



Special Council Agenda

The agenda for the **Special Meeting of Council** (Retail Cannabis Stores) to be held in **Council Chambers** of Municipal Hall, 8645 Stave Lake Street, Mission, British Columbia on Monday, July 29, 2019 commencing at 1:00 p.m.

1. CALL TO ORDER

2. ADOPTION OF AGENDA

3. NEW BUSINESS

(a) **Retail Cannabis Stores Discussion**

Background Report Provided for Council's Information:

- *June 17, 2019 report by the Deputy Chief Administrative Officer on Retail Cannabis Store Use and Licence Applications*

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4. ADJOURNMENT



Corporate Administration
Staff Report

DATE: June 17, 2019
TO: Chief Administrative Officer
FROM: Barclay Pitkethly, Deputy Chief Administration Officer
SUBJECT: **Retail Cannabis Store Use and Licence Applications**
ATTACHMENTS: A – Retail Cannabis Store Licence Application Policy
 B – School Property Buffer Map

RECOMMENDATIONS: Council consider and resolve:

1. That an amending bylaw report be brought back to Council to:
 - a. Define 'Retail Cannabis Store' within the District of Mission Zoning Bylaw 5050-2009;
 - b. Permit Retail Cannabis Store use within the following zones:
 - i. Commercial Highway One (CH1)
 - ii. Commercial Highway Two (CH2)
 - iii. Commercial Community Gaming (CCG)
 - iv. Core Commercial Downtown One (CCD1)
 - v. Core Commercial Waterfront (CCW)
 - vi. Commercial Neighbourhood Centre One (CNC1)
 - vii. Commercial Gas Station (CGS)
 - viii. Commercial Vehicle Dealership (CVD)
 - ix. Silverdale Neighbourhood 1A (SN1A);
 - c. Restrict Retail Cannabis Store use within 250m from a School (public or private) as defined by Zoning Bylaw 5050-2009;
 - d. Restrict Retail Cannabis Stores uses within 250m of another Retail Cannabis Store use;
2. That the 'Retail Cannabis Licence Applications' Policy as attached to the report Retail Cannabis Store Use and Licence Applications dated June 17, 2019 be adopted;
3. That an amending bylaw be brought back to Council to amend District of Mission Land Use Application Procedures and Fees Bylaw 3612-2003 to include a fee of \$3619.00 for a Retail Cannabis Store Application; and
4. That an amending bylaw be brought back to Council to amend District of Mission Business Licence Bylaw 3964-2007 to include an appropriate fee for Cannabis Retail Store use that reflects a full cost recovery approach.

PURPOSE:

The purpose of this report is threefold: firstly, to inform Council of the required processes for retail cannabis licences from a local government perspective; secondly, to introduce a new 'Retail Cannabis Licence Applications Policy' to outline procedures and processes for new applications; and finally, to set direction for required bylaw and policy amendments in order to start receiving retail cannabis licence applications under the new policy.

BACKGROUND:

As of October 17 2018, selling of cannabis for non-medicinal purposes is legal in Canada. Within British Columbia, the province is the licencing authority through the Liquor and Cannabis Regulation Branch (LCRB) for non-medical cannabis retail stores where a retail store must be a standalone business. Prior to issuing any licence, input and a positive recommendation from the local government, is required.

On May 7 2018, prior to adoption of the federal framework and installment of the provincial regime, the District of Mission published a proposed framework for cannabis regulation. Within this framework, retail cannabis sales were identified and only government operated retail outlets would be supported. Given the framework instilled as part of the provincial oversight, and the Liquor and Cannabis Regulation Branch (LCRB) maintaining control of the distribution network, there should not be any difference between a public and private sector operation.

Given this new information and with stringent provincial oversight on distribution, there should not be any difference between publicly operated retail cannabis stores or private stores. In this light, the recommendations forwarded to Council do not discern between public or private cannabis Retail Store uses.

