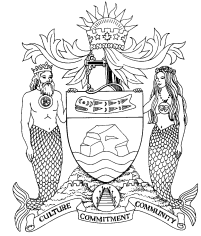


***Live Streaming/Telecast:** Please note that Standing Committees, Council Meetings, and Public Hearings held in the Council Chamber are being recorded and broadcasted as well included on the City's website at: www.whiterockcity.ca

Corporate Administration
E-mail

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THE CORPORATION OF THE
CITY OF WHITE ROCK
15322 BUENA VISTA AVENUE, WHITE ROCK, B.C. V4B 1Y6



July 19, 2018

A **PUBLIC HEARING** of CITY COUNCIL will be held in the City Hall COUNCIL CHAMBERS on **MONDAY, JULY 23, 2018 at 7:00 p.m.** for the transaction of business as listed below.

T. Arthur, Director of Corporate Administration

A G E N D A

BYLAW 2266:

WHITE ROCK ZONING BYLAW, 2012, NO. 2000, AMENDMENT (TEMPORARY USE PERMIT FOR CANNABIS RETAIL) BYLAW, 2018, NO. 2266

Page 4

- 1) The Chairperson calls the Public Hearing to order.
- 2) Director of Corporate Administration reads a statement regarding the bylaw purpose and procedure to be followed for the Public Hearing. **Page 2**
- 3) Director of Corporate Administration advises how this Public Hearing has been publicized.
- 4) The Chairperson invites the Director of Planning and Development Services to present the proposed Bylaw.

Note: *The corporate report from the July 9, 2018 Land Use and Planning Committee meeting has been attached to the agenda for reference purposes.*

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- 5) The Chairperson will request the Director of Corporate Administration to advise of any correspondence or submissions received.

Note: *Submissions received between 8:30 a.m., July 19, 2018 and 12:00 p.m. (noon) July 23, 2018 will be presented "On Table" at the Public Hearing.*

Author	Date Received	Status	Item #
None to date.			

- 6) The Chairperson invites those in attendance to present their comments.
- 7) If required, the Chairperson invites the Director of Planning and Development Services to summarize the proposed Bylaw.
- 8) **Conclude the Public Hearing.**

OPENING STATEMENT OF PUBLIC HEARING PURPOSE AND CONDUCT

This Public Hearing has been called to consider:

- **WHITE ROCK ZONING BYLAW, 2012, NO. 2000, AMENDMENT
(TEMPORARY USE PERMIT FOR CANNABIS RETAIL) BYLAW, 2018, NO. 2266.**

Purpose:

Bylaw 2266 proposes a ‘limited and gradual’ approach to introducing cannabis retail into White Rock, through using a Temporary Use Permit (TUP) framework to allow a single cannabis retail store to operate within the Town Centre area bounded by North Bluff Road, George Street, Thrift Avenue, and Martin Street (this area is further than 200 metres from a public school site).

At this Public Hearing the public shall be given a reasonable opportunity to be heard or to present written submissions respecting matters contained in the proposed Bylaw. There is a speakers’ list available. Please print your name and city of residence on this list in order to appear as a speaker before Council. Individuals will be called in the order that their name appears on the speakers’ list. The speaker will begin by clearly stating their name, city of residence and then providing comments concerning the proposed bylaw. The address of the speaker is permitted to be collected through Section 26c of the *Freedom of Information and Protection of Privacy Act*. If the speaker has any questions regarding the collection of their personal information, please contact Corporate Administration.

If you have a petition with you, please read out the information at the top of the petition and it may be submitted to the Director of Corporate Administration.

Anyone wishing to speak at this meeting must be acknowledged by the Chairperson. Each speaker will be **given a maximum of five (5) minutes to speak**. Decorum must be maintained at all times, we ask the public to listen quietly and respect each persons’ right to voice their opinion; this includes refraining from applause, heckling or any other outbursts.

Those wanting to speak on behalf of another individual at this public hearing must have written authorization to do so that will be submitted to the Director of Corporate Administration to be maintained as part of the public record prior to giving the verbal submission. Those that have a submission to read on behalf of another individual may do so however the written submission must be signed and include a residential address and must be submitted to the Director of Corporate Administration to be maintained as part of the public record. If you do not have written authorization or a signed written submission you will not be permitted to speak on behalf of another individual at this public hearing.

Once all in attendance have had the opportunity to speak the Chairperson will ask again for anyone wishing to speak to come forward. A person speaking an additional time may add additional information from what they said previously.

Members of Council may, if they wish, ask questions of you following your presentation. However, the main function of Council members this evening is to listen to the views of the public. It is not the function of Council at this Public Hearing to debate the merits of the proposal with individual citizens. It is also not the time for the speaker to be asking questions of staff regarding the application.

Any person who wishes to present a written submission to Council may do so. The submissions will be retained and copies of submissions will be available upon request. Everyone shall be given a reasonable opportunity to be heard at this Public Hearing. No one will be, or should feel discouraged or prevented from making their views heard.

The Corporation of the CITY OF WHITE ROCK BYLAW 2266



A Bylaw to amend the
"White Rock Zoning Bylaw, 2012, No. 2000" as amended

The CITY COUNCIL of the Corporation of the City of White Rock, in open meeting assembled, ENACTS as follows:

1. That Schedule A - Text of the "White Rock Zoning Bylaw, 2012, No. 2000" be amended:

(1) by deleting the existing definition for "cannabis dispensary" in Section 3.3.1 in its entirety.

