

DATE OF MEETING April 29, 2019

AUTHORED BY MADELEINE KOCH, PLANNER, CURRENT PLANNING

SUBJECT REZONING APPLICATION NO. RA408 – 3200 ISLAND HIGHWAY NORTH

## **OVERVIEW**

### **Purpose of Report**

To present Council with an application to amend the existing zoning of the property located at 3200 Island Highway North to allow “Cannabis Retail Store” as a site-specific use in the City Commercial Centre (CC3) Zone.

### **Recommendation**

That:

1. “Zoning Amendment Bylaw 2019 No. 4500.143” (To rezone 3200 Island Highway North to allow “Cannabis Retail Store” as a site-specific use in the City Commercial Centre [CC3] Zone) pass first reading;
2. “Zoning Amendment Bylaw 2019 No. 4500.143” pass second reading; and
3. Council direct Staff to secure the amenity contribution prior to adoption of the bylaw, should Council support the bylaw at third reading.

## **BACKGROUND**

A rezoning application (RA408) for 3200 Island Highway North was received from the Province of British Columbia Liquor Distribution Branch (LDB) on behalf of Country Club Centre Ltd. The applicant proposes to amend the existing CC3 Zone to allow “Cannabis Retail Store” as a site-specific use within the subject property.

The City of Nanaimo adopted amendments to City of Nanaimo “City of Nanaimo Zoning Bylaw 2011 No. 4500” (the “Zoning Bylaw”) on 2018-SEP-17 and established a Cannabis Retail Store (CRS) Rezoning Criteria policy to consider future applications for CRS developments in anticipation of changing Federal and Provincial legislation. Following the enactment of new legislation to decriminalize cannabis consumption and legalize the retail sale and distribution of Provincially-licensed cannabis product, the City of Nanaimo began receiving CRS rezoning applications on 2018-OCT-22.

To date, seven other CRS applications have been reviewed by Council:

Application No.	Address	Status
RA406	111 Nicol Street	Received third reading on 2019-FEB-07
RA410	1599 Dufferin Crescent	Received third reading on 2019-APR-04
RA415	2220 Bowen Road	Received third reading on 2019-APR-04
RA411	25 Front Street	Received first and second reading on 2019-APR-01

RA413	3923 Victoria Avenue	Received first and second reading on 2019-APR-01
RA416	1483 Bowen Road	Received first and second reading on 2019-APR-01
RA417	510 Fifth Street, Unit 105	Received first and second reading on 2019-APR-01

In total, Staff have received 16 CRS applications to date, including another CRS rezoning application (RA407) from the BC LDB for the property located at 6683 Mary Ellen Drive, which is on the same Council agenda.

### Subject Property and Site Context

<i>Location</i>	The subject property is located within a commercial centre at 3200 Island Highway North.
<i>Total Lot Area</i>	9.8ha
<i>Current Zone</i>	CC3 - City Commercial Centre
<i>Proposed Zone</i>	CC3 with site-specific “Cannabis Retail Store” use
<i>Official Community Plan Designation</i>	City Commercial Centre
<i>Neighbourhood Plan Designation</i>	N/A
<i>Proximity to nearest school</i>	Approximately 530m (Wellington Secondary)
<i>Proximity to nearest licensed daycare</i>	Approximately 795m (Little Heroes Childcare)
<i>Proximity to nearest CRS</i>	Approximately 650m (3923 Victoria Avenue)

The subject property contains Country Club Mall. The proposed provincial CRS will be located within a future commercial building on the south side of the mall property. A development permit application (DP1135) has been submitted for this new building, which will contain four commercial rental units, including the proposed CRS. The proposed unit has an approximate floor area of 271m<sup>2</sup> and is accessed from the interior of the site, near the south access along Island Highway North.

## **DISCUSSION**

### **Proposed Development**

The applicant is proposing to rezone the subject property to allow “Cannabis Retail Store” use in addition to the existing CC3 permitted uses. While the CC3 Zone allows “retail” as a permitted use, a CRS requires site-specific zoning.

### **Provincial Licensing Requirements**

Typically, the City requires confirmation from the BC Liquor and Cannabis Regulation Branch (LCRB) that an application for a non-medical cannabis retail licence has been made before a rezoning application for a CRS will be received. However, in this case, the applicant is the LDB, which is exempt from requiring a licence. However, Provincial cannabis retail stores are not exempt from the requirement to rezone for site-specific CRS zoning.

## Official Community Plan/ Neighbourhood Plan

The Official Community Plan (OCP) designates the subject property as City Commercial Centre. The OCP does not address CRS use specifically, but the City Commercial Centre land-use designation supports retail uses and encourages a diversity of commercial, professional, and residential uses. The proposed CRS generally complies with the intent of the City Commercial Centre land-use designation.

