

**REVISED**  
**PROPOSAL FOR RELOCATION OF BRITISH COLUMBIA LIQUOR STORE**  
**#192 UBC**  
**TO NEW STORE LOCATION AT**  
**WESBROOK VILLAGE – UBC SOUTH CAMPUS**

**1. CURRENT LOCATION:** UBC Marketplace  
 2158 Western Parkway  
 Vancouver, BC V6T 1V6  
 Area Manager 3 – Sam Sethi

**2. EXISTING STORE INFORMATION:**

**Lessor:** University Marketplace Development Partnership (595639 BC Ltd)  
 c/o Cressey Development Corporation  
 Suite 800 – 925 W. Georgia St., Vancouver, BC V6C 3L2

**Existing Lease Details:**

Leaseable Area:	2,982 square feet
Term:	Fifteen (15) years
Base Rental Rate:	Years 1 – 2 @ \$ <sup>17</sup> per sq. ft.
	Years 3 – 5 @ per sq. ft.
	Years 6 – 10 @ per sq. ft.
	Years 11 – 15 @ per sq. ft.
Leasehold Improvements:	N/A
Operating Costs:	LDB pays its Proportionate Share
Property Taxes:	LDB pays its Proportionate Share
Renewal Options:	Two, five (5) year options
Commencement Date:	November 1, 2002
Expiry Date:	October 31, 2017
Original Term Start Date:	December, 2002

<b>Sales History</b>				
<b>Sales Period</b>	<b>Sales</b>	<b>% Change</b>	<b>Units</b>	<b>% Change</b>
Y.T.D. (Per. 9 - 2010-11)	\$ 2,503,184	-2.38%	220,745	-2.34%
Fiscal 2009 - 2010	\$ 3,448,773	-0.55%	304,483	2.20%
Fiscal 2008 - 2009	\$ 3,467,925	8.49%	297,921	3.97%
Fiscal 2007 - 2008	\$ 3,196,469	12.74%	286,544	14.68%
Fiscal 2006 - 2007	\$ 2,835,334	19.66%	249,858	16.05%
Fiscal 2005 - 2006	\$ 2,369,555	22.48%	215,293	26.40%
<b>Sales Increase for period 12 (2005/06 - 2009/10) =</b>				
			45.5%	
<b>Unit Sales Increase for period 12 (2005/06 - 2009/10) =</b>				
			41.4%	
<b>Sales Per Square Foot = \$ 1,156.53</b>				
<b>Product Mix - (Fiscal Year Ending Period 12 (2009/10))</b>				
	<b>% of Retail Sales</b>	<b>% of Total Unit Sales</b>		
<b>Spirits:</b>	30%	18%		
<b>Wine:</b>	30%	28%		
<b>Ciders/Coolers:</b>	4%	6%		
<b>Beer:</b>	36%	47%		
<b>Miscellaneous:</b>	0.1%	1.1%		
<b>Customer Mix - (Fiscal Year Ending Period 12 (2009/10)):</b>				
<b>Over the Counter:</b>	95.75%			
<b>Wholesale:</b>	4.25%			
<b>Customer Count:</b>	153,484			

2/3/2011

**Customer Mix**

<b>Over The Counter</b>	<b>Current (\$)</b>	<b>Current (%)</b>	<b>Previous (\$)</b>	<b>Previous (%)</b>
Fiscal 2009 - 2010	\$3,302,487	95.76%	\$3,244,439	93.55%
Fiscal 2008 - 2009	\$3,244,439	93.55%	\$2,948,289	92.24%
Fiscal 2007 - 2008	\$2,948,289	92.24%	\$2,625,273	92.59%
Fiscal 2006 - 2007	\$2,625,273	92.59%	\$2,294,314	96.82%

<b>Wholesale</b>	<b>Current (\$)</b>	<b>Current (%)</b>	<b>Previous (\$)</b>	<b>Previous (%)</b>
Fiscal 2009 - 2010	\$146,286	4.24%	\$223,486	6.45%
Fiscal 2008 - 2009	\$223,486	6.45%	\$248,180	7.76%
Fiscal 2007 - 2008	\$248,180	7.76%	\$210,061	7.41%
Fiscal 2006 - 2007	\$210,061	7.41%	\$75,240	3.18%

<b>Customer Count</b>	<b>Current (#)</b>	<b>Previous (#)</b>	<b>% Change</b>
Fiscal 2009 - 2010	153,484	146,110	5%
Fiscal 2008 - 2009	146,110	133,379	10%
Fiscal 2007 - 2008	133,379	120,595	11%
Fiscal 2006 - 2007	120,595	111,447	8%

Customer Count Increase/Decrease for period 12 (2006/2007-2009/2010) = **27.27%**

**3. BACKGROUND:**

- The Liquor Distribution Branch has occupied the current Premises since December, 2002.
- The current store is located in the main entrance to UBC off University Boulevard in close proximity to UBC residences, the existing University Endowment Lands (UEL) community and the new UBC market housing on the south campus.
- s 13, s 17
- In January, 2009, Real Estate was approached by UBC Properties Trust as to our interest in relocating to the South Campus in the new UBC Wesbrook Village residential/commercial development. Real Estate is recommending relocation as a better choice s 13 in our present location.

