



2. That Council direct staff to advise the LCRB of Council's recommendation subject to the applicant's compliance with City bylaws and permits.

## **EXECUTIVE SUMMARY**

Since the Government of Canada legalized cannabis on October 17, 2018, the Province of British Columbia 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's *Cannabis Retail Store Licensing Consultation Policy and Fee Bylaw 18-120* establishes a public consultation process and fees to manage these referrals.

There is no specific City policy that guides staff in the evaluation of a proposed cannabis retail store. Staff take into consideration:

- the applicant's compliance and enforcement history as a cannabis retail store in the City, if applicable, and
- comments from residents and businesses within 100 metres of the proposed location.

Alternative Aromatics Apothecary began operating in July 2015. When the applicant applied for a general business license, the City had not yet developed storefront cannabis retail licensing and operating conditions. Therefore, the City rejected their application. Once the City adopted the Storefront Cannabis Retailer Business Regulation Bylaw, the applicant applied for a storefront cannabis retail licence on December 6<sup>th</sup>, 2016, completed rezoning on November 23<sup>rd</sup>, 2017 and was then the City issued them a storefront cannabis retail licence on December 7<sup>th</sup>, 2017.

Between March 8<sup>th</sup>, 2017 and August 25<sup>th</sup>, 2017, the applicant had compliance issues related to a logo on their sign, presence of edible cannabis products in the store, display of a sign without a permit, and presence of a film on the windows. There were no more compliance issues with municipal bylaws after September 12<sup>th</sup>, 2017.

A Bylaw officer visited the business on April 3<sup>rd</sup>, 2019. The business was open. A Bylaw Officer did not visit the business again until July 4<sup>th</sup>, 2019. The business was not open. Between the visit in April and July, the exact date of closure is not known.

The City sent 248 notices and received 2 letters in response. Both letters were from respondents within 100 metres of the property. The City did not receive correspondence from the Hillside-Quadra Neighbourhood Action Group. Of the 2 respondents within 100 metres of the proposed cannabis retail store that provided written comments, 1 supports issuing a license and 1 opposes issuing a license. The concerned respondent raised a concern about potential theft by clients of the proposed cannabis retail store in their nearby business.

In the absence of a City policy for evaluating the eligibility of proposed cannabis retail store, staff recommend that Council provide a positive recommendation for Alternative Aromatics Apothecary at 2641 Quadra Street.

## **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 Alternative Aromatics Apothecary at 2641 Quadra Street to obtain a provincial cannabis retail store license.

## **BACKGROUND**

The LCRB issues cannabis retail store licences under the authority of the *Cannabis Control and Licensing Act* (the Act). LCRB refers an application to the City for a recommendation about whether or not to issue a licence. The LCRB will not issue a provincial licence without a positive recommendation from the City.

The City must consider the location of the proposed retail store, provide comments about community impact, and include the views of residents. The *Cannabis Retail Store Licensing Consultation Policy and Fee Bylaw* establishes a public consultation method and fees (Appendix A). Owners and occupiers of parcels within 100 metres of the proposed location, and the neighbourhood association for the area, and relevant City departments have an opportunity to provide written comments about the application.

A provincially licensed cannabis retail store may obtain a municipal business licence. The *Business Licence Bylaw* and *Storefront Cannabis Retailer Regulation Bylaw 19-053* set out licensing and operating conditions for storefront cannabis retailers.

Council has provided seven positive recommendations to the LCRB. The Province has licensed five cannabis retail stores in Victoria and 2 more proposed cannabis retail stores are at the final stages of provincial licensing. Five cannabis retail stores have municipal business licenses.

## **ISSUES AND ANALYSIS**

There is no specific City policy that guides staff in the evaluation of a proposed cannabis retail store. Staff take into consideration:

- the applicant's compliance and enforcement history as a cannabis retail store, if applicable, and
- comments from residents and businesses within 100 metres of the proposed location.

### Applicant

Alternative Aromatics Apothecary is located at 2641 Quadra Street. A map of the property and the immediate 100 metre area is attached as Appendix B. A site plan is attached as Appendix C.

### Previous Operations

On July 17<sup>th</sup>, 2015, Alternative Aromatics Apothecary applied for a general business license. The City rejected this application. At that time, the City was not accepting applications for a business of this type as staff were reviewing business licensing regulations toward the implementation of a licensing framework for cannabis related businesses. The applicant continued to operate the business without a license.