(2) by adding the following new definition for "cannabis store" in Section 3.3.1 in the correct alphabetical order:

"cannabis store" means a government cannabis store under the *Cannabis Distribution Act*, as amended, or an establishment licensed under the *Cannabis Control and Licensing Act*, as amended.

(3) by deleting the existing Section 4.1.3 in its entirety and replacing it with the following new Section 4.1.3:

- 4.1.3 a) A use authorized by a Temporary Use Permit issued under the provisions of the *Local Government Act*, with the exception of a *cannabis store*, is permitted in any zone.
- b) A *cannabis store* use authorized by a Temporary Use Permit issued under the provisions of the *Local Government Act* is permitted in the Town Centre area, bounded by North Bluff Road, George Street, Thrift Avenue, and Martin Street, in accordance with the following general conditions:
- i) the premises containing the *cannabis store* use shall be located a minimum of 100 metres from an entrance to an existing *child care centre* (notwithstanding, a new *child care centre* shall not be limited by the distance to a *cannabis store*);
 - ii) the premises containing the *cannabis store* use shall be located a minimum of 1000 metres from another *cannabis store* within White Rock;
 - iii) the premises containing the *cannabis store* use shall be located a minimum of 30 metres from Bryant Park, Hodgson Park, and the Town Square located at 1510 Johnston Road;
 - iv) unless a government cannabis store, the *cannabis store* has a valid license issued in accordance with the *Cannabis Control and Licensing Act*, as amended;
 - v) the *cannabis store* shall not sell any goods or things until the *Cannabis Act* has come into force, and it has obtained a valid

business license (no *business license* will be issued any applicant for *cannabis store* use unless the City has been provided with written consent by the Owner or the Owner's Agent as authorized in writing by the Owner).

- (4) by deleting the existing Section 4.1.5 in its entirety and replacing it with the following new Section 4.1.5:

4.1.5 The commercial cultivation, growth, production, storage, barter or sale of cannabis, or any products containing or derived from cannabis, is not permitted in any zone except as otherwise provided in the bylaw. This includes licensed producers regulated under applicable provincial or federal legislation, and *cannabis stores*.

2. This Bylaw may be cited for all purposes as the "White Rock Zoning Bylaw, 2012, No. 2000, Amendment (Temporary Use Permit for Cannabis Retail) Bylaw, 2018, No. 2266".

RECEIVED FIRST READING on the	9 th day of July 9, 2018
RECEIVED SECOND READING on the	9 th day of July 9, 2018
PUBLIC HEARING held on the	day of
RECEIVED THIRD READING on the	day of
ADOPTED on the	day of

MAYOR

DIRECTOR OF CORPORATE ADMINISTRATION

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: July 9, 2018

TO: Land Use and Planning Committee

FROM: Carl Johannsen, Director of Planning & Development Services

SUBJECT: Cannabis Legalization – Proposed Bylaw Amendments

RECOMMENDATIONS

THAT the Land Use and Planning Committee:

1. Receive for information the corporate report dated July 9, 2018, from the Director of Planning & Development Services, titled “Cannabis Legalization – Proposed Bylaw Amendments;”
 2. Recommend that Council give first, second and third readings to “White Rock Public Health Smoking Protection Bylaw, 2008, No. 1858, Amendment (Cannabis as Prohibited Substance) Bylaw, 2018, No. 2265;”
 3. Recommend that Council give first and second readings to “White Rock Zoning Bylaw, 2012, No. 2000, Amendment (Temporary Use Permit for Cannabis Retail) Bylaw, 2018, No. 2266;”
 4. Direct staff to schedule the public hearing for “White Rock Zoning Bylaw, 2012, No. 2000, Amendment (Temporary Use Permit for Cannabis Retail) Bylaw, 2018, No. 2266;” and
 5. Direct staff, if the proposed Zoning Amendment Bylaw (Temporary Use Permit for Cannabis Retail), 2018, No. 2266, is adopted by Council, to:
 - a. bring forward a cannabis retail store application package and related updates to the Planning Procedures Bylaw, 2017, No. 2234 and Business License Bylaw, 1997, No. 1510, for Council’s consideration of endorsement and adoption, after cannabis legalization comes into effect; and
 - b. defer processing of applications for a cannabis retail store until Council endorses the cannabis retail store application package and adopts related Planning Procedure Bylaw and Business License Bylaw amendments.
-

EXECUTIVE SUMMARY

Following a corporate report on June 25, 2018 to the Land Use Planning Committee (LUPC) on public engagement results related to cannabis legalization from Phase 1 of the Zoning Bylaw Update, staff have prepared amendments to the Zoning Bylaw and Public Health Smoking Protection Bylaw to implement the proposed preliminary directions. The amendments would allow for a single cannabis store in White Rock’s Town Centre area under a Temporary Use

Permit, and specify cannabis as a substance (in addition to tobacco or any other weed or substance) which is not permitted to be smoked in defined areas.

Staff also recommend bringing forward a cannabis pilot store application package and related proposed amendments to the Planning Procedures Bylaw and a Business Licensing and Fee approach to a LUPC meeting in late 2018. Any proposed application packages and procedural updates are recommended to be brought forward after legalization occurs, with applications for a cannabis retail store be deferred until Council endorses the cannabis retail store application package and adopts the related Planning Procedure Bylaw and Business License Bylaw amendments.

