

Cornett, Kathy M JAG:EX

From: Cornett, Kathy M JAG:EX
Sent: Wednesday, May 13, 2015 4:19 PM
To: Lalonde, Jarett JAG:EX; Langlands, Kevin J JAG:EX; Tennant, Laura JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Groot, Jeff GCPE:EX; Hughes, Candice JAG:EX; Hansen, Lucy JAG:EX; Walker, Nikki JAG:EX; Scott, Douglas S JAG:EX; Bieller, Barry JAG:EX; Jones, Kathleen JAG:EX
Subject: 509478- Information BN re H.Y. Louie grocers
Attachments: 509478 - BN re HY Louie grocers.pdf

The attached Briefing Note has been approved by Lori Wanamaker, Deputy Solicitor General, and is for Minister Anton's meeting with H. Y. Louie on **Wednesday, May 20, 2015 at 9:30 am**. Doug will be participating in the meeting and pre-briefing (9:15 am) via phone.

The Briefing Note has been added to the Minister's sharepoint site under the meeting materials tab.

Thank you, Kathy

Kathy Cornett

Senior Executive Administrative Assistant
Office of the Deputy Solicitor General
Ministry of Justice
Phone: 250 387-5362 Fax: 250 387-6224

**MINISTRY OF JUSTICE
LIQUOR CONTROL AND LICENSING BRANCH
BRIEFING NOTE**

**PREPARED FOR: Hon. Suzanne Anton
FOR INFORMATION**

ISSUE: Meeting on May 20th with representatives from the H.Y. Louie company.

BACKGROUND:

H.Y. Louie is B.C.'s second largest family business. It owns the London Drugs chain and operates many IGA, Marketplace IGA and Fresh St grocery stores. It also acts as a wholesaler to other IGA stores.

H.Y. Louie will be represented at the meeting by:

- **Gary Sorenson**, Executive VP and COO
- **John MacNichol**, VP Marketing

The company is interested in how it can obtain liquor licences for the sale of VQA wine in their grocery stores, given the recent approval of a VQA store in Surrey.

There are 21 VQA store licences issued to the BC Wine Institute. They contract the operation of these stores to 3rd party operators. The licence class is subject to a moratorium but the Government will be issuing a limited number of new licences for the sale of 100% BC wine on grocery shelves.

DISCUSSION:

There are different options for a grocery store interested in selling wine or liquor:

- The "store within a store" model allows for licensee retail stores, LDB stores and independent wine stores to relocate to an eligible grocery store for same-cart shopping and the sales of beer, wine and spirits through separate cashiers.
- The "wine on shelves" model (part 1) will allow existing VQA and independent wine stores to relocate to an eligible grocery store to sell 100% B.C. wine.

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To coincide with the grocery model:

- The five-kilometre rule has been eliminated, allowing for more flexibility around the movement of licences.
- The one-kilometre rule remains in place for LRS's and has been expanded to include LDB stores.

- Independent wine stores, liquor manufacturer stores and VQA stores will continue to be exempt from the one-kilometre restrictions under B.C.'s new grocery model.
- Grocery stores must meet minimum size requirements (10,000 sq ft) and be focused on food service (70% of sale revenue).
- In regard to the sale of 100% BC wine on grocery store shelves, only a very limited number of new store licences will be issued and this will happen later this year.

SUGGESTED RESPONSE:

In regard to VQA stores, the BC Wine Institute is the licensee and they determine where the stores will be located, subject to LCLB approval. There are 21 VQA store licences and the government is not issuing more. Miles Prodan, CEO of the BCWI, is your best contact for more information on how you might obtain these stores.

In the Fall of 2015 Government will conduct an auction to win the right to apply for a limited number of new wine store licences for the sale of 100% BC wine from grocery store shelves.

Grocery stores meeting the size and food focus requirements will be eligible to participate in the auction. Auction winners will then be invited to apply for the wine store licences.

Enabling legislation has been passed by the Legislature this Spring. We are in the process of developing the policies, procedures and regulations to enable the auction and issuance of the licences. This information will be publicly available prior to the auction.

We expect to issue no more than two dozen of these licences, and perhaps less, in order to remain compliant with our international trade obligations.

