



REPORT TO COUNCIL

To: **Mayor and Councillors**

Subject: Proposed Draft Cannabis Store Policy CO-85

File #: [Required]

Doc #:

From: Carl Johannsen, RPP, MCIP
Director of Development Services

Date: July 18, 2024

RECOMMENDATION:

THAT Council direct staff to consult with the public on the draft Cannabis Store Policy CO-85 and report back to Council, prior to Council's consideration of Policy approval.

PURPOSE:

This report presents a draft Cannabis Store Council Policy CO-85 (the 'Policy') to Council prior to undertaking public consultation on this draft Policy in Fall 2024. Following public consultation staff will update the draft Policy and incorporate detailed cannabis store application requirements and procedures, and present the finalized Policy to Council for consideration of approval and implementation.

POLICY:

Federal Law Regulating the Sale of Cannabis

In 2018 the Federal *Cannabis Act* legalized cannabis use for adults 19 & older. Among other regulations the *Act* prohibits the display of cannabis products to minors (under 19 years), to reduce inducements that may lead to cannabis use. This has resulted in cannabis stores typically covering their windows and creating opaque storefronts facing the street. The *Act*, among other factors, has also influenced local governments to use locational criteria and zoning to locate cannabis stores away from areas frequented by minors, including schools, child care centres, recreation/community centres, parks, plazas and other public open spaces.

Provincial Law Regulating the Sale of Cannabis

The Federal *Cannabis Act* enables Provinces to further regulate cannabis product sales. In British Columbia, the *Cannabis Control & Licencing Act* (CCLA) permits cannabis sales at Provincially licenced retail stores (like licenced liquor stores). A key aspect of the CCLA to highlight for this report is that the Province permits local

governments to determine if & where cannabis stores can locate within their boundaries, and limit the number of stores in the local government jurisdiction.

Provincial Licencing Process

The Provincial Liquor & Cannabis Regulation Branch (LCRB) issues Cannabis Retail Store (CRS) licences for privately-owned stores or operates government-owned 'BC Cannabis Stores'. For a private business to obtain a CRS licence, a CRS licence application must be first submitted to the LCRB, which is then referred to the local government where the applicant is seeking to locate. The LCRB must receive approval from the local government (adopted rezoning application) before issuing a CRS licence or operating a government store. A local government may refuse a CRS application or refuse the location of a CRS or government store on a specific property (declined rezoning application).

Local Government Policies to Guide Decision Making

Many local governments use policies to guide where cannabis stores can locate and require properties to be rezoned to permit licenced stores. This recognizes legislation regulating cannabis sales and seeks to limit conflicts between cannabis stores and sensitive land uses and exposure of cannabis products to minors.

This approach also supports local bylaws that prohibits smoking or vaping in public places and limits the number of cannabis stores in one area. This is important in pedestrian-oriented 'downtowns' where commercial uses are located in street-fronting buildings with clear windows and street-side retailing and seating, which are necessary to support pedestrian activity on adjacent streets, plazas and parks. Given that cannabis stores usually have opaque storefronts, these stores are better suited for automobile-oriented areas, and limiting these stores in downtowns helps to maintain pedestrian orientation and activity. Many municipalities, including the City, also use their Official Community Plan (OCP) and Zoning Bylaw to limit commercial uses in downtowns that don't support pedestrian-oriented streets and public spaces.

The City of Surrey, City of North Vancouver and the Township of Langley, among others, use policies to guide consideration of cannabis stores. These policies:

- identify areas, land uses and/or zones where cannabis stores can locate;
- use separation distances between cannabis stores and public/private schools, parks, recreation/community centres and other cannabis stores; and
- limit the number of stores that can locate in the municipality, through separation distances between stores and/or setting a maximum store number.

A guideline-based policy similar to the above can effectively assist Council in deciding if a cannabis store should be approved or declined for a specific property, and also provides more certainty for the community that cannabis stores are being located in a way that limits exposure to minors. It is also important to note that Council is not obligated to follow a policy or its guidelines when making a property

use rezoning decision, as Council has unfettered decision-making authority. Based on this context, the next section summarizes the attached draft Policy.

COMMENTS/ANALYSIS:

Public Consultation Feedback

As a part of considering cannabis stores in the City, the public has been consulted to gauge support for cannabis stores and obtain feedback on where cannabis stores could be located. In 2019 the City conducted an IPSOS telephone poll on a variety of questions, including a question that asked if cannabis stores should be permitted in the City. 56% of respondents were in favor and 44% of respondents were opposed.