## Cannabis Retail Store Rezoning Criteria

The following table summarizes how the proposed rezoning addresses the Cannabis Retail Store Rezoning Criteria adopted by Council on 2018-SEP-17, which are intended to inform Council's consideration of the rezoning application:

Criteria		Response
<b>Location</b>		
1.1	The proposed CRS should be located on, or in close proximity to a provincial highway, urban arterial or urban major collector road, as defined in the City's Functional Road Classification Working Plan; or in an Urban Node, Commercial Centre or Corridor as designated in the City's OCP.	The subject property is within a Commercial Centre land-use designation, and located on a provincial highway.
1.2	The proposed CRS should not be located directly adjacent, or in close proximity to a school or licensed daycare facility. A minimum separation of 200m from these facilities is considered necessary, as measured from the front door of the CRS to the school or daycare property line.	The proposed CRS is located more than 200m from any licensed daycares or schools, with the nearest school (Wellington Secondary) located approximately 530m away and the nearest daycare (Little Heroes Childcare) which is approximately 795m away.  The application was referred to School District 68 and they confirmed they have no concerns.
1.3.	The proposed CRS should not be located within 200m of another CRS as measured from the front doors of the CRS. Where the CRS is to be located within a dense urban area (i.e., downtown), consideration shall be given to the overall urban density and context of the area.	The proposed CRS is more than 200m from another proposed CRS location. The nearest proposed CRS to date (3923 Victoria Avenue) is located approximately 650m away.
<b>Building or Site</b>		
2.1.	The size of the proposed CRS should be consistent with the nature of the immediate area and the size of existing retail stores within the area.	The size of the proposed CRS is consistent with other commercial units within the existing mall and the surrounding area.

2.2.	The design of the proposed CRS should enhance or improve the aesthetics of the surrounding area, not detract from them.	The proposed façade of the CRS is consistent with other commercial units in the existing mall and in the surrounding area.
2.2.1.	The revitalization of heritage buildings is encouraged.	N/A
2.3.	Outside the downtown core, consideration should be given to a requirement for onsite parking and loading for every CRS.	The proposed CRS will be located within an existing shopping centre; additional parking is not required.
<b>Community Impact</b>		
3.1.	The applicant must outline their awareness of potential negative impacts of the proposed CRS on the community, and must identify the specific measures that will be taken to minimize or prevent these impacts from occurring.	The LDB (applicant) is closely involved in Province-led educational initiatives including in-store campaigns and strategically placed messaging. The aim of these campaigns is to: promote the safe and responsible use of cannabis; keep cannabis out of the hands of youth (minors are not permitted to enter cannabis retail stores, even if accompanied by an adult); preventing driving under the influence; informing the public about associated health risks; discouraging cannabis consumption during pregnancy; and discouraging participation in sporting activities while under the influence of cannabis.
3.1.1.	Possible measures could include efforts to prevent service to minors, minimize smells, prevent smoking or cannabis consumption on or near the premises, property maintenance and beautification programs designed to prevent unsightliness, etc.	<p>The applicant also proposes to undertake in-store fundraising campaigns for charitable causes.</p> <p>The applicant proposes the following mitigation measures:</p> <ul style="list-style-type: none"> <li>• Staff to complete required Provincial training program;</li> <li>• Intruder and fire monitoring systems;</li> <li>• Interior and exterior camera surveillance;</li> <li>• Locked and tempered glass display cases for cannabis accessories;</li> <li>• A secure storage room where product will be kept that will require access cards to enter;</li> <li>• Durable and reliable commercial-grade doors and locks;</li> <li>• Security shutters; and</li> <li>• Smash-resistant windows.</li> </ul>



3.1.2	Consideration must be given to the impact a CRS will have when they are located in close proximity to libraries, public recreation centres, public community centres, parks, places of worship and other family-oriented facilities.	Diver Lake Park is the nearest park, located approximately 600m away from the proposed CRS unit.  St. Andrews Presbyterian Church is located approximately 400m away.
3.2.	Projected traffic volumes and on-street parking demands associated with a proposed CRS should not adversely impact nearby residential and commercial areas.	The proposed CRS is located within an existing shopping centre and will not require additional parking.  The proposed CRS is not expected to negatively impact traffic volumes.
3.3.	The support of the local community, neighbouring property owners and the local neighbourhood association for the proposed CRS is important to Council's decision.	The Wellington Community Association indicated they support the proposed CRS location.
3.3.1.	The applicant is required to notify all neighbouring property owners within 200m of the subject property of the rezoning application, prior to the application proceeding to Council.	The applicant completed notification of the neighbouring properties as outlined in the policy. Development proposal signs have been placed on the property and if Council gives first and second reading to the Bylaw, the application will proceed to public hearing.

Staff support the proposed rezoning from a land-use perspective, and consider the application to be substantially in compliance with Council's Cannabis Retail Store Rezoning Criteria policy.