Prepared by:
Barry Bieller
Director Policy
LCLB
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Approved by:
Doug Scott
ADM and General Manager
LCLB
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Gary Sorenson/John MacNichol - Information re meeting with Suzanne Anton – May 20, 2015

Gary Sorenson

Gary Sorenson joined H. Y. Louie in November, 2011 in the capacity of Executive Vice-President and assumed the role of Executive Vice President & COO in February, 2012.

Prior to joining H. Y. Louie, Gary's last two positions were Vice President, Consumer Goods and Vice President, Retail Operations at Thrifty Foods in Victoria.

His experience in the industry spans over 30 years' experience with organizations such as Loblaw's, Penner Foods, The Oshawa Food Group/Sobeys and Thrifty Foods.

Since joining H. Y. Louie, Gary has introduced two new banners in our retail sector – Fresh St. Market located in West Vancouver and Fresh St. Farms located in Surrey. H. Y. Louie continues to be the franchisor for MarketPlace IGA and IGA stores throughout BC.

Gary has been recognized as a volunteer for his contributions in the health sector in Victoria and other community initiatives.

John MacNichol

John MacNichol joined H. Y. Louie in 1992 as the Director, Wholesale Marketing and since 2000, has been the Vice President, Merchandising.

Since March, 2013 John has been responsible for our retail operations and continues to oversee our merchandising functions.

John has a keen interest in sports and has been involved in many organizations relating to golf, football and as an Executive Member of the Grey Cup Committee.

Cornett, Kathy M JAG:EX

From: Jones, Kathleen JAG:EX
Sent: Wednesday, May 13, 2015 10:44 AM
To: Cornett, Kathy M JAG:EX
Subject: 509478: Gary Sorenson/John MacNichol
Attachments: Anton Meeting Bios for May 20 15.pdf

Hi Kathy C.,

I hope you had a lovely weekend!

Are you able to open this pdf file? It's the bios for the HY Louie meeting...

I'm working from home today and am wondering if it's just a result of something from that but I can't get the file to open?

Kathy J.

From: Ash Farran [<mailto:AshF@hylvouie.com>]
Sent: Wednesday, May 13, 2015 10:14 AM
To: Jones, Kathleen JAG:EX
Subject: Gary Sorenson/John MacNichol

Good morning Kathleen:

Attached please find short bios on Gary and John as per your request of late last week. This information is for the meeting with Minister Anton on Wednesday, May 20th.

If you need anything further, please do not hesitate to contact me Kathleen! Have a great day. Cheers, Ash

Ash Farran
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The information contained in this email is private and confidential. If you have received this message in error, please notify the sender.

Cornett, Kathy M JAG:EX

From: Jones, Kathleen JAG:EX
Sent: Friday, May 8, 2015 12:42 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX
Subject: 509478 - BN HY Louie Meeting
Attachments: BN Min Anton meeting with HY Louie grocers - 509478.docx

Hi Kathy and Jeannie,

Attached is a BN for a Minister's meeting on May 20th.

I have not attached the doc into the CLIFF log nor did I create a referral line for our office first – blaming it on getting used to the new CLIFF system still!

If you need anything further, let me know.

Kathy

Cornett, Kathy M JAG:EX

From: Hoskins, Jeannie JAG:EX
Sent: Wednesday, April 29, 2015 3:54 PM
To: Jones, Kathleen JAG:EX
Cc: Cornett, Kathy M JAG:EX
Subject: FW: Meeting w/ H Y Louie

Hi Kathy

Please see request below from the Minister's office for Doug to attend this meeting (by phone ok).
Briefing materials are up to Doug.

Thanks.
Jeannie

From: Walker, Nikki JAG:EX
Sent: Wednesday, April 29, 2015 3:43 PM
To: Hoskins, Jeannie JAG:EX
Subject: Meeting w/ H Y Louie

Hi Jeannie, new meeting scheduled.

Cliff: 508581
Date: Wednesday, May 20th @ 9:30am-10am (pre-brief @ 9:15am)
Location: PVO, room tbc

Attending:
John MacNichol, VP Merchandising
Gary Sorenson, Executive VP and COO

Topic: discuss the changes to liquor licensing and in particular the VQA Lottery

Staff: Doug via phone please
Materials: If staff Doug advises

Thank you for your assistance!

Nikki Walker
Administrative Coordinator to the Honourable Suzanne Anton
Minister of Justice and Attorney General

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