**Information from Data Warehouse**

<b>BCLS / LRS / VQA / WIN NAME</b>	<b>LRS Estimated Opening Date</b>	<b>Gross Counter Sales Rolling 12 Period 9 2010/11</b>	<b>Trading Area Market Share as of Period 9 2010/11</b>	<b>Distance to Proposed New BCLS 192 UBC</b>
<b>BCLS#192 UBC Marketplace</b>		<b>\$3,278,507</b>	<b>100.0%</b>	<b>1.37 km</b>

- There is 1 GLS, no active Licensee Retail Stores (LRS) and no new pending LRS in a 2.0 km radius.

**4. THE NEW LOCATION:**

- Wesbrook is UBC's 100-acre sustainable neighbourhood, home to a mixture of residential and retail units. Anchored by a village centre, Wesbrook Village features a 33,000 square foot Save-On Foods, RBC Royal Bank, Blenz Coffee, Boston Pizza, TD Bank, and Mozart School of Music, and a future community centre with more commercial planned to accommodate other amenities required by the neighbourhood;
- Wesbrook Village is located in the south campus at 16<sup>th</sup> Avenue and Wesbrook Mall (see attached map);
- Wesbrook Village will be comprised of 1481 dwelling units of rental and market housing including townhomes, apartments and hi-rise buildings. Over 5,000 students, faculty, staff, parents, alumni, and general public will live in the Village. The residential component has been finished in phases with the final phase scheduled for completion in the summer of 2013.

**5. PROPOSED NEW GLS PREMISES:**

- The LDB is being offered space in a new two level mix use building with access to ample underground and at grade parking. The developer is anticipating completion of the building in the summer of 2012. Each floor plate is approximately 6,000 square feet for a total of 12,000 square feet. The second level will be marketed for dental and medical offices;
- The proposed new store would be approximately 4,800 square feet with street front access (see attached plan);
- The new store will adhere to our base building standards and include loading at grade. The shape and size of this location is very well suited for a new LDB store;
- The placement of the store is ideal. From Wesbrook Mall, the new store has excellent exposure and signage and is sufficiently visible to attract shoppers. In addition, the store would be located directly across from the new Save-on-Foods store. There is ample parking with 100 on-grade and 200 underground parking stalls with motor access to grade level. The motors are located adjacent to the proposed new store.

**6. NEGOTIATIONS:**

Real Estate began discussions with the Landlord in January, 2009 resulting in the following offer to lease:

Leaseable Area:	Approximately 4,800 square feet		
Term:	Ten (10) years		
Base Rental Rate:	Years 1 - 5	@ <sup>s 17</sup>	per sq. ft.
	Years 6 - 10	@	per sq. ft.
Operating Costs:	Proportionate share (approximately <sup>s 17</sup> per square foot)		
Property Taxes:	Proportionate share (approximately <sup>s 17</sup> per square foot)		
Renewal Options:	Two, five (5) year options		
Commencement Date:	November 1, 2012		



Lease Format: LDB Standard Form of Lease as amended by mutual agreement.

Landlord's Work: The Landlord shall complete the Base Building as set out in the Liquor Distribution Branch Specifications.

s 17

Tenant's Work: The Tenant shall be responsible for the construction and all Tenant Improvements, trade fixtures, supply and installation of additional furnishings, POS (point of sale) and material handling equipment in the Premises at its cost, s 17

s 17

Termination Clause: None

#### Pros for Proposed Location

- Rapidly growing UEL community and UBC market housing on the south campus
- Save-On Foods is the Anchor Tenant of the new Wesbrook Village
- Excellent complementary retail that includes RBC Royal Bank, Blenz Coffee, Boston Pizza, and TD Bank
- Close proximity to UBC residences
- Ample parking, 100 on-grade and 200 underground parking stalls
- Better location to serve both the student and residential customers of the UBC market place

#### Cons for Proposed Location

- None identified at this time

### 7. ANALYSIS:

#### Size Analysis

- The new building will have a foot print of 6,000 square feet on the first floor. The size of the proposed BC Liquor Store (4,800 square feet) is dictated by a grade change. On the first floor there will be one level floor slab of 4,800 square feet then a drop of 3 feet to the remaining 1,200 square foot floor slab. Requesting a smaller space would have resulted in a premise of only 3,600 square feet leaving a minimum of 1,200 square feet of leasable space for the Landlord to market. A 3,600 square foot premises would not be desirable as it may limit the future growth potential for this store.

