



REPORT

Development Services

To: Mayor Côté and Members of Council **Date:** 5/27/2019
From: Emilie K Adin, MCIP **File:** 13.2680.20
Director of Development Services **Item #:** 210/2019
Subject: **Cannabis: Retail Locations - Summary of Application Review Process**

RECOMMENDATION

THAT this report be received for information.

EXECUTIVE SUMMARY

A representative of Royal City Canna, one of the applicants who submitted a retail cannabis rezoning application with the City, made a presentation to Council at Open Delegations and provided comments on the process followed to review and recommend retail cannabis applications to Council for Bylaw consideration.

This report outlines the process by which the applications were reviewed, scored and recommended to Council and summarizes next steps for applications which were not forwarded for further Council consideration. Staff has reviewed the presentation made by the representative of Royal City Canna and determined that the review process for this application was consistent with the identified application review process; that the application was evaluated objectively and equitably; and that the score received for this application was correctly determined per the Council approved review process.

PURPOSE

The purpose of this report is to provide information to Council following a presentation by a Cannabis Retail rezoning applicant at Open Delegations on May 6, 2019.

BACKGROUND

In January 2018, the City initiated the process of developing the Cannabis Regulatory Framework. On August 27, 2018 and September 17, 2018 Council adopted the necessary amending bylaws, endorsed the process to consider an initial intake of applications for cannabis retail uses, directed staff to use the Cannabis Application Evaluation Criteria and endorsed the Cannabis Retail Rezoning Policy.

Applications for Cannabis retail locations were accepted between October 24 and December 5, 2018.

On March 11, 2019 Council directed staff to prepare Zoning Amendment Bylaws to permit the retail sale of cannabis at five locations: 71 Sixth Street, 532 Sixth Street, 451 E Columbia Street, 710 Twelfth Street and 540 Ewen Avenue. Council directed staff to report back on next steps for the applications which were not selected by Council to proceed ('remaining applications') and on revising the framework for future cannabis retail location applications.

On April 8, 2019 Council considered five separate Zoning Amendment Bylaws for five cannabis retail locations within the city and gave each bylaw First and Second readings. The staff report also provided Council with brief updates on:

1. Next Steps For Remaining Applications;
2. Future Cannabis Retail Location Applications;
3. Revisions to Evaluation Criteria; and
4. Transparent Windows Requirements.

On May 6, 2019 Luann Yin representing Royal City Canna made a presentation to Council at Open Delegations and provided comments on the process to review and recommend retail cannabis applications to Council for Bylaw consideration.

DISCUSSION

Outline of Cannabis Retail Location Review Process

Following Council endorsement of the cannabis regulatory framework in August and September, 2018, in anticipation of applications submissions, staff immediately began the process of updating the City webpage with all the necessary documentation and compiling guides for the submission of applications for cannabis retail locations. Documentation provided on this City webpage includes but is not limited to:

- Guide: Non-Medical Cannabis Retail Store – Initial Application Intake;
- Cannabis Rezoning Application Evaluation Checklist (Initial Intake);
- Checklist for Cannabis Retail Store Application Submission Requirements;

- Cannabis Retail Rezoning Policy; and
- all previous reports to Council

The Guide: Non-Medical Cannabis Retail Store – Initial Application Intake is a document meant to outline the overall process for applicants and links to many of the other documents noted above. A copy of the guide can be reviewed on the City website at:

http://www.newwestcity.ca/database/files/library/Guide_Non_Medical_Cannabis_Retail_Store_11_23_2018.pdf

The guide outlines two elements of the application review process - the application submission requirements and the application evaluation checklist - both of which were used in the application review process.

Review of Application Submission Requirements

The first portion of the application review process was ensuring that minimum submission requirements as outlined in the Cannabis Retail Rezoning policy were met. To assist applicants in that regard, the City provided a *Checklist for Cannabis Retail Store Application Submission Requirements*.

City staff answered questions from all applicants regarding the application process and submission requirements in person, by phone and / or by email. Each applicant was also provided at least one one-on-one meeting with staff to review their submission package and identify any missing submission requirements. Where there were missing requirements, each applicant was provided a follow up meeting with staff, at their request, to review their updated submission and confirm if the missing items had been included.