INTRODUCTION

The purpose of this corporate report is to:

- introduce proposed amendments to the Zoning Bylaw and Public Health Smoking Protection Bylaw, in response to direction from the LUPC to amend the Smoking Protection Bylaw to add cannabis as a specified substance under the definition of smoking, and amend the Zoning Bylaw to allow the use of Temporary Use Permits (TUPs) to allow and regulate a single cannabis retail store ‘pilot’, according to Option 2 identified in the June 25, 2018 corporate report titled “Zoning Bylaw Update – Phase 1 - Cannabis Legalization Public Engagement Results and Preliminary Directions”;
- identify proposed application criteria and procedures for a cannabis retail store, for LUPC feedback, prior to staff developing an application package and procedures for Council’s consideration of endorsement at a future Council meeting; and
- identify next steps regarding the development of an application package and procedures for considering a cannabis retail store, and the timing of supporting Planning Procedures Bylaw and Business License Bylaw amendments.

PAST PRACTICE / POLICY / LEGISLATION

Current Zoning Bylaw Cannabis Retail Sale Prohibition

At present the retail sale of cannabis is prohibited by Federal criminal law (*Controlled Drugs and Substances Act*) and the sale or production of cannabis is not permitted by the City’s Zoning Bylaw. Following a Public Hearing on January 15, 2018, Council approved a Zoning Bylaw amendment that expressly prohibits the retail sale of cannabis in White Rock.

Direction from Land Use and Planning Committee Regarding Cannabis Legalization

On June 25, 2018, the LUPC approved the following resolutions, based on the content of Committee discussion regarding the June 25, 2018 corporate report titled “Zoning Bylaw Update – Phase 1 - Cannabis Legalization Public Engagement Results and Preliminary Directions”:

1. Staff consider the feedback and recommendations of the Committee when drafting the associated corporate report; [2018-LUP-032]
2. The Land Use and Planning Committee recommends staff prepare an amendment to the White Rock Public Health Smoking Protection Bylaw, 2018, No. 1858 to specifically cite cannabis as a prohibited substance; [2018-LUP-034] and

3. The Land Use and Planning Committee directs staff to prepare amendments to the Zoning Bylaw, 2012, No. 2000, to include Temporary Use Permit (TUP) provisions to regulate cannabis retail sales, according to the parameters of Option 2: ‘Single Store Pilot (Town Centre only),’ as described in this corporate report. [2018-LUP-035]

ANALYSIS

The following describes proposed amendments to the Public Health Smoking Protection Bylaw and Zoning Bylaw, in response to the resolutions noted above, and describes next steps regarding the development of application criteria and procedures for a cannabis retail store.

Proposed Amendments to Public Health Protection Smoking Bylaw

Staff recommend updating the existing smoking prohibitions in the White Rock Public Health Smoking Protection Bylaw, to specifically cite cannabis as a substance which may not be smoked in defined areas.

The proposed amendment to this Bylaw is attached as Appendix A, and staff recommend that Council give 1st, 2nd and 3rd Reading to this Amendment Bylaw. No Public Hearing is required for amending the Public Health Smoking Protection Bylaw.

Proposed Amendments to Zoning Bylaw: Cannabis Retail and Temporary Use Permits

As noted in the June 25, 2018 corporate report regarding cannabis legalization, staff recommend using a ‘limited and gradual’ approach to introducing cannabis retail into White Rock, through using a Temporary Use Permit (TUP) to allow a single cannabis retail store to operate.

This TUP would include land use, design and business license parameters and allow the City to revoke the TUP and stop and remove store operations if issues arise and are not effectively remedied by the store operator. A TUP can remain in effect for up to three years, and an additional three years following renewal by Council. Once a TUP lapses, the temporary use ceases until another new TUP is applied for and approved by Council.

This approach also does not require that the Zoning Bylaw prohibition on cannabis retail be removed. This being said, staff note that if the TUP approach is undertaken now it does not eliminate a rezoning, at some point in the future, that allows a cannabis retail use within a specific zone and on a specific property. Council may choose to consider a rezoning application for a ‘good operator’ property that has operated a cannabis retail use, through a TUP, for a reasonable amount of time and without negative impacts to adjacent uses and the community.

Under the Planning Procedures Bylaw, any TUP application requires a Public Information Meeting and a Public Meeting (Public Hearing) prior to Council considering issuing the permit.

Summary of Proposed Amendments

As noted above, LUPC gave direction to amend the Zoning Bylaw to allow ‘Option 2’, which involves allowing a single cannabis retail store, as a pilot and through the use of a TUP, in the Town Centre. In order to implement this direction, staff propose the following amendments to the Zoning Bylaw (See Appendix B for the Amending Bylaw):

1. Adding a definition for cannabis store, which would include a public government store enabled by the *Cannabis Distribution Act* (CDA) and private retail store that is licensed by the Province through the *Cannabis Control and Licensing Act* (CCLA);
2. Deleting ‘cannabis dispensary’ definition, as it is no longer relevant to cannabis retail use or ‘cannabis store’ under the CDA and CCLA;

3. Updating the General Provisions and Regulations Section (Section 4) to uphold the current prohibition on commercial cannabis cultivation, growth, production, storage, barter or sale (including through cannabis stores), to ensure the terms utilized in this Section are consistent with the cannabis store definition noted above and Federal and Provincial legislation.
4. Updating the General Provisions and Regulations Section to allow for two types of TUPs:
 - Type 1: TUPs for temporary uses in any zone, except cannabis stores; and
 - Type 2: TUPs for cannabis stores, in accordance with general conditions consistent with the parameters proposed in ‘Option 2’, as described in the June 25, 2018 corporate report, including:
 - locations limited to within the Town Centre land use only (bounded by North Bluff Road, George Street, Thrift Avenue and Martin Street), which is more than 200 metres away from the nearest permanent (i.e. publically owned) school site;
 - located a minimum of 1000 metres away from any other cannabis store (to limit the number of stores to one);
 - located a minimum of 100 metres away from a child care facility;
 - located a minimum of 30 metres away from Bryant Park, Hodgson Park, the future Town Square at 1510 Johnston Road (as identified in the Town Centre Urban Design Plan);
 - the store has a valid cannabis retail license issued by the Province, or it is a government store;
 - the store is unable to operate until the Federal *Cannabis Act* and CDA and CCLA come into force; and
 - the store must have a valid Business License for a cannabis retail use in White Rock.

Application Approach: Criteria, Procedures and Business Licensing

As previously noted, the CDA enables the Province to operate government (or ‘public’) cannabis retail stores, and the CCLA enables the Provincial Liquor Control and Licensing Branch (LCLB) to license privately operated cannabis retail stores.

The Province has outlined the steps (as outlined in the Private Retail Licensing Guide or the ‘Guide,’ attached as Appendix C) that an applicant must take to get a licence to operate a private cannabis store. In all cases, applicants need to apply to the Province (or be a government store) to obtain a cannabis retail licence, and apply and receive approval (recommendation in support) from a local government to receive a retail licence.

The Province has made it clear that any government store or private retail application must be referred to the relevant local government and receive their support to operate, by way of Council resolution, or comments and recommendation from a Council-delegated person. In the case of White Rock, staff note that this Council resolution could occur as part of the process for approving a TUP for a cannabis store.

Provincial Application Requirements

Any private retail applicant will need to go through an application submission and review process by the Province before the applicant is considered eligible for a cannabis retail licence, and then the eligible licensee's application is referred to a local government for recommendation of approval or denial. Required information for the Provincial application includes:

- background check(s);
- company information (i.e. corporation, partnership, society etc.) and names of partners, shareholders, directors/officers and/or senior management;
- proposed location information, including address, parcel identification, proof of ownership or a fully executed lease and floor plan; and
- proposed store name, which must be approved by the LCLB. Advertising and promotion must comply with Federal legislation and regulations, and any names linked with selling medicines (i.e. pharmacy, apothecary, dispensary) are not permitted.

In terms of store operations the following Provincial requirements are noted. The Federal government also requires that cannabis products must not be visible from outside cannabis stores (Federal display requirements note that cannabis, packages or labels of cannabis may not be displayed in a manner that may result in them being seen by a young person).

- retail sales limited only to dried cannabis, oils, seeds and cannabis accessories defined by the Federal *Cannabis Act* – edibles are not permitted;
- no tobacco sales or other non-cannabis related items;
- no minors are permitted in stores, even with a parent or guardian;
- operating hours are limited to 9am to 11pm, unless further restrictions are in place by a local government;
- only a maximum of 30 grams of cannabis can be sold to a single customer (the *Cannabis Act* prohibits individual possession to exceed 30 grams);
- no online sales are allowed (only the Province has the authority to do this);
- no preferential agreements with Federally-licensed producers to sell their products;
- no consumption is allowed in stores (no samples);
- no delivery services to outside customers is permitted;
- employees are anticipated to have training in place for retailing and handling cannabis;
- no off-site inventory;
- inventory must be purchased directly from the Provincial LDB and no other sources;
- advertising of cannabis products must comply with the *Cannabis Act*; and
- sponsorships are regulated under the *Cannabis Act*.

Proposed City of White Rock Application Categories

In the Guide, the Province indicates it will be working with local governments and the Union of BC Municipalities to determine what information local governments will require in order to provide comments on a cannabis retail licence referral. Until this is determined and published by the Province, staff propose that an application package for a cannabis store in White Rock include these requirements (with the caveat that LUPC may provide feedback regarding these requirements, and that staff may modify these requirements further):

- name and corporate information of applicant (consistent with Guide requirements, plus corporate incorporation documents);

- detailed description of applicant’s business undertaking and experience in retail sales in a commercial sector that is Federally or Provincially regulated;
- description of any enforcement action or proceedings brought against the applicant and its principals;
- detailed business plan and ‘good neighbor’ approach, including operating hours, compliance with senior and local government regulations, proposed security measures, insurance bonding, and addressing potential neighbourhood impacts, nuisance and impairment issues;
- a detailed store location, access and design proposal, according to the TUP parameters in the White Rock Zoning Bylaw;
- if within 200 metres of an existing or planned child care facility, a detailed assessment by the applicant regarding how their store location and design minimizes business and visual impacts on this childcare facility;
- willingness to enter into a good neighbour agreement; and
- applicant’s proposed timeframe for commencing retail sales of cannabis.

Potential Application Evaluation Approach

Pending feedback from LUPC and further analysis by staff, applications for a single cannabis store pilot will be evaluated according to the application criteria noted above, among potentially other criteria. Applicants will be evaluated as a group against defined, transparent criteria, and not on a ‘first come, first served’ basis. The applicant receiving the highest score through this evaluation will be recommended for advance into the TUP process for a cannabis store process, which is described further in the following section.

Staff propose the following criteria/points/questions for evaluating applications, noting that the City will have the complete, sole and unfettered discretion to determine which applications are in the best interest of the City’s residents and businesses, and which application is advanced through the TUP process:

- does it meet all the application, operational and legal requirements outlined in the Guide, and by applicable Federal and Provincial legislation?
- has the City received a cannabis retail licence referral, from the Province, for this applicant?
- does the application meet or exceed the parameters for a cannabis retail store TUP, as contained in the City’s Zoning Bylaw and application package?
- does the application, and its proposed location, operation, access and design, minimize neighbourhood impacts, and address potential nuisance and impairment issues?
- does the application seek to limit cannabis exposure and marketing to minors?
- is the application willing to be a ‘good neighbor’, through good relations with its business and residential neighbours, and by having open, constructive communications with law and bylaw enforcement officers and City staff?

Proposed General TUP Procedures

Following an evaluation based on the above approach, staff propose that the highest ranking applicant is then entered into the TUP consideration process, which includes these steps:

- TUP application submitted to staff, including application fees;
- TUP signage put up at proposed location;
- Public Information Meeting;
- Information Report to Land Use and Planning Committee, including consideration by LUPC to:
 - authorize staff to schedule Public Meeting for the TUP (like a Public Hearing, where the public can address Council regarding the TUP, prior to Council deciding to issue the TUP or deny); or
 - refer the TUP application back to staff with direction for more information; or
 - decline to advance the TUP application to a Public Meeting;
- Public Meeting for TUP application, scheduled during a Regular Council meeting and advertised according to standard City of White Rock notification procedures;
- Council consideration of TUP, in terms of whether to approve or deny the TUP application. Approval of the TUP, through a relevant Council resolution, would then be communicated to the Province that the proposed cannabis retail license is supported by the City of White Rock; and
- Once the Province issues the cannabis retail license to the applicant (or the applicant is the Province and has gained assent from Council to operate a government store), the applicant then proceeds to Development Permit (if applicable) or Building Permit stage.

Pending feedback from LUPC, and if the TUP provisions described above are added to the Zoning Bylaw, staff propose to create a cannabis pilot store application package and update the Planning Procedures Bylaw according to the above discussion, and bring these documents and amendments forward to a future LUPC meeting. Applicants who do not receive high scores in the initial evaluation would still be allowed to submit a TUP application, however they would be unlikely to receive staff's support for issuance of the TUP.

Business Licensing Considerations

Staff note there is an apparent lack of consistency across the region, in terms of business licensing approaches and business license fees for cannabis retail stores. Noting the added time, new application processes and potential additional bylaw enforcement requirements related to the introduction of cannabis retail in White Rock, staff will conduct further research on this topic prior to bringing a proposed business licensing approach and fee for a cannabis store, including proposed amendments to the Business Licence Bylaw.

Next Steps

If Council gives 1st and 2nd Readings to the proposed Zoning Bylaw amendments in this report, and directs staff to schedule a Public Hearing, staff will refer the proposed Bylaw amendments to the White Rock Business Improvement Association (BIA), South Surrey/White Rock Chamber of Commerce, and School District #36.

If the TUP and other cannabis-related provisions in the proposed Zoning Bylaw amendments are adopted by Council, staff will bring forward a proposed cannabis pilot store application package, proposed amendments to the Planning Procedures Bylaw and a Business Licensing and Fee approach to a LUPC meeting in late 2018.

Noting that legalization is not scheduled to occur until October 17, 2018, staff recommend that the application package and related Planning Procedures and Business License Bylaw amendments only be brought forward for Council's consideration of endorsement after legalization occurs, and that applications for a cannabis retail store be deferred until Council endorses the cannabis retail store application package and adopts related Planning Procedure Bylaw and Business License Bylaw amendments.

BUDGET IMPLICATIONS

There are no budget implications arising from this specific report. Future reports regarding cannabis retail may include proposed business licensing fees and other related considerations for this retail use.

OPTIONS

The Land Use and Planning Committee may:

1. Recommend that Council give readings to the draft amendment bylaws, direct staff to schedule the required public hearing for Bylaw No. 2266, and direct staff to bring forward related amendments to the Planning Procedures Bylaw and Business License Bylaw after cannabis legalization has come into effect; or
2. Request that staff undertake further research and report back to Committee with alternative recommendations, as directed by the Committee.

Staff recommend Option 1 which is reflected in the recommendations of this corporate report.

CONCLUSION

Following the presentation of options and recommendations regarding cannabis-related items at the June 25, 2018 Land Use and Planning Committee meeting, staff are now bringing forward a recommended amendment to the Public Health Protection Smoking Bylaw, and recommended amendments to the Zoning Bylaw that would enable the use of a Temporary Use Permit, to regulate the location and operation of a single cannabis pilot store in the Town Centre.

If the Zoning Bylaw amendments are adopted by Council, staff will bring forward a cannabis pilot store application package, proposed amendments to the Planning Procedures Bylaw and a Business Licensing and Fee approach to a LUPC meeting in late 2018. Staff also recommend that any new proposed application packages and procedural updates be brought forward after legalization occurs, and that applications for a cannabis retail store be deferred until Council endorses the cannabis retail store application package and adopts related Planning Procedure Bylaw and Business License Bylaw amendments.

Respectfully submitted,



Carl Johannsen, MCIP, RPP
Director of Planning and Development Services

Comments from the Chief Administrative Officer:

I concur with the recommendations of this corporate report.



Dan Bottrill
Chief Administrative Officer

Appendix A: Draft Amendment Bylaw No. 2265 (Public Health Protection Smoking Bylaw)

~~Appendix B: Draft Amendment Bylaw No. 2265 (Zoning Bylaw)~~

Appendix C: Provincial Private Retail Licensing Guide

see page 4 of the agenda package

**The Corporation of the
CITY OF WHITE ROCK
BYLAW 2265**



A Bylaw to amend the
"White Rock Public Health Smoking Protection Bylaw, 2008, No. 1858"

The CITY COUNCIL of the Corporation of the City of White Rock, in open meeting assembled, ENACTS as follows:

1. That "White Rock Public Health Smoking Protection Bylaw, 2008, No. 1858" be amended by:
 - (1) deleting the existing definition for "smoke" or "smoking" in Section 1.2 in its entirety and replacing it with the following new definition:

"smoke" or "smoking" means the inhaling, exhaling, burning, or carrying of a lighted cigarette, cigar, pipe or other lighted smoking equipment burning tobacco, cannabis, or any other weed or substance, but does not include smoking by actors as part of a stage or theatrical performance or as part of a traditional aboriginal cultural activity.
 - (2) by deleting the existing Section 2.5 in its entirety and replacing it with the following new Section 2.5:

Notwithstanding the fact that the symbol in section 2.4 is a cigarette, it shall be deemed to include a lighted cigar, pipe or other lighted smoking equipment burning tobacco, cannabis or any other weed or substance.
2. This Bylaw may be cited for all purposes as the "White Rock Public Health Smoking Protection Bylaw, 2008, No. 1858, Amendment (Cannabis as Prohibited Substance) Bylaw, 2018, No. 2265".

RECEIVED FIRST READING on the	day of
RECEIVED SECOND READING on the	day of
RECEIVED THIRD READING on the	day of
ADOPTED on the	day of

Mayor

Director of Corporate Administration



B.C. Cannabis

PRIVATE RETAIL LICENSING GUIDE

Applications and Operations



**BRITISH
COLUMBIA**

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B.C. Cannabis

PRIVATE RETAIL LICENSING GUIDE

Applications and Operations

In B.C., the wholesale distribution of non-medical cannabis will be solely through the Liquor Distribution Branch (LDB). The LDB will be the operator of government-run retail stores and the Liquor Control and Licensing Branch (LCLB) will be responsible for licensing and monitoring the retail sector using a mixed public/private model.

The rules governing retail stores will be similar to those currently in place for liquor, and public and private retailers will have similar operating rules. Note that while this document sets out Government's intentions for B.C.'s retail framework, it is subject to legislation yet to be passed at both the federal and provincial levels.

Who is this guide for?

This guide provides information for those who are considering applying for a provincial licence to retail non-medical cannabis. It contains preliminary information to help applicants make business decisions and describes the application process. This information will also assist local governments in preparing for potential retail store applications within their communities.

The Province recognizes that retail access in rural areas will require a different approach than the one employed in urban communities. There is a separate section related to rural areas at the end of this document.

Engagement with Indigenous governments and organizations is an important element in the development of the provincial regulatory framework for non-medical cannabis. To ensure the retail model appropriately addresses the unique considerations that must be taken into account with respect to Indigenous peoples, the Province remains committed to working in partnership with Indigenous peoples, governments and organizations. These discussions are ongoing and will continue beyond the initial date of federal legalization of cannabis.

Who is eligible?

All applicants will be assessed using the same evaluation criteria, which includes obtaining local government support and background checks of police/criminal records which will be examined on a case by case basis.

Application Process

In spring 2018, the Province will launch an online application portal for individuals and businesses who are interested in applying for a non-medical cannabis retail licence. Additional information on applicant registration will be posted on the website <https://www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing/cannabis-regulation> as it becomes available.

■ **What is the process for applying for a non-medical cannabis retail licence?**

When the application portal opens, you may start the application process by entering the required information and documents. This will allow you to provide the required information early so that the assessment of your application can begin as soon as possible once the applicable legislation is passed.

■ **How long will the application process take?**

The Province is committed to conducting thorough reviews of applicants and applications in order to ensure that licensed retailers will operate in a safe and lawful manner. A significant number of applications are anticipated, and plans are being put in place to enable the applications to be processed as efficiently as possible.

■ **Will there be an application fee?**

Yes, each applicant will be required to pay an application fee and a licensing fee. The amount of the fees has not yet been determined. Once the fees have been determined, they will be posted here <https://www2.gov.bc.ca/gov/content/employment-business/business/liquor-regulation-licensing/cannabis-regulation>.

Eligibility

■ **If I operated an illegal dispensary prior to legalization, am I prohibited from receiving a licence to operate legally?**

Having operated an illegal dispensary will not, on its own, exclude you from being considered for a licence. All applicants will be assessed using the same evaluation criteria, including background checks and local government support. Persons who have operated dispensaries prior to legalization will not receive preferential treatment in the provincial application process.

■ **Does having a record of criminal activity exclude me, or a shareholder in my company, from obtaining a non-medical cannabis retail licence?**

Having a record of criminal activity will not necessarily exclude you from obtaining a licence. As part of the required background check, police/criminal records will be examined on a case by case basis and evaluated in relation to their relevance to the application and the recentness of the activity or offence(s) committed. For example, low risk criminal activity may not exclude a person from becoming a licensee whereas associations with organized crime will exclude a person from becoming a licensee.

■ **I already have a liquor and/or tobacco licence. Am I automatically allowed to sell non-medical cannabis at my liquor store?**

No, you must apply for a non-medical cannabis retail licence. In addition, if you are granted a licence, you will be required to operate the non-medical retail cannabis store in a completely separate business location from any liquor and/or tobacco sales.

■ **If I, a family member, or a business partner, have an interest in a federally licensed producer or processor, can I be considered for a retail licence?**

Yes, a person or company may have an interest in both a producer and a retailer. However, the LCLB will place restrictions on the business relationship between the producer and the retailer. Where there is a close association (financial or otherwise) between a licensed producer and a non-medical cannabis retail business, the retail business will be prohibited from selling any products from the licensed producer. This restriction ensures that the market remains diverse and larger participants do not consolidate and control the market. The Province may create exceptions in the future to support micro-producers.

Application: Required Information

■ **Will I have to undergo a background check?**

Yes, you will be required to consent to a background check in order to be considered for a licence. Policy work is currently underway to determine which members of a corporation, partnership, or other legal business will be required to undergo a background check.

■ **What kind of information do I need to supply to the Province about my company?**

Depending on the type of entity your company is (corporation, partnership, society, etc.) the application system will prompt you to supply the related documents and names of partners, shareholders, directors, officers, and/or senior management.

■ **What information do I have to provide about my proposed location?**

You will need to provide the parcel identifier number (PID), proof of ownership or a copy of a fully executed lease that does not expire for at least 12 months from the date of licence approval, and a floor plan. If additional information is necessary it will be requested during the application process.

■ **Does my store have to be a certain distance from schools or other retailers?**

The Province will not impose distance requirements for non-medical cannabis retailers. However, local governments will have the authority to impose additional requirements. Therefore, you should inquire with your local government about local requirements before committing to a location.

■ **Are there any rules about what I can name my store?**

Your store name must be approved by the LCLB. The name of your store cannot be misleading as to what type of business you operate. As a non-medical cannabis retailer, you cannot choose a name that would lead people to believe you are a provider of medical cannabis. For example, the words “pharmacy”, “apothecary”, and “dispensary” all have meanings linked to the selling of medicines, so these words cannot be used in association with a non-medical cannabis store.

You must also comply with federal legislation and regulations respecting advertising and promotion.

Application: Local Government Requirements

The Province will permit local governments to decide whether they wish to have a non-medical cannabis retail store in their community. For the Province to issue a licence, applicants must have the support of the local government in the community where the proposed store would be located.

■ **What is the process for obtaining local government support?**

The local government must ask residents in the vicinity of the proposed retail location to comment on how the store would impact the community. The local government must consider this public input when deciding whether or not to support the application and must notify the LCLB of their decision by way of a council resolution.

■ **Can I get local government support in advance of the provincial application?**

The Province is working with local governments and the Union of B.C. Municipalities to develop the application process, including what information local governments will need to have in order to provide informed comments on the application. Further details will be announced once they are available. In the interim, it is recommended you check with your local government to ensure that you meet any criteria that are specific to your jurisdiction and to ensure that proper zoning is in place.

■ **Do public stores have to go through the local government process?**

Yes, public stores must also have local government support.

Licences

To sell non-medical cannabis in British Columbia, retailers will be required to obtain a licence from the Province. There will be two types of retail licences for:

- ▶ self-contained cannabis stores, and
- ▶ stores in rural communities.

■ **Will there be a cap on the number of non-medical cannabis retail licences issued in B.C.?**

The Province is not capping the number of licences issued. However, local governments will have the authority to make local decisions based on the needs of their communities. This means that some local governments may choose not to allow retail cannabis stores, while others may choose to cap the number of stores that are permitted to operate within their jurisdiction.

■ **I only want to sell medical cannabis; can I apply for a medical cannabis retail licence?**

No, medical cannabis will continue to be sold online by federally licensed producers only. However, like other Canadians, medical users will be able to buy cannabis from retailers of non-medical cannabis.

The federal government has committed to conducting a review of the medical cannabis system in five years.

- **Will there be any restrictions on where a non-medical cannabis retail outlet can be located?**

The Province is not regulating the location of stores. However, local governments may choose to do so. For example, local governments may set requirements about the proximity of a store to another cannabis store, schools, daycares or other places.

- **Will the Province be licensing consumption lounges?**

No, not at this time. The Province is focussed on introducing a safe and responsible retail non-medical cannabis sector; consideration will be given to other types of licences at a later date.

- **Will sales of non-medical cannabis be permitted at outdoor festivals and other events?**

Initially, non-medical cannabis sales will only be permitted at the licenced retail site. Offsite sales may be considered in the future.

Operations

Provincial and federal governments are committed to ensuring that non-medical cannabis is sold in a lawful, responsible manner. To this end, a range of requirements will be put in place; from who a retailer can buy product from, to who may enter a store, to what type of products may be sold.

Operations: Physical store

- **Are there any rules about the physical layout or construction of my store?**

To protect youth, the federal government requires that cannabis products must not be visible from outside your store. There will be many different ways for you to achieve this requirement (e.g. window designs). In addition, please remember that you must comply with federal requirements respecting advertising and promotion.

- **Are there any security requirements for my location?**

You have a strong incentive to secure your premises both during and after operating hours to protect your inventory from theft. The Province is considering what security requirements will be necessary. In addition, local governments may also choose to impose security requirements.

- **Can I sell non-medical cannabis as part of another business such as a liquor store or pharmacy?**

Not at this time. The Province may consider exceptions in the future, but for now, your non-medical cannabis retail store must be a self-contained business.

There will be exceptions for rural stores, similar to rural liquor stores. The criteria for determining rural areas are currently under development.

Operations: General

■ Can minors enter my store?

No. Unlike liquor stores, where minors are permitted if they are accompanied by a parent or guardian, minors must not enter your cannabis retail store.

There will be exceptions for rural stores to allow entrance by minors. The criteria for determining rural areas are under development.

■ What hours can I be open?

Cannabis retail stores can operate between 9 am to 11 pm unless further restrictions are put in place by your local government.

■ Are there any rules around pricing?

Policy work is ongoing and information on pricing will be made available as soon as possible.

■ Is there a limit on how much non-medical cannabis I can sell to a person?

The proposed federal *Cannabis Act* prohibits an individual from possessing in a public place a total amount of non-medical cannabis, in any authorized form, that is equivalent to more than 30 grams of dried cannabis. Non-medical cannabis must not be sold in amounts greater than this.

This means that if you sell different forms of non-medical cannabis to a single customer, the combined total amount sold must not exceed the equivalent amount of 30 grams of dried cannabis.

Equivalent amounts to 30 grams of dried non-medical cannabis for other cannabis products are listed in Schedule 3 of the proposed federal *Cannabis Act*.

■ Can I sell products online?

No, only the public retailer will be permitted to sell non-medical cannabis products online at this time. Consideration may be given to allowing private online sales in the future.

■ Can people consume non-medical cannabis in my store?

No. Consumption of any kind will not be permitted in the store, and providing samples will not be permitted.

■ Can I deliver my products?

No, retailers will not be permitted to offer a delivery service.

■ Do my employees and/or I need any special training or background checks?

In collaboration with industry, the Province will develop a mandatory training program for non-medical cannabis retail employees, which will be implemented over time. The Province will also be developing a registration requirement for employees which will include background checks. Details of this program are still being developed. Information will be provided as soon as that work is complete.

■ **Where do I have to store my inventory?**

All cannabis products will be required to be stored at your retail site. No offsite storage will be permitted.

■ **Will I be required to have a certain product tracking/inventory control system?**

The federal government has committed to creating a national seed-to-sale tracking system. This is currently under development and more information on retailers' responsibilities in relation to this system will be announced as it becomes available.

■ **Can I advertise my product?**

The federal government is regulating the advertisement of cannabis under the proposed *Cannabis Act* (Bill C-45). See the "Further Resources" section at the end of this document for a link to the Bill.

■ **Can my store sponsor events or teams?**

The federal government is regulating sponsorship under the proposed *Cannabis Act* (Bill C-45). See the "Further Resources" section at the end of this document for a link to the Bill.

Supply

■ **How do I obtain non-medical cannabis to sell in my store?**

The LDB will be the only source of legal wholesale non-medical cannabis. Retailers will not be permitted to purchase any cannabis products directly from licensed producers or any other source.

■ **Can I make financial arrangements with federally licensed producers?**

You cannot accept or request any inducement from a producer. This means you must not:

- ▶ pay money to secure access to a supplier's product;
- ▶ request money from a supplier in return for providing benefits such as preferential shelf space;
- ▶ accept money in exchange for agreeing not to stock a competitor's product.
- ▶ make agreements that give a retailer exclusive access to a producer's product, or product line.

■ **What types of non-medical cannabis can I sell?**

You can sell dried cannabis, cannabis oils and seeds that comply with federal requirements.

■ **Can I sell edibles?**

No, the proposed federal *Cannabis Act* does not permit the commercial production of edibles at this time. Therefore, you cannot legally sell them. The federal government has stated that edibles will be regulated within 12 months of legalization.

■ **What else can I sell besides dried cannabis and cannabis oil?**

You may sell “cannabis accessories,” as defined in the proposed federal *Cannabis Act*:

“Cannabis accessory” means a thing, including rolling papers or wraps, holders, pipes, water pipes, bongs and vaporizers that is represented to be used in the consumption of cannabis or a thing that is represented to be used in the production of cannabis.

You cannot sell snacks, tobacco or other non-cannabis related items.

■ **What format will cannabis products be distributed in?**

LDB will distribute pre-packaged product only, with labelling compliant with federal standards, in ready-to-sell formats (no bulk products). The product brands belong to the licensed federal producers.

Retailers will not be authorized to re-package the product with their own branding. Information about specific size formats will be confirmed at a later date.

Inspections and Compliance

To ensure that non-medical cannabis is being sold in a lawful and responsible manner, the Province will establish a compliance program that will include education, inspection and enforcement activities. The focus will be on encouraging voluntary compliance.

■ **How often will I be inspected?**

Your store will be inspected at least once annually and any time the LCLB investigates a complaint about your store.

■ **What happens if I am found to be out of compliance?**

If an inspector observes a contravention of the provincial legislation at your establishment, you will be issued a Contravention Notice and the inspector may recommend enforcement action. Penalties for contraventions are under development, but could include a monetary penalty or a licence suspension or cancellation. There will be a reconsideration process for licensees that wish to challenge the result of an enforcement hearing.

■ **Can the police enter and inspect my store?**

Yes, police can enter and inspect your store to ensure you are operating in compliance with the legal requirements.

■ **What should I do with any product I have obtained from unlicensed sources?**

Once you have been issued your licence you must not sell cannabis obtained from a source other than the LDB.

Rural Areas

The Province is aware that it may be necessary to introduce special provisions for rural areas in order to provide access to non-medical cannabis to rural populations.

- **Can an existing business in a rural area be authorized to sell non-medical cannabis, like they are for liquor?**

The Province is considering this possibility because a self-contained non-medical cannabis retail store may not be a viable business in some rural areas.

- **Will the rural agency store model (RAS) used for liquor be used for cannabis?**

Many of the operational requirements of the RAS model used for liquor may be applied to non-medical cannabis. However, the Province is still evaluating how to best meet the need for rural access.

- **If I operate a RAS, will I automatically be able to sell non-medical cannabis?**

No, if a current RAS operator is interested in retailing non-medical cannabis, they will be required to apply for a licence specifically for non-medical cannabis.

Further Resources

Bill C-45 the draft federal Act can be found here <http://www.parl.ca/LegisInfo/BillDetails.aspx?billId=8886269>

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