#### Rent Analysis

- The centre is currently leasing new space to tenants at base rental rates of s 17 per square foot for the first five years with additional operating costs of approximately s 17 per square foot excluding property taxes. s 17

- In addition, the Landlord is delivering the premises to meet the LDB base building specification s 17

s 17

8. **TRADING AREA ANALYSIS:****Demographics (2007 Estimates and Projections)**

Characteristics	UBC to Camosun	Camosun to Dunbar	UBC to Dunbar
Population in 2007	19,214	14,724	34,326
Population in 2001	17,982	13,894	32,317
2001 to 2007 population change	6.90%	6.00%	6.20%
2006 Total private dwellings	9,983	5,425	15,390
Population density per square kilometre	1,039.20	3,094.70	1,425.90
Land Area (square km)	20.2	4.4	24.1
Median Age of Population	38.2	40.3	39.2
% of the population ages 15+	83%	85%	85%
Median Household income in 2005	\$84,746	\$85,233	\$83,659
% of population between 20 and 24	7%	7%	7%
% of population between 25 and 44	32%	29%	31%
% of population between 45 and 64	26%	28%	28%
% of population 65 and older	12%	14%	13%

For more information please see UBC neighbourhood & Student Populations profile attached.

**Demographic Background**

- Located between the City of Vancouver and the University of British Columbia, the University Endowment Lands is an unincorporated community of nearly 4,000 people with a wide range of services and recreational opportunities at its doorstep;
- The University Endowment Land's community includes four distinct areas: Area A, Area B, Area C, and Area D, which includes the University Village where the current BC Liquor Store is located. Areas A, B, and C are single family residential areas. Area D is the commercial centre and contains multi-family residential units. Area D has seen the most growth over the last ten years including the development of Wesbrook Village (see University Endowment Lands-Land Use Plan attached) ;
- The daytime population at UBC in the fall of 1997 was 42,300 and in the fall of 2008 the daytime population had increased to 57,650. This includes increased student enrollment, associated increases in faculty and staff, and increased numbers of residents on campus. (Source: UBC Fall 2008 Transportation Status Report)

	Fall 1997	Fall 2008	Increase	
Students	33,200	45,300	+12,100	36%
Staff	7,250	9,600	+2,350	32%
Faculty	1,850	2,750	+900	50%
Totals	42,300	57,650	+15,350	36%

- The population for the UBC to Dunbar Street area in 2001 was 32,317 and is expected to grow to 39,466 or 6.5% in 2017. These projections were prepared by Sitings Realty using MapInfo Projections.

**9. OTHER RELEVANT INFORMATION:**

The LDB has the right to terminate the lease of the existing UBC GLS upon giving the Landlord twelve months prior written notice during a thirty-day window starting November 1, 2012 and every anniversary date thereafter. The earliest the LDB may terminate the lease is <sup>s 13</sup> With the commencement date for the proposed new location anticipated to be November 1, 2012 the LDB <sup>s 17, s 13</sup>

This scenario is reflected in the 5-year pro-forma attached. <sup>s 17</sup>  
<sup>s 17</sup>

The LDB believes locating its GLS next to a strong anchor tenant such as Save-On-Foods and other amenities would place the LDB in a much stronger position over its current location to serve both the student and residential customers of the UBC market place. In addition, the proposed new location is better suited to take advantage of customers from outside the primary trade area who shop the major food store. This reposition is forecasted to provide a lift in sales.

The Overwaitea Food Group has confirmed that their new Save-On-Foods store is achieving the forecasted targets set for the store. The store is drawing many customers from the secondary trade area with more secondary trade area customers expected as the store becomes better known and established in this trade area.

