

TO: PLANNING AND DEVELOPMENT COMMITTEE (PDC)
FROM: GENERAL MANAGER PLANNING AND DEVELOPMENT
SUBJECT: **LIQUOR AND CANNABIS POLICY REVIEW – UPDATED
RECOMMENDED ACTIONS**
PURPOSE: To seek Council approval on the recommended liquor and cannabis
policy directives.

RECOMMENDATIONS

THAT the proposed Liquor and Cannabis Policy, as outlined in **Attachment 1** to the report titled “Liquor and Cannabis Policy Review – Updated Recommended Actions”, dated July 10, 2024, be approved; and

THAT staff be directed to bring forward the required amendments to the *Burnaby Zoning Bylaw*, *Burnaby Fees and Charges Bylaw*, and *Development Procedures Bylaw*, as generally outlined in Section 3.2 of the report.

EXECUTIVE SUMMARY

This report summarizes the revisions to the retail liquor store and retail cannabis store processing and assessment frameworks, from what was originally proposed in the March, 2024 report titled *Liquor and Cannabis Policy Review – Recommended Actions*. A complete liquor and cannabis policy framework, including all other licence types described in the March report is attached as **Attachment 1**. An overview of the results of the online public survey and feedback received from other agencies is also summarized. Next steps are outlined, which include bylaw amendments, a business licence referral process, and public notification of the new policy.

1.0 POLICY SECTION

The Liquor and Cannabis Policy review as outlined in this report, is aligned with:

- Corporate Strategic Plan (2022);
- Burnaby Official Community Plan (1998);
- Burnaby Economic Development Strategy (2007);
- Burnaby Social Sustainability Strategy (2011);
- Environmental Sustainability Strategy (2016);
- Climate Action Framework (2020); and
- Community Safety Plan (2020).

2.0 BACKGROUND

2.1 In May 2023, the Planning and Development Committee received a report titled *Liquor and Cannabis Policy Review – Project Initiation, Process, Next Steps*, which provided introductory information on the project including a brief overview of why the project was being undertaken, the goals of the review, a brief overview of the planned public consultation, and next steps. In March 2024, Council received a report titled *Liquor and Cannabis Policy Review – Recommended Actions* which proposed policy positions for processing liquor establishments, retail liquor and retail cannabis stores, and cannabis production facilities. Council directed staff to further review the proposed policy positions on retail liquor and retail cannabis stores and that the draft policy be sent to the Planning and Development Committee for further review and discussion. Specifically, staff was directed to include considerations and explore the feasibility of:

- adding a maximum number of new public and private liquor store licences over a specific span of years;
- adding a maximum number of new public and private cannabis store licences over a specific span of years; and
- providing additional information on the application intake process, prioritization and selection criteria.

Council also directed staff to explore an annual business licence fee for cannabis stores commensurate with neighbouring municipalities. This review will be undertaken as part of the process to amend the required bylaws, following the adoption of the liquor and cannabis policy.

2.2 Staff are recommending policy positions, which reflect an approach in line with the following goals and objectives:

- to update the City's guidelines and processes to better align with current LCRB policies;
- to create a clear and concise policy document, providing transparency and direction for the benefit of both applicants and City staff;
- to reduce liquor and cannabis application processing timelines and costs for applicants, creating a more favourable business environment for both small and large operators;
- to reduce Council time spent reviewing applications, which are deemed to be relatively innocuous from a public safety standpoint and elicit significant concerns from the public; and,
- to support Burnaby's sustainability and complete community goals, by helping to provide a wide range of services and amenities throughout Burnaby.

This report responds to Council's request for additional information regarding the evaluation and processing of retail liquor and retail cannabis stores. The purpose of this report is to seek Committee and Council approval of an amended and simplified approvals process for businesses selling, manufacturing, and processing liquor and cannabis in Burnaby.

3.0 GENERAL INFORMATION

This section provides an overview of the changes to the proposed framework for retail liquor stores and retail cannabis stores in response to Council direction on the March 2024 report. Other liquor and cannabis policy positions presented in March remain substantially unchanged, and therefore have not been included in the body of this report. The complete liquor and cannabis policy framework is attached to this report (**Attachment 1**).

