

Choices Albertans can trust.

### **Why is the AGLC building a new liquor warehouse?**

The main warehouse in St. Albert was built in 1983 and was the sole facility at the time of privatization in 1993. Since then, high product volumes have required the leasing of additional warehouses.

Currently, there are more than 22,000 liquor products available in Alberta, compared to about 2,200 at the time of privatization.

By building the new liquor distribution facility, the AGLC will be able to accommodate both current and future product volumes, while minimizing the need for leasing additional space. The design concept of the new facility will take into consideration future expansion to allow the facility to grow as required by the market conditions (e.g., product volumes increases).

The new distribution centre will allow for the most efficient and economical handling of liquor products in the future.

### **How long will the construction take and what is the cost?**

The estimated construction time for the warehouse building is two and a half years. The budget for this project is \$153 million. The money for the new facility will be funded from the AGLC's operations.

### **Where will the facility be located?**

The new distribution centre will be located in St. Albert, southeast of the Apex Casino and bordered by Campbell Rd to the west, 142 St to the east, Boudreau Road to the north and Anthony Henday Drive to the south. The close proximity to the existing main warehouse will allow the AGLC to maximize efficiencies.

### **What will happen to the existing warehouse?**

The existing warehouse will be re-engineered to support the new facility and store slow-moving liquor products.

### **How will the new liquor distribution centre be operated?**

The AGLC will continue with the current system of having a single warehouse operator. Independent reviews, which can be found at [aglc.ca](http://aglc.ca), have confirmed this is an effective model that works best for Alberta's privatized liquor industry.

### **Will the distribution costs go up?**

The distribution costs will not go up as a result of this development. The new distribution centre will eliminate the need for additional storage space currently leased in Edmonton. It will also be designed to address the unique needs of Alberta's liquor model. This will ensure product availability and service levels to the industry while eliminating current operating costs due to excessive product shuttling and additional lease fees caused by the current infrastructure arrangements.

The services of the private operator responsible for warehousing and distribution are closely monitored by the AGLC to ensure timely and cost-efficient delivery. Once the new distribution centre is operational, the AGLC will continue to play the same role in ensuring efficient and reliable liquor supply that meets the service levels expected by the industry.

**What are the benefits for Albertans?**

The consumers will benefit from this decision to build the new liquor distribution centre because this facility will ensure retailers continue to have efficient, reliable access to products they stock. With the new distribution centre, the AGLC is eliminating distribution inefficiencies, such as product shuttling and lease fees for multiple warehouses, created by the current, inadequate infrastructure.

**Why doesn't the AGLC have a liquor distribution centre in Calgary as well as Edmonton area?**

[Research](#) into Alberta's liquor supply chain has indicated a centralized warehouse system is optimal for Alberta's liquor marketplace. This research also confirmed that having more than one distribution centre in Alberta's market, for example one in Calgary and one in Edmonton, would result in higher costs for the industry as well as overall system inefficiencies, including inventory and delivery inconsistencies as well as product shuttling between the centres.

The St. Albert site for the new liquor distribution centre was chosen due to its proximity to Anthony Henday Drive and the existing AGLC infrastructure. The new facility will be the main receiving and shipping point for the entire liquor distribution operation and will serve as the warehouse for most products. The existing St. Albert warehouse will be re-engineered to support the new facility and store additional products. Because the two buildings will be located close to each other, it is expected to improve operational efficiencies, thereby ensuring smooth operations of the distribution system.

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