- <sup>s 17</sup> is budgeted in the 2012/13 fiscal year budget.
- The attached 5-Year Pro-Forma Operating Results forecasts the proposed new store to have a sales increase growth (not including inflation) of 10% in the first and second year and 1% compounding year over year for the next three years reaching a total sales of \$4,911,395 in the fifth year.
- The forecasted 10% growth reflected in years one and two of the pro-forma was derived by the consideration of the following information;
  - The primary UBC trade area was 18,996 residents (includes student housing) in 2010 and expected to grow to 19,596 residents in 2014 and 20,196 residents in 2015. This represents approximately 3% growth annually and this growth is expected to continue at the same rate to 2020.
  - There was a recent customer spotting survey conducted on Friday January 7<sup>th</sup> and Saturday January 8<sup>th</sup> 2011. The license plate numbers of all customers visiting the Save on Foods site was recorded and then transposed on to a map (see attached map). It is clear from the attached survey that the Save on Foods has a very strong draw into a secondary trade area that extends just east of Dunbar street. In addition Save on Foods is drawing significant customers from Dunbar Street extending further east to Arbutus Street.
  - It is forecasted that the primary and secondary trade area combined will have a residential population of 37,026 in 2012 and increase to 39,466 or 6.5% by 2017.
  - The current UBC GLS does not benefit from the existing residential density bordering UBC lands however, the LDB believes that relocating the existing UBC GLS next to the Save on Foods will result in the relocated store capturing new market share from the drawing power of the major food store.

- Therefore, 3% of the 10% growth forecasted for years 2014 and 2015 reflect the growth in the primary trade area over the same period. The remaining 7% growth forecasted for years 2014 and 2015 reflect the access the new store will have to the strong secondary market that Save on Foods is drawing from. The LDB acknowledges the very strong synergies that develop between a strong food anchor tenant and a BC Liquor Store when they are located in close proximity. Due to the lack of a major anchor tenant such as Save-On-Foods and the lack of the abundance of parking enjoyed by customers of Westbrook Village, the existing LDB store can not grow its business to match the forecasted performance of the new location.
- The attached 5-Year Pro-Forma includes the blending of all operating costs, including rent and taxes of the current store, with the same costs of the proposed store ending with the earliest termination of our current Lease on October 31, 2013. **Note:** The opening position which is the first column on the attached 5-Year Pro-Forma, includes the blending of a stepped rent increase from <sup>s 17</sup> to <sup>s 17</sup> per square foot effective November 1, 2012 and 5 months of the new rent which is <sup>s 17</sup> per square foot.
- The Payback Calculation Analysis attached. forecasts the payback of the <sup>s 17</sup>  
<sup>s 17</sup>

Attachments:

- Pro Forma
- Store Layout
- Site plans and promo sheet
- UBC Trade Area - GLS and LRS Map
- License Plate Study – Customer Spotting
- Fiscal 2010/11 P09 Rolling Sales, BCLS Counter vs LRS Sales
- Period 9 SCR sales analysis / Period 12 SCR fiscal year ending March 31, 2010
- UBC Neighbourhood & Student Populations
- 2007 Estimates and Projections
- UEL Official Community Plan
- Fall 2008 Transportation Status Report



**10. RECOMMENDATION:**

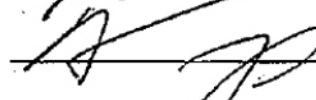
The Liquor Distribution Branch recommends the proposal to relocated GLS#192 and to lease premises of approximately 4,800 sq. ft located at Wesbrook Village Shopping Centre at the University of British Columbia South Campus Community for a term of Ten (10) years plus Two (2) renewal options for Five (5) years. The base rent is <sup>s 17</sup> per square foot for years 1-5, and <sup>s 17</sup> per square foot for years 6-10. The Branch will be responsible for its proportionate share of property taxes estimated to be <sup>s 17</sup> per square foot and operating costs estimated to be <sup>s 17</sup> per square foot. The Landlord will deliver the Base Building as per LDB specification and contribute <sup>s 17</sup> per square foot to fixed Tenant Improvements. The Branch will contribute <sup>s 17</sup> budgeted for in 2012/13 fiscal year to <sup>s 17</sup>. The Branch will modify its current standard form of lease. This recommendation is subject to the Landlord obtaining necessary approvals and appropriate permits.

Senior Leasing Manager  
Real Estate

  
(Signature)

Feb-03/11  
(Date)