DISCUSSION AND ANALYSIS:

Part 1 – Senior Government Regulation

The *Federal Cannabis Act* creates a strict legal framework for controlling the production, distribution, sale and possession of non-medical cannabis across Canada.

Within this framework, the provinces and territories regulate the distribution and retail sales on non-medical cannabis, minimum age, public consumption, personal cultivation, possession limits and drug-affected driving in their respective jurisdictions.

Within the province of British Columbia, the Liquor and Cannabis Regulation Branch (LCRB) is the regulator of the distribution and retail sales non-medical cannabis. Local government, however, has a very significant role in determining locational criteria of the physical retail stores. Specifically, the province has outlined a process for which retail cannabis licences must follow in order to obtain assent from the LCRB, and therefore each local government will have a say in managing and regulating retail cannabis stores, much the same way it currently does with liquor stores.

Part 2 – District of Mission Policy and Procedure

In accordance to the provincial licencing framework, a draft policy for Retail Cannabis Licences is attached for consideration. The policy outlines two important considerations:

- 1) Policy: Council will consider applications to determine support, non-support, or support with conditions based on the location, land use impacts, and public input.

Location: Council may consider if Retail Cannabis Store licence application meets it set goals from a locational and land use.

Land Use Impact: Council may weigh the impacts the use will have on neighbouring properties such as schools, or other businesses in determining their decision.

Public Input: Council may also consider the views of the public during the process.

The LCRB is ultimately the issuing authority except when a local government decides not to make a recommendation of support; the application process thus ends since the LCRB cannot issue a licence unless the local government gives a positive recommendation. If the LCRB decides to issue the licence, they must consider the local government's recommendation.

The LCRB, however, may deny any application even if the local government sends support.

2) Procedure: The policy also considers a procedure for which applicants may apply.

The procedure outlined within the policy makes clear the processes in which an applicant must follow. Some of the highlights of the procedure to assist in making an application transparent and fair include:

- a) Retail Cannabis Sales Licence applications will be processed in the order a complete application is received by the District, and in the order the LCRB has referred an application back to the District. Only complete applications will be forwarded to Council for consideration.
- b) Retail Cannabis Sales Licence applications will be processed one application at a time. Only when approval of one application is complete (approved by Council) will another application be initiated for review by the District.
- c) It is highly recommended the applicant meet with the District of Mission Planning Department through the Pre-Application Review process to determine if the location meets the zoning bylaw and can be supported by Council.
- d) Public input is sought in a similar fashion to that of a re-zoning application. Public input will be considered by Council in determining support, support with comments, or non-support.

Part 3 – Land Use and Locational Analysis

Land use and locational criteria may be used to manage locations where Retail Cannabis Sales can occur, limit the total number of stores within a community, and protect seemingly conflicting uses such as schools. Council has the ability to determine many of these factors by selecting how to implement Cannabis Retail Sales Licence Applications.

The following is a guide for Council to make recommendations in order to amend existing bylaws to allow Retail Cannabis Stores to operate within the District. Firstly, Council must determine which process they wish to follow – permitted zoning or spot zoning; and secondly, Council may consider locational criteria such as spatial separation.

Step 1 – Determining Process

The first recommendation by Council to amend existing bylaws is to determine the process for which Retail Cannabis Stores will be allowed within the District of Mission. Below are two options for Council's consideration:

Option 1 – Permitted Zoning (like Liquor Store use)

The intent of Option 1, from a land use and zoning bylaw perspective, is to treat Retail Cannabis Sales

similarly to Liquor Store Use which is allowed in the following zones: Commercial Zones (CH1, CH2, CCG); Core Commercial Zones (CCD1, CCW); Commercial Neighbourhood Zone (CNC1); mutually exclusive commercial zones (CGS; CVD); and the Silverdale Neighbourhood One zone (SN1A).

The advantages of Option 1 are to provide clarity to applicants in terms of locational criteria and investment. Since applications will only be accepted one at a time, and upon completion, it will be very clear to applicants which locations shall be permitted. If additional locational criteria are selected by council, these will be included within the amendments to the appropriate bylaw(s).

