



## Committee of the Whole Report For the Meeting of March 14<sup>th</sup>, 2019

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**To:** Committee of the Whole

**Date:** March 12<sup>th</sup>, 2019

**From:** Chris Coates, City Clerk

**Subject:** Local Government Recommendation for Clarity Cannabis at 851 Johnson Street

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### RECOMMENDATION

That Council direct staff to provide the following response to the Liquor and Cannabis Regulation Branch:

1. Council supports the application of Clarity Cannabis located at 851 Johnson Street to receive a provincial cannabis retail store license providing the following comments on the prescribed considerations:
  - a. The Council recommends that the LCRB issue a license to Clarity Cannabis located at 851 Johnson Street, subject to the condition that this license not be issued until after Clarity Cannabis obtains a Development Permit for any proposed alterations to the building exterior that are required to operate the business.
  - b. The application has been reviewed by the Victoria Police Department, Bylaw Services Division, and Sustainable Planning and Community Development Branch and there are no site-specific comments in terms of impacts on the community.
  - c. The views of residents were solicited through a mail-out to neighbouring property owners and occupiers within 100 meters of this address and to the relevant neighbourhood association. The City sent 951 letters and received 12 letters. 10 letters support the application and 2 letters oppose the application. The City did not receive correspondence from the neighbourhood association.
  - d. A Development Permit is required to ensure alterations to the building exterior do not diminish the pedestrian experience and create safety concerns by obstructing the view from the sidewalk or street into the store.

### EXECUTIVE SUMMARY

Since the Government of Canada legalized cannabis on October 17, 2018, the Province of British Columbia (The Province) is responsible for cannabis retail store licensing. The Province established a framework that sends referrals to the City for a positive or negative recommendation, which must include residents' views. The City adopted the *Cannabis Retail Store Licensing Consultation Policy and Fee Bylaw* to set the public consultation process and fees to manage these referrals.

The City plays a role in the provincial licensing scheme by providing a positive or negative recommendation on referrals from the Liquor and Cannabis Regulation Branch (LCRB). Provincial licences must comply with both the federal and provincial rules, as well as any municipal rules that



may be in effect. The City's *Cannabis-Related Business Regulation Bylaw* contains rules for cannabis storefront retailers, pursuant to the City's business regulation and licensing powers.

The applicant was involved in previous operations of Medijuana at 851 Johnson Street. Medijuana applied for a business licence on September 23, 2016 but did not receive a business licence due to outstanding building permits. Medijuana continued to operate, and has received two Municipal Tickets in 2018. Both tickets in the amount of \$500.00 were paid. They have suspended operations.

In undertaking internal referrals to the Victoria Police Department and Sustainable Planning and Community Development Branch staff did not raise any issues with previous operations under the past municipal rules.

The required public notification process enabled residents to share their views by providing written comments. The City sent 951 notices to owners and occupiers within 100 metres of the proposed location for the Licence and received 12 letters regarding the application. 10 letters support the application and 2 letters oppose the application. The correspondence is attached as Appendix C. The neighbourhood association did not provide a response.

Staff recommend that Council support the application by Clarity Cannabis to obtain a provincial cannabis retail store license at 851 Johnson Street, subject to the applicant first obtaining a Development Permit for alterations to the building exterior.

## **PURPOSE**

The purpose of this report is to seek a Council resolution, in accordance with the requirements of the *Cannabis Control and Licensing Act*, regarding an application by Clarity Cannabis to obtain a provincial cannabis retail store license at 851 Johnson Street.

## **BACKGROUND**

The LCRB issues cannabis retail store licences under the authority of the *Cannabis Control and Licensing Act* (the Act) and regulations. LCRB refers an application to the City for a recommendation about whether or not to issue a licence. The LCRB will not consider issuing a licence unless it receives a positive recommendation from the City.

Under the Act, a local government must take into account the location of the proposed retail store in considering the recommendation, provide comments about community impact, and include the views of residents. The City adopted the *Cannabis Retail Store Licensing Consultation Policy and Fee Bylaw* establishing a public consultation method and fees (Appendix A). A public notification letter is sent to owners and occupiers of parcels within 100 metres of the proposed location, and the neighbourhood association for the area, initiating an opportunity to provide written comment about the application. The public has two weeks to provide a response to the application.