### Community Contribution

The applicant proposes a monetary contribution of \$10,000 to be directed towards Loudon Park and Trail improvements.

### Conditions of Rezoning

Should Council support this application and pass third reading of "Zoning Amendment Bylaw 2019 No. 4500.143", Staff recommend the following items be secured prior to final adoption of the Bylaw:

1. *Community Contribution* – a monetary contribution of \$10,000 to be directed towards Loudon Park and Trail improvements.

### **SUMMARY POINTS**

- A rezoning application has been received to allow cannabis retail store as a site-specific use in the CC3 Zone for the subject property at 3200 Island Highway North.
- The LDB is exempt from the Provincial non-medical cannabis retail licensing process, but not the municipal rezoning process.
- The application substantially complies with the Cannabis Retail Store Rezoning Criteria.

### **ATTACHMENTS**

ATTACHMENT A: Location Plan  
ATTACHMENT B: Site Plan  
ATTACHMENT C: School and Licensed Daycare Buffer Map  
ATTACHMENT D: Proposed Floor Plan  
ATTACHMENT E: Letter of Rationale  
ATTACHMENT F: Aerial Photo  
“Zoning Amendment Bylaw 2019 No. 4500.143”

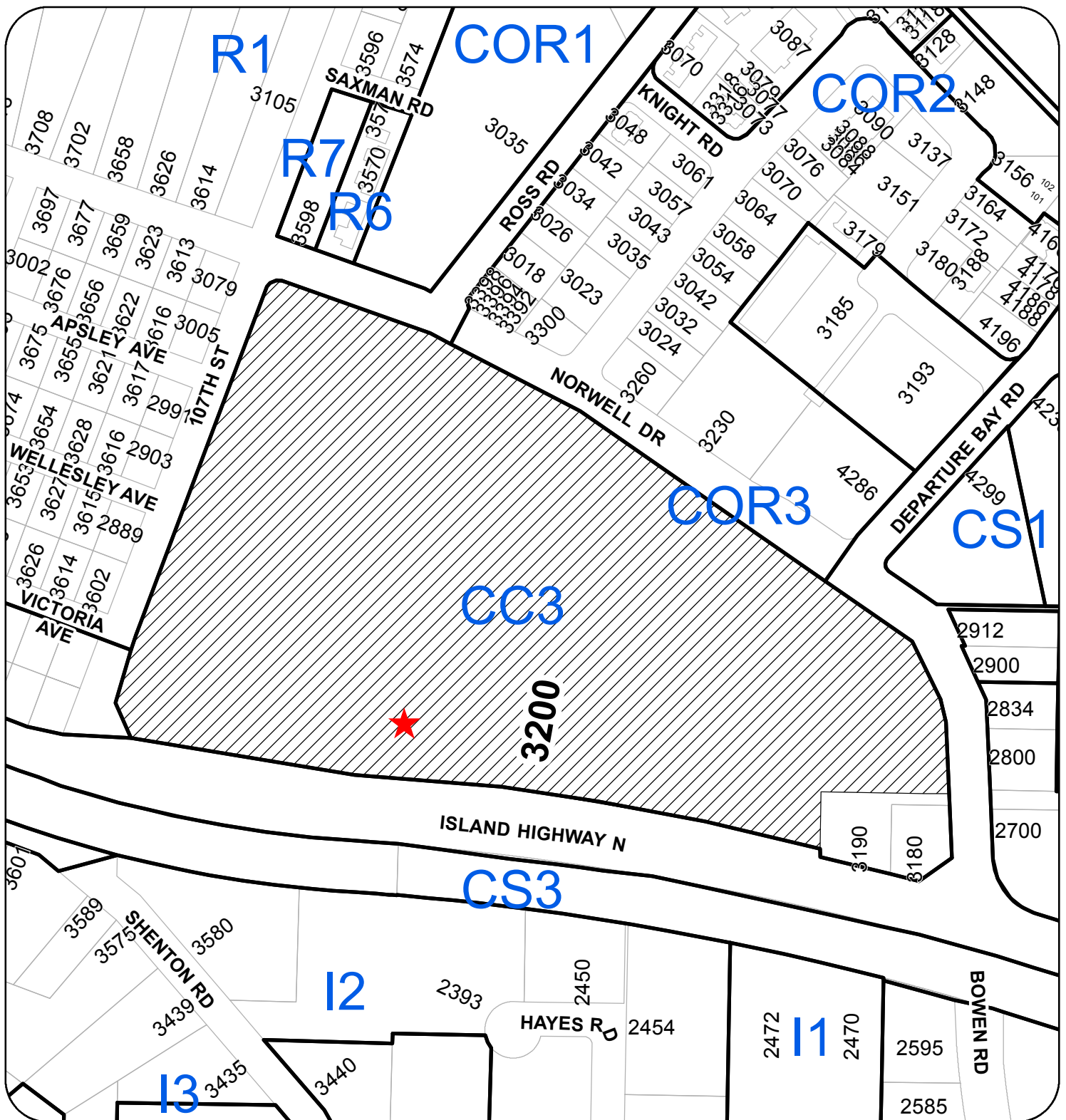
#### **Submitted by:**

L. Rowett  
Manager, Current Planning

#### **Concurrence by:**

D. Lindsay  
Director, Community Development

ATTACHMENT A  
LOCATION PLAN



REZONING APPLICATION NO. RA000408

LOCATION PLAN



Proposed CRS Location



Subject Property

Civic: 3200 ISLAND HIGHWAY N

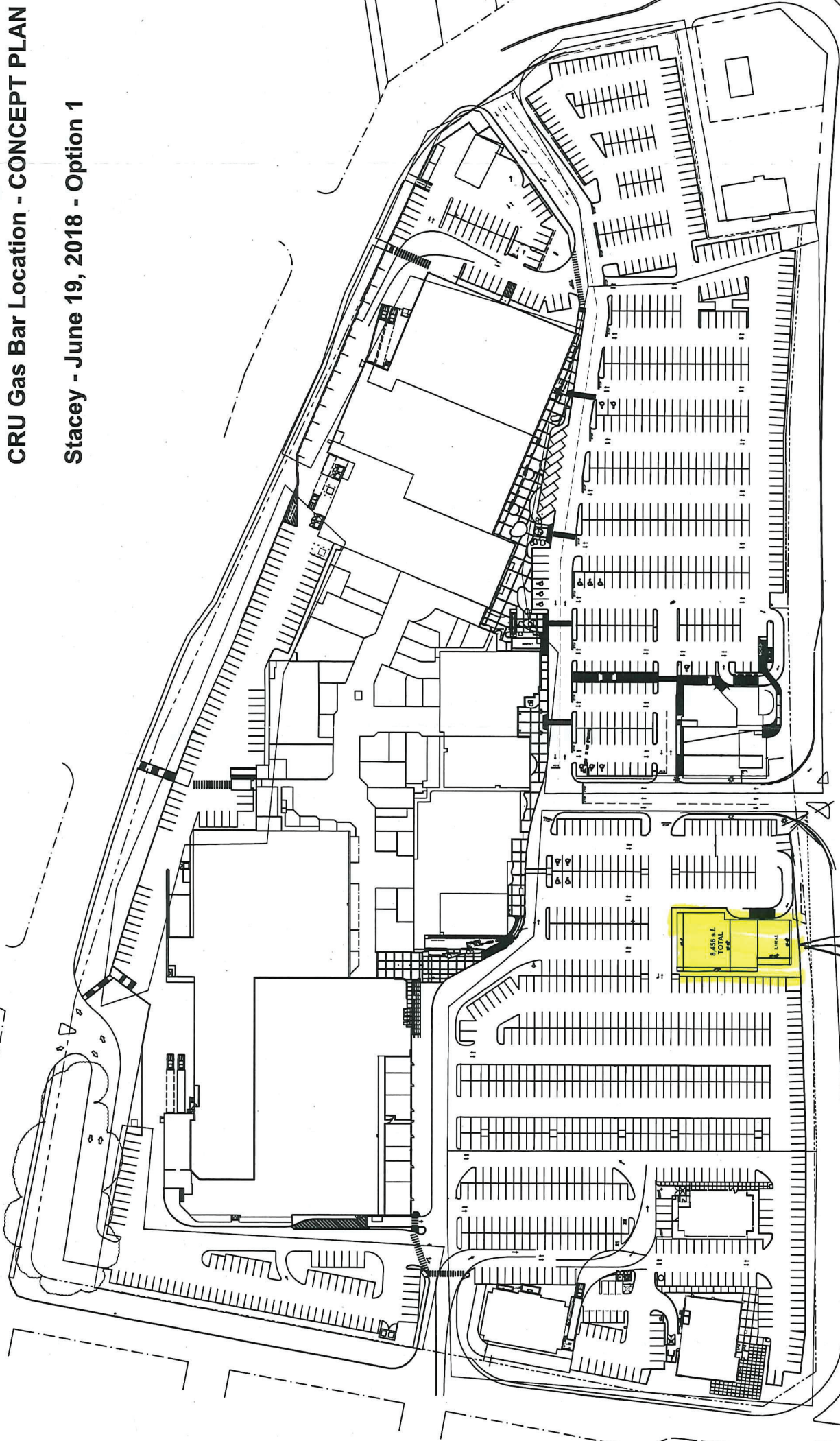
Legal: LOT A, SECTION 3 & 5

WELLINGTON DISTRICT, PLAN VIP60825

ATTACHMENT B  
SITE PLAN

COUNTRY CLUB CENTER  
CRU Gas Bar Location - CONCEPT PLAN

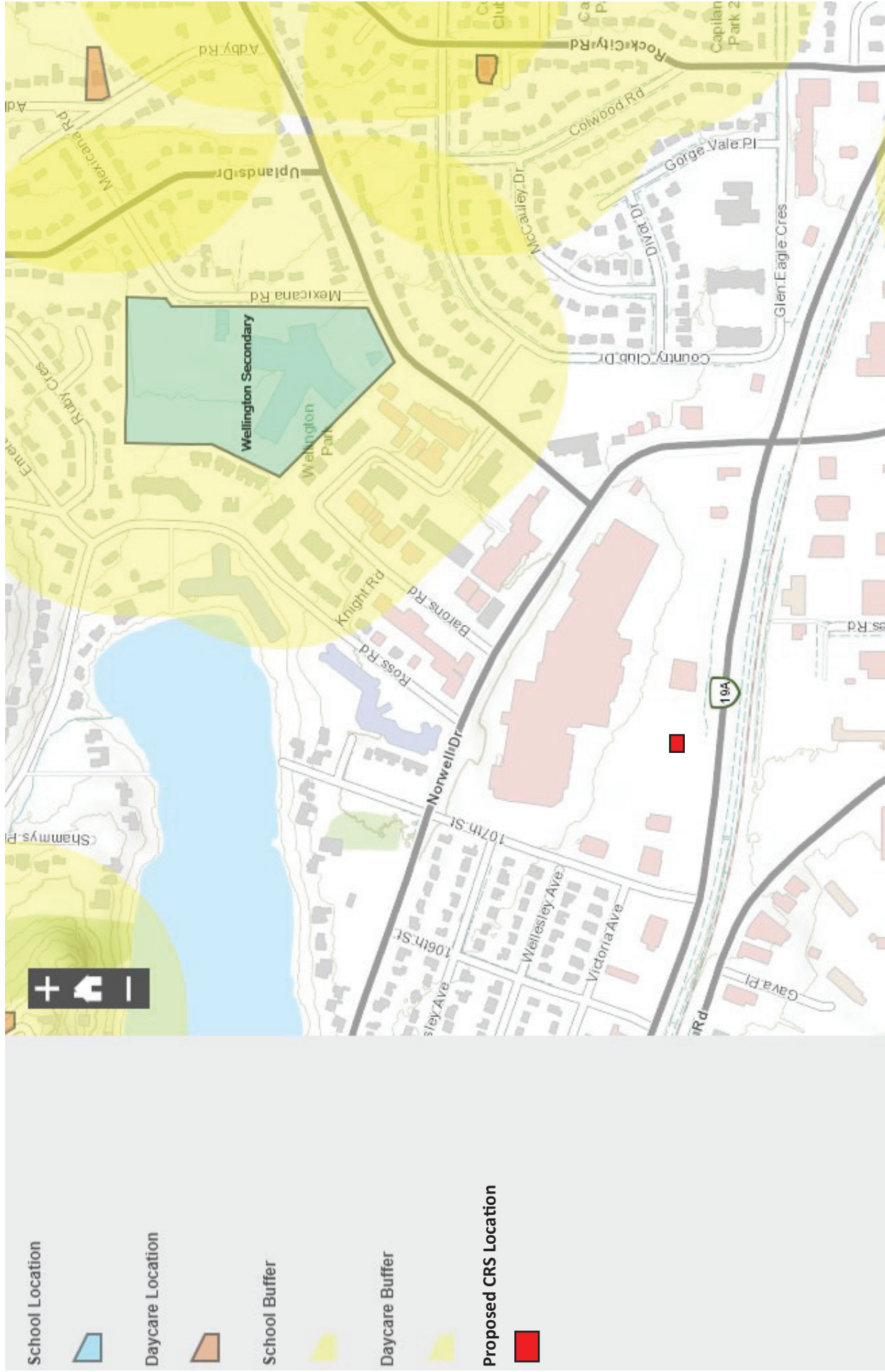
Stacey - June 19, 2018 - Option 1



PROPOSED  
LOCATION  
ALL PARKING  
IS COMMON



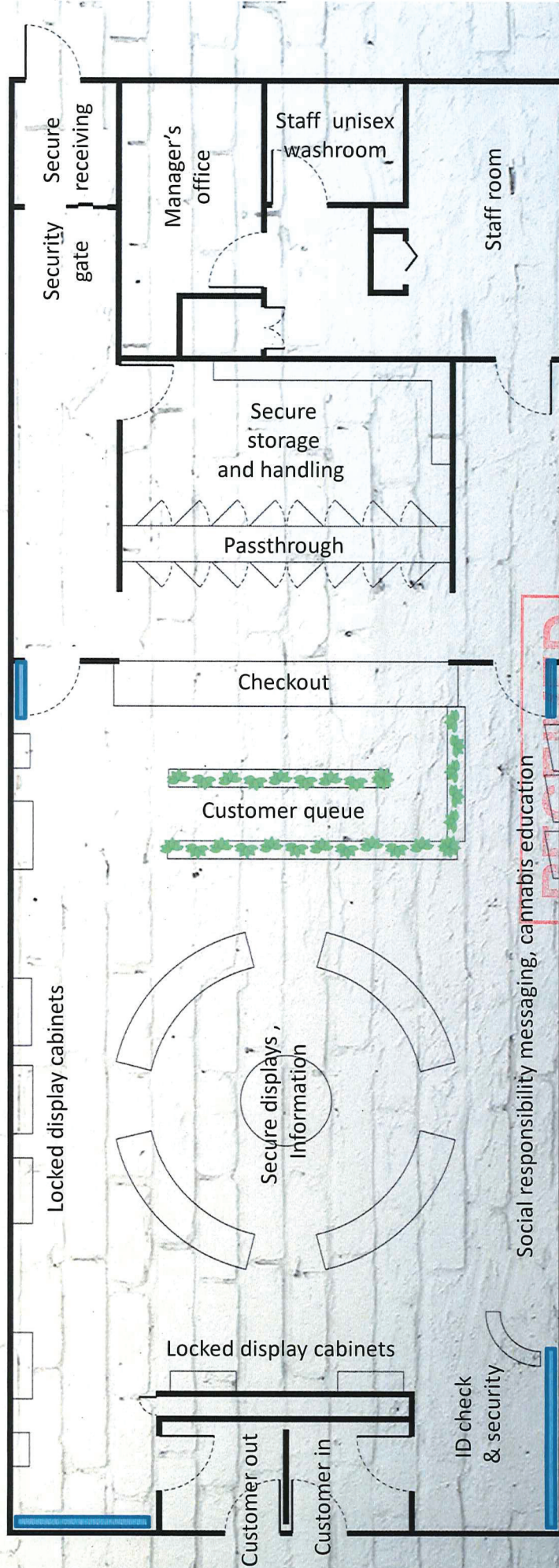
ATTACHMENT C  
SCHOOL AND LICENSED DAYCARE BUFFER MAP





ATTACHMENT D  
PROPOSED FLOOR PLAN

# Concept Floorplan:



[Blue bar] = Social responsibility signage

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R4408  
OCT 22 2018  
CITY OF NANAIMO  
COMMUNITY DEVELOPMENT



## ATTACHMENT E LETTER OF RATIONALE



**LIQUOR  
DISTRIBUTION  
BRANCH**

Office of the General Manager  
and Chief Executive Officer

October 22, 2018

City of Nanaimo  
City Hall  
455 Wallace Street  
