

Public Hearing
City of Penticton, Council Chambers
171 Main Street, Penticton, B.C.

Monday, March 21, 2016
at 6:00 p.m.

Present: Mayor Jakubeit
Councillor Sentes
Councillor Martin
Councillor Watt
Councillor Picton
Councillor Konanz
Councillor Sayeed

Staff: Eric Sorensen, Chief Administrative Officer
Dana Schmidt, Corporate Officer
Colin Fisher, Chief Financial Officer
Mitch Moroziuk, General Manager Infrastructure
Jules Hall, Director of Development Services
Tina Lee, Communications Officer
Angie Collison, Deputy Corporate Officer

1. Call to order

Mayor Jakubeit called the public hearing to order at 6:00 p.m. for Zoning Amendment Bylaw No. 2016-09" and "Zoning Amendment Bylaw No. 2016-13". He explained that the public hearing was being held to afford all persons who considered themselves affected by the proposed bylaw an opportunity to be heard before Council.

The Corporate Officer read the opening statement and introduced the purpose of the bylaws. She then explained that the public hearing was being held to afford all persons who considered themselves affected by the proposed bylaws an opportunity to be heard before Council. She further indicated that the public hearing was advertised pursuant to the *Local Government Act* and that Council would also hear from those whose interests may be affected by the proposed bylaws.

"Zoning Amendment Bylaw No. 2016-09" (BC Wine Sales in Grocery Stores)

The purpose of "Zoning Amendment Bylaw No. 2016-09" is to amend "Zoning Bylaw 2011-23" as follows:

Section 4.2 Definitions: 1) Amend the definition of Retail Store to remove the reference of grocery store and 2) Add the definition Grocery Store which includes the sale of 100% BC wine on an on-the-shelf model and liquor in a store-within-a store

model. 3) Add the permitted use 'grocery store' to the following zones: C3 – Commercial Residential Mixed Use; C4 – General Commercial; C5 – Urban Centre Commercial; C6 – Mixed Use Commercial; and C7 – Service Commercial.

The Corporate Officer advised that written correspondence has been received after the printing of the agenda and distributed to Council.

DELEGATIONS

Mayor Jakubeit asked the public for the first time if anyone wished to speak to the application.

- Tim Dumas, Main Street, partner in Cherry Lane Liquor Store, concerned with wines in grocery stores, provides little increase to convenience and jeopardizes small to medium sized wineries. Request Council consider a six month moratorium on liquor in grocery stores and support a study to gather more information from other jurisdictions such as Australia and New Zealand.
- Leonard Kwiatkowski, proprietor of Topshelf Winery, small winery, only four years in business and found it difficult to get liquor outlets to take wine. Save on Foods had no hesitation and took stock and asked us to do a pouring. It enhances little wineries, wine goes with meals, with food. Why are liquor outlets afraid of grocery stores having BC wine, they have international wine, distillery liquor and beer.
- Janet, McKinnon Place, friends visit wineries and likely to pick up wine in grocery stores. Increase exposure of small wineries, convenient, pick up dinner and wine at same time.
- Resident of Redlands Road, competition is good for business.
- Miles Prodan, Kelowna, on behalf of BC Wine Institute, support wine in grocery stores, limited amount of licences available for wine in grocery stores, another avenue for small wineries. Wine in grocery stores is a good solution, room and business for everybody.
- Brad Hickey, Save on Foods, Main Street, 500 signatures from customers and team members who support wine in grocery stores. Customers asked for local wine, more jobs in my store and supporting local trades. Active community members.
- Jennifer Heard, Osoyoos, BC Government Employees Union, minors are not allowed in our stores, concerned with underage drinking and who will be monitoring isles and unpacking shelves, who will check out customers?
- Damien Kettlewell, partner Cherry Lane Liquor Store, Main Street, Council has received different levels of communication, make decision that is in the best interest of our local community. Eight local wineries out of twenty are not in support of wine in grocery stores. Cherry Lane Liquor Store is 150 feet away from grocery store, worried about downturn of our business if within area. Our voice is amplified due to support from local wineries. Local jobs will be lost; wineries are concerned about level playing field and cross promotional marketing tools. Ask that Council take a breath and look at Australia, New Zealand, Washington and California. Not afraid of competition.
- Barb, Spruce Place, take the time to review what is going on, take time to breath and review it, don't jump to conclusions.
- Bill Egert, Oliver, Fairview Cellars, have been on the board of directors for Wine Institute. Two types of licences, VQA and 100 % BC licence, have to understand the difference between the two. Has legal counsel looked into this? Think about it six months, talk to people who know about trade deals.
- Holly Marsh, Haines Street, represent private liquor store, concerned with dependency issues. Intent was to purchase food, if put in grocery stores decision to buy food over liquor difficult, access to minors, who is going to ring them through? Teens? Consignment program, not paying out right for liquor, Save on Foods has points system, all little wineries get cash up front from liquor stores. Grocery stores gets larger discount.