The City's internal review may include comments from staff in Bylaw Services Division, Sustainable Planning and Community Development Branch, and the Victoria Police Department.

Provincial licensees must obtain a business licence. The *Business Licence Bylaw* and *Cannabis-Related Business Regulation Bylaw* set out licensing and operating conditions for cannabis retail stores.

### The Applicant

The applicant was involved in previous operations of Medijuana at 851 Johnson Street. Medijuana applied for a business licence on September 23, 2016. Medijuana operated however it did not



receive a business licence due to outstanding building permits. They have suspended operations. A map of the property and the immediate 100 metre area is attached as Appendix B.

#### Public Comments

A public consultation process for this application concluded on February 14<sup>th</sup>, 2019. The City distributed 951 public notification letters and received 12 letters. 10 letters support the application and 2 letters oppose the application. The neighbourhood association for the area did not provide a response. The correspondence is attached as Appendix C.

On their own initiative, an advocacy group provided approximately 1500 letters in support of five applications currently awaiting a Council decision. These are available for viewing on request but are excluded from the City process established in the *Cannabis Retail Store Licensing Consultation Policy and Fee Bylaw*.

### **ISSUES AND ANALYSIS**

The following sections will identify the key issues and provide analysis for Council's consideration.

#### Previous Operations

The applicant provided oversight to previous operations of Medijuana at 851 Johnson Street.

Medijuana did not receive a business licence due to outstanding building permits, but continued operate. Medijuana has received two Municipal Tickets. The first ticket was issued on February 21, 2018 for failure to install and maintain air filtration system, and the second ticket was issued on March 21, 2018 for failure to provide required staff. Both tickets in the amount of \$500.00 were paid by the operator.

#### Community Impact

The Victoria Police Department and Sustainable Planning and Community Development Branch have no site-specific comments. VPD comments are attached as Appendix D.

#### Residents' Views

The City received 12 letters. 10 letters support issuing license, and 2 letters oppose issuing a license. The correspondence is attached as Appendix C.

2 respondents who opposed the application shared a concern that this cannabis retail store would not have a positive impact on the community. They felt that a cannabis retail store in this community would exacerbate existing community issues. Further, one respondent noted the high-volume of youth attending a school near the proposed cannabis retail store.

#### Municipal Requirements for Building Exteriors

The Act requires a licensed cannabis retail store to have non-transparent walls, which would require the applicant to alter the building exterior. The subject property is located within Development Permit Area 2 (HC). Alterations to exterior materials, including windows, require a Development Permit within this area. This type of application has been delegated to staff to complete.

#### Applicant Response

The applicant provided a response to the report which is attached as Appendix E.

## OPTIONS AND IMPACTS

**Option 1 – Refer application with a positive local government recommendation, subject to obtaining a Development Permit (Recommended)**

**Option 2 – Refer application with a negative local government recommendation with a comment about the reason for the negative recommendation**

### Accessibility Impact Statement

The recommended option has no accessibility implications.

### CONCLUSION

Clarity Cannabis at 851 Johnson Street has been an unlicensed cannabis storefront retailer in the City. Based on the feedback received for this application staff recommend providing supportive comments to the LCRB but that the issuance of the license be withheld until a Development Permit is issued. The operator would be required to obtain a Development Permit for alterations to the building exterior in order to comply with Provincial requirements. The proposed option would ensure that this operator continues to comply with municipal requirements and enable the LCRB to continue their consideration of the applicant for a cannabis retail store license.

Respectfully submitted,



Monika Fedyczkowska  
Legislative and Policy Analyst

  
Chris Coates  
City Clerk

Susanne Thompson  
Deputy City Manager



**Report accepted and recommended by the City Manager:**

**Date:** March 13, 2019

### Attachments

- Appendix A: Cannabis Retail Store Licensing Consultation Policy and Fee Bylaw
- Appendix B: A map of the property and the immediate 100 metre area
- Appendix C: Residents' Views
- Appendix D: VPD Comments
- Appendix E: Applicant Response to Report