Agenda – Executive Policy Committee – October 20, 2020

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – October 16, 2020

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than four business days preceding the committee meeting, be considered by Committee.

Item No. 6 Cannabis Retail Sales Locations – Two-year Report Back

STANDING COMMITTEE RECOMMENDATION:

On October 16, 2020, the Standing Policy Committee on Property and Development, Heritage and Downtown Development did not concur in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the report of the Winnipeg Public Service be received as information.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Executive Policy Committee – October 20, 2020

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – October 16, 2020

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On October 16, 2020, the Standing Policy Committee on Property and Development, Heritage and Downtown Development did not concur in the recommendation of the Winnipeg Public Service and recommended:

1. That the report of the Winnipeg Public Service be received as information.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

and submitted the following to the Executive Policy Committee and Council.

COUNCIL DECISION:

On May 24, 2018, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and adopted the following:

1. That the Public Service proceed with Option 1, as discussed in this report, and make no amendments to the City's Winnipeg Zoning By-law or the Downtown Winnipeg Zoning By-law in respect of the retail sale of cannabis within the City of Winnipeg. The selection of retail store locations will be subject to the existing mechanism in place when selecting liquor store locations, Growth Enterprise & Trade and Manitoba Liquor and Gaming Authority will review and approve retail cannabis store locations after a detailed assessment, including input from the Social Responsibility Location Review Process and a City of Winnipeg designate.

2. That, within two years following the date on which cannabis is legalized, the Public Service report back to Council with respect to all Cannabis Retail Sales businesses / locations within the City of Winnipeg, the report shall include a discussion of any land use issues, complaints received and recommendations for amendments identified by the Public Service. (The Provinces' intent is to allow 3 to 4 locations within the City of Winnipeg per the 4 approved retail organizations to a maximum of 16 (sixteen) stores. This number will be revisited by the Province at a later date.)

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Cannabis Retail Sales - Two-year Report Back

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
D. Jopling	J. Kiernan	N/A	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

Non-medical cannabis is legal in Canada for retail sale and consumer use effective October 17, 2018. The Province of Manitoba regulates the sale of recreational cannabis through the Liquor, Gaming and Cannabis Authority (LGCA), with wholesale distribution through Manitoba Liquor and Lotteries (MBLL).

Manitoba's framework for retail cannabis consisted of three phases. Phase 1 (February 2018) involved LGCA entering into separate business contracts with 4 retail organizations selected through a bidding process. Phase 2 (May 2019) involved expanding retail locations within Manitoba including the City of Winnipeg through a randomized draw.

Under both Phase 1 and Phase 2, retail locations were approved through input from the Province's Social Responsibility Location Review Process and a City of Winnipeg designate. Currently, under the Winnipeg Zoning Bylaw and the Downtown Winnipeg Zoning By-law, the retail sale of cannabis is permitted anywhere a Retail Sales use is permitted.

Phase 3 of Manitoba's retail cannabis framework came into effect June 1, 2020. The Province informed the City of Winnipeg that cannabis retail locations are no longer subject to the Provincial Social Responsibility Location Review Process and it would be up to the City to review future retail locations.

Thus, it is recommended that Council direct the Winnipeg Public Service to report back in 120 days with draft amendments to the Winnipeg Zoning By-law and Downtown Winnipeg Zoning Bylaw to include zoning standards for cannabis retail store locations. In the meantime, the Public Service has requested that the Province continue reviewing locations through the Social Responsibility Location Review Process until appropriate zoning by-law amendments are in place (see Appendix A). We are waiting for a response from the Province.

Alternatively, if Council chooses to not amend either zoning bylaw, then the sale of cannabis would continue to be permitted anywhere Retail Sales are permitted. The LGCA may also decide to not renew the Social Responsibility Location review process. In this scenario, locations for the establishment of cannabis retail store locations would be subject to the same review as any other retail sales use.

RECOMMENDATIONS

1. That the Winnipeg Public Service be directed to report back to the Standing Policy Committee on Property and Development, Heritage, and Downtown Development in 120 days with proposed amendments to the Winnipeg Zoning By-law 200/2006 and the Downtown Winnipeg Zoning Bylaw 100/2004 to include zoning bylaw standards for cannabis retail sales.

2. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On May 24, 2018, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and adopted the following:

- *That the Public Service proceed with Option 1, as discussed in this report, and make no amendments to the City's Winnipeg Zoning By-law or the Downtown Winnipeg Zoning By-law in respect of the retail sale of cannabis within the City of Winnipeg. The selection of retail store locations will be subject to the existing mechanism in place when selecting liquor store locations, Growth Enterprise & Trade and Manitoba Liquor and Gaming Authority will review and approve retail cannabis store locations after a detailed assessment, including input from the Social Responsibility Location Review Process and a City of Winnipeg designate.*
- *That, within two years following the date on which cannabis is legalized, the Public Service report back to Council with respect to all Cannabis Retail Sales businesses / locations within the City of Winnipeg, the report shall include a discussion of any land use issues, complaints received and recommendations for amendments identified by the Public Service.*

IMPLICATIONS OF THE RECOMMENDATIONS

Should the recommendations of the Winnipeg Public Service be concurred in,

- the Winnipeg Public Service will report back in 120 days with proposed amendments to the Winnipeg Zoning By-law 200/2006 and the Downtown Winnipeg Zoning Bylaw 100/2004 to include zoning bylaw standards for cannabis retail sales.

HISTORY/DISCUSSION

Background:

On October 17, 2018, the sale of cannabis for recreational use became legal across Canada. Responsibility for governing aspects of the legalization framework, including wholesale and retail distribution, was handed to the provincial and territorial governments. The Province of

Manitoba adopted a hybrid retail and distribution model. The role and mandate of the Liquor and Gaming Authority (LGCA) was expanded to include cannabis.

Manitoba's framework for retail cannabis consisted of three phases. Phase 1 (February 2018) involved LGCA entering into separate business contracts with 4 retail organizations selected through a bidding process. Phase 2 (May 2019) involved expanding retail locations through a randomized draw.

Under both Phase 1 and Phase 2, the selection of retail store locations was subject to the existing mechanism in place when selecting liquor store locations. LGCA would review and approve retail cannabis store locations after a detailed assessment, including input from the Social Responsibility Location Review Process and a City of Winnipeg designate. For this reason, no amendments were made to the City's Winnipeg Zoning By-law or the Downtown Winnipeg Zoning By-law in respect of the retail sale of cannabis within the City of Winnipeg. The retail sale of cannabis is considered a Retail Sales Use, and is permitted anywhere Retail Sales uses are permitted.

On May 22, 2020, the Province announced the third phase of Manitoba's retail cannabis framework. Starting on June 1, 2020, businesses can apply to LGCA for a cannabis store retailer agreement which will let the business establish a store in any Manitoba community that allows the retail sale of cannabis. In tandem with this launch of Phase 3 the Province indicated to the Public Service that they are no longer conducting a Social Responsibility Location Review.

The LGCA licenses all retail cannabis stores in Manitoba. Applicants must submit proof of community/municipal/band council approval as part of their application. For those looking to open a Cannabis store at a location within the City of Winnipeg, the applicant will request a verification of use letter from the Zoning & Permits Branch to confirm whether a Retail Sales Use is listed as a Permitted Use under the zoning of a given property. The Zoning & Permits Branch charges a fee for this service.

The City does not have any rules or processes in place for reviewing cannabis retail locations. To ensure the sale of cannabis does not negatively impact the general public, a solution would involve an amendment to the Winnipeg Zoning By-law. In the meantime, Winnipeg would benefit from LGCA reimplementing the Social Responsibility Location Review Process.

Edible Cannabis, Cannabis Extracts, Cannabis Topicals:

In 2019, the Federal Government amended the *Cannabis Act* and as of October 17, 2019, Edible Cannabis, Cannabis Extracts, and Cannabis Topicals became legal for recreational sale and consumption. There are currently no licences available to allow for recreational on-site cannabis consumption in Manitoba.

Experience in Winnipeg:

To date, 14 cannabis retail store locations have been established in Winnipeg. The property address of each location was checked against 311 complaints. In the past two years, there have been no complaints received through 311 that could be attributable to the operations of a cannabis retail store.

The Winnipeg Police Service were consulted and they note that the establishment of cannabis retail store locations has not resulted in a high frequency of calls for service.

Since the Phase 3 rollout, the Zoning & Permits Branch has provided verification of use letters that could result in the establishment of several new cannabis retail stores. The locations, if

approved by the Province, will result in new stores being established in a regulatory framework vacuum.

Provincial Social Responsibility Location Review Process (No Longer in Use):

The Province established a five (5) step procedure for performing a Social Responsibility Location Review Process:

1. Using 'Google Maps' to measure the distance between each civic addressed proposed for cannabis retail location and the closest school (primary, secondary or tertiary), place of worship, community centre, and any other sensitive-use location that a location municipality identifies (for example, a substance abuse treatment centre, a liquor mart, etc.).
2. Advise the retailer if the distance is under 50 metres.
3. The applicant / retailer contacts the municipal official – usually the Chief Administrative Officer – by phone to advise of the request of zoning, by-laws, metric standards or proximity measurements and ultimately where a retail cannabis store may locate.
4. The municipal official manages their internal process to come to adjudicate the matter.
5. If the location is approved, the municipality completes and sends a letter of approval for the verified location and a copy of the development/building permit to the applicant, which is then forwarded to LGCA.

The Province established a Social Responsibility Location Review Process as a tool that could be requested by municipalities to be used in cases where a municipality did not have its own tools or procedures for conducting a location review. In 2018, the City of Winnipeg requested the Province apply the Social Responsibility Location Review Process in reviewing cannabis retail store locations and therefore no zoning bylaw amendments were made to accommodate cannabis sales in the city.

Implications for The City:

As of June 2020, the Province no longer conducts a Social Responsibility Location Review Process when evaluating new applications for cannabis retailer agreements. Currently under the Winnipeg Zoning By-law and the Downtown Winnipeg Zoning Bylaw, cannabis stores are considered a Retail Sales Use; thus, they area permitted in the following zoning districts:

- "RMU" – Residential Mixed-Use District (bylaw no. 200/2006).
- "C1" – Commercial Neighbourhood District (bylaw no. 200/2006).
- "C2" – Commercial Community District (bylaw no. 200/2006).
- "C3" – Commercial Corridor District (bylaw no. 200/2006).
- "C4" – Commercial Regional District (bylaw no. 200/2006).
- "CMU" – Commercial Mixed-Use District (bylaw no. 200/2006).
- "MMU" – Manufacturing Mixed Use District (bylaw no. 200/2006).
- "M1" – Manufacturing Light District (bylaw no. 200/2006).
- "M" Multiple-Use Sector (bylaw no. 100/2004).
- "C" Character Sector (bylaw no. 100/2004).

- “D” Downtown Living Sector (bylaw no. 100/2004).

Several of these zoning districts also accommodate sensitive uses as either permitted, conditional, or accessory (elementary schools, day cares, community centres etc.) and could lead to compatibility issues unless there is a process to review the location of proposed cannabis retail locations.

An amendment to the Winnipeg Zoning By-law and Downtown Winnipeg Zoning Bylaw would be necessary to establish clear regulations with regards to appropriate locations for cannabis retail stores. In the meantime, Winnipeg would benefit from LGCA reimplementing their Social Responsibility Location Review Process as it pertains to cannabis retail store locations in Winnipeg.

Alternatively, if Council chooses to not amend either zoning bylaw, then the sale of cannabis would continue to be permitted anywhere Retail Sales are permitted. The LGCA may decide to not renew the Social Responsibility Location review process. In this scenario, locations for the establishment of cannabis retail store locations would be subject to the same review as any other retail sales use.

Cross Jurisdictional Review:

The Public Service conducted a cross-jurisdictional scan that revealed most major Canadian municipalities have rules and processes in place for evaluating cannabis retail store locations. A brief summary of the rules in Edmonton, Calgary, and Vancouver are provided below:

<u>Edmonton:</u>

Cannabis retail stores cannot be located less than:

- 200 metres (656 feet) from any other cannabis retail sales use. A variance to this separation distance may be approved, provided that it is not greater than 20 metres (65 feet).
- 200 metres (656 feet) from any public library.
- 100 metres (328 feet) from a Community Recreation Services use or facility.
- 200 metres from a public or private school.
- 100 metres from any provincial health care facility.
- 100 metres from any site designated as school reserve.

To ensure retail stores include design elements that readily allow for natural surveillance and promote a safe urban environment, Edmonton adopted the following design requirements:

- Access is limited to a storefront visible from the street, or shopping centre parking lot, or a mall access that allows visibility from the interior of the mall.
- The exterior must have ample transparency from the street.
- Ensure a well-lit environment for pedestrians and illumination of the property.
- Limit landscaping to low-growing shrubs or deciduous trees with a high canopy at maturity.

<u>Calgary:</u>

Cannabis retail stores cannot be located less than:

- 300 metres from another cannabis retail store.
- 100 metres from a school, with this distance increasing to 150 metres if the store site is also zoned commercial, industrial, or mixed use.
- Separation distances can be reduced, but for schools - only by 10%.

Other restrictions include:

- Stores are not permitted in residential zoning districts or beside a liquor store.
- Mobile cannabis stores are prohibited.
- Stores must be located on a major street, or corridor, or collector street.
- Cannabis stores must have at least four vehicle parking stalls per 100 square metres of usable floor area.
- One bicycle parking stall is required per 250 square metres of usable floor area.
- The store must be a single use. It cannot be combined with another use, such as a convenience store. However, cannabis stores can reside in a multi-tenant building or as part of a mixed-use development.

<u>Vancouver:</u>

In Vancouver, cannabis retail stores cannot be located less than:

- 300 metres from another cannabis retail store.
- 300 metres from a school, community centre, or neighbourhood house.

Other restrictions and requirements include:

- The Director of Planning is required to notify surrounding property owners prior to granting a development permit for a cannabis retail store.
- Cannabis retail stores are prohibited within certain areas in the Downtown, such as portions of Robson Street, Granville Street, and Pacific Boulevard.
- They are also prohibited to be established in conjunction with any other use or in conjunction with an automated banking machine.
- Cannabis retail stores must be on blocks with painted traffic lines.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 1, 2020

Project Name:

Cannabis Retail Sales - Two-year Report Back

COMMENTS:

There are no direct financial implications associated with this report.

Mike McGinn October 1, 2020
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:
City Clerks
Zoning and Permits
Winnipeg Police Service
Legal Services

OURWINNIPEG POLICY ALIGNMENT

OurWinnipeg
Context + Opportunities

Subsection 'Living in a Growing Community' states;

'A growing population provides us with the opportunity to think more strategically about ways to accommodate residential, employment, commercial and other kinds of growth.'

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property and Development
Division: Urban Planning & Design
Prepared by: James Veitch, Principal Planner, Rakvinder Hayer, Planner 3
Date: October 2, 2020
File No:

Attachments:

Appendix A: Public Service letter to LGCA