

## Cannabis Retailers - Zoning Amendments

<b>Date</b>	July 8, 2020
<b>To</b>	Regina Planning Commission
<b>From</b>	City Planning & Community Development
<b>Service Area</b>	Planning & Development Services
<b>Item No.</b>	RPC20-24

### RECOMMENDATION

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Regina Planning Commission recommends that City Council:

1. Approve the amendments to *The Regina Zoning Bylaw, 2019 (No. 2019-19)* as specified in Appendix A.
2. Direct the City Solicitor to prepare the necessary bylaw to authorize the respective Zoning Bylaw amendment.
3. Approve these recommendations at its July 29, 2020 meeting, following the required public notice.

### ISSUE

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The provincial regulations controlling the wholesaling and retailing of cannabis by the Saskatchewan Liquor and Gaming Authority (SLGA) are set to change this fall. Minor amendments to the *Regina Zoning Bylaw No. 2019-19 (Zoning Bylaw)* are required to improve clarity in the zoning regulations and align with provincial procedures in preparation of the pending SLGA regulation changes.

### IMPACTS

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#### **Policy/Strategic**

The recommendations in this report support the following policies in *Design Regina: Official Community Plan Bylaw No. 2013-48 (OCP)* by fostering diversity of uses within complete

neighbourhoods:

- 7.1.4 Opportunities for daily lifestyle needs, such as services, convenience shopping, and recreation.
- 7.5 Encourage appropriate mixed-use development within neighbourhoods, as well as the retention of existing local and neighbourhood commercial spaces.

The recommendations also support the following OCP policies to expand and enhance economic development opportunities through clear regulated processes:

- 12.1 Ensure an orderly regulatory environment within which business and industry can operate assured of transparency, predictability, and fairness in their dealings with the City.
- 12.2 Minimize regulatory barriers to economic growth to the greatest possible extent while balancing the needs and aspirations of all Regina residents, fee-and taxpayers, and the sustainability of the city.
- 12.5.1 Identifying and leveraging opportunities to expand existing industries.

There are no identified financial, environmental or accessibility implications.

## **OTHER OPTIONS**

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1. Amend the Zoning Bylaw to completely remove the requirement that applicants provide confirmation of an 'operator license' from Saskatchewan Liquor and Gaming Authority.

### Pro:

- This option would simplify the application submission as anyone could apply.

### Cons:

- This approach is likely to result in a number of applications, some of which may be speculative, after SLGA formally moves to a market-based approach in September. Applications will be accepted on a first come basis and they have no guarantee of approval. Landlords may also be inclined to submit a permit on speculation of attracting a cannabis retail tenant.
- This option could result in development permits being issued that are either well in advance of the SLGA approval, or which may never receive approval by SLGA.

## **COMMUNICATIONS**

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Owners of the six existing cannabis retail stores in Regina and SLGA will be notified of the report. Public notice of Council's intention to consider the proposed zoning bylaw

amendment will also be given in accordance with *The Planning and Development Act, 2007*.

## DISCUSSION

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### Background

The distribution, sale and possession of cannabis was legalized in Canada on October 17, 2018. While this was a federal decision, the responsibility of implementation is shared between three levels of government: federal, provincial and municipal. In Saskatchewan, SLGA established a cap on the number of cannabis permits that would be issued for retail stores per municipality with each permit determined through a lottery system. Regina was originally allotted six provincial permits, which are operational retail stores located throughout the city. Subsequently on October 29, 2019, SLGA announced under new legislation they are moving away from a cap on permits and moving towards a market-based approach. This will mean that additional applicants in Regina will be able to apply to SLGA for a permit in September 2020.

### Cannabis Zoning Regulations

Municipalities are responsible for controlling the location and rules of cannabis retail stores through zoning regulations in Regina the regulations for location of cannabis retail stores are contained in the Zoning Bylaw. Cannabis retail stores are defined as ‘Retail Trade, Cannabis’ in the Zoning Bylaw and are accommodated as permitted or discretionary uses in various mixed-use and industrial zones, as well as direct control districts for the Downtown, Centre Square Neighbourhood and portions of the Warehouse District (Old Warehouse District) as summarized in the following table:

Zone	Permitted	Discretionary
Mixed-High Rise Zone (MH)	Permitted if gross floor area is 100 m <sup>2</sup> or less per lot	Discretionary if gross floor area is greater than 100 m <sup>2</sup> per lot
Mixed Large Market Zone (MLM)	Permitted if gross floor area is 300 m <sup>2</sup> or less per lot	Discretionary if gross floor area is greater than 300 m <sup>2</sup> per lot
Industrial Light Zone (IL)	Permitted if gross floor area is less than 300 m <sup>2</sup> per lot	Discretionary if gross floor area is 300 m <sup>2</sup> or greater per lot
Downtown Direct Control District (DCD-D)	Permitted	---
Centre Square Direct Control District (DCD-CS)	Permitted if gross floor area is 4,000 m <sup>2</sup> or less per lot.	Discretionary if gross floor area is more than 4,000 m <sup>2</sup> per lot.
Dewdney Avenue Warehouse Direct Control District (DCD-WH)	Permitted if gross floor area is 500 m <sup>2</sup> , or less, per lot.	Discretionary if gross floor area is greater than 500 m <sup>2</sup> , per lot.

In addition to determining land use status, ‘Retail Trade, Cannabis’ stores must meet minimum separation distances to other cannabis retail stores as well as the following sensitive land uses:

- schools, parks, day care centres, community centres, enclosed rinks and libraries.

There are no recommended changes to the minimum separation distance requirements. These will continue to remain and be applied to any future development permit applications for 'Retail Trade, Cannabis' stores.