

**What We Heard**

Administration engaged with the cannabis retail industry through

- holding a virtual sessions on April 14, 2021, focusing on the impact of the current fee structure and the challenges with other levels of government
- holding a 2nd virtual session on April 16, 2021
- conducting a digital survey with the industry members including members of Alberta Cannabis Coalition (opened on April 9, 2021, and closed on May 3, 2021)

Industry feedback was collected through four guiding questions.

- How does the current cannabis retail store fees compare to other regulatory fees?
- What factors should be considered in determining cannabis retail store fee structure?
- What impact do Government of Alberta cannabis retail store fees have on your business?
- Comments about the experience in the current cannabis retail sales environment.

Questions	Industry Feedback
<p>How does the current cannabis retail store fees compare to other regulatory fees?</p>	<ul style="list-style-type: none"> <li>● The fees are high</li> <li>● The industry appreciates the fact that in the beginning, the city had to do some costly ground work to create a pathway for this new industry to be successful. However, they also feel that it is now time to reassess the fees as the industry moves towards its maturity.</li> <li>● In comparison to other municipalities in Canada, City of Edmonton fees are somewhere in the middle. For example, fees in Vancouver are close to \$34000 and in Calgary it is around \$1000.</li> </ul>

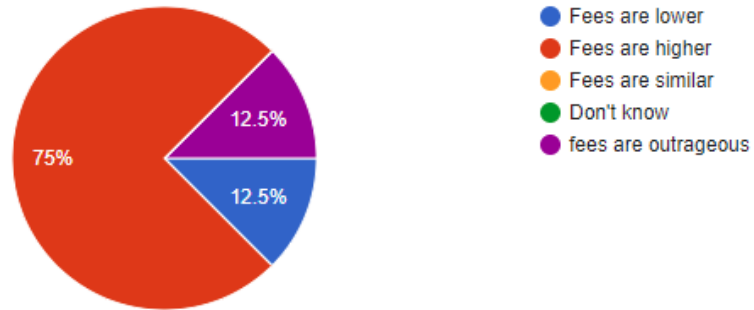
	<ul style="list-style-type: none"> <li>• Aside from the regulatory fees, most retail stores usually spend over \$20000 before they are able to open doors for customers.</li> </ul>
<p>What factors should be considered in determining cannabis retail store fee structure?</p>	<ul style="list-style-type: none"> <li>• The industry feels that the factor considered in determining fees for cannabis retail stores should not be any different from any other businesses.</li> <li>• That the direction they are headed is very similar to the alcohol industry and regulating consumer goods should have fees on the same level playing field.</li> <li>• In the beginning there were a lot of unknown factors that needed to be taken into consideration but now after 2 years into legalization, the industry feels that the transition has been seamless.</li> <li>• Fees were based on fears of the unknown and for being prepared to deal with the consequences. The initial uncertainty phase is now over, the perception has changed and the data shows that industry activities are not contributing to crime, and also the stigma associated with it is decreasing.</li> </ul>
<p>What impact do Government of Alberta cannabis retail store fees have on your business?</p>	<ul style="list-style-type: none"> <li>• Government of Alberta fees are also additional costs that businesses need to account for, however, the AGLC fees are more in line with their liquor licence.</li> <li>• While fees are not the biggest challenge when it comes to the Government of Alberta, it is the time consuming application process and the fees associated</li> </ul>

	<p>with each shipment have more negative effects on the business operation</p> <ul style="list-style-type: none"> <li>• Application process to get licence from provincial government takes a long time</li> </ul>
<p>Comments about the experience in the current cannabis retail sales environment.</p>	<ul style="list-style-type: none"> <li>• The industry wants to encourage the city to look at neighbouring provinces like British Columbia and Saskatchewan and acknowledge what has been done there. Even though the products are not the same and rules vary from province to province, it could still be valuable if the city can learn from successes and failures of others.</li> <li>• The retail environment is extremely competitive. Larger conglomerates are making it difficult for the entrepreneurs to compete and becoming a greater barrier to entry.</li> <li>• The industry also acknowledges that the city played a very effective role in bringing the industry to what it is today and how the city has become an example for other municipalities when it comes to providing regulation and supporting the cannabis retail industry.</li> <li>• Establish communication channels for city to understand changes in industry, consider annual town hall, or biannual stakeholder meetings for hear about trends and impacts to industry</li> </ul>

Digital Survey Results\*

Currently in Edmonton, specific to Cannabis Retail Stores the following fees apply: Development Permit \$5,600 and Business Licence \$2,500. How does the current cannabis retail store fees compare to other regulatory fees?

8 responses



\*written responses included above