- Jackie Frederick, it is already convenient. Fear that it is not a level playing field and it will impact small businesses here. Do what is best for Penticton, give it more time, collect info and listen to both sides and understand the impact this will have on our tourist industries.
- Jason Cox, Spruce Drive, Chamber of Commerce, representing local businesses, unequal playing field, significant investment by family owned businesses now have the goal post moved. This Council has the opportunity to protect local businesses and ask Council to reconsider the 1 km rule and changing the definition of grocery store.
- Chris Bogman, Any risk to our wine country isn't worth it, has the government done its due diligence looking into NAFTA agreement?
- Lynn Kelsey, Oakville Street, don't drink, Save on Foods provides jobs, seeing clarifying language in the bylaw, specific in definition. Think that Council should take the time to do due diligence, think that it is important. Save on Foods management is responsible, heard concerns regarding under age staff, don't want a community problem. Don't know risks, take time to get the information, take time to look at 1 km and bring those answers for the people here tonight.
- Sheryl Delany, Maple Ridge, opposed to zoning amendment, ask Council to reinstate 1km rule. Likely to violate trade agreement and vulnerable to trade challenge. Asking for a six month moratorium to study implications. Not inconvenient when safety is concerned. Increased availability has a negative impact associated with increase harm and related hospitalization and deaths. Numbers will only go up, will be a target for theft, what will happen when alcohol goes in there, are their staff trained to watch for minors and bootleggers? There are no age restrictions for grocery stores.
- Robert Van Westin, Naramata Bench, concerned with issue, already have VQA store in Penticton that does a fabulous job, it's not about quality it's about price point. VQA store donates money back to community, wine feeds our economy here, tourism is driven by wine; see pay checks going down as VQA stores close. Nervous about trade agreement, liquor laws are changing around the world. Suggest Council sit back and be patient with this topic, get head around what is going on.
- Resident of Churchill Avenue, Have a fantastic VQA store, never needed 1km restriction because not full liquor store, no reason to implement 1km and always coincided with other liquor.
- Lee Keller, Kelowna, private liquor store business, fine if doesn't trigger trade challenge that is the issue, once challenge issued out of your hands, don't know enough about it. Sent a letter to the Liberal government, no answers yet. Not enough information to make a decision on something that may kill this industry.
- Gavin Miller, Upper Bench Wineries, VQA helps our wineries, can't see it being the same relationship with grocery stores, they get discounts, price wars, don't want discounted wines.

Mayor Jakubeit asked the public for the second time if anyone wished to speak to the application.

- Steve Moriarty, Save on Foods, Langley BC, wine in store for one year, have faced lots of hurdles and challenges. Maintain commitment to sell wines safely. Same rules apply as any liquor retail, under magnifying glass and audited on a regular basis. Half our stores are managed by former managers of VQA wine stores. Brought experience, history and knowledge to our store. See as benefit to our customers and small wineries. Our licencing is with BC wine institute, we guarantee in writing that every VQA has access to our shelf; maintain spot for every wine created in this province. Theft prevention, developing new sensor tag, use best technology available to us. Zero issues with audit from liquor control, only 21 VQA licence in province of BC. Our goal is to sell premium

wines. Popular price point \$17-\$20 not including tax, \$18.06 is our average price without tax.

- Jennifer Taylor, Vice President, Chamber of Commerce, Douglas Avenue, not fan of NIMBY, take a look at who we are, we are in unique situation in Penticton, have Naramata Bench, OK Falls, part of the tourism experience. Support 1 km, other communities have restrictions, take a minute and rethink, talk to other communities that have applied restrictions.
- Martin Lewis, Fairview, operate Coconut Express, wine tour company, visit small boutique wineries, disguising liquor as BC wine, artificial advantage to grocery store, downward pressure, it's in our interest to not follow the crowd, small wines stock shelf may not get purchased;
- John, Churchill Estate wines, support six months pause before decision is made.

Mayor Jakubeit asked the public for the third and final time if anyone wished to speak to the application.