One disadvantage of a permitted zoning approach is Council's ability to say no to an applicant if everything is equal. While Council cannot be prejudiced by an application, and the LCRB must take comments into consideration, it is still unclear as to how much influence Council's comments will have on the LCRB's decision making process.

Option 2 – Create new zone (CD zone to start)

Alternatively, since zoning is a discretionary power, Council does have the option to spot zone properties in which Retail Cannabis Stores may operate.

This process would see an applicant make a zone amending application to spot zone a property to allow the Retail Cannabis Store use.

An advantage of this approach is the zone amending bylaw processes are already in place and amendments to existing bylaws would be minimal at the start.

Some disadvantages of this approach include timing, clarity and risk.

Creating a CD zone on a case-by-case basis may create additional timing delays for each applicant, placing additional pressures on the District; referrals (internally and externally), comments and reports would be required to process each application.

Furthermore, spot zoning each individual property or portion of a property does not provide applicants any clarity on where the District would like to see Retail Cannabis Stores within the community. This allows applicants to apply wherever they deem it acceptable to open a store and due to the provincial processes in place, this increases risk to the applicant.

Lastly, spot zoning exposes risk to Council. Council may be pressured to make decisions on a case-by-case basis, and Council may be asked to "pick the winners". In other words, Council may be asked to make decisions based on the applicant versus the land use which can expose the District to unnecessary legal challenges.

Step 2 – Determining Spatial Separations

Spatial separations within a bylaw can assist in managing uses within a community. Some of the spatial separations contemplated when devising the criteria include seemingly conflicting uses to the Retail Cannabis Stores, such as schools, supportive recovery homes, and other retail cannabis stores. These considerations allow the District to manage the total number of retail cannabis stores allowed within the community, and manage where the use is allowed. The criteria may change, at Council's discretion, once the use is established and can be monitored over time.

Consideration 1 – School Separation

Schools started as an obvious place to start and thus is included within the criteria.

It is recommended a separation of 250m from a school property be established to manage and monitor retail Cannabis Use initially.

While Liquor Store uses do not have this spatial requirement, it is recommended, initially at first, to monitor Retail Cannabis Store uses to ensure kids do not have easy access to the store or congregate outside. Additionally, this restriction allows the District to manage location of Retail Cannabis Stores easier and allows applicants clarity on that requirement.

Attachment 2 – School Property Buffer Map shows a 150m and a 250m buffer around existing school properties within the District, for reference.

Other spatial separations distances may be considered by Council, including elimination of any criteria, as part of this report.

Consideration 2 – Supportive Recovery Uses

Supportive Recovery Use is also contemplated as a possible conflict in use, however when analyzed within the District, the impact of location was insignificant due to a couple of factors. One, Supportive Recovery uses are considered a residential use and therefore has little to no impact on commercial zones. And two, there are relatively few properties currently utilized for the use legally.

It is recommended no separation restriction between Retail Cannabis Stores and Supportive Recovery uses be established.

Consideration 3 – Other Retail Cannabis Stores

The last criteria used to determine location is the distance between other Retail Cannabis Store uses. The criterion is selected for two important reasons: first, to manage the total number of Retail Cannabis Stores within the District and secondly, to deter concentration of the use. With the number of inquiries received by the District on a daily basis, it is conceivable the District could be overwhelmed with processing applications, overwhelmed with Retail Cannabis Stores, and displacement of existing businesses within the community. The outcomes cannot be quantified in terms of the economic or social well being of sections within the community – the downtown core being the most susceptible.

It is recommended a separation of 250m be established between other Retail Cannabis Stores.

Other spatial separation distances may also be considered by Council, including elimination of any criteria, as part of this report.

FEES:

Given the recommended application process is similar to a Liquor Primary – new licence, and is exclusive of rezoning where staff resources and time should be approximately the same, the recommended application fee is \$3619.00.