Director  
Real Estate



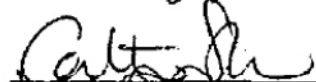
Feb 03/11

Area Manager  
Retail Operations

S. Seffe

FEB. 4/2011

Legal  
Counsel



Feb 7/2011

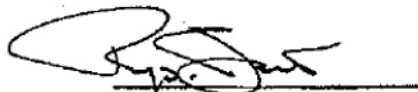
Director  
Store Operations



FEB. 4/2011

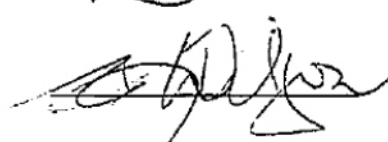
**CONCUR:**

Executive Director  
Finance



Feb. 15/11

Executive Director  
Retail Services



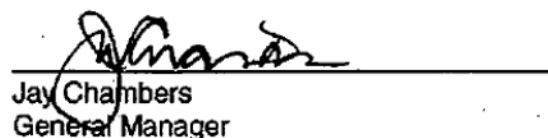
Feb 15/11

**GENERAL MANAGER**

**Remarks:**

Approved

Date Approved

  
Jay Chambers  
General Manager

Feb 18/11







# LIQUOR DISTRIBUTION BRANCH

Store 192, UBC

PRELIMINARY FINANCIAL ANALYSIS

## STORE RELOCATION PROPOSAL

Description	Actual Last Complete Fiscal Year To Mar 2010		Latest Year-to-Date Operating Results				Actual Last Complete 12 Periods To Nov 2010	
	Amount	Percent	Less Prior Year to Nov 2009		Add Current Year to Nov 10		Amount	Percent
			Amount	Percent	Amount	Percent		
<b>Total Sales</b>	<b>3,448,773</b>		<b>2,244,592</b>		<b>2,205,670</b>		<b>3,409,851</b>	
<b>Total Product Margin</b>	<b>849,411</b>	<b>24.63</b>	<b>550,095</b>	<b>24.51</b>	<b>540,609</b>	<b>24.51</b>	<b>839,925</b>	<b>24.63</b>
<b>Operating Expenses</b>								
Facilities:								
- Base Rent      Rate / Sq Ft -								
Square Ft -	2,982.00		2,982.00		2,982.00		2,982.00	
Total Base Rent -								
- Leasehold Adjustments	-	-	-	-	-	-	-	-
- Common Area Maintenance	10,693	0.31	6,821	0.30	8,902	0.40	12,774	0.37
- Property Tax/Grant In Lieu	30,381	0.88	9,120	0.41	9,666	0.44	30,927	0.91
- Utilities	6,634	0.19	3,149	0.14	3,328	0.15	6,813	0.20
- TI Amortization	25,096	0.73	16,731	0.75	-	-	8,365	0.25
- Other Building Expenses	16,381	0.47	8,876	0.40	9,097	0.41	16,602	0.49
Total Facilities Expense								
Employment Expenses	314,987	9.13	204,737	9.12	193,404	8.77	303,654	8.91
Sales & Marketing Expenses	-	-	-	-	-	-	-	-
Administration Expenses	15,999	0.46	10,121	0.45	12,487	0.57	18,365	0.54
Store Expenses	13,643	0.40	8,592	0.38	9,262	0.42	14,313	0.42
Other Amortization Expenses	3,382	0.10	2,255	0.10	2,255	0.10	3,382	0.10
Financing Charges	29,344	0.85	19,366	0.86	18,186	0.82	28,164	0.83
Total Operating Expenses								
Add: Breakage	1,900	0.06	1,402	0.06	3,428	0.16	3,926	0.12
Inventory Financing	12,516	0.36	7,444	0.33	6,838	0.31	11,910	0.35
Store Variance	1,590	0.05	1,308	0.06	860	0.04	1,142	0.03
Sales Discounts	-	-	-	-	-	-	-	-
Container Handling Fees	(4,002)	(0.12)	(2,781)	(0.12)	(2,793)	(0.13)	(4,014)	(0.12)
Total Expenses								
Store Contribution								
Store Statistics :								
Unit Sales	304,483		198,430		195,649		301,702	
Labour Hours	10,846		7,041		6,824		10,629	
Store Area - Square Feet	2,982		2,982		2,982		2,982	
Unit Sales / Hour	28.07		28.18		28.67		28.38	
Dollar Sales / Hour	317.98		318.79		323.22		320.81	
Dollar Sales / Square Foot	1,156.53		752.71		739.66		1,143.48	
Average Sales Price/Unit	11.33		11.31		11.27		11.30	
Average Labour Rate/Hour	29.04		29.08		28.34		28.57	