3.1 Revised Retail Liquor Store and Retail Cannabis Store Framework

Retail Liquor Stores

In response to the March 2024 report, Council requested staff to review the feasibility of limiting the maximum number of new public and private retail liquor store licences over a specific span of years due to concerns of proliferation of liquor stores throughout the City. After further review of the request, staff are recommending the following framework for processing retail liquor store licence applications:

- Retail liquor stores permitted in the C1, C2, and C3 commercial districts
- Relocating liquor stores must be at least 1 kilometre from another liquor store

It is also noted that a public input process and response from the City to the LCRB or BCLDB has been removed from the proposed policy. In further consultation with the Province, it was confirmed that the LCRB only requires verifying of appropriate zoning when approving a relocation of a licensee retail store. In that case, the Province does not require formal commentary and a public input process as it does for other types of liquor licences applications such as permanent amendments to a liquor primary, food primary, etc. A public input process and response from the City would not be considered by the Province if the appropriate zoning was in place and is therefore no longer proposed to be part of the assessment criteria for liquor stores.

The City could ultimately control the number of liquor stores relocating to Burnaby by continuing to require a rezoning. However, this is not recommended for the following reasons:

- The amount of time and process required for rezoning is onerous. For example, if a licensee currently located in Burnaby wanted to relocate to another nearby location or even expand their operation at an existing location, a rezoning would often be required.
- There is a Provincial moratorium in effect until at least July 2032, which means existing retail liquor store holders can transfer into Burnaby, but no new retail liquor store licences will be granted.
- Liquor stores that wish to relocate to Burnaby must not locate closer than 1 kilometre from an existing store and the majority of C1, C2, and C3 zoned

properties already have a liquor store within 1 kilometre. This strictly limits the number of potential locations that Burnaby could accommodate.

Given these constraints and limited suitable locations in the C1, C2, and C3 Districts, it is anticipated that Burnaby would not see more than six or seven additional liquor stores in the future (see **Attachment 2**), and these would be in areas where a liquor store is not already within walking distance. Requiring a rezoning to control the potential roll out of six to seven additional liquor stores would be administratively onerous and would not be in keeping with the City's climate action and community building objectives of providing services and commercial opportunities within close proximity of where residents live.

In reviewing potential locations for liquor stores, it was also determined that allowing liquor stores within the C1 District would have little impact on the total number of liquor stores permitted in the City due to the 1 kilometre setbacks around existing stores, but would provide additional flexibility in the exact location of potential stores to better serve population centres. As such, it is recommended that liquor stores also be permitted within the C1 Commercial District in addition to the C2 and C3 Districts.

Retail Cannabis Stores

In response to the March 2024 report, Council requested staff to review the feasibility of adding a maximum number of new public and private retail cannabis licences over a specific span of years. After further review, staff are recommending the following framework for processing retail cannabis store applications:

Step 1: Retail Cannabis Store Application to the City

- Only applications referred from the LCRB to the City or applications from the BCLDB will be accepted. Following a request for comment from the Province to the City, the applicant must submit a retail cannabis store application to Planning and Development staff.
- Initially, Cannabis Retail Store Licence applications referred to the City from the LCRB will be grouped and held for 60 days following the receipt of the first complete application in each respective quadrant.

Step 2: Circulation:

- Planning and Development staff circulate the application to relevant City departments and the Burnaby RCMP.

Step 3: Staff Assessment of Application:

- Required locational criteria:
 - Located on a commercial zoned lot, or comprehensive development based on commercial zoning.
 - At least 1 kilometre from another retail cannabis store location.

- In addition to the required criteria, the following will be considered when determining support, non-support or support with conditions for a retail cannabis store licence:
 - Location of proposed establishment
 - Preference will be given to locations within a town centre, followed by urban villages, followed by other commercial centres outside of such plan areas
 - Nature of commercial centre
 - Preference will be given to established commercial locations
 - Previous experience of store operator

Step 4: Public notification

- The public notification would be identical to the current rezoning process without a public hearing, consisting of:
 - Sign(s) placed on the site (one per bounding street)
 - a mailout notification to properties within 30 metres; and
 - a notice published on the City's website and distributed as part of the City's online newsletter

Step 5: Report to Council (initial period)

- Following the assessment and public input period, staff will present all applications from the initial batch to Council with recommendations on which applications should be given a supportive recommendation to the Province.
- If after the above assessment there is more than one application with similar merits, staff will recommend that Council provide a positive endorsement to the first application which was referred to the City from the LCRB.
- Council will review the applications presented, consider staff's assessment, and ultimately decide which applications should be given a positive endorsement to the Province.

Step 6: Recommendation

- Based on the assessment, public input, RCMP and staff circulation comments, Council will provide a resolution to the Province, recommending either:
 - A licence be issued to the applicant;
 - A licence not be issued to the applicant;
- Following the Council resolution, the LCRB would be notified of the City's decision.

There are a few notable differences between the policy framework proposed in March and the framework described above. The C1 Commercial District is now included as a district which would permit retail cannabis stores, to align with the retail liquor store policy framework.

An initial collection and holding period for new retail cannabis store applications is proposed. Applications would be held for 60 days during the initial intake period and then assessed and processed with other applications in their respective quadrants.

In addition to the core locational requirements, applications located in the most established commercial centres would be given preference over smaller commercial areas with town centres being preferred, followed by neighbourhood centres and then other commercial areas. Supporting retail cannabis stores in larger commercial areas is proposed for the following reasons: they are more accessible by transit and alternative modes of transportation; they can serve as a complement to other businesses to form a complete commercial area providing a wide range of goods and services, and they can efficiently reach and serve a greater number of residents. Previous operator experience would be a consideration when recommending a licensee to the Province. The intent of evaluating previous operator experience is to further streamline the application and startup process of the stores.

After the applications are assessed, staff would send a report to Council with recommendations on which applications should be given a positive recommendation to the Province. Only one new retail cannabis store per quadrant would be recommended for licensing. Following a monitoring period of two years after recommendation on the first batch of applications, provided no material issues arise, additional cannabis retail stores applications may be considered.

Following the two-year monitoring period, applications would be processed individually, in the order which they are referred to the City. The General Manager Planning and Development would provide comments and recommendations to the Province directly. If there are issues identified during the monitoring period, staff would go back to Council for further direction regarding the processing of additional retail cannabis store applications.

3.2 Summary and Next Steps

The proposed policy provides a consolidated set of liquor and cannabis licensing processes and regulations. By aligning the processing of different liquor licence types (liquor primary, food primary, and manufacturer) and aligning the retail liquor store and retail cannabis store regulations, transparency and clear direction is provided to both applicants and City staff. The proposed regulations are updated to align with current LCRB policies.

Another goal of the policy is to reduce time spent by Council and staff reviewing applications which pose a relatively low risk to public safety and do not elicit significant

concerns from the public. Several initiatives are proposed to reduce application processing timelines, thereby reducing burdens on staff, Council, and applicants:

- the elimination of a rezoning requirement for several licence types including liquor primary establishments which includes liquor service in non-traditional businesses, retail liquor stores, and retail cannabis stores;
- the elimination of the requirement for a Section 219 covenant for all licence types; and
- the delegation of authority to the General Manager Planning and Development, to provide comments and a recommendation to the LCRB for several application types.

Finally, the proposed policy aims to support Burnaby's sustainability and complete community goals by providing a wider range of locational opportunities for these types of services and amenities throughout the City. This is achieved in part by providing locations for liquor establishments, retail liquor, and retail cannabis stores within a short walk, or transit trip within Burnaby.

Bylaw Amendments

It is recommended that Committee and Council approve the proposed framework for liquor and cannabis approvals in Burnaby. If approved by Committee and Council, a subsequent report with the corresponding *Zoning Bylaw* amendments will be brought forward for further consideration. In addition, amendments to the Burnaby *Fees and Charges Bylaw* would be brought forward for Council consideration to include application and amendment fees for retail cannabis store applications.

The *Liquor Control and Licensing Act* and *Cannabis Control and Licensing Act* permit a municipal council to delegate its powers and duties with respect to liquor establishment licensing and private retail cannabis store licensing. Section 154 of the *Community Charter* states that a bylaw is required for Council to delegate its powers, duties, and functions. Also, section 156 of the *Community Charter* and section 40(2) of the *Liquor Control and Licensing Act* requires the bylaw to set out procedures for reconsideration of a delegated decision. Should Council accept staff's recommendation to delegate the authority to staff for commenting on liquor licence establishment and retail cannabis store applications, staff would be required to make the necessary bylaw changes. Staff request that Council direct the City Solicitor to draft the required amendments.

Public Notification and Information

In addition to the proposed Bylaw amendments, the Marketing and Communications Division would update the City's project webpage to inform the public of the policy changes. A simplified policy brochure would also be created to aid prospective applicants when navigating the City's policy process on Liquor and Cannabis applications.

Business Licence Referral Process

The business licensing team would be responsible for notifying liquor and cannabis establishments at the time of business licence renewal of the change in policy.

In addition, the licensing team would be required to request Planning and Development's approval when liquor license establishments propose changes to the terms of their licence such as hours of operation or person capacity, for example. Planning approvals would now be required when business licence changes are requested, to ensure that the terms and conditions of the liquor and cannabis policy are adhered to, and those terms and conditions are accurately reflected on the business licence. Having these reflected accurately is important to ensure that Licensing and Bylaw Enforcement can properly exercise enforcement in the case of non-compliance.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

To help inform this policy review an online survey seeking community input was available on the City of Burnaby's website from September 5 to October 3, 2023. The survey and policy review were promoted through the City's website, social media, the Burnaby Beacon, and via posters in City libraries and recreation centres. Overall, 395 survey responses were received (for a detailed summary of survey questions and responses see **Attachment 3**). In addition to the survey, staff hosted several focused engagement meetings with key partners, including Fraser Health.

In general, the questions on liquor establishments and retail liquor stores did not provoke many strong opinions or responses. The most common response regarding liquor establishments indicated a "neutral" satisfaction towards adequate access to liquor licence establishments and retail liquor stores.

Survey respondents raised concerns about permitting additional cannabis retailers in the City. Most respondents were in favour of large buffers of physical separation between retail cannabis stores and potentially sensitive uses such as school and public parks. It was commonly expressed that respondents were opposed to the smell of cannabis smoke and that there should be stronger regulations around preventing the smoking of cannabis in public spaces. The nuisance of secondhand cannabis smoke was a major concern amongst respondents.

Those that were in favour of retail cannabis stores commonly noted that since cannabis is legal like alcohol, it should be regulated in a similar way. It was also noted that Burnaby is underserved with respect to the number of retail cannabis stores available and believe it is unfair that they must commute to a nearby municipality in some cases to obtain cannabis products.

Fraser Health Population Public Health provided a brief with their recommendations for best practices of a public health approach to alcohol and cannabis public policy. The brief outlined best practices of a public health approach to alcohol and cannabis public

policy, and specifically addressed outlet density, proximity and buffer zones, hours of operations, the consumption environment, and marketing and pricing. A copy of the brief “Fraser Health – Evidence Brief on Alcohol and Cannabis Municipal Policy Options” can be found in **Attachment 4**.

5.0 FINANCIAL CONSIDERATIONS

There are no financial considerations related to this proposed policy.

Respectfully submitted,

E.W. Kozak, General Manager Planning and Development

ATTACHMENTS

Attachment 1 – Liquor and Cannabis Licensing Policy

Attachment 2 – Potential Liquor Store Locations

Attachment 3 – Liquor and Cannabis Policy – What We Heard About

Attachment 4 – Fraser Health - Evidence Brief on Alcohol and Cannabis

REPORT CONTRIBUTORS

This report was prepared by Cody Bator, Planning Analyst, and reviewed by Mark Norton, Planner 3, and Carl Isaak, Director Neighbourhood Planning and Urban Design,