

AGENDA INFORMATION	
<input checked="" type="checkbox"/> Regular Meeting	Date: <u>July 22, 2019</u>
<input type="checkbox"/> Other:	Date: _____



The District of North Vancouver REPORT TO COUNCIL

July 16, 2019
File: 13.6440.50/000.000

AUTHOR: Shazeen Tejani

SUBJECT: Non-medical Retail Cannabis Policy

RECOMMENDATION:

THAT the “Non-medical Retail Cannabis Policy” (Attachment A) be approved;

AND THAT staff be directed to begin the application intake process for non-medical retail cannabis businesses on a first-come-first-served basis, as applications are forwarded to the District from the Provincial Liquor & Cannabis Regulation Branch;

AND THAT staff be directed to draft bylaw amendments to the Zoning Bylaw 3210, Business Licence Bylaw 4567, Fees and Charges Bylaw 6481, and the Notice Enforcement Bylaw 7458 to create the ability for approvals of cannabis retailing, manufacturing and warehousing.

REASON FOR REPORT:

The purpose of this report is to seek Council’s approval for a Non-medical Retail Cannabis Policy to assist in regulating the retail sale of cannabis in the District. The growing, harvesting, storage, packaging, dispensing, or sale of cannabis (marihuana) is currently prohibited in the District of North Vancouver Zoning Bylaw. On October 17, 2018, non-medical cannabis became legal in Canada through the Federal *Cannabis Act*.

BACKGROUND:

On June 11, 2018, Council directed staff to proceed with public engagement on cannabis regulation in the District with regard to draft amendments to the Zoning Bylaw 3210; Business Licence Bylaw 4567, Fees & Charges Bylaw 6481; Bylaw Notice Enforcement Bylaw 7458; and, Smoking Regulation Bylaw 7792.

On October 29, 2018 Council adopted an amendment to Smoking Regulation Bylaw 7792 to ensure that smoking of cannabis would be regulated the same way as cigarettes, cigars, or other lighted smoking equipment.

Between July and September 2018, a series of public engagement events were held with the public and stakeholders on the proposed land use, business licence, and consumption regulations of non-medical cannabis. During a Council Workshop on March 11, 2019 staff, with input received from the public engagement process, recommended the following approach:

- Consider the sale or dispensing of non-medical cannabis on a case-by-case basis;
- Limit the number of non-medical cannabis retail stores to one per Town and Village Centre. Other stores may be considered on a case by case basis;
- Continue to prohibit the sale or dispensing of cannabis except for where Council approves a rezoning (text amendment) and a business licence is issued for a non-medical cannabis retail store;
- Develop a policy to include locational and other evaluation criteria;
 - The locational criteria would limit cannabis retail stores to zones which currently permit the retail sale of liquor (CD4, CD21, CD45, CD47, Lot B at 1515 Barrow, CD68, CD80, C1L, C2, C9, C10, CD90, CD 94, but not the Public House C6 zone);
 - Ensure a minimum 200 metre buffer around elementary and high schools;
- Limit operating hours to 9am to 9pm daily;
- Prohibit accessory production and warehousing uses in non-medical cannabis retail stores; and
- Prohibit non-medical cannabis retail use in production and warehousing zones.

During the workshop, Council expressed support for staff to prepare a policy to aid in regulating the sale and distribution of cannabis.

EXISTING POLICY:

The growing, harvesting, storage, packaging, dispensing, or sale of cannabis (marihuana) is currently prohibited in the District of North Vancouver Zoning Bylaw Part 403A.

ANALYSIS:**Planning Process**

Based on the feedback received by Council, the public, and external stakeholders, staff have developed a proposed policy for regulating the retail sale of non-medical cannabis in the District (**Attachment A**). The policy describes the locational guidelines, additional evaluation criteria, process for acquiring a non-medical cannabis licence, public consultation requirements, and the conditions of rezoning. The provisions contained within the policy are in-keeping with the recommendations proposed to Council at the March 11th Workshop.

Proposed Application Intake Process

A review of best practices across the region has revealed challenges with two general application intake methods related to processing retail cannabis businesses. The two general intake methods identified were: 1) applications processed by the order received through a municipal portal; and 2) a merit-based approach to processing applications. In municipalities where applications were received through the municipal online portal, some portals were unable to handle a high volume of applications at once. In the latter merit-based approach, there were reported challenges in creating a fair, equitable, and transparent evaluation process.

Staff recommend reviewing non-medical retail cannabis applications using a first-come-first-served model, based on the date and time the application is forwarded to the District by the Provincial Liquor & Cannabis Regulation Branch (LCRB). Applications will be accepted only after Council's approval of the attached policy. This proposed intake process is intended to help maintain a straightforward and equitable process and ensure that applications received have been screened by the Province first.

Process for Acquiring a Non-Medical Cannabis Business Licence

Under the proposed policy, all non-medical retail cannabis businesses in the District would be required to undergo a site-specific rezoning process (text amendment) before the retail sale of non-medical cannabis would be permitted. The proposed process would include opportunities for public consultation, in accordance with District policies, bylaws and the *Local Government Act*.