In 2023-2024 an on-line survey and public open house were held to obtain public feedback on Zoning Bylaw Update topics, including cannabis retail. See the Zoning Bylaw Update [Engagement Summary](#) for detailed feedback and associated recommendations. On-line survey feedback showed 47% in favour and 34% opposed of cannabis stores being permitted in the City, and public open house feedback showed 50% in favour and 30% opposed. This feedback also supported the separation of cannabis stores from specific uses, including (listed in order of priority) schools, child care centres, parks, recreation centres, and other cannabis stores.

Written feedback (see pp. 36-41 of Engagement Summary) also conveys a sense that a cautious approach should be taken, by way of directing stores away from areas frequented by children, parks and residential areas, limiting the number of stores, and locating stores in a distributed manner and on commercial properties in the City that are accessible and have ample parking (such as malls, strip malls, retail areas). The Engagement Summary includes a feedback-related recommendation on page 64: *'if Council chooses to permit cannabis retail stores in the City, identify a maximum number of stores that are permitted to locate in the City, in commercial areas, subject to locational criteria that include separation distances between these stores and schools, child care facilities, parks, recreation centres and other cannabis stores.'*

Proposed Council Policy CO-85

Following the above results and context, the attached draft Cannabis Store Policy CO-85 has been developed and includes two components: 1.) locational guidelines for cannabis stores, and 2.) a general application framework.

Locational Guidelines

Property-specific rezoning applications for cannabis stores will be considered based on the following locational criteria:

1. Cannabis stores are to be:
 - a. located a minimum of 200 metres away from a public or Provincially-funded independent school (measured between nearest lot boundaries);
 - b. located a minimum of 100 metres away from a Child Care Centre, limited to Child Care Centre locations that are across the street from the

- proposed cannabis store and/or along the same street block face as the cannabis store (measured from the front of the cannabis store and the front of the Child Care Centre);
- c. not located in a manner where the front of the cannabis store is directly facing a park, plaza, playground or public facility (recreation or community centre), or the front of the cannabis store is across the street from and/or within 25 metres or less of the property boundaries of a park, plaza, playground or public facility (recreation or community centre); and
 - d. located a minimum of 1000 metres away from another cannabis store, to support a preferred maximum number of three cannabis stores in the City.
2. Cannabis stores can only be located on properties zoned C1 Downtown Commercial Zone and C2 Service Commercial Zone, and Comprehensive Development (CD) Zones that do not permit residential zone (unless the CD Zone is based on C1 zone), industrial zone or institutional zone uses.

The attached map shows the location of the above uses for reference. The finalized Policy CO-85 will contain an updated map based on updated Policy content.

General Application Framework

Based on review of other municipal processes, staff propose the following application framework, which will be further refined following public consultation in Fall 2024.

Application Intake Window

If Council approves Policy CO-85 to enable the possibility of cannabis store(s) in the City, a 30 day application window will be opened to receive store applications.

Pre-screening and Evaluation

Once the intake window is closed, complete applications will be pre-screened for proof of ownership, leases, and CRS application record, in the order that the applications were submitted to the City. Successfully pre-screened applications are then evaluated and ranked based on these criteria, which will be further developed, scored and included in the finalized CO-85:

- General compliance with CO-85 requirements;
- Location and separation distances;
- Related experience of the operator;
- Parking and access plan;
- Visibility, lighting, and Crime Prevention Through Environmental Design; and
- Signage and storefront façade design.

Selection for Advancing to Rezoning Consideration

Up to three top-ranked applications will be advanced to Council as a property-specific rezoning application involving a public hearing. If one or more of these applications is declined by Council, Council may direct staff to bring additional application(s) to Council, in order of application ranking until a maximum number of three stores is

reached, unless otherwise directed by Council. Council is not obligated to approve any applications, any one application or any number of applications.

Process to Store Licencing and Operation

If the property-specific rezoning bylaw is approved, various requirements may be required prior to operation including, but not limited to, a suitability letter and a valid license from the LCRB, a valid business license, and any other permits/agreements.

Next Steps

Staff propose that the draft Council Policy CO-85 be included in the next phase of the Zoning Bylaw Update public consultation process. Public consultation feedback will be used to update and finalize Policy CO-85 for Council consideration of approval. Cannabis store applications will only be accepted by staff if the finalized Council Policy and associated application procedures are approved by Council and in effect.

BUDGET IMPLICATIONS:

None.

ALTERNATIVES:

1. Council amends the draft Policy CO-85 prior to public consultation.

Respectfully Submitted,



Carl Johannsen, RPP, MCIP
Director of Development Services

Attachment(s):

1. Proposed Draft Cannabis Store Council Policy CO-85
2. Preliminary land use and locational criteria map

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I support the recommendation.



Francis Cheung, P. Eng.
Chief Administrative Officer