**LIQUOR  
DISTRIBUTION  
BRANCH**

Store 192, UBC

PRELIMINARY FINANCIAL ANALYSIS

STORE RELOCATION PROPOSAL

Description	Actual Last Complete 12 Periods To Nov 2010		Opening Operating Adjustments		Estimated Complete Fiscal Year To Mar 2013	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Total Sales</b>	<b>3,409,851</b>		<b>173,234</b>		<b>3,583,085</b>	<b>5.08</b>
<b>Total Product Margin</b>	<b>839,925</b>	<b>24.63</b>	<b>42,672</b>	<b>24.63</b>	<b>882,597</b>	<b>24.63</b>
<b>Operating Expenses</b>						
Facilities:						
- Base Rent      Rate / Sq Ft -	s 17					
Square Ft -	2,982.00		1,818.00		4,800.00	
Total Base Rent -	s 17					
- Leasehold Adjustments	-	-	-	-	-	-
- Common Area Maintenance	12,774	0.37	10,781	6.22	23,555	0.66
- Property Tax/Grant In Lieu	30,927	0.91	21,891	12.64	52,818	1.47
- Utilities	6,813	0.20	7,416	4.28	14,229	0.40
- TI Amortization	8,365	0.25	10,385	5.99	18,750	0.52
- Other Building Expenses	16,802	0.49	12,155	7.02	28,757	0.80
<b>Total Facilities Expense</b>	s 17					
Employment Expenses	303,654	8.91	-	-	303,654	8.47
Sales & Marketing Expenses	-	-	-	-	-	-
Administration Expenses	18,365	0.54	1,100	0.63	19,465	0.54
Store Expenses	14,313	0.42	900	0.52	15,213	0.42
Other Amortization Expenses	3,382	0.10	-	-	3,382	0.09
Financing Charges	28,164	0.83	1,700	0.98	29,864	0.83
<b>Total Operating Expenses</b>	s 17					
Add: Breakage	3,926	0.12	500	0.29	4,426	0.12
Inventory Financing	11,910	0.35	800	0.46	12,710	0.35
Store Variance	1,142	0.03	100	0.06	1,242	0.03
Sales Discounts	-	-	-	-	-	-
Container Handling Fees	(4,014)	(0.12)	(200)	(0.12)	(4,214)	(0.12)
<b>Total Expenses</b>	s 17					
<b>Store Contribution</b>						
<b>Store Statistics :</b>						
Unit Sales	301,702		9,000		310,702	
Labour Hours	10,629		(105)		10,524	
Store Area - Square Feet	2,982		1,818		4,800	
Unit Sales per Hour	28.38		(85.71)		29.52	
Dollar Sales per Hour	320.81		(1,649.85)		340.47	
Dollar Sales per Square Foot	1,143.48		95.29		746.48	
Average Sales Price per Unit	11.30		19.25		11.53	
Average Labour Rate per Hour	28.57		-		28.85	





