Corporation of the City of
NEW WESTMINSTER

REPORT
Development Services

To: Mayor Coté and Members of Council **Date**: 3/29/2021

From: Emilie K Adin, MCIP **File**: REZ00173
Director of Development Services

Item #: 79/2021

Subject: **Cannabis Retail Locations: Sapperton Area Application Update - Bylaw for First and Second Readings**

RECOMMENDATION

THAT *Council consider Zoning Amendment Bylaw No. 8256, 2021 to allow the retail sale of cannabis at 416 East Columbia Street for two readings and direct staff to schedule a Public Hearing;*

THAT *Council rescind First and Second Readings for Bylaw No. 8110, 2019;*

THAT *Council direct staff to keep the application for a Cannabis Retail location at 451 East Columbia Street on hold, pending further considerations by Council regarding future cannabis retail locations.*

EXECUTIVE SUMMARY

This report seeks Council consideration of an alternate cannabis retail sale location in the Sapperton area. The previous application considered by Council for this area was from Herb Co. Cannabis, with a proposal to operate a store at 451 East Columbia Street. The City has been notified by the Liquor and Cannabis Regulation Branch (LCRB) that Herb Co.'s Non-Medical Cannabis Licence application has been terminated. The LCRB would not provide reason citing privacy considerations. The applicant has stated that the application was terminated due to a missed deadline, and that this was a result of the COVID-19 pandemic. Bylaw No. 8110, 2019 to rezone 451 East Columbia Street to permit Herb Co. the retail sale of cannabis had received two readings. Consistent with the City's process for such

applications, staff were awaiting financial integrity and security program checks from the LCRB prior to advancing the bylaw to Public Hearing and Council consideration of final readings.

At this time, staff are recommending that Council rescind the readings on Bylaw No. 8110 2019, and instead consider an alternative application in the Sapperton area given that: Herb Co. has had two years to advance their application with the LCRB; a new application to the LCRB would be a significant modification of the existing application and add additional review time; and there are other applications in the Sapperton area which are viable without modifications.

North Root Cannabis at 416 East Columbia Street is the next highest scored application in the Sapperton area in order of prioritization based on the Cannabis Rezoning Application Evaluation Checklist (Initial Intake). This application is in the retail unit currently occupied by the Royal Columbian Hospital Auxiliary Thrift Shop, and would require its relocation. The Royal Columbian Hospital Auxiliary is currently on a month to month lease arrangement. They have been offered longer term leases but are looking for a location which better meets their needs.

Staff has brought forward Zoning Amendment Bylaw No. 8256, 2021 for Council consideration for this alternative application, attached as Appendix A.

Staff are recommending that the current application for a Cannabis Retail location at 451 East Columbia Street be put on hold, versus closed, which would allow it to proceed should Council instruct staff to process additional applications in the future.

BACKGROUND

Update on Applications

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 and endorsed the Cannabis Retail Rezoning Policy and the Cannabis Application Evaluation Criteria.

Twenty-two applications were received between October 24 and December 5, 2018 as part of the initial application period. All applications were reviewed through an application review process endorsed by Council on July 9, 2018.

Six applications in five geographic areas, including one from the Provincial public operator BC Cannabis Stores, were supported by Council to proceed for further consideration. Refer to the staff report on March 11, 2019, the report on May 27, 2019 and the report on August 31, 2020. The six applications recommended to move forward, and their current status, are summarized in the table below.

Business Location	Location	Status
Queensborough	540 Ewen Avenue	Operating
Downtown	71 Sixth Street	Operating
Queensborough	805 Boyd Street	Operating
Twelfth Street	710 Twelfth Street	Rezoning Completed
Uptown	320 Sixth Street	Rezoning Completed
Sapperton	451 East Columbia Street	Staff Recommendation to be Put on Hold

Five applications have received approval by Council, with three locations now operating. Two more are expected to open soon. The application which has not had rezoning completed is in the Sapperton area and is the subject of this report.