Nanaimo, BC V9R 5J6

Dear Mayor and Councillors:

**Re: Cannabis Retail Store Rezoning Application**

Please accept our rezoning application to locate a **government operated cannabis retail store** at the Country Club Centre retail complex, located at **3200 North Island Highway**. The Liquor Distribution Branch ("LDB") has received support from the landlord of this property to proceed with this application ("Appointment of Agent" form attached).

**About the LDB**

The LDB is one of two branches of government responsible for the beverage alcohol and non-medical cannabis (cannabis) industries in B.C. Through the *Liquor Distribution and Cannabis Distribution Acts*, the LDB is mandated with the purchase and distribution of beverage alcohol and cannabis for the Province. As well, the LDB operates a number of public liquor stores (197 in total), and, in February 2018, the Province announced that LDB will also operate public cannabis retail stores, as well as an e-commerce platform to offer public on-line sales of cannabis.

Revenue generated through the LDB's wholesale and retail operations is directed to the Provincial Government and contributes to supporting vital public services such as health care and education. For the 2017/2018 fiscal year the LDB contributed \$1.12 billion to fund government services. Revenue generated through LDB's newly implemented cannabis operations (both wholesale and retail) will also be directed back to the Province to support important public services.

**Location of Proposed Cannabis Retail Store**

The Country Club Centre retail complex was selected by the LDB for a proposed cannabis retail store for a number of reasons, including that the site is:

- Located along one of Nanaimo's premier intersections (North Island Hwy and Bowen Road);
- Located in a retail complex and is therefore consistent with the nature of the immediate area;
- Located at least 200m away from any schools/daycares and any other cannabis retail store;
- Easily accessible to customers; and

**RECEIVED**  
RA408  
OCT 22 2018

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City of Nanaimo  
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- Not expected to adversely impact traffic in the surrounding area, given its location near a premier intersection and in an already established retail complex.

