents and youth
- Prevention services
- Psychiatry services
- Hospital liaison services with LGH
- iYOS (Urgent Response/Intensive Case Management)
- Peer support
- Parent navigator services
- Eating Disorder Services

- Vocational services
- Housing support services
- Occupational therapy

As you can see, the service list is extensive of which substance use services are one part.

Regarding the lack of formal community consultation, given there was no rezoning application required a public hearing did not occur. The City knew which site we were considering. The Manager of our program presented our initiative to Mayor and Council at an open council meeting several months ago and received tremendous support. There was no community objection to the content of the presentation at this council meeting. It is zoned for the use we are developing. The landlord knows what services we are providing and had no issues with leasing to us. I've also made presentations at both school boards (North and West Vancouver), Mayor and Council of the remaining two municipalities (the District of NV and WV), in addition to the Division of Family Practise (50 family physicians) on the NS. Again, the response has been overwhelmingly supportive.

We did engage both Youth and Family reps in the planning process for this site including having them visit the location and provide their feedback. At no time did the issue of a private liquor store nearby get raised as a concern. This particular area of North Vancouver has multiple liquor outlets and medical marijuana stores. It's accepted that this is the societal reality our youth live within.

Along with consultation with youth and families throughout the planning and development process for this initiative there has been significant consultation with community service providers as well. We have a Leadership Counsel that has representatives from North and West Vancouver School Districts, all three municipalities, Ministry of Children and Family Development, Canadian Mental Health Association, multi-cultural services, local First Nations, police, several NGO's, including WorkBC, and many individual youth and parents. Our community engagement on this initiative has been extensive and the majority of those we have engaged with will participate in the service centre once it opens. Throughout this process there has never been a concern raised related to the location of our chosen site. I should add, two of the services consolidating to this new site are within a 1/2 a block of the new site. Our current Esplanade office around the corner from the new site is next door to the BC Liquor Store.

Though we have different perspectives on this issue, I very much hope we can develop a cooperative working relationship and co-exist as respectful neighbors. As mentioned on Wednesday, I hope we can continue to communicate as needed... thus please don't hesitate to contact me in future should further concerns or questions arise.

Sincerely,

Terry Bulych, MA
Clinical Planner
FOUNDRY
Vancouver Coastal Health

September 21, 2018
City of North Vancouver

By email:

DMussatto@cnv.org

CNVCouncilMembers@cnv.org

Mayor Mussatto and Council Members:
Re: September 24, 2018 Council Meeting

We own and operate Sailor Hagar's Pub and Liquor Store located in the City of North Vancouver. We will be applying for a Cannabis Retail License to the City of North Vancouver. Our intended Cannabis store will occupy a portion of our existing liquor store at 221 West First St. and will be completely separated from the Liquor Store with its own entrance meeting the Provincial Government rules.

Our concern is that we are located on the same block as the Foundry Wellness Center and City Staff is designating this as a 'sensitive area' and subsequently they are recommending to Mayor and Council that a Retail Cannabis Store should not be located within 100 metres of it. If this is approved by City Council we will not be able to be considered to have a Cannabis Store at this location.

When we were given notice that the 'Foundry Wellness Centre' was going to be opening on the same block as our Liquor Store and Pub in February, 2017 and I expressed concern about the proximity of the two types of businesses. I met personally with Terry Bulych, Clinical Planner, Foundry, Vancouver Coastal Health, in our Pub and we corresponded by email following the meeting.

At that meeting I expressed to her that I felt the location of the Foundry Wellness Centre next to a Pub and Liquor Store was not a good idea because it may make it difficult for the people who attend the centre. I also, said to her that when Cannabis was going to become legal in Canada I would be applying for a retail license at my existing liquor Store. Terry Bulych's response was that it would not be a problem and in fact she stated that it was a positive situation for the attendees because it would help them deal with the real world once they left the Foundry. She reinforced this view in her email correspondence to me, supported in a letter to the editor by Jane Thornthwaite, MLA, North Vancouver-Seymour. Furthermore, I attended both Public input sessions (one for stakeholders, one for general public) hosted by the North Vancouver City and the Foundry Wellness Centre was never mentioned or discussed at anytime as a being a 'sensitive area'.

I find it unfair that it was added after the fact, and as well I find it unnecessary considering the opinions expressed by the Foundry Wellness Centre. Furthermore, our Liquor Store and Pub have experienced no problems or conflicts from any of the people that attend the Foundry Wellness Centre.

We ask that you not include the Foundry Wellness Centre as a sensitive area bound by the 100 meter distance rule. I have included my email correspondence from Terry Bulych as well as a letter to the editor written by the Jane Thornthwaite, MLA North Vancouver-Seymour.

Yours truly,

Brian Riedlinger, co-owner Sailor Hagar's Pub Inc.

From: Merrilee Miller <>
Sent: July-05-19 3:09 PM
To: Submissions
Subject: Public Hearing for Bylaws 8714, 8715 8718 (Cannabis)

City of North Vancouver,

In regards to applications for Zoning Bylaw Amendments for **cannabis retail shops**, plus adding more breweries and pubs in the Lonsdale area, has there been consideration for adding **Drug and Alcohol Treatment** centres, residences, and programs for recovery? Also, what about adding more **Education to students and youth** in the North Vancouver schools about substance abuse?

Merrilee Miller
309-159 West 22nd Street
Vancouver, BC V7M 0B6

From: mike Jenkins <>
Sent: July-08-19 1:26 PM
To: Submissions
Subject: Pot Shops

Cannabis retail stores must not be allowed to operate in these designated areas of North Vancouver. At the moment we have a number of vagrants sitting and begging on Lonsdale ave. and nothing is being done about that.

