



## Committee of the Whole Report For the Meeting of December 3<sup>rd</sup>, 2020

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**To:** Committee of the Whole **Date:** November 24<sup>th</sup>, 2020  
**From:** Chris Coates, City Clerk  
**Subject:** Recommendation for Trees Cannabis at 1545 Fort Street

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### RECOMMENDATION

1. That Council direct staff to advise the Liquor and Cannabis Regulation Branch:

The Council of the City of Victoria supports the application of Trees Cannabis at 1545 Fort Street to receive a provincial cannabis retail store license with the following comments:

- a. The Council recommends that the LCRB issue a license to Trees Cannabis at 1545 Fort Street.
- b. City staff did not raise any concerns about this referral in terms of community impacts.
- c. Residents' views were solicited through a mail-out to property owners and occupiers within 100 meters of this address and to the relevant neighbourhood association.

The City sent 394 notices and received 20 letters in response, including a petition sent by the applicant with 21 persons in support for the application. The City did not receive correspondence from the Rockland Neighbourhood Association.

Respondents opposed to issuing a license identified the following issues: the business operated before legalization, impact on residential parking, traffic, pedestrian safety, storefront maintenance after ceased operations, loitering, smoking, odour, graffiti, sale to minors, impact on neighbouring businesses, potential for turnover.

- d. The Council wishes the Province to make its own deliberations about the fact that this operation remained in operation until August 1, 2019.
2. That Council direct staff to advise the LCRB of Council's recommendation subject to the applicant's compliance with applicable City bylaws and permits.

### EXECUTIVE SUMMARY

Since the Government of Canada legalized cannabis on October 17<sup>th</sup>, 2018, the Province of British Columbia is responsible for cannabis retail store licensing. The Province 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 referrals.

The City received an application for a cannabis business licence for "Victoria Natural Way Ltd" on November 9<sup>th</sup>, 2015 for 1545 Fort Street. The City rejected the application because the City was reviewing business licensing regulations. On September 22<sup>nd</sup>, 2016, Council adopted the *Cannabis-Related Business Regulation Bylaw 16-058* creating storefront cannabis retail licences.

The applicant, Trees Cannabis, began operating the cannabis retail business in May 2017 under a management services agreement with Victoria's Natural Way. The applicant applied for rezoning on July 12<sup>th</sup>, 2017 and the property was rezoned on December 13<sup>th</sup>, 2018. The lease was transferred to Trees in October 2018. The applicant continued to operate the business during this process which was permitted under transitional provisions in the Bylaw.

Although the applicant did not apply for and obtain the relevant business licence since beginning operations in 2016, they made the necessary payments in 2016, 2017, and 2018. After legalization, the City would only issue municipal business licences to provincial licence holders in accordance with revised provisions under the *Storefront Cannabis Retailer Regulation Bylaw*. Therefore, the applicant was not eligible for a municipal business licence in 2019.

Bylaw Services conducted regular inspections between November 3<sup>rd</sup>, 2016 and November 19<sup>th</sup>, 2019. There were no issues during the inspections. The City did not issue any tickets. The applicant stopped operations on August 1, 2019.

The City sent 394 notices and received 20 letters in response, including a petition sent by the applicant with 21 persons in support for the application. The City did not receive correspondence from the Rockland Neighbourhood Association. Respondents opposed to issuing a license identified the following issues: operated before legalization, impact on residential parking, traffic, pedestrian safety, maintenance of store after ceased to operate, loitering, smoking, odour, graffiti, sale to minors, impact on neighbouring businesses, potential for turnover.

In the absence of a City policy for evaluating referrals from the Province for proposed cannabis retail stores, staff reviewed compliance and enforcement history, and comments from respondents. Based on this analysis, staff recommend that Council provide a positive recommendation for the Trees Cannabis at 1545 Fort 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 Trees Cannabis at 1545 Fort Street to obtain a provincial cannabis retail store license.

