

DATE OF MEETING | July 8, 2024 |

AUTHORED BY | CALEB HORN, PLANNER, CURRENT PLANNING |

SUBJECT CANNABIS RETAIL STORE POLICY – COUNCIL POLICY COU-241

OVERVIEW

Purpose of Report

To seek Council endorsement for a policy to process referrals from the Provincial Liquor and Cannabis Regulation Branch regarding Cannabis Retail Store applications where permitted by existing zoning.

Recommendation

That Council endorse Council Policy COU-241– Cannabis Retail Store License Application Process.

BACKGROUND

On 2018-OCT-01, Nanaimo City Council adopted amendments to the City of Nanaimo “Zoning Bylaw 2011 No. 4500” (the “Zoning Bylaw”) to recognize Cannabis Retail Store (CRS) as a site-specific use, in accordance with Federal and Provincial cannabis legislation that came into effect in 2018. The City’s Cannabis Task Force made recommendations on criteria to be considered through a site-specific CRS rezoning process, which were endorsed by Council on 2018-JUL-09 (see Attachment A). The CRS use is not permitted outright in any zone, and is only considered on a case-by-case basis through rezoning. Following the rezoning process, a recommendation is provided to the Provincial Liquor and Cannabis Regulation Branch (LCRB) who regulate licensing.

In February 2024, Staff received a referral from the LCRB seeking a local government recommendation in accordance with the *Cannabis Control and Licensing Act* for a new licensee at a previously rezoned CRS location where a positive recommendation had been previously made to the LCRB. The City’s CRS rezoning criteria provides guidance to consider potential land use and community impacts with the siting of a CRS use. The rezoning criteria does not address a change in operator for a property that has already been rezoned to allow CRS use. To address this gap, a new process policy is proposed to account for these types of applications. |

DISCUSSION

The Provincial *Cannabis Control and Licensing Act* (the “Act”) requires the LCRB to seek a recommendation from the local government before issuing or amending a CRS license. The Act makes no distinction between a new CRS or a new license holder for an existing CRS location. If the local government does not make a recommendation, the LCRB will reject the application.

The recommendations from the City’s Cannabis Task Force and the endorsed CRS rezoning criteria focus on a change of land use. No implications to the City have been identified by Staff for a change of license where a CRS has been permitted through rezoning. However, the LCRB has advised that the City must consider the views of residents in the context of each CRS license application, even if the application is for a different licensee at the same location. The Act requires the local government to gather views on each license application, and there is no option to opt out of the referral process or to have a standing resolution by Council in support of CRS applications where the use is permitted by zoning.

To account for LCRB referrals for CRS applications where permitted by the existing zoning, the City of Nanaimo’s options are to:

- a) Provide no comment, which would result in the CRS application being rejected by the LCRB;
- b) Follow the same criteria as for rezoning, which would be an onerous process requiring significant resources from the City and from the applicant (e.g. public notification, public hearing, etc.) where the use is already permitted; or,
- c) Develop a new streamlined process to meet the LCRB requirements.

Staff have proposed a new process policy (see Attachment B) to meet the requirements for a local government to gather the views of residents. The Act allows for multiple methods to gather views including receiving written comments in response to a public notice in accordance with Section 33(3)(a). Under the proposed process, public notice will be posted electronically on the City’s website for a period of seven calendar days with the opportunity for members of the public to provide written comments prior to Council consideration of making a recommendation to the LCRB. The LCRB must consider the local government’s recommendation when deciding to issue or amend a CRS license, and is ultimately the regulating authority for such decisions. |

OPTIONS

1. That Council endorse Council Policy COU-241– Cannabis Retail Store License Application Process.
 - The advantages of this option: The requirements of the *Cannabis Control and Licensing Act* will be met without onerous use of City or applicant resources.
 - The disadvantages of this option: None identified.
 - Financial Implications: None anticipated.
2. That Council provide alternate direction. |

SUMMARY POINTS

- The City's Cannabis Retail Store rezoning criteria does not consider applications to issue or amend a Cannabis Retail Store license where Cannabis Retail Store is a permitted use, so a process policy is proposed to account for these types of applications.
- The proposed Council Policy COU-241– Cannabis Retail Store License Application Process meets the requirements for a local government to gather the views of residents in accordance with section 33(3)(a) of the *Cannabis Control and Licensing Act*.

ATTACHMENTS:

ATTACHMENT A: Existing City of Nanaimo Cannabis Retail Store Rezoning Criteria
ATTACHMENT B: Draft Council Policy for Cannabis Retail Store License Application Process

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