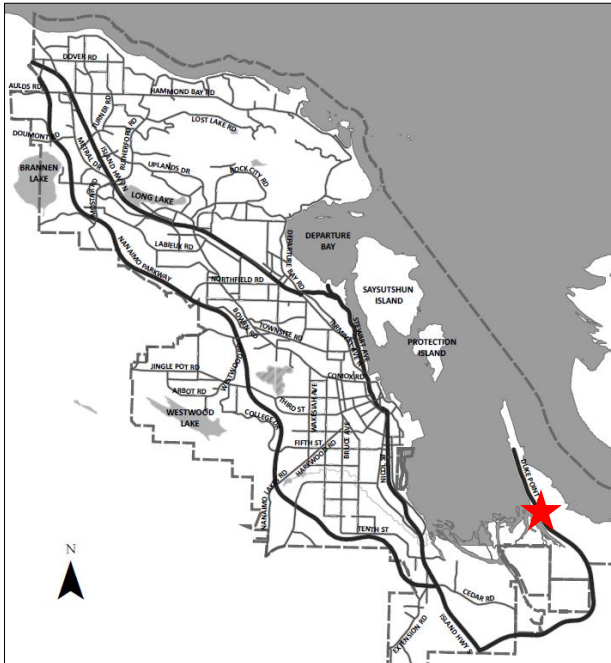


FOR: COUNCIL
 MEETING DATE: [January 19, 2026]
 DEPARTMENT: PLANNING AND DEVELOPMENT
 SUBJECT: **REZONING APPLICATION NO. RA524 – 1100 MAUGHAN ROAD**



Proposal:
To allow a Cannabis Producer Retail Store



Current Zoning:
I4 – Industrial

Proposed Zoning:
I4 – Industrial with a site-specific accessory Cannabis Retail Store

City Plan Land Use Designation:
Industrial

Lot Area:
2.22ha



City Aerial Photo 2024

OVERVIEW

Purpose of Report

To present Council with an application to amend the existing Industrial (I4) zone at 1100 Maughan Road to allow “Cannabis Retail Store” as a site-specific accessory use.

Recommendation

That:

1. “Zoning Amendment Bylaw 2026 No. 4500.239” (to rezone 1100 Maughan Road to allow “Cannabis Retail Store” as a site-specific accessory use in the Industrial [I4] zone) pass first reading;
2. “Zoning Amendment Bylaw 2026 No. 4500.239” pass second reading;
3. Council direct Staff to hold a Public Hearing for “Zoning Amendment Bylaw 2026 No. 4500.239”; and,
4. Council direct Staff to secure BC Liquor and Cannabis Regulation Branch approval prior to adoption of the bylaw, should Council support the bylaw at third reading.

BACKGROUND

A rezoning application, RA524, was received from Broken Coast Cannabis, on behalf of Dorada Ventures Ltd., to amend the existing I4 zone in the City of Nanaimo [Zoning Bylaw 2011 No. 4500](#) (the “Zoning Bylaw”) to allow “Cannabis Retail Store” as a site-specific accessory use to the existing Cannabis Production and Processing facility located at 1100 Maughan Road. Currently, this is the only production and processing facility in the City of Nanaimo.

In 2018, the City of Nanaimo established a [Cannabis Retail Store \(CRS\) Rezoning Criteria Policy](#) in anticipation of Federal and Provincial legislation decriminalizing cannabis consumption and legalizing the retail sale and distribution of cannabis products. On 2022-NOV-30, the province introduced Cannabis Producer Retail Store (PRS) licences as part of its commitment to enable cannabis sales to allow federal cultivator, micro-cultivator, and nursery licence-holders to have an onsite PRS and operate direct-delivery programs. A PRS licence allows federally licensed cannabis cultivators to operate their own store at the same location as their facility and sell products produced onsite directly to the public. These stores can choose to only carry their own exclusive products or carry more broadly sourced products as a CRS.

To date, the province has authorized three PRS (farmgate) licenses (Salmon Arm, Victoria, and Pitt Meadows) as well as two special Section 119 agreements with First Nations in Williams Lake and Chilliwack.

Subject Property and Site Context

The subject property is located at the eastern extent of the City limits (Duke Point) on the north side of Maughan Road, between Wave Place and Jackson Road. The grade change of the property is approximately 4m and slopes downward to the southeast (toward Wave Place). The subject property currently contains two industrial buildings (Cannabis Production and Processing facility) with the proposed PRS to be located within a portion of the southern building, fronting Maughan Road. Established industrial developments, the BC Ferries terminal, and parkland predominantly characterize the surrounding area.