- Doug Eaton, Balfour Street, at the end of the day what is the best economic interest of area. Realized this will have a negative impact on small and medium sized wineries and negative effect on retailers that have made significant investments. Not having wine sales in grocery stores will not impact Save on Foods, will have an impact on local wineries and liquor retail outlets. Sit back and look at long and hard.
- Michael Lang, Lang Vineyards, Naramata, have wine in other Save on Foods in the province and have seen a 25% decrease in sales. Has not been a benefit to our winery. Large producers will be able to supply discount wines. Asking for six months moratorium; think about effect on small and medium size wineries.
- Jim Morash, Fairview Liquor Stores, isn't about competition for us, put money and time to bring good products, wide arrangement of boutique wineries, if any doubt of NAFTA agreement put in 1 km rule, BC wines and VQA are around 27% of sales per day.
- Damien Kettlewell, read out a letter from Tightrope winery, provided a copy.
- Miles Prodan, some wineries won't speak out loud, worried about retribution, to speak out in favour of grocery could have consequences. These are well established wine licences protected under NAFTA agreement, trade challenge is an issue that doesn't make sense, store within store makes it accessible, ability for all wines to exist has been proven, they haven't dried up and gone away in Vancouver.
- Jason Cox, Chamber Commerce, Spruce Drive, trepidation on both sides, changing of wording in bylaw, hope that Council careful in wording, difference in VQA and BC, be specific on those things if making change, all at start of something new, revisit 1km and request a moratorium, review other communities in this province and how it relates to our unique circumstance in Penticton.
- Tim Dumas, Cherry Lane Liquor Store, deal with 134 different wineries on weekly basis, work together to help each other, in this together with wineries, many have reservations.
- Steve Moriarty, Save on Foods has been in business in Penticton since 1922, closed in 1964, now back and had our share of challenges. Operating agreement as licence holder guarantees BC wines on shelf anytime, we like that idea, we look at it as an opportunity to grow the wine industry, integrity, winery first perspective will put us in the right spot.

The public hearing for "Zoning Amendment Bylaw No. 2016-09" was terminated at 7:38 p.m. and no new information can be received on this matter.

Zoning Amendment Bylaw No. 2016-13" (812 Johnson Road)

The purpose of "Zoning Amendment Bylaw No. 2016-13" is to amend "Zoning Bylaw 2011-23" as follows:

Add section 11.2.3 Other Regulations:

.3 In the case of Lot 1, District Lot 188, Similkameen Division Yale District, Plan 9969, located at 812 Johnson Road, the rental of up to nine (9) vehicles is permitted as an accessory use to a convenience store.

The Corporate Officer advised that written correspondence has been received after the printing of the agenda and distributed to Council.

DELEGATIONS

Mayor Jakubeit asked the public for the first time if anyone wished to speak to the application.

- Sherlock Oh, Rocky Store Owner, doing best to provide customers with quality services, this U-Haul business is critically required for company survival. Two months have passed since rent moving trucks, noticed need for U-Haul, low cost and convenient location, will pay attention and don't want to disturb neighbours, will do my best to get rid of their discomfort, this business has support from citizens, 106 signatures from customers, think it's a great idea.
- Manfred Elmer, Haven Hill Road, direct neighbour, most impact with this new business venture, away while U-Haul showed up, educated ourselves if legal business, we raised concerns about this and researched other U-Haul business, no problem with business but this is the wrong location. Support any other business venture, opposed to this.
- Brad Houston, Barrington Place, look down on Rocky store, have seen repeated accidents in area, fatalities, logging trucks, not just a commuters road, has the site been checked for traffic safety concerns? Why do we want a further U-Haul business on dangerous corner?
- Ray Steinke, Wilson Street, application has merit, main arterial road, on edge that has many different uses, supplementary use, not main business. Brings traffic to business 7 am to 7 pm no impact at night, lots of on-site parking, consult with neighbour and put up landscaping, 4-6 rentals a day, most utility trailers and small vans.
- Upper Bench Road, Agree with application, communicate with neighbour to come to agreement to make aesthetically pleasing, will be more flow if regulation is only 9 vehicles, appease everyone concerned.
- Dennis O'Gorman, Pharrell Street, staff recognized that not approved use, application could allow for it on site specific basis, is OCP and zoning worth paper written on, just because demand doesn't have to be accommodated, not compatible as neighbourhood commercial use.
- Roxanne Demeyer, North Vancouver, recently rented U-Haul, I did not pick it up in residential area, picked it up in industrial area, now from parents home view U-Haul trucks, no one wants it in the neighbourhood, drove to other U-Haul business, it is in an appropriate place, mainly in industrial areas and highways, not appropriate place for U-Haul business.