**LIQUOR  
DISTRIBUTION  
BRANCH**

**Store 192, UBC, 5 Year Pro-Forma Operating Results**

**PRELIMINARY FINANCIAL ANALYSIS**

**STORE RELOCATION PROPOSAL**

Description	Payback (estimate) Complete Fiscal Year To Mar 2013		Estimated Operating Results For Complete Fiscal Year To Mar 2014		Estimated Operating Results For Complete Fiscal Year To Mar 2015		Estimated Operating Results For Complete Fiscal Year To Mar 2016		Estimated Operating Results For Complete Fiscal Year To Mar 2017		Estimated Operating Results For Complete Fiscal Year To Mar 2018	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Sales Increase - Growth (Percent +(-))			358,309	10.00	401,306	10.00	44,948	1.00	46,295	1.00	47,683	1.00
Sales Increase - Inflation (Percent +(-))			71,662	2.00	80,261	2.00	89,892	2.00	92,589	2.00	95,367	2.00
Total Sales (Percent +(-))	3,583,085		4,013,056	12.00	4,494,623	12.00	4,629,461	3.00	4,768,345	3.00	4,911,395	3.00
Total Product Margin	882,597	24.83	986,904	24.59	1,103,534	24.55	1,134,788	24.51	1,166,925	24.47	1,199,968	24.43
Operating Expenses :												
Facilities:												
Rate/Sq Ft -												
Square Ft -	4,800.00		4,800.00		4,800.00		4,800.00		4,800.00		4,800.00	
- Total Base Rent												
- Leasehold Adjustments												
- Common Area Maintenance	23,555		33,523		25,845		26,491		27,153		27,832	
- Property Tax/Grant In Lieu	52,818		70,543		51,691		52,983		54,308		55,666	
- Utilities	14,229		22,082		18,092		18,544		19,008		19,483	
- TI Amortization	18,750		45,000		45,000		45,000		45,000		45,000	
- Other Building Expenses	28,757		38,886		28,791		29,511		30,249		31,005	
Total Facilities Expense												
Employment Expenses	303,654	8.47	341,095	8.50	358,998	7.99	366,327	7.91	373,607	7.84	381,441	7.77
Sales & Marketing Expenses												
Administration Expenses	19,465	0.54	21,801	0.54	24,417	0.54	25,149	0.54	25,904	0.54	26,681	0.54
Store Expenses	15,213	0.42	17,039	0.42	19,083	0.42	19,656	0.42	20,245	0.42	20,853	0.42
Other Amortization Expenses	3,382	0.09	3,382	0.08	3,382	0.08	3,382	0.07	3,382	0.07	3,382	0.07
Financing Charges	28,864	0.83	33,448	0.83	37,461	0.83	38,585	0.83	39,743	0.83	40,935	0.83
Total Operating Expenses												
Add : Breakage	4,426	0.12	4,957	0.12	5,552	0.12	5,719	0.12	5,890	0.12	6,067	0.12
Inventory Financing	12,710	0.35	14,235	0.35	15,943	0.35	16,422	0.35	16,914	0.35	17,422	0.35
Store Variance	1,242	0.03	1,391	0.03	1,558	0.03	1,605	0.03	1,653	0.03	1,702	0.03
Sales Discounts												
Container Handling Fees	(4,214)	(0.12)	(4,819)	(0.12)	(5,061)	(0.11)	(5,097)	(0.11)	(5,131)	(0.11)	(5,162)	(0.11)
Total Expenses												
Store Contribution												
Store Statistics :												
Unit Sales	310,702		341,772		375,950		379,709		383,506		387,341	
Labour Hours	10,524		11,704		12,196		12,321		12,448		12,575	
Store Area - Square Feet	4,800		4,800		4,800		4,800		4,800		4,800	
Unit Sales per Hour	29.52		29.20		30.83		30.82		30.81		30.80	
Dollar Sales per Hour	340.47		342.88		368.53		375.73		383.07		390.55	
Dollar Sales per Square Foot	746.48		838.05		938.38		964.47		993.41		1,023.21	
Average Sales Price per Unit	11.53		11.74		11.96		12.19		12.43		12.68	
Average Labour Rate per Hour	28.85		29.14		29.44		29.73		30.03		30.33	



**LIQUOR  
DISTRIBUTION  
BRANCH**

**Store 192, UBC, 5 Year Pro-Forma Operating Results  
PAYBACK CALCULATION**

**PRELIMINARY FINANCIAL ANALYSIS  
STORE RELOCATION PROPOSAL**

	Total	To Mar 2014	To Mar 2015	To Mar 2016	To Mar 2017	To Mar 2018
<b>PROCEEDS :</b>						
Sales Increase	1,328,310	429,971	481,567	134,838	138,884	143,050
Annual Inflation Rate		2.00%	2.00%	2.00%	2.00%	2.00%
Inflation	429,771	71,682	80,261	89,892	92,589	95,367
Incremental	898,539	358,309	401,306	44,946	46,295	47,683
Margin Rate	48.00%	48.00%	48.00%	48.00%	48.00%	48.00%
Net proceeds (A)	431,299	171,988	192,627	21,574	22,221	22,889

<b>ADDITIONAL COSTS :</b>						
Increase in Labour Hours	2,051	1,180	492	125	126	129
Labour hourly rate	29.38	29.14	29.44	29.73	30.03	30.33
Additional Costs (B)	60,269	34,385	14,488	3,726	3,798	3,872

<b>RENOVATION COST :</b>	\$	s 17
<b>PAYBACK :</b>		
Incremental Annual Inflow (A - B)		
Incremental for Year To Mar 2014		
Incremental for Year To Mar 2015		
Incremental for Year To Mar 2016		
Incremental for Year To Mar 2017		
Incremental for Year To Mar 2018		
Current Year Incremental Cash Inflow		
Cumulative Incremental Cash Inflow		
Payback (estimate)		


## ADVICE TO MINISTER

<p><b>CONFIDENTIAL</b> <b>LDB INFORMATION NOTE</b></p> <p><b>Ministry of Public Safety and Solicitor General</b> <b>Liquor Distribution Branch (LDB)</b></p> <p><b>Date:</b> February 17, 2011</p> <p><b>Minister Responsible:</b> Hon. Rich Coleman</p>	<p><b>UBC GLS – RELOCATION</b></p>
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### KEY FACTS REGARDING THE ISSUE:

Since 2003, the Liquor Distribution Branch (LDB) has operated a Government Liquor Store (GLS) on the UBC Campus, located at University Marketplace, Unit 102A, 2158 Western Parkway, Vancouver. In recent years, there have been several new developments in the planning stages at UBC that are now underway. One of particular interest to the LDB is Wesbrook Village.