DISCUSSION

Proposed Zoning

Following the legalization of cannabis in 2018, the City of Nanaimo amended the Zoning Bylaw to introduce new regulations and define “Cannabis Production and Processing” and “Cannabis Retail Store” as separate principal uses. The definition of retail store was also amended to exclude cannabis retail sales, thereby requiring site-specific rezonings to permit a Cannabis Retail Store. Cannabis Production and Processing is permitted in the I4 zone but with sales limited to wholesale and mail order only. Cannabis Retail Store is not a permitted principal use in the I4 zone, and a “Cannabis Producer Retail Store” is not currently defined or permitted in the Zoning Bylaw.

To allow the proposed PRS, Staff recommend amending the existing I4 zone to add Cannabis Retail Store as a site-specific accessory use for the subject property in the existing I4 zone with the following conditions of use:

- Cannabis Production and Processing use must exist on the same lot (a PRS licence is issued only where cannabis is being grown on a lot), and
- The total Gross Floor Area of an accessory Cannabis Retail Store shall not exceed a Gross Floor Area of 500m² (the GFA limit is consistent with similar restrictions on conditions of use or accessory uses in commercial and industrial zones - accessory retail sales are otherwise not permitted in the I4 zone). No other changes are proposed in the I4 zone.

As the use meets the Zoning Bylaw definition of a Cannabis Retail Store, Staff have applied the City’s [Cannabis Retail Store \(CRS\) Rezoning Criteria Policy](#) and consider the application to be substantially in compliance with the policy as summarized in Attachment B.

Allowing accessory cannabis retail sales is consistent with provincial licensing regulations which give Cannabis producers greater access to local retailers and consumers. Staff support the proposed site-specific amendment to allow an accessory Cannabis Retail Store which substantially complies with the Cannabis Retail Store Rezoning Criteria Policy and is not anticipated to result in any negative impacts to the site or surrounding community.

Provincial Licensing Requirements

The BC Liquor and Cannabis Regulation Branch (LCRB) has advised the City that an application for a PRS retail licence has been made for the subject property. As part of the LCRB’s review, the branch will undertake a fit and proper assessment which includes security screening and financial integrity checks to assess the suitability of the applicant, in accordance with [Section 26](#) and [Section 29](#) of the *Cannabis Control and Licensing Act*.

The LCRB will not proceed with a licensing application unless the local government gathers views from nearby residents and submits a positive recommendation regarding the licence application.

Policy Context

City Plan – Future Land Use

City Plan identifies the subject property within the Industrial future land use designation, primarily encompassing the lands at Duke Point, which are envisioned to remain home to large format industrial uses that rely on larger land areas and land and water-based transportation connections. The industrial designation accommodates industry that may generate noise, vibration or odors incompatible with the urban environment and supports limited retail sales as an accessory use. The proposed site-specific Cannabis Retail Store would be limited in scale and consistent with City Plan policies for the Industrial future land use designation as the retail use will be accessory to the existing Cannabis Production and Processing use on the subject property.

Community Amenity Contribution

The applicant has not proposed a Community Amenity Contribution. However, as the Cannabis Retail Store is a site-specific accessory use tied to an existing Cannabis Production and Processing use, Staff accept that a Community Amenity Contribution is not required for the proposed rezoning.

Conditions of Rezoning

Should Council support this application and pass third reading of "Zoning Amendment Bylaw 2026 No. 4500.239", Staff recommend confirmation from the LCRB that it has approved the applicant's suitability for a cannabis retail licence to be secured prior to final adoption of the bylaw.

COMMUNICATION AND COMMUNITY ENGAGEMENT

Pursuant to Section 33 of the Cannabis Control and Licensing Act, the City is required to gather the views of nearby residents when considering a licence. The LCRB suggests gathering the views of residents in an area determined by the local government by one or more of the following:

- (1) collecting written comments in response to a public notice,
- (2) conducting a public hearing,
- (3) holding a referendum, or
- (4) another method the local government considers appropriate.

For previous CRS applications, these comments have been typically gathered through a public hearing and Staff recommend the same process be applied to this application.

KEY MESSAGES

- This application is to amend the existing Industrial (14) zone at 1100 Maughan Road to allow "Cannabis Retail Store" as a site-specific accessory use within an existing industrial building in relation to an existing Cannabis Production and Processing facility.
- The Provincial Liquor and Cannabis Regulation Branch is reviewing the licensing application for this proposal.
- Staff support the proposed site-specific amendment to allow an accessory Cannabis Retail Store which substantially complies with the Cannabis Retail Store Rezoning

Criteria Policy and is not anticipated to result in any negative impacts to the site or surrounding community.

ATTACHMENTS

- ATTACHMENT A: Subject Property Map
- ATTACHMENT B: Cannabis Retail Store Rezoning Criteria Policy Review
- ATTACHMENT C: Conceptual Site Plan
- ATTACHMENT D: Conceptual Building Perspectives
- ATTACHMENT E: School and Licensed Daycare Buffer Map
- ATTACHMENT F: Letter of Rationale
“Zoning Amendment Bylaw 2026 No. 4500.239”

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