Mayor Jakubeit asked the public for the second time if anyone wished to speak to the application.

- Chuck Nelson, regional manager for U-Haul, of the 19,500 dealers, 18,000 are neighbourhood dealers. Okanagan doesn't have many, Fraser Valley, Langley, Vancouver are small convenient stores serving their community. Our business philosophy is to make it as convenient as possible for our customers. Mr. Oh is opposite end of town from other U-Haul, convenient, no size restrictions on that road, 4-6 rentals a week, on fringe area.
- Kelly Holm, Naramata, Mr. Oh is hard working and if he gives you his word, he'll follow rules, access on or off property, traffic moves slowly, good visibility on both sides, have not experienced traffic issues.
- Jason Cox, Spruce Drive, Naramata, know Mr. Oh is honourable business man, important to him to have neighbours on side, no concerns for myself or children, increased traffic on lot will be well managed by Mr. Oh, hope Council support it.
- Gavin Miller, Upper Bench wines, it's the entrance to Naramata bench, hideous, ugly big vans blocking everything, if only four or five why does he need 9 trucks?
- Lorraine Stephanson, Pharrell Street, opposed, live in house proud neighbourhood, looked at zoning when we bought our house, we would not have bought if had to look at cube truck not cleaned, causing immediate problems, 9 vehicles, 12 or 11 on lot, it is unsightly, on their website and they don't have permission.
- Esa Truin, Redlands Road, on school day traffic jams everywhere.
- Bill Downing, Middle Bench Road, opposed, safety aspect, concerned about pedestrian traffic, trailers blocks view, mismatch for the neighbourhood, object to setting business up then ask for permission after.
- Hugh, Quality Crescent, opposed, big trucks parked and have to park own on side and blocks walkway to Redlands, you do not engage in a change in business without permission, because it's there doesn't mean we have to go along with it, not a location for that kind of business.
- Dan Foster, parents in Haven Hill, rented a U-Haul from industrial area, not residential. Not a neighbourhood in transition, if it wasn't a corner store it would be a single family house, not truck rental.
- Marie Houston, Barrington Place, senior, concerned with seniors at Haven Hill retirement centre, see seniors trying to cross the road with walkers and canes, dangerous for them, this is an added danger with people who don't have a trucker licence, concerns me, should not be allowed in residential area, in house since 1963, worked hard, community minded, made our terraces appealing, had every summer a note enjoy our flowers and efforts, all effort done nullified by looking down on these trucks.
- Lorna Clancy, Munson Mt Road, opposed, this is residential not light industrial.
- Dennis O'Gorman, Pharrell Road, this isn't about Mr. Oh's character and business capabilities, this isn't an appropriate use, does it fit any sensible planning design criteria?
- Eleanor Smith, Heather Road, opposed, Haven Hill fits into the neighbourhood, when we sit out on our back deck, Haven Hill is not out of place, U-Haul is out of place, not the most pleasant view, oppose to U-Haul in residential neighbourhood.
- Brad Houston, neighbours have house for sale, potential buyer didn't like view of U-Haul.
- Shayna, Upper Bench Road South, opposed, should be in industrial area, not residential.
- Manfred Elmer, business belongs to industrial lot, truck sit five days week, Saturday and Sunday, pick up on weekends, 24 hour drop off, noise from roll gates, U-Haul users are noisy, have not been approached by neighbour to put landscaping in place, took out trees, now look at ugly trucks, property value will drop.

Mayor Jakubeit asked the public for the third and final time if anyone wished to speak to the application.

- Sherlock Oh, sincerely apologize to neighbours for discomfort and unpleasant feelings, I am not trying to do business for fun, trying to survive with convenience business, if could don't want to expand, do not let me die out, if not have to sell business and move out, I want to help the moving people achieve their goal at the lowest cost and convenience.
- Ray Steinke, Wilson Street, U-Haul in industrial is repair depot, have frequent industrial court it's not good there, no parking in the day, very tight, Mr Oh has ample parking.
- Chuck Nelson, petition of 100 people, comfortable with what is happening, U-Haul is flexible whatever needs to be done we are happy to work with Council.
- Hugh, More than 100 signatures, a lot of his customers are those on their way to Naramata, they don't care what happening in our area.

The public hearing for "Zoning Amendment Bylaw No. 2016-13" was terminated at 8:48 p.m. and no new information can be received on this matter.

Certified correct:

Dana Schmidt
Corporate Officer

Confirmed:

Andrew Jakubeit
Mayor