Wesbrook Village is located on UBC's South Campus which is comprised of 100-acres of residential and commercial use anchored by a new Save-On-Foods grocery store. The developer (UBC Properties Trust) proposed relocating the existing UBC GLS to this new location which is strategically positioned directly across from the new Save-On-Foods store. The proposed location would take advantage of the ample free on-site parking and would be adjacent to the movators (cart accessible escalators) that bring customers and their shopping carts up or down from street level to the underground parking and the surface area. The proposed new location would be among other amenities serving the residents and students of UBC. Wesbrook Village will be comprised of 2300 dwelling units of rental and market housing including townhomes, apartments and hi-rise buildings. The residential component has been finished in phases with the final phase scheduled for completion in the summer of 2011.

 The LDB has entered into a conditional agreement, subject to the landlord obtaining the necessary approvals and appropriate permits, to permanently relocate the current UBC GLS to Wesbrook Village. This move does not mean that there will be an increase in GLSs – this is merely a relocation of an existing store, with no net increase in GLSs.

The anticipated completion of the proposed space would be approximately November of 2012 and the existing GLS will close upon the opening of the relocated premises.

There are no Licensee Retail Stores (LRS) located on the UBC Campus. The closest LRS is Liberty Wines which is located at West 10<sup>th</sup> Avenue and Tolmie Street. This store is outside of the University Endowment Lands. Liberty Wines LRS is approximately 2.5 km from the proposed new location.

The LDB will be engaging in discussions with the landlord, contractors and architects about the relocation. Such discussions may garner media coverage.

### RECOMMENDED RESPONSE:

- The Liquor Distribution Branch (LDB) has entered into a conditional agreement to relocate the UBC Campus government liquor store (GLS) to UBC's new Wesbrook Village retail development.
- A relocated store would include an enhanced retail presentation of products, new product categories, merchandising initiatives and a commitment to BC VQA and BC wines.

Communications Contact: Tarina Palmer  
Program Contact: Gary Branham  
File Location:

604-252-3034  
604-252-3108



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# Memorandum

**To:** Jay Chambers, General Manager

**From:** Diane Fontaine, Manager Information Programs

**Date:** June 18, 2004

**Re: Decisions – GLS Lease Expiry Dates**  
**FOI Request # LDB-2004-10**

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This memo asks for your concurrence regarding changes to the policy on the disclosure of store lease expiry dates. The proposed changes have been developed by Wayne Barker in consultation with Catherine Sloan, and signed-off by Jim Heisler and Kelly Conrad.

Applicant: business

Requested information: lease expiry dates for all government liquor stores

Response due date: June 21, 2004 (request received: May 7, 2004)  
No fees apply as the information is readily available

Background:

In the past, LDB store lease expiry dates were publicly available through the Land Titles Office. A few years ago, Property Management stopped registering the leases. Because of the advantages to the LDB, Property Management plans to resume the registration of leases in the near future.

When leases were not registered with the Land Titles Office, the LDB disclosed the lease expiry date upon request. During the period while store closures were planned, the LDB routinely disclosed all lease expiry dates.

The liquor retail market has changed recently. The LDB is now competing with large private liquor stores for prime retail locations. In some instances, disclosure of the LDB store lease expiry date would be harmful to the financial or economic interests of the branch and/or of government.

**CONFIDENTIAL**

June 18, 2004

The BC Buildings Corporation and the Liquor Control Board of Ontario are subject to similar access to information legislation as the LDB. Both these bodies release lease expiry dates only where there is no expectation of harm to their financial or economic interests, or to those of the landlord.

Disclosure of information:

A store by store review of lease issues resulted in the determination that no business harm could reasonably be expected to occur for the landlord or the branch in the following circumstances:

- 1) the store location will not be required in the near future (examples: #1 Abbotsford and #39 Penticton where the landlords were notified of lease termination)
- 2) long term leases to 2011 or later (examples: #130 Penticton to 2017 and #220 Highgate to 2014)

Lease expiry dates would therefore be disclosed for store locations that meet the above criteria.

Conversely, lease expiry dates would not be disclosed because there would be a reasonable expectation of harm to the financial interests of the branch in the following circumstances:

- 1) currently under negotiation
- 2) short-term year to year or month to month leases
- 3) negotiations starting in 3-5 years (medium term leases to 2010)

Requesters would be referred to the Land Titles Office for locations where leases have been registered. A list of Crown-owned store locations would be provided routinely upon request.

Please sign below to show that you concur with the policy changes on disclosure of store lease expiry dates. Application of the revised policy would result in the disclosure of the attached 3 pages in response to this FOI request.

Thank you.

SIGNATURE

DATE