## **BACKGROUND**

The LCRB issues cannabis retail store licences under the *Cannabis Control and Licensing Act* (the Act). LCRB refers an application to the City so that Council may recommend to issue or not to issue a provincial cannabis retail store licence. If Council provides a negative recommendation to the LCRB, the LCRB may not issue a licence to the applicant at the proposed location.

The City must consider the location of the proposed cannabis 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. 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.

A provincially licensed cannabis retail store must obtain a municipal business licence to operate in the City. 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 thirteen positive recommendations and no negative recommendations to the LCRB. The Province and municipality have licensed all thirteen cannabis retail stores, although not all are currently operational.

## **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

Trees Cannabis is proposing a cannabis retail store at 1545 Fort Street.

### Previous Operations

The City received an application for a cannabis business licence for "Victoria Natural Way Ltd" on November 9<sup>th</sup>, 2015 for 1545 Fort Street. The City rejected the application because the City was reviewing business licensing regulations toward the implementation of a cannabis related business licensing framework. On September 22<sup>nd</sup>, 2016, Council adopted the *Cannabis-Related Business Regulation Bylaw 16-058* which enabled the City to issue storefront cannabis retail licences.

The applicant, Trees Cannabis, began operating the cannabis retail business in May 2017 under a management services agreement with Victoria's Natural Way. The applicant applied for rezoning on July 12<sup>th</sup>, 2017 and the property was rezoned on December 13<sup>th</sup>, 2018. The lease was transferred to Trees in October 2018 for the purpose of the provincial licence application. The applicant continued to operate the business during this process, since transitional provisions in the Bylaw allowed businesses to operate provided a rezoning application was in progress.

Although the applicant did not apply for and obtain the relevant business licence, they made the necessary payments of \$5000.00 to the City on October 18, 2016, February 14, 2017 and January 16, 2018 totalling \$15,000. After legalization, the City would only issue municipal business licences to provincial licence holders in accordance with revised provisions under the *Storefront Cannabis Retailer Regulation Bylaw*. Therefore, the applicant was not eligible for a municipal business licence in 2019.

Bylaw Services conducted regular inspections between November 3<sup>rd</sup>, 2016 and November 19<sup>th</sup>, 2019. There were no issues during the inspections. The City did not issue any tickets.

The applicant stayed open until August 1, 2019.

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

#### 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 B.

#### Residents' Views

The City sent 394 notices and received 20 letters in response, including a petition sent by the applicant with 21 persons in support for the application.

The City did not receive correspondence from the Rockland Neighbourhood Association.

Respondents opposed to issuing a license identified the following issues: operated before legalization, impact on residential parking, traffic, pedestrian safety, maintenance of store after ceased to operate, loitering, smoking, odour, graffiti, sale to minors, impact on neighbouring businesses, potential for turnover.

Residents' views are attached as Appendix C.

#### Summary

Staff recommend that Council provide a positive recommendation for Trees Cannabis at 1545 Fort Street. After the applicant started operations, they applied for and completed rezoning, paid required licence fees, and did not have any compliance issues. While there were some complaints to the City about use of residential parking and graffiti in the area, there is no evidence that the applicant and their patrons are responsible for these issues.

Council addressed the issue of cannabis retail stores operating without a provincial license after legalization and resolved to raise the issue in the recommendation for the Province to consider in their final review of the application. This approach is represented in the recommendation for this application.

#### Applicant's Response

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

### **OPTIONS AND IMPACTS**

#### **Option 1 – Refer application with a positive local government recommendation to LCRB (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 could apply in another location.

**Accessibility Impact Statement**

The recommended option has no accessibility implications.

**CONCLUSION**

Trees Cannabis at 1545 Fort Street started and completed a rezoning for this property, paid cannabis retail store business fees, and had no compliance issues. A positive recommendation would allow the Province to continue the provincial 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:** November 24, 2020

**Attachments**

- Appendix A: History of compliance and enforcement
- Appendix B: Victoria Police Department comments
- Appendix C: Residents' views
- Appendix D: Letter from applicant