History of Current Application in Sapperton

The Herb Co. Cannabis Store submitted an application for rezoning to the City on December 5, 2018 for a location in the Sapperton area at 451 East Columbia Street. A Non-Medical Cannabis Licence with the Liquor and Cannabis Licensing Branch (LCRB) submitted on the same day. On March 11, 2019 Council selected The Herb Co. Cannabis Store as the preferred applicant for a cannabis retail location in the Sapperton area based on the endorsed Application Review Process for cannabis retail locations. On April 8, 2019, Council gave Zoning Amendment Bylaw No. 8110, 2019 for this location first and second readings and directed that the bylaw be brought forward to Public Hearing once financial integrity and security program checks from the LCRB were completed.

On November 17, 2020 the City received a Notice of File Termination from the LCRB for Herb Co.'s application. Financial integrity and security program checks from the LCRB have not been completed. The LCRB would not provide reason for the termination, citing privacy considerations. The applicant has stated that the application was terminated due to missing a deadline related to providing shareholder information, and that this was a result of the COVID-19 pandemic.

The City provided the applicant with several weeks to work with the LCRB to see if the application could be revived. Both the applicant and the LCRB have advised that the LCRB application is unable to be revived and that a new application would have to be made.

DISCUSSION

Next Steps for the Current Application in Sapperton

The City's Cannabis Retail Rezoning Policy and the Cannabis Retail Store Application Submission Requirements Checklist both list an active application with the LCRB as a prerequisite for submission of a rezoning application. Once the LCRB application was terminated, and work had been done to confirm it was not able to be revived, the rezoning application for Herb Co. no longer meets application prerequisites.

Staff has identified two options for Council at this time: 1) direct staff to continue to work with Herb Co. to make the necessary changes to their application to the City, and to wait for the outcome of their new application to the LCRB, once it is submitted; 2) direct staff to proceed with the next available application in the Sapperton area. Staff recommends proceeding with the next available application for the following reasons:

1. the applicant has had two years to progress their application with the LCRB and in that time has been unable to receive the required financial integrity and security program checks;
2. waiting for the applicant to submit, and the LCRB to approve, a new application would take additional, potentially significant, time during which the Sapperton area would remain without a retail cannabis store; and
3. the next highest scored application in the Sapperton area, submitted as part of the initial intake, has remained on file should an opportunity to proceed arise. This applicant has received their financial integrity and security program checks from the LCRB, and is ready to proceed at this time.

Staff has informed the current applicant that their application no longer meets City prerequisites and that staff is recommending to Council the City proceed with another application at this time.

Should Council choose to proceed with the alternative application, staff recommends that Council rescind the bylaw readings previously provided for 451 East Columbia St, and direct that the originally higher scoring application be placed on hold, rather than closed. This would allow it to proceed more quickly should Council instruct staff to process additional applications for the neighbourhood in the future.

Proposed Alternate Application for Sapperton Location

As referenced above, the second highest scored application based on the order of prioritization in the Cannabis Rezoning Application Evaluation Checklist (Initial Intake) is North Root Cannabis at 416 East Columbia Street. Staff advises that this application is able to proceed at this time and has received the required financial integrity and security program

checks from the LCRB on July 31, 2019. The third application from the Sapperton area, which was scored behind North Root, has advised that they no longer have a lease at their location and are not able to proceed.

North Root Cannabis is proposed at 416 East Columbia St., which is located in the Sapperton Neighbourhood mid-block between Sherbrooke and Major Streets. The proposed location, mid-block between Sherbrooke and Major Streets, would have a retail area of approximately 127 square metres (1,370 sq. ft.) and an additional approx. 89 sq. metres (960 sq. ft.) of non-retail space (office, storage, loading, hallways, etc.). The business has proposed hours of operation from 10am to 10pm seven days per week. Similar to previous applications, staff would work with the applicant on refining their application to achieve further consistency with relevant design guidelines.

This application relates to the retail unit currently occupied by the Royal Columbian Hospital Auxiliary Thrift Shop and would require its relocation. The Royal Columbian Hospital Auxiliary is currently on a month to month lease arrangement. They have been offered longer term leases but are looking for a location which better meets their needs.