The following is a brief summary of the application process:

1. Proponent submits an application to the Provincial Liquor & Cannabis Regulation Branch (LCRB) for a retail cannabis store licence.
2. The LCRB completes an evaluation, security screening and financial integrity check, then forwards the application to the District for consideration.
3. The applicant applies to the District for a rezoning (zoning bylaw text amendment) to add retail cannabis sales as a permitted use to the subject property only.
4. The District reviews the rezoning application against the criteria outlined in the proposed Non-medical Retail Cannabis Policy and undertakes public consultation in accordance with existing municipal and Provincial policies and bylaws. This will include notice to nearby neighbours, the posting of a notice on the site, and a public hearing.
5. Staff provide a zoning amendment bylaw (text amendment) and report, including a summary of the public consultation, to Council for their consideration.
6. If Council provides first reading to the zoning amendment bylaw, the bylaw is referred to a Public Hearing, unless Council waives the requirement for a Hearing.

7. If the zoning amendment bylaw is adopted and a Development Permit is issued, the District will notify the LCRB of the District's positive recommendation of the application.
8. The applicant applies for a business licence (hours would be limited from 9am to 9pm).
9. Upon issuance of a Provincial licence for a non-medical cannabis retail store, the District may issue a business licence.
10. Any additional permit applications as required by the District are completed, such as building permit and/or sign permit applications.

Accompanying Bylaw Amendments

If Council approves the Non-medical Retail Cannabis Policy, amendments to a number of municipal bylaws would be required in order to implement the policy. The bylaws that would require amendment are:

- Zoning Bylaw 3210 (to define and allow retail cannabis, to allow for warehousing, and to regulate accessory uses).
- Business Licence Bylaw 4567 (to include non-medical cannabis as an allowable licenced business and to regulate nuisances).
- Fees & Charges Bylaw 6481 (to include a fee for a non-medical cannabis business licence of \$5,000).
- Bylaw Notice Enforcement Bylaw 7458 (to add ticketable offences for breach of other bylaws, including the sale of edible cannabis or operating outside of permitted hours).

Staff proposed to bring forward amendments to the above bylaws in conjunction with the first application received.

Once an application is received by the District from the LCRB and a rezoning application from the applicant is received, it would be processed in accordance with the attached Non-medical Retail Cannabis Policy. If Council approves the rezoning (text amendment), only then would it be permitted at the site-specific location.

Cannabis Commercial Production, Warehousing and Distribution

The BC Liquor & Cannabis Distribution Branch is responsible for the distribution of cannabis from licensed producers to both public and private retail locations. The Federal government is responsible for the regulation of production. Based on consultation with public and retail stakeholders, preference was stated for permitting the commercial production, warehousing and distribution of non-medical cannabis in zones where warehousing or a warehouse use is allowed. These zones are generally located in the District's industrial lands including in: Lynn Creek Town Centre, Lynnmour South, Maplewood, and Norgate. As noted above, amendments to the Zoning Bylaw 3210 are proposed be brought forward in conjunction with

the first application, to specifically include cannabis production, warehousing, and distribution within the appropriate zones.

Timing/Approval Process:

Non-medical cannabis became legal in Canada on October 17, 2018. The Provincial LCRB is now accepting online applications for non-medical cannabis retail store licences. The process to review and update the District’s cannabis regulations began prior to legalization in June, 2018, as shown below:



Figure1: Planning Process for Non-Medical Cannabis Regulation

Staff are now seeking approval for the proposed Non-medical Retail Cannabis Policy. If approved, rezoning and other related applications will be processed in accordance with the policy.

Financial Impacts:

Based on the estimated cost of enforcing and regulating businesses associated with the retail sale of cannabis, staff propose amending the Business Licence Bylaw 4567 to include an annual business licence fee of \$5,000. These costs are intended to cover the District’s costs related to establishing, administering, and enforcing business license regulations.

Conclusion:

The possession and consumption of non-medical cannabis products became legal in Canada on October 17, 2018. The proposed Non-medical Retail Cannabis Policy will provide locational guidelines and other evaluation and approval requirements. The policy is intended to assist Council in considering rezoning applications for new non-medical retail cannabis businesses in the District.

Options:

THAT the “Non-medical Retail Cannabis Policy” (Attachment A) be approved;

AND THAT staff be directed begin the application intake process for non-medical retail cannabis businesses on a first-come-first-served basis, as applications are forwarded to the District from the Provincial Liquor & Cannabis Regulation Branch;

AND THAT staff be directed to draft bylaw amendments to the Zoning Bylaw 3210, Business Licence Bylaw 4567, Fees and Charges Bylaw 6481, and the Notice Enforcement Bylaw 7458 to create an ability for approvals of cannabis production, warehousing and retailing (Staff recommendation).

OR

THAT no further action be taken at this time.

Respectfully submitted,



Shazeen Tejan/
Community Planner

Attachment 1: Non-medical Retail Cannabis Policy

<u>REVIEWED WITH:</u> <input type="checkbox"/> Sustainable Community Development <input type="checkbox"/> Development Services <input type="checkbox"/> Utilities <input type="checkbox"/> Engineering Operations <input type="checkbox"/> Parks & Environment <input type="checkbox"/> Economic Development	<u>REVIEWED WITH:</u> <input type="checkbox"/> Clerk's Office <input type="checkbox"/> Corporate Services <input type="checkbox"/> Communications <input type="checkbox"/> Finance <input type="checkbox"/> Fire Services <input type="checkbox"/> Human resources <input type="checkbox"/> ITS <input type="checkbox"/> Solicitor <input type="checkbox"/> GIS	<u>REVIEWED WITH:</u> External Agencies: <input type="checkbox"/> Library Board <input type="checkbox"/> NS Health <input type="checkbox"/> RCMP <input type="checkbox"/> Recreation Commission <input type="checkbox"/> Other: _____	<u>REVIEWED WITH:</u> Advisory Committees: <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____
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