



Committee of the Whole Report For the Meeting of July 18, 2024

To: Committee of the Whole **Date:** July 10, 2024
From: Curt Kingsley, City Clerk
Subject: Recommendation for Victoria Cannabis Company Farmgate at 340 Mary Street

RECOMMENDATION

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

The Council of the City of Victoria supports the application of Victoria Cannabis Company Farmgate at 340 Mary Street to receive a provincial cannabis retail store license with the following comments:

- a. The Council recommends that the Liquor and Cannabis Regulation Branch issue a license to Victoria Cannabis Company Farmgate at 340 Mary Street.
- b. Bylaw Services indicated cannabis retail would have limited community impact; however, they outlined ongoing issues with the odour of the adjacent cultivation site and that it be resolved before issuing a local government recommendation.

The Victoria Police Department did not raise any concerns about community impacts.

- c. The reasons for a positive local government recommendation include that:
 - i. The location permits storefront cannabis retail.
 - ii. Staff did not raise significant concerns about community impact of storefront cannabis retail at this location only the preexisting adjacent cultivation site.
- d. 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 312 notices, including the Vic West Neighbourhood Association.

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

The Province of British Columbia is responsible for licensing cannabis retail stores. The Province refers applications to the City for a positive or negative recommendation, which must include residents' views. The *Cannabis Retail Store Licensing Consultation Policy and Fee Bylaw 18-120* establishes a public consultation process and fees.

If Council does not wish to permit new cannabis retail stores, Council may direct staff to decline referrals.

The applicant for this location does not currently operate cannabis retail in the City of Victoria.

The City sent 312 notices, including the Vic West Neighbourhood Association. Resident responses are included in the published agenda.

Staff recommend Council provide a positive recommendation for Victoria Cannabis Company Farmgate at 340 Mary Street.

PURPOSE

The purpose of this report is to seek a Council resolution regarding an application by Victoria Cannabis Company Farmgate at 340 Mary Street to obtain a provincial cannabis retail store license.

BACKGROUND

The Liquor and Cannabis Regulation Branch issues cannabis retail store licences under the *Cannabis Control and Licensing Act* (the Act). LCRB refers an application to the City. The City currently accepts all referrals for locations with storefront cannabis retail use zoning, however it may decline a referral at any time. If Council provides a positive recommendation, the LCRB may issue a licence to the applicant at this location. If Council provides a negative recommendation, the LCRB may not issue a licence to the applicant at this location.

As a part of the local government recommendation, the Province requires that the City 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 may provide written comments.

In Fall 2022, the Province of British Columbia introduced a new cannabis retail licence that allows eligible federally licensed cannabis producers to sell non-medical cannabis products from stores located at their cultivation site. This licence was created as part of the Province's commitment to enable farm-to-gate cannabis sales in British Columbia. The licence referral before Council is the first farm-to-gate cannabis application in the City of Victoria.

A provincially licensed cannabis retail store must obtain a municipal business licence to operate in the City. The *Business Licence Bylaw* sets out licensing and operating conditions for storefront cannabis retailers. This includes the requirements that windows on any ground-level frontage of the premises of a storefront cannabis retailer may be covered by artwork or posters provided that such artwork or posters do not extend above 1.22 metres (4 feet) measured from ground level and two employees including one manager are always present on the premises when open.

To date, Council has provided 28 positive recommendations and no negative recommendations to the Province in response to proposed cannabis retail store referrals. Currently, there are 18 licenced cannabis retailers in the City.

ISSUES AND ANALYSIS

There is no specific City policy to guide staff in evaluating a referral for proposed cannabis retail store. Staff consider the applicant's compliance and enforcement history during previous and other operations as a cannabis retail store, if applicable, and input from residents.

Applicant

The applicant is proposing a cannabis retail store at 340 Mary Street.

The applicant passed the LCRB's "fit and proper" requirements, which is determined by using the following checks:

- criminal record check or fingerprint based criminal record verification
- police information check
- check of intelligence databases maintained by law enforcement agencies
- check of records in the justice information system of the BC Ministry of the Attorney General
- check of records in the corrections information system of the BC Ministry of Public Safety and Solicitor General.

The Victoria Cannabis Company is comprised of two micro-cultivation facilities and one nursery.

Community Impact

In June 2024, Council amended the Zoning Regulation Bylaw by creating the M1-RC Zone, Russell Street Light Industrial (Cannabis) District, and rezoned land known as 340, 344 and 346 Mary Street and 247, 249, 251 and 253 Russell Street from the M1-R Zone, Russell Street Light Industrial District to the M1-RC Zone, Russell Street Light Industrial (Cannabis) District. Storefront cannabis retail is permitted provided that only one storefront cannabis retailer is permitted to operate on a single lot.

Bylaw Services comments are attached as Appendix 1. Bylaw Services indicated concerns with the existing cannabis cultivation facility instead of concerns with proposed onsite cannabis retail.

Victoria Police Department comments are attached as Appendix 2. Victoria Police indicated no concerns and relied on RCMP criminal record checks and LCRB policy and procedures.

Residents' Views

The City sent 312 notices, including the Vic West Neighbourhood Association. All relevant correspondence is provided when the agenda is published.

Applicant's Response

The applicant provided a letter responding to the staff report which is attached as Appendix 3.

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 at another location.

Accessibility Impact Statement

The recommended option has no accessibility implications.

CONCLUSION

Staff in Bylaw Services, the Victoria Police Department, and Sustainable Planning and Community Development did not raise any concerns about community impact regarding a cannabis retail storefront, but some concerns were raised about the preexisting cannabis cultivation site . A positive recommendation would allow the Province to continue the provincial licensing process.

Respectfully submitted,

Barrie Nicholls
Legislation and Policy Analyst

Curt Kingsley
City Clerk

Susanne Thompson
Deputy City Manager

List of Attachments

Appendix 1_Bylaw Services Comments
Appendix 2_Victoria Police Department Comments
Appendix 3_Letter from Applicant