Pending Council direction, this application is able to proceed to a Public Hearing. Although the Public Hearing could be waived, given the proposed Zoning Amendment Bylaw would be consistent with the OCP, the LCRB requires that feedback from the public be gathered regarding the cannabis location. As with the previous cannabis retail applications, the Public Hearing is the method by which this public feedback is proposed to be gathered.

Staff recommend that Zoning Amendment Bylaw No. 8256, 2021 to allow the retail sale of cannabis at 416 East Columbia Street be considered for First and Second readings and be referred to Public Hearing.

Monitoring Period and Subsequent Applications

Staff has been monitoring the operation of cannabis retail locations since the first location began operating and is in the process of preparing a report to Council for consideration as to whether additional applications should be considered, and if so, the number, locations, and any other revisions to requirements that may be needed.

NEXT STEPS

The next steps in reviewing the rezoning application for 416 East Columbia Street are summarized as follows:

1. Applicant received final approvals from the Liquor and Cannabis Regulation Branch (July 31, 2019);

2. Council consideration of First and Second Readings of Zoning Amendment Bylaw No. 8256, 2021; (**we are here**);
3. Public Hearings for Zoning Amendment Bylaws, meeting Local Government Act as well as and LCRB consultation requirements; (anticipated for April 19, 2021);
4. Council consideration of Third Reading and Adoption of Zoning Amendment Bylaws. (anticipated for April 19, 2021)

Subsequent Approvals:

5. Application for City Building Permits, sign permits, etc. (as required);
6. Issuance of City Business Licence.

INTERDEPARTMENTAL LIAISON

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

OPTIONS

The following options are available for Council's consideration:

1. That Council allow the existing applicant (The Herb Co. Cannabis Store at 451 East Columbia St) to revise their application by submitting a new Application for a Non-Medical Cannabis to the Liquor and Cannabis Regulation Branch.

2. That Council consider Zoning Amendment Bylaw No. 8256, 2021 to allow the retail sale of cannabis at 416 East Columbia Street for two readings and direct staff to schedule a Public Hearing.

3. That Council rescind First and Second Readings for Bylaw No. 8110, 2019.

4. That Council direct staff to place the application for a Cannabis Retail location at 451 East Columbia Street on hold, pending further considerations by Council regarding future cannabis retail locations.

5. That Council provide staff with alternative direction.

Staff recommends options 2, 3 and 4.

ATTACHMENTS

Appendix A: Zoning Amendment Bylaw No. 8256, 2021

This report has been prepared by:
Mike Watson, Senior Development Planner

This report was reviewed by:
Jackie Teed, Senior Manager of Development Services

Approved for Presentation to Council

Emilie K Adin, MCIP
Director of Development Services

Dean Gibson
For Lisa Spitale
Chief Administrative Officer

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Appendix A:

Zoning Amendment Bylaw No. 8256, 2021

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CORPORATION OF THE CITY OF NEW WESTMINSTER
ZONING AMENDMENT BYLAW (CANNABIS REGULATIONS) NO. 8256, 2021

A Bylaw to Amend Zoning Bylaw No. 6680, 2001

WHEREAS the Local Government Act authorizes a local government to zone areas of a municipality and to make regulations pursuant to zoning.

NOW THEREFORE THE CITY COUNCIL of the Corporation of the City of New Westminster in open meeting assembled ENACTS AS FOLLOWS:

1. This Bylaw may be cited for all purposes as "Zoning Amendment Bylaw (Cannabis Retail Location – 416 East Columbia Street) No. 8256, 2021."

2. Zoning Bylaw No. 6680, 2001 is hereby amended by:

   a) adding the following into the table in section 190.48.1:

North Root Cannabis	416 East Columbia Street	230 sq. metres	001-069-551

GIVEN FIRST READING this day of 2021.

GIVEN SECOND READING this day of 2021.

PUBLIC HEARING held this day of 2021.

GIVEN THIRD READING this day of 2021.

ADOPTED this day of , 2021.

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MAYOR JONATHAN X. COTE

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JACQUE KILLAWEE, CITY CLERK