FINANCIAL IMPLICATIONS:

There are no financial implications associated with this report.

COMMUNICATION:

Internal communications with affected departments will be necessary to ensure Council's decisions are implemented within a timely and efficient manner; namely Development Services and Corporate Administration.

SIGN-OFFS:



Barclay Pitkethly,
Deputy Chief Administration Officer



Reviewed by:
Jennifer Russell, Corporate Officer

Comment from Chief Administrative Officer:
Reviewed.

Attachment A – Retail Cannabis Store Licence Application Policy

		POLICY AND PROCEDURE MANUAL	
Category: Legislative & Regulatory Services	Number: LEG.04(C)	RETAIL CANNABIS LICENCE APPLICATIONS	
Type:		Authority:	Approved By:
<input type="checkbox"/> Policy <input checked="" type="checkbox"/> Procedure		<input checked="" type="checkbox"/> Council <input type="checkbox"/> Administrative	<input checked="" type="checkbox"/> Council <input type="checkbox"/> Chief Administrative Officer <input type="checkbox"/> Department Head
Office of Primary Responsibility: Development Services			
Date Adopted:		Council Resolution No:	Date to be Reviewed:
Manner Issued:			

BACKGROUND:

As of October 17, 2018, selling of cannabis for non-medicinal purposes is legal in Canada. Within British Columbia, the province is the licencing authority through the Liquor and Cannabis Regulation Branch (LCRB) for non-medical cannabis retail stores where a retail store must be a standalone business. Prior to issuing any licence, input, and a positive recommendation from the local government, is required.

PURPOSE:

Where the Liquor and Cannabis Regulation Branch requires input and a recommendation from the local government, the following outlines policy and procedure for which Council may base their decision-making, and outline a process and guidelines for which applicants may apply.

POLICY:**1. Definitions**

“**Administration**” means the Corporate Services Department, which is responsible for ensuring that the policies, programs and other directions of Council are implemented.

“**Administrative Policy**” means Policy statements that guide the operational and/or internal work processes of administration, including management of human resources.

“**Administrative Procedure**” means the tasks or steps required to follow or implement Council Policy or Administrative Policy, including the assignment of roles and responsibilities, and the detailed steps that outline a particular way of accomplishing something or of acting.

“**Chief Administrative Officer**” means the individual appointed by Council to the position of Chief Administrative Officer (or his/her designate) as the head of Administration.

“**Council**” means the duly elected officials of the District, those being the Mayor and Councillors.

“**Council Policy**” means Policy statements that provide strategic direction on programs and services delivered by the District which impact or affect citizens or customers, and/or Policy statements that require Council’s approval because of legislative or regulatory requirements.

“Department Head(s)” means those District employees that are charged with overseeing a particular operational or departmental area and/or designates.

“District” means the District of Mission.

“Policy” means general statements or guidelines that are high-level in nature, as opposed to being operationally oriented, which direct a plan, course of action or decision, according to a standard or performance outcome.

2. Retail Cannabis Sales Policy

Council will consider the following when determining support, non-support, or support with conditions for Retail Cannabis Sales Licence:

- a) Location: Retail Cannabis licences may only be issued in a prescribed zone as per the District of Mission Zoning Bylaw
- b) Land Use Impact: Impacts on adjacent and nearby land uses
- c) Public Input: Consider views from the public via a public input process

3. Retail Cannabis Sales Licence Procedure

The following procedural policy outlines the order for which Retail Cannabis Licence Applications will be processed:

- a) Retail Cannabis Sales Licence applications will be processed in the order a complete application is received by the District, and only after the LCRB has referred an application back to the District.
- b) Retail Cannabis Sales Licence applications will be processed one application at a time. Only when approval of one application is complete (approved by Council) will another application be initiated for review by the District.