On September 22<sup>nd</sup>, 2016, Council approved the *Cannabis-Related Business Regulation Bylaw 16-058* which enabled the City to issue storefront cannabis retail licences.

The applicant applied for a storefront cannabis retail licence on December 8<sup>th</sup>, 2016. After the property was rezoned for cannabis retail use on November 23<sup>rd</sup>, 2017, the City issued a storefront cannabis retail licence on December 7<sup>th</sup>, 2017. The applicant continued to operate the business during this process, transitional provisions in the *Cannabis Related Business Regulation Bylaw* permitted businesses to continue operating provided their rezoning application were progressing.

Bylaw Services conducted regular inspections between March 8<sup>th</sup>, 2017 and September 29<sup>th</sup>, 2019. Between March 8<sup>th</sup>, 2017 and August 25<sup>th</sup>, 2017, the applicant addressed compliance issues related to a logo on a sign, presence of edible cannabis products in the store, display of a sign without a

permit, and film on the windows. There were no other compliance issues with municipal bylaws after September 12<sup>th</sup>, 2017. The City did not issue any tickets.

A Bylaw officer visited the business on April 3<sup>rd</sup>, 2019. The business was open. A Bylaw Officer did not visit the business again until July 4<sup>th</sup>, 2019. The business was not open. Between the visit in April and July, the exact date of closure is not known.

A history of compliance and an enforcement is attached as Appendix D.

Council recently addressed the issue of cannabis retail stores operating without a provincial license after legalization and resolved to raise the issue in the recommendation and defer that aspect to the Province. This approach is represented in the recommendation for this application.

#### Community Impact

Bylaw Services, Sustainable Planning and Community Development, the Victoria Police Department did not indicate any concerns about impact on the community.

The Victoria Police Department comments are attached as Appendix E.

#### Residents' Views

The City sent 248 notices and received 2 letters in response. Both letters were from respondents within 100 metres of the property. The City did not receive correspondence from the Hillside-Quadra Neighbourhood Action Group.

Of the 2 respondents within 100 metres of the proposed cannabis retail store that provided written comments, 1 supports issuing a license and 1 opposes issuing a license.

The concerned respondent raised a concern about potential theft by clients of the proposed cannabis retail store in their nearby business.

Residents' views are attached as Appendix E.

#### Municipal Requirements for Building Exteriors

The property is located within Development Permit Area 5: Large Urban Villages. Within this DPA, exterior changes such window coverings, require a Delegated Development Permit (DDP). The relevant design guidelines do not support permanent window coverings and as such staff are unlikely to support an application to permanently cover the windows. Please note that curtains/blinds are considered internal improvements and do not require a DDP, but can still meet the provincial requirements to restrict sightlines into the storefront.

#### Summary

Staff would recommend that Council provide a positive recommendation for Alternative Aromatics Apothecary at 2641 Quadra Street. Before the City established licensing and operating conditions for cannabis related businesses, the applicant sought to obtain a general business license. After the City established these conditions, the applicant completed a rezoning of the property and obtained the appropriate license. The applicant addressed any compliance issues to the satisfaction of Bylaw Officers and there have been no other compliance issues since September 2017.

#### Applicant's Response

The applicant provided a letter responding to the staff report. This letter is attached as Appendix G.

**OPTIONS AND IMPACTS**

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

This option would enable to LCRB to issue a provincial cannabis retail store license.

**Option 2 – Refer application with a negative local government recommendation**

This option would prevent the Province from issuing a license to the applicant in this location. The applicant would apply in another location, if desired.

**Accessibility Impact Statement**

The recommended option has no accessibility implications.

**CONCLUSION**

Alternative Aromatics Apothecary at 2641 Quadra Street rezoned the property and obtained an annual business licence when it became available. The applicant addressed any compliance issues to the satisfaction of Bylaw Officers there have been no other compliance issues since September 2017. A positive recommendation would allow the Province to continue the licensing process and potentially issue 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:

Nov 13, 2019

**Attachments**

- Appendix A: Cannabis Retail Store Licensing Consultation Policy and Fee Bylaw 18-120
- Appendix B: A map of the property and the immediate 100 metre area
- Appendix C: A site plan of the property
- Appendix D: Bylaw Services comments
- Appendix E: Victoria Police Department comments
- Appendix F: Residents' views
- Appendix G: Letter from applicant