We believe the pot shops will increase the numbers. We also believe that crime will increase in our neighborhood because of these shops, example being break ins to these shops, and dubious people coming around our streets.

Traffic will increase for those coming from afar to these shops. For many years we have enjoyed the quality of life in this area, and we hope that all Council members have too.

Please do not allow these pot shops to operate here, because it will harm our quality of life that we are use to and enjoy.

Thank you
Mike and B. Jenkins
1403 - 112 East 13th St
North Vancouver

From: Peter Poon
Sent: July-09-19 2:40 PM
To: Submissions
Subject: cannabis opinion - 221 W 1st St

To the City Clerk,

Our office would like to voice our opinions via this email. We do not wish to have a cannabis store near our work place. The concern is for the Elementary school that is being built, public park and co-op across the street, as well as the odour that comes along with cannabis. Thank you for including us.

Dr Peter J Poon Inc
220-233 W 1st Street
North Vancouver, B.C. V7M 1B3

NOTICE OF PUBLIC HEARINGS

Notice is hereby given that Council will consider the following 6 bylaws on 2 separate evenings:

Public Hearing for Bylaws 8714, 8715 and 8718

Monday, July 15, 2019 at 6:30 pm

**Council Chamber, City Hall
141 West 14th Street, North Vancouver**

Zoning Amendment Bylaw No. 8714

Address: 1717 Lonsdale Avenue

Applicant: The Herb Co.

To rezone the property from a General Commercial (C-2) Zone to a Comprehensive Development 721 (CD-721) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property and to reduce the number of required off-street parking stalls from 9 to 6.



Zoning Amendment Bylaw No. 8715

Address: 221 West 1st Street

Applicant: 1st Cannabis

To amend the text of Comprehensive Development 454 (CD-454) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.



Zoning Amendment Bylaw No. 8718

Address: 333 Brooksbank Avenue

Applicant: BC Liquor Dist. Branch

To amend the text of Comprehensive Development 131 (CD-131) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property and adjust the site schedule to permit the placement of a new 365.1 sq. m. (3,930 sq. ft.) building at the northeast corner of the property.



Public Hearing for Bylaws 8713, 8716 and 8717

Wednesday, July 17, 2019 at 6:00 pm

**Council Chamber, City Hall
141 West 14th Street, North Vancouver**

Zoning Amendment Bylaw No. 8713

Address: 725 West 14th Street

Applicant: City Cannabis

To rezone the property from a Service Commercial (CS-1) Zone to a Comprehensive Development 720 (CD-720) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.



Zoning Amendment Bylaw No. 8716

Address: 315 Lonsdale Avenue

Applicant: Lonsdale Cannabis Co.

To amend the text of Comprehensive Development 341 (CD-341) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.

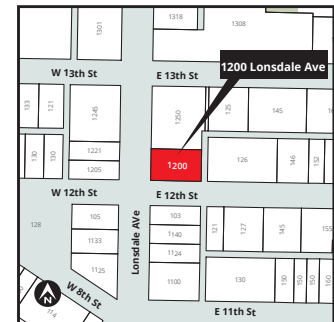


Zoning Amendment Bylaw No. 8717

Address: 1200 Lonsdale Avenue

Applicant: BC Liquor Dist. Branch

To rezone the property from a General Commercial (C-2) Zone to a Comprehensive Development 722 (CD-722) Zone to add the use of Cannabis Sales as a permitted use to allow a Cannabis Retail Store on the property.



All persons who believe they may be affected by the proposals will be afforded an opportunity to be heard in person and/or by written submission. Written or email submissions must include your name and address and should be sent to the City Clerk at input@cnv.org or by mail or delivered to City Hall. Submissions must be received no later than 4:00 pm, Monday, July 15, 2019 to ensure their availability to Council at the Public Hearings. Once the Public Hearings have concluded no further information or submissions can be considered by Council.

The proposed Zoning Amendment Bylaws and background material will be available for viewing at City Hall between 8:30 am and 5:00 pm, Monday to Friday, except Statutory Holidays, from July 5, 2019, and online at cnv.org/PublicHearings.

Please direct any inquiries to **David Johnson**, Development Planner, at djohnson@cnv.org or 604-990-4219.

THE CORPORATION OF THE CITY OF NORTH VANCOUVER

BYLAW NO. 8715

A Bylaw to amend “Zoning Bylaw, 1995, No. 6700”

The Council of The Corporation of the City of North Vancouver, in open meeting assembled, enacts as follows:

1. This Bylaw shall be known and cited for all purposes as **“Zoning Bylaw, 1995, No. 6700, Amendment Bylaw, 2019, No. 8715” (1st Cannabis / 1174707 BC Ltd., 221 West 1st Street, CD-454 Text Amendment)**.
2. Part 11 of Division V: Comprehensive Development Regulations of Document “A” of “Zoning Bylaw, 1995, No. 6700” is hereby amended by:
 - A. In the CD-454 Zone:
 - (1) Delete Section (1) and replace with:
 - (1) In addition to the Principal Uses permitted in the LL-3 Zone, the following uses shall be permitted:
 - a. Licensee Retail Store;
 - b. Maximum of one Cannabis Sales Retail Store.

READ a first time on the 24th day of June, 2019.

READ a second time on the 24th day of June, 2019.

READ a third time on the <> day of <>, 2019.

ADOPTED on the <> day of <>, 2019.

MAYOR

CITY CLERK