### Building and Site

The following considerations were taken into account when evaluating the appropriateness of the site and building for a cannabis retail store:

- The intended use of the site is consistent with the “retail” nature of the surrounding area.
- The proposed cannabis retail store will be approximately 3000 square feet, which is in the midrange of other retail stores existing on the subject site and in the surrounding area.
- The site provides for ample parking and efficient traffic flow.

The storefront will be bright, clean, welcoming and professional, with the intent of creating a safe and favourable alternative to purchasing cannabis from the illicit market. Storefronts will have frosted windows to align with Health Canada’s requirements that cannabis not be visible to minors.

### Community Impact

The LDB works closely with the Liquor and Cannabis Regulation Branch (LCRB) and the Ministry of Public Safety and Solicitor General to encourage the safe and responsible use of alcohol and cannabis in BC. The LDB is also committed to working in partnership with local governments to follow all municipal zoning processes and meet all bylaw requirements, as well as local law enforcement agencies to maintain public safety and to mitigate, and respond to, any negative impact on the community.

Social Responsibility is part of the LDB’s Mission Statement and one of the four pillars we have identified that supports our success. Our efforts are focused on three themes: encouraging and promoting responsible use of alcohol and cannabis, reducing the impact our business has on the environment, and giving back to the communities we serve. We meet these objectives by:

- Delivering products that meet strict product safety and quality requirements - all cannabis products will be purchased through the LDB wholesale channel; product will be lab tested and will only be purchased from producers that have been licensed by Health Canada.
- Ensuring accountability of our key business partners (e.g. Licensed Cannabis Producers).
- Promoting the safe and responsible use of beverage alcohol and cannabis through social responsibility campaigns aimed at keeping alcohol and cannabis out of the hands of youth\*, preventing driving under the influence, and informing the public about associated health risks.
- Actively discouraging customers from engaging in high-risk behaviour like drinking or consuming cannabis and driving, consuming alcohol or cannabis during pregnancy and participating in sporting activities while under the influence of alcohol or cannabis;
- Increasing awareness of the dangers associated with over-consumption or risky behaviour through various in-store campaigns with strategically placed messaging;

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City of Nanaimo  
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- Raising money through in-store fundraising campaigns for dry grad celebrations, red cross disaster relief, kids in need, and local community charities (through the Provincial Governments Employee Workplace charitable giving campaign); and
- Incorporating environmental sustainability into all facets of our business with a goal of reducing our environmental footprint and being a leader in sustainable retailing.

***\*Keeping cannabis out of the hands of minors will be a top priority for the LDB. Unlike liquor stores, minors will not be permitted to enter cannabis retail stores, even if they are accompanied by a parent or guardian. When entering the store, there will be an ID check at the entrance. Individuals without ID or minors (even those accompanying someone of legal age) will not be permitted in the store. As well, all staff will be required to complete a provincial training program.***

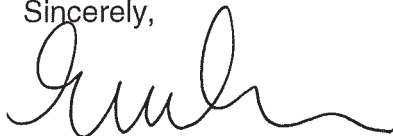
Additionally, customer, employee and community safety is paramount. All BC Cannabis Stores will have:

- Intruder and fire monitoring systems;
- Interior and exterior camera surveillance;
- Locked and tempered glass display cases for cannabis accessories;
- A secure storage room where product will be kept that will require access cards to enter;
- Durable and reliable commercial-grade doors and locks;
- Security shutters; and
- Smash-resistant windows.

And lastly, defective product will be transported to an off-premise location to be destroyed. Stores will not incinerate or dispose of cannabis products on premise.

Further details regarding BC Cannabis Stores and the LDB's social responsibility efforts are included in the attached slide deck. If you require additional materials or have any questions we would be very happy to provide it. We thank you in advance for your consideration of our application.

Sincerely,

*for* 

R. Blain Lawson  
General Manager and Chief Executive Officer  
BC Liquor Distribution Branch

Attachments:

1. BC Cannabis Stores – PowerPoint
2. Completed Cannabis Retail Store Application



ATTACHMENT F  
AERIAL PHOTO



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REZONING APPLICATION NO. RA000408



Proposed CRS Location



Subject Property

CITY OF NANAIMO

BYLAW NO. 4500.143

A BYLAW TO AMEND THE "CITY OF NANAIMO ZONING BYLAW 2011 NO. 4500"

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WHEREAS the Council may zone land, by bylaw, pursuant to Sections 464, 465, 469, 477, 479, 480, 481, 482, and 548 of the *Local Government Act*;

THEREFORE BE IT RESOLVED the Municipal Council of the City of Nanaimo, in open meeting assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited as the "Zoning Amendment Bylaw 2019 No. 4500.143".
2. The "City of Nanaimo Zoning Bylaw 2011 No. 4500" is hereby amended as follows:

By rezoning the lands legally described as LOT A, Sections 3 and 5, WELLINGTON DISTRICT, PLAN VIP60825 (3200 Island Highway North) to allow Cannabis Retail Store as a site-specific use within the City Commercial Centre (CC3) Zone, as shown on Schedule A.