4. Retail Cannabis Sales Licence Application Process

The following process generally outlines the process for making a Retail Cannabis Sales Licence Application:

- a) Pre-Application Review Meeting
 - i. Applicant will review locational criteria as per the District Zoning Bylaw, Development Permit Guidelines and any other condition to ensure application is in conformance
- b) Provincial Cannabis Retail Sales Licence Application (Provincial cannabis store exempt)
 - i. Applicant to make application to the Liquor and Cannabis regulation Branch (LCRB) via the LCRB online application portal
- c) Provincial Referral back to the District
 - i. District to notify applicant of LCRB decision
- d) Submit Application and fees to District
 - i. Retail Cannabis Sales Licence Application
 - ii. Development Permit Application (as applicable)
 - iii. Internal review and report preparation
- e) Report to Council

- i. Set date for Public Input – Cannabis Licence
- ii. Public Notification
 - i. The applicant is required to place a notification sign, **Attachment 1**, on the subject property at the applicant’s cost. The District will advise the applicant to update the notification sign with the Council Meeting date where public input will be sought. The applicant shall provide confirmation of the notification sign update a minimum of 10 days prior to the Council Meeting.
 - ii. A notice shall be sent to the owners as shown on the assessment roll as at the date of the application, and to the occupiers of all parcels any part of which is within a distance of 152 metres from any part of the parcel that is subject to the application. The notification area may be expanded to a distance determined by the Manager of Planning or designate when development proposals are deemed to have a significant impact.
- f) Public Input Session
 - i. Council will hear concerns raised by the public regarding the proposed location
- g) Council Consideration (may occur the same evening as Public Input Session)
 - i. Council forwards a resolution of non-support to LCRB
 - ii. Council forwards a resolution of support to LCRB
 - iii. Council forwards a resolution of support, with conditions, to LCRB
 - iv. Council defers decision seeking further input from staff
- h) LCRB continues their internal review
 - i. Decision to issue, or not issue licence – must consider Council recommendation and conditions (if any)
- i) Submit Business Licence Fee to District per the District of Mission Business Licence Fee Bylaw

RELATED POLICIES, PROCEDURES, AGREEMENTS AND/OR BYLAWS:

Business Licence Bylaw 3964-2007

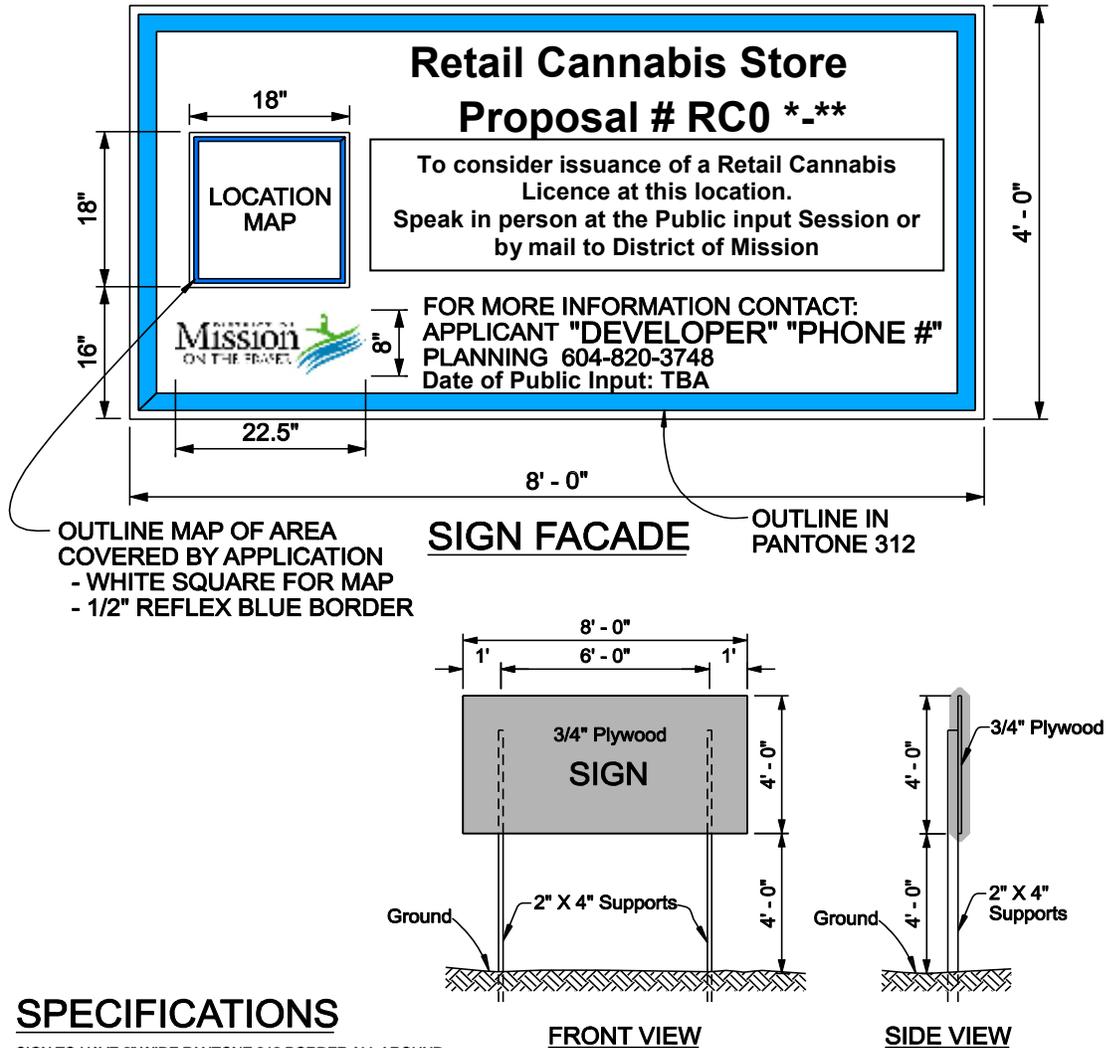
Zoning Bylaw 5050-2009

***** END OF POLICY *****

RECORD OF AMENDMENTS/REVIEW

<u>Policy #</u>	<u>Date Adopted</u>	<u>Date Reviewed</u>	<u>Amended (Y/N)</u>	<u>Date Reissued</u>	<u>Authority (Resolution #)</u>

**ATTACHMENT 1 –
RETAIL CANNABIS STORE LICENCE APPLICATION SIGN SPECIFICATIONS**



SPECIFICATIONS

- SIGN TO HAVE 2" WIDE PANTONE 312 BORDER ALL AROUND.
- BACKGROUND TO BE WHITE WITH REFLEX BLUE LETTERING OVER.
- MAP AREA TO BE WHITE WITH DETAILS IN BLACK. MAP WILL SHOW ADJOINING ROADS, LAND INVOLVED AND NORTH ARROW.
- THE DEVELOPMENT PERMIT FILE NUMBER WILL BE ASSIGNED BY THE PLANNING DEPARTMENT.
- DISTRICT OF MISSION LOGO REPRODUCTION TO BE ACCORDING TO THE ORIGINAL PHOTO-MECHANICAL TRANSFER.

LETTERING

- "DEVELOPMENT PERMIT PROPOSAL" SHALL BE 4" HIGH HELVETICA MEDIUM (UPPER CASE).
- "DEVELOPER'S NAME" AND "PHONE #" TO BE 2 1/2" HIGH HELVETICA MEDIUM (UPPER CASE).
- "TEXT OF DEVELOPER'S INTENT" TO BE 2" HIGH HELVETICA MEDIUM WITH 1" SPACING (LOWER CASE).
- "FOR MORE INFORMATION CONTACT" AND PLANNING 604-820-3748" TO BE 2" HIGH HELVETICA MEDIUM WITH 1" SPACING (UPPER CASE).

Attachment B – School Property Buffer Map