Cannabis Rezoning Application Evaluation Checklist (Initial Intake)

The Cannabis Rezoning Application Evaluation Checklist includes criteria which are divided into three categories: 1) Location and Land Use; 2) Business Operations, Nuisance and Security; and 3) Aesthetics. The scores achieved by each applicant in each category as well as the overall scores were summarized and presented to Council on March 11, 2019. Staff recommended that five applications move forward for Bylaw consideration based on the following criteria outlined in the August 27, 2018 Council report:

- (i) blend of public operators and private operators;
- (ii) based on the overall score in the Cannabis Rezoning Application Evaluation Checklist;
- (iii) the highest scoring application in each geographic areas based on the Cannabis Rezoning Application Evaluation Checklist would be recommended;

Use of the Evaluation Checklist

The Cannabis Rezoning Application Evaluation Checklist is referenced and linked through the Guide and is available directly on the City's Cannabis webpage. The process of evaluating applications against the checklist was purposefully designed to be as objective and equitable as possible. In this regard, most points on the checklist are on a 'yes' / 'no' basis (i.e. if a requirement is met a point is received, if a requirement is not met, a point is not received). Items on the checklist often contain multiple elements which need to be provided, and if one of the items was not provided, points for that item were not received.

As an example, one of the required items is "*Provides a detailed description of **and** implementation plan for the operation's legal age **and** impaired patron identification policies.*" While this is one item on the checklist there are four components that would be required in order to meet the requirement:

- 1) detailed description of the operation's legal age policies;
- 2) detailed description of the operation's impaired patron identification policies;
- 3) implementation plan for the operation's legal age policies; and
- 4) implementation plan for the operation's impaired patron identification policies.

In this example any application which did not provide a detailed description and implementation plan for both elements would not receive a point. Applications were reviewed by four staff members divided into two teams. Team members reviewed applications separately, each scoring their own independent checklist. The scores were then compared to ensure consistency. Where inconsistency between scores was found, staff discussed the reasons for discrepancy and jointly determined an agreed upon score for the inconsistent items based on the requirements of the evaluation checklist.

Staff is confident that this process has led to an objective and equitable review process per the Council approved process.

Applicant Meetings with Staff

Following Council's review and consideration of staff's recommendations on March 11, 2019, staff met with most applicants regarding the evaluation outcome. At these meetings, staff went through each of the items on the checklist, received feedback on the overall process and outlined available next steps for the remaining applications that were not being provided further Bylaw consideration at this time.

Correspondence Received at Open Delegation

Staff has reviewed the submission made by the representative of Royal City Canna at Open Delegations on May 6, 2019, and confirms that the review process for this application was

consistent with the process identified above and that the application was evaluated objectively and equitably. Staff is confident that the score received for this application was correctly determined per the Council approved review process.

Future Cannabis Retail Rezoning Applications

In the April 8, 2019 Council report, staff recommended the following for the remaining applications and for any future applicants:

- Reduce the monitoring period between the initial application and the acceptance of new applications from approximately one year to approximately six months after the start of operation of the first locations;
- Report back to Council with a summary of the monitoring period and more detailed recommendations including number of additional applications to consider locations, and any other revisions to requirements such as confirming how to evaluate applications within interior spaces (such as malls) and from BC Cannabis Stores locations from the Liquor Distribution Branch;
- Allow existing applicants to resubmit their applications at either the same location or a new location with the payment of 25% of the Business Licence and Rezoning application fees to cover staff costs to review any updated materials;
- New applicants could submit with the full application package and fees.

NEXT STEPS

Council has given First and Second readings for five Zoning amendment Bylaws which would allow cannabis retail sales at five locations within the City. Once the City has received the results of financial integrity and security program checks from the LCRB a public hearing for these applications will be scheduled. The next steps are summarized as follows:

1. Council consideration of First and Second Readings of Zoning Amendment Bylaws; (April 8, 2019);
2. Receive Results of financial integrity and security program checks from the LCRB (**we are here**);
3. Public Hearings for Zoning Amendment Bylaws, meeting Local Government Act as well as and LCRB consultation requirements;
4. Council consideration of Third Reading and Adoption of Zoning Amendment Bylaws;
5. Council consideration of resolutions for LCRB;
6. LCRB considers approvals in principle.

Subsequent Approvals:

7. Application for City Building Permits, sign permits, etc. (as required);
8. Issuance of City Business Licence;
9. LCRB finalizes approval of application.

INTERDEPARTMENTAL LIAISON

The Development Services Department has consulted the City Solicitor regarding this report.

OPTIONS

There are two options for Council to consider:

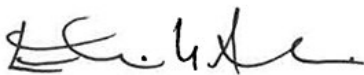
1. That this report be received for information.
2. That Council provide staff with alternative direction.

Staff recommends option 1.

This report has been prepared by:
Mike Watson, Planner

This report was reviewed by:
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Approved for Presentation to Council



Emilie K Adin, MCIP
Director of Development Services



Lisa Spitale
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