PASSED FIRST READING: \_\_\_\_\_

PASSED SECOND READING: \_\_\_\_\_

PUBLIC HEARING HELD: \_\_\_\_\_

PASSED THIRD READING: \_\_\_\_\_

MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

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MAYOR

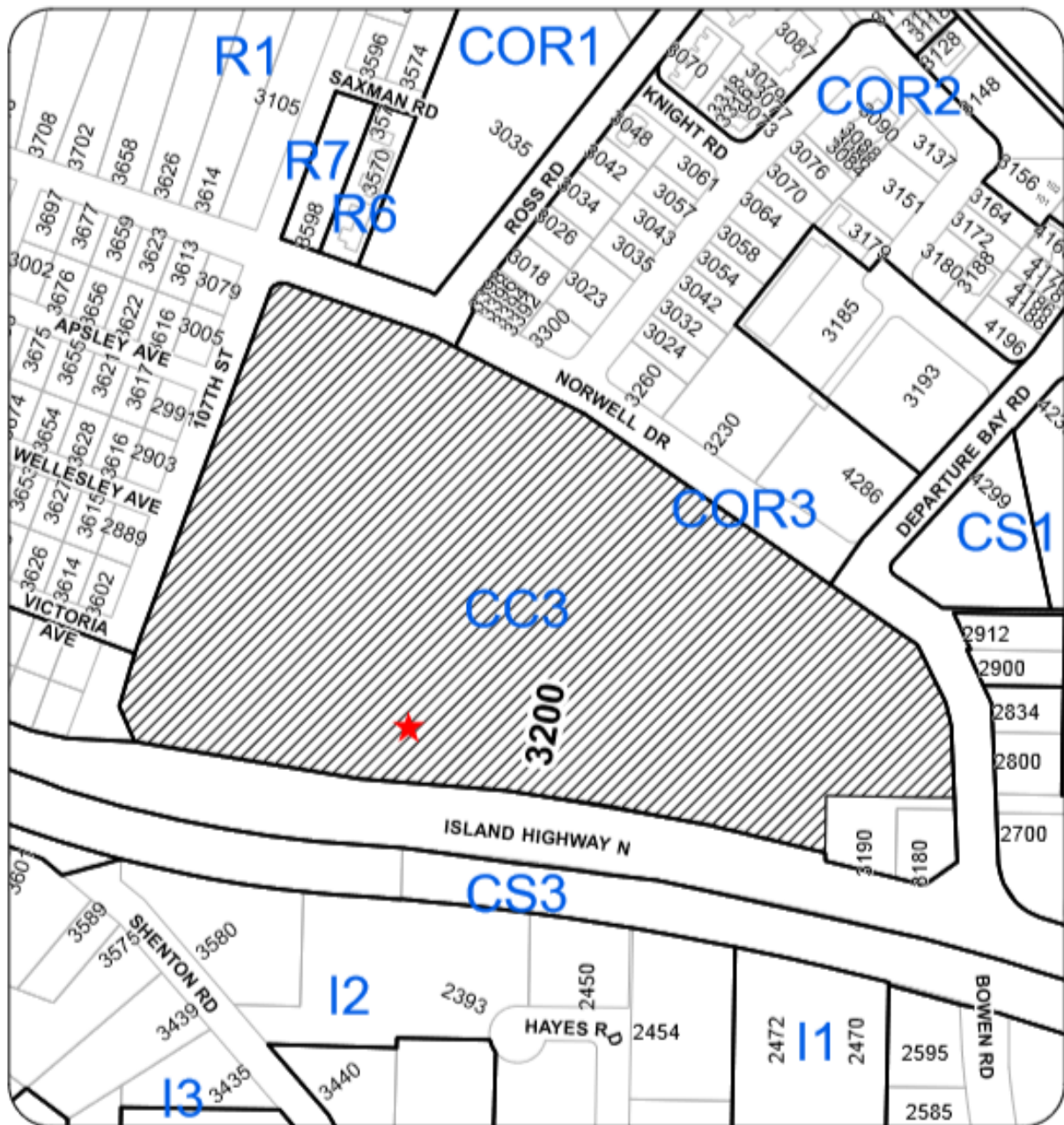
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CORPORATE OFFICER

File: RA000408  
Address: 3200 Island Highway North



## LOCATION PLAN



REZONING APPLICATION NO. RA000408

## LOCATION PLAN



Proposed CRS Location



Subject Property

Civic: 3200 ISLAND HIGHWAY N  
Legal: LOT A, SECTION 3 & 5  
WELLINGTON DISTRICT, PLAN VIP60825