

CITY OF BURNABY

PLANNING AND BUILDING REZONING REFERENCE #19-17 2019 JUNE 05

ITEM #09

1.0 GENERAL INFORMATION

- 1.1 Applicant:** British Columbia Liquor Distribution Branch
3383 Gilmore Way
Burnaby, BC V5G 4S1
Attn: Rory Mandryk
- 1.2 Subject:** Application for the rezoning of:
Lot A District Lots 30 and 95 Group 1
New Westminster District Plan EPP41731
- From:** CD Comprehensive Development District (based on RM5s Multiple Family Residential, C3 General Commercial, P6 Regional Institutional Districts, and Edmonds Town Centre Plan guidelines)
- To:** Amended CD Comprehensive Development District (based on C3 and C3i General Commercial District and Edmonds Town Centre Plan guidelines)
- 1.3 Address:** 7346 Kingsway
- 1.4 Location:** The subject site is comprised of four commercial retail units (CRUs) within a mixed-use development located on the northeast corner of Kingsway and Edmonds Street (Sketches #1 and #2 *attached*).
- 1.5 Size:** The subject site has an area of approximately 399.48 m² (4,300 sq. ft.).
- 1.6 Services:** The Director Engineering will be requested to provide all relevant servicing information.
- 1.7 Rezoning Purpose:** The purpose of the proposed rezoning bylaw amendment is to permit a government cannabis store.

2.0 POLICY FRAMEWORK

The proposed development aligns with the following goals and sub-goals of the Corporate Strategic Plan:

A Connected Community

- Partnership - Work collaboratively with businesses, educational institutions, associations, other communities, and governments.

An Inclusive Community

- Create a sense of community - Provide opportunities that encourage and welcome all community members and create a sense of belonging.

A Dynamic Community

- Economic opportunity - Foster an environment that attracts new and supports existing jobs, businesses and industries.

3.0 NEIGHBOURHOOD CHARACTERISTICS

The subject site is located within Edmonds Town Centre on the northeast corner of Kingsway and Edmonds Street (see *attached* Sketches #1 and #2). Specifically, it is located in four Kingsway-fronting CRUs within the Kings Crossing mixed-use development, which is currently under construction. To the northwest across Edmonds Street are a high-rise mixed-use development and single storey commercial buildings. To the northeast along Edmonds Street and to the south across Kingsway are single- and two-storey commercial developments. Flanking the development to the east is an older low-rise apartment building.

4.0 BACKGROUND INFORMATION

- 4.1 On 2015 December 14, Council adopted Rezoning Reference #12-26 to permit the development of a comprehensive mixed-use development on the subject property. The development is comprised of three high-rise apartment towers (28, 31, and 36 storeys), a six storey office building, a two storey commercial podium, and six levels of underground parking with access off Edmonds Street and from internal driveways flanking the north and east property lines.
- 4.2 On 2016 November 21, Council adopted Rezoning Reference #16-12 to permit minor façade, commercial use, residential, and parking adjustments to the approved comprehensive development zoning for the property.
- 4.3 As indicated in a report to Council on 2018 July 23 regarding the municipal regulatory approach to non-medical cannabis, the Province's *Cannabis Distribution Act* establishes a public wholesale distribution monopoly to be administered by the Liquor Distribution Branch (LDB), as well as public cannabis retail sales, both in stores and online. The government cannabis stores are operated by the LDB under the brand name of BC Cannabis Stores. A government cannabis store has operated in Kamloops since last fall, and 19 others have been approved by local governments. In addition, the Cannabis Control and Licensing Act (CCLA) establishes a non-medical cannabis retail licensing regime for non-government stores, similar to the current licensing regime for liquor stores. Local government is responsible for zoning, business licensing, and other local matters related to cannabis retail stores, to the extent prescribed by the Province.

Accordingly, the 2018 July 23 report recommended a text amendment to the Burnaby Zoning Bylaw to create the C2i Community Commercial District and the C3i General Commercial District to accommodate government cannabis stores. This approach ensures

that all government cannabis stores – defined as a “retail store established by the government under the *Cannabis Distribution Act*, as amended or replaced from time to time, for the sale of cannabis and cannabis accessories to consumers” – are assessed for suitability of location through the rezoning process, to allow for the evaluation of each proposal on its own merits, and to provide an opportunity for public comment through a Public Hearing. On 2018 September 24, Council granted Final Adoption to the proposed text amendments.

- 4.4 The 2018 July 23 report also recommended that Council approve a non-medical cannabis regulatory approach. This approach includes the location of only government cannabis stores, limited to one store in each of the four Town Centres, in the initial phase of cannabis store establishment in Burnaby. It was also recommended that the locational and operational guidelines for assessing rezoning applications for cannabis retail stores be advanced to Council along with the first rezoning application for a government cannabis store. Such guidelines could include locational guidelines such as observance of an appropriate setback and orientation to conflicting land uses, criteria on store size, and operational criteria such as operating hours. In the future, subject to further review, it is recognized that supporting private cannabis stores (licensee cannabis stores) could serve a supplemental role to government cannabis stores. However any changes to the approved policy and guidelines would be subject to Council’s review and approval.

5.0 GENERAL INFORMATION

- 5.1 The applicant is seeking to rezone 399.48 m² (4,300 sq. ft.) of commercial space within the Kings Crossing mixed-use development from the CD Comprehensive Development District (based on C3 District guidelines) to the amended CD District (based on C3 and C3i District guidelines) in order to permit the establishment of a government cannabis store (see *attached* Sketch #1). The proposed use is located within four CRUs and is oriented towards Kingsway. Under the proposed amendment, the subject site would retain the underlying C3 District zoning, in addition to the proposed C3i District zoning, in order to allow future reversion of the site to C3 District uses should the government cannabis store use cease.

The applicant notes that the proposed store would have frosted windows, odour mitigation measures, and various security arrangements. While specific store hours have not been indicated, typical BC Cannabis Store hours are 10 am to 10 pm, seven days a week. Minors would not be permitted in the store, a two ID system, and application of CPTED (Crime Prevention Through Environmental Design) principles would be undertaken. In addition, the LCB’s neighbourhood strategy includes the implementation of procedures regarding unruly customers, store safety, loitering and consumption outside the premises. There is sufficient parking on the subject property.

- 5.2 It is noted that appearing elsewhere on this agenda, is a rezoning report for a second government cannabis store located at #1 – 4429 Kingsway in the Metrotown Downtown Plan area (Rezoning Reference #19-16). In addition, the LDB, in a letter dated 2019 April 10, is requesting an additional cannabis retail store location in the Big Bend commercial

area south of the Marine Way and Byrne Road intersection, as a fifth potential location in Burnaby.

As indicated above, the approach recommended in the 2018 July 23 report was for the initial rollout of government cannabis stores to be focussed on one government store in each of the four Town Centres. This measured implementation of government cannabis stores in Town Centres, which have the highest concentration of population and the broadest range of supporting commercial services, will allow the City to assess the impacts of the use on surrounding neighbourhoods. It also provides the opportunity to ensure an appropriate level of community awareness and engagement, while also providing local communities with reasonable access to legal cannabis products. Therefore, considering an additional government cannabis store in a non-Town Centre location, when no rezoning applications for government cannabis stores have yet been approved, would be premature.

- 5.3 The Director Engineering will be requested to provide an estimate for all site servicing.
- 5.4 The owner will be required to enter into a Section 219 Covenant to establish operating hours, as well as any other required covenants. It is noted that the property is currently subject to a registered Section 219 Covenant which requires that the grade level windows of the commercial component of the development incorporate only fully transparent glazing materials and be unobstructed and unobscured at all times. Therefore, while the exterior of the proposed store would need to meet the City's design objectives as much as possible, an amendment to this existing covenant would be required in order to comply with Federal law requiring that cannabis not be visible to minors and to follow Provincial licensing conditions that retail stores be enclosed by walls that are not transparent.
- 5.5 Guidelines, including locational criteria, for assessing cannabis store rezoning applications will be included in a future report to Council. Following the establishment of such guidelines, a complete outline of all proposed prerequisite conditions to the rezoning, as well as an assessment of the application relative to the guidelines, will be included in a future report to Council.

6.0 RECOMMENDATION

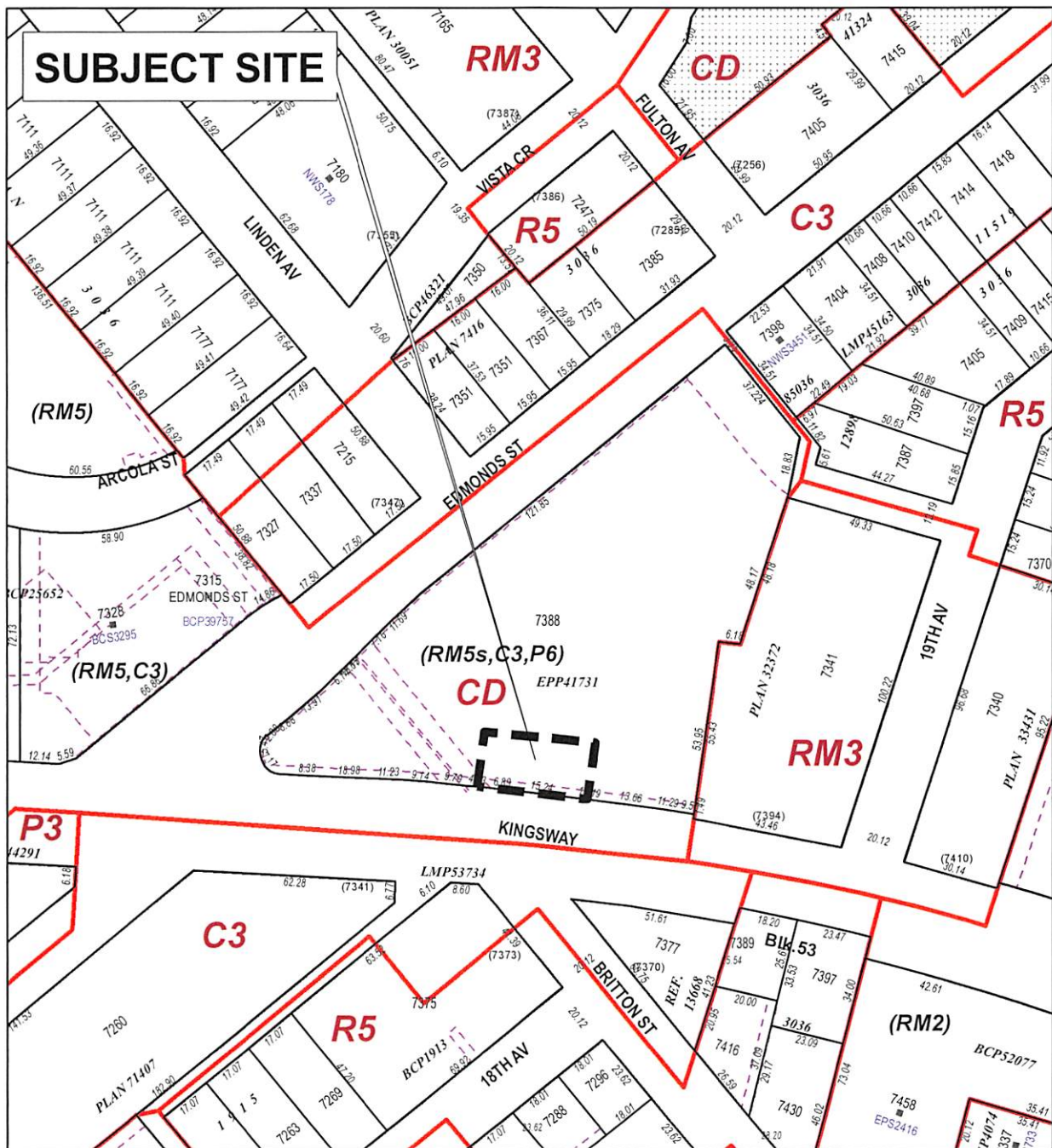
THAT the Planning and Building Department be authorized to continue to work with the applicant towards the preparation of a suitable plan of development for presentation to a Public Hearing on the understanding that a more detailed report will be submitted at a later date.



L. Strath

Attachments

cc: City Solicitor
City Clerk



PLANNING & BUILDING DEPARTMENT



DATE:

MAY 28 2019

SCALE:

1:2,000

DRAWN BY:

AY

REZONING REFERENCE #19-17
7346 KINGSWAY



Subject Site

Sketch #1



LIQUOR DISTRIBUTION BRANCH

April 22, 2019

Mr. Edward Kozak
Director of Planning
City of Burnaby
4949 Canada Way
Burnaby, BC
V5G 1M2

Dear Mr. Kozak:

Re: Cannabis Retail Store Application Letter of Intent

Please accept our application to locate a **government operated cannabis retail store at 7388 Kingsway** and to consequently rezone the property to zone **C3I**. The Liquor Distribution Branch (LDB) has received support from the property owner to proceed with this application (Authorization letter attached).

About the LDB

The LDB is one of two branches of government responsible for the beverage alcohol and non-medical cannabis (cannabis) industries in B.C. Through the *Liquor Distribution and Cannabis Distribution Acts*, the LDB is mandated with the purchase and distribution of beverage alcohol and cannabis for the Province. As well, the LDB operates a number of public liquor stores (197 in total), and as of today's date, one public cannabis retail store in Kamloops, as well as an e-commerce platform to offer public on-line sales of cannabis. The LDB is self-insured as a branch of the BC government.

Revenue generated through the LDB's wholesale and retail operations—including sales from BC Cannabis Stores—is remitted to the Government of British Columbia, contributing to vital public services, such as health care and education. In the 2017/2018 fiscal year, we accounted for \$1.12 billion of total government revenues.

Location and Site of Proposed Cannabis Retail Store

This location was selected by the LDB for a proposed cannabis retail store for a number of reasons, including that the site is:

- To be located within mixed use building, consistent with the character of the local neighbourhood;
- Not expected to adversely impact traffic in the surrounding area, given its location on a major thoroughfare designed to accommodate significant traffic volume;
- Possessed with ample parking (196 retail customer spaces), proximate to the #101, #106, and #112 bus routes, as well as the Humphries bikeway and Highland Park Line urban trail, and;
- Consistent with the local Edmonds neighbourhood and its "town centre" community, model—with an assortment of residential, retail, and commercial space.

The size of the proposed cannabis retail store is approximately 4,300 square feet, which is in the midrange of other retail outlets in the surrounding area.

Exterior Design Rationale

The storefront will have frosted windows, in order to comply with federal law prescribing that cannabis not be visible to minors and to follow provincial licensing conditions requiring retail stores to be “enclosed by floor-to-ceiling walls that are not transparent”. Within these constraints, we are very much willing to work with the City of Burnaby to ensure that the store’s exterior aligns with the City’s aesthetic principles for retail stores.

The store will have one exterior sign, the BC Cannabis Stores signage. An image with design specifications is included in this package.

Odour Mitigation

Product has to be packaged in accordance with Health Canada’s packaging requirements, in a child-proof container. Since the product is prepackaged, there is little-to-no noticeable odor emitted from the store.

There will also be a ventilation and filtration system in order to reduce or eliminate odors. In the event that neighbouring tenants or customers have any concerns in this regard, the LDB will respond to these requests immediately.

Community Impact

The LDB works closely with the Liquor and Cannabis Regulation Branch (LCRB) and the Ministry of Public Safety and Solicitor General to encourage the safe and responsible consumption of alcohol and cannabis in BC. We are committed to working in partnership with local governments to ensure a smooth introduction of the legal cannabis retail market to BC communities. While government-operated cannabis retail stores do not require a licence from the LCRB¹, we are committed to following all municipal zoning processes and meeting all bylaw requirements, as well as working with local law enforcement agencies to maintain public safety and to mitigate, and respond to, any negative impact on the community.

Social Responsibility is part of our mission statement and one of the four pillars we have identified that supports our success. Our efforts are focused on three themes: encouraging and promoting responsible use of alcohol and cannabis, reducing the impact our business has on the environment, and giving back to the communities we serve. We meet these objectives by:

- Delivering products that meet strict product safety and quality requirements - all cannabis products will be purchased through the LDB wholesale channel; product will be lab tested and will only be purchased from producers that have been licensed by Health Canada.
- Ensuring accountability of our key business partners (e.g. Licensed Cannabis Producers).

¹ As a branch of the Ministry of Attorney General, the LDB does not require a formal license from the LCRB to operate a retail cannabis store - written confirmation from the LCRB is attached.

- Promoting the safe and responsible use of beverage alcohol and cannabis through social responsibility campaigns aimed at keeping alcohol and cannabis out of the hands of youth*, preventing driving under the influence, and informing the public about associated health risks.
- Actively discouraging customers from engaging in high-risk behaviour like drinking or consuming cannabis and driving, consuming alcohol or cannabis during pregnancy and participating in sporting activities while under the influence of alcohol or cannabis;
- Increasing awareness of the dangers associated with over-consumption or risky behaviour through various in-store campaigns with strategically placed messaging;
- Raising money through in-store fundraising campaigns for dry grad celebrations for local High Schools, Red Cross disaster relief, kids in need, and local community charities (through the Provincial Government's Employee Workplace charitable giving campaign); and
- Incorporating environmental sustainability into all facets of our business with a goal of reducing our environmental footprint and being a leader in sustainable retailing.

Our stores benefit the community with hotel and meeting room rentals for job fairs and continued training and operational management visits as well as employment creation for construction and post construction maintenance including building maintenance and waste removal.

All stores will employ unionized staff and results in job creation within the City of Burnaby. Specifically to this site, the store would have one Store Manager, two Assistant Managers, 8 full-time Cannabis Consultants, 6 part-time Cannabis Consultants, and approximately 4-6 auxiliary staff. The starting wages for these positions is \$21/hour, plus benefits and pension. All employees go through criminal background checks. The LDB has been named as one of BC's Top Employers every year for more than a decade running.

Keeping cannabis out of the hands of minors will be a top priority for the LDB.

Unlike liquor stores, minors will not be permitted to enter cannabis retail stores, even if they are accompanied by a parent or guardian. When entering the store, there will be an ID check at the entrance. Individuals without ID or minors (even those accompanying someone of legal age) will not be permitted in the store. As well, all staff will be required to complete a provincial training program.

Store Operations

All cannabis products carried by BC Cannabis Stores are sourced from federally licensed cannabis producers that are required to meet Health Canada's guidelines for quality control, Good Production Practices, and inventory management. BC Cannabis Stores will sell cannabis flower, pre-rolls, oils, cannabis accessories and once legalized, edibles and concentrates. Store hours may vary by each store location, but most stores will be open from Monday to Sunday 10 am to 10 pm.

The LDB's neighbourhood strategy includes:

- Mandatory full day training program, *Keep It Safe*, required for all staff. This program covers best practices for dealing with intoxicated customers, suspicious activities, and instances of violence, theft or nuisance. Additional topics covered include understanding cannabis related laws and strategies for maintaining a safe environment for employees and customers.
- The implementation of procedures governing unruly customers, store safety, loitering, and consumption outside the premises. For example, rules are in place to ensure there are at least

2 employees in the store at all times and that stores are armed and locked outside business hours.

- Our 2-ID policy. Customers must show two pieces of ID, one of which must be issued by a government agency and includes their name, birth date, and picture. The second must include an imprint of their name, signature and/or picture. Staff receive training on conducting ID checks and identifying signs of altered ID documents.
- The secure destruction of defective cannabis product. It will be transported to an off-premise location for incineration. Stores will not dispose of cannabis products on the premises, further reducing the risk that cannabis will come into the hands of minors or the illicit market.

Security

Customer, employee, and community safety is paramount. The LDB brings over 40 years of experience in working with local government, enforcement agencies, and security experts in establishing and operating secure retail stores in BC. The LDB utilizes Crime Prevention through Environmental Design (CPTED) principles in all of our retail store layouts.

BC Cannabis Stores are supported by the LDB's Corporate Loss Prevention department and privately contracted security personnel are available to work in conjunction with store staff to ensure security practices and protocols are followed.

All BC Cannabis Stores will have:

- Centrally maintained province-wide intruder and fire monitoring systems;
- Interior and exterior camera surveillance;
- Locked and tempered glass display cases for cannabis accessories;
- A secure storage room where product will be kept that will require access cards to enter;
- Durable and reliable commercial-grade doors and locks;
- Security roll shutters; and
- Smash-resistant windows.

Further details regarding BC Cannabis Stores and the LDB's social responsibility efforts are included in the attached presentation. If you require additional materials or have any questions we would be very happy to provide it. We thank you in advance for your consideration of our application.

Sincerely,



Rory Mandryk
Executive Director, Corporate Operations, Real Estate & Corporate Loss Prevention
BC Liquor Distribution Branch

Attachments:

1. BC Cannabis Stores presentation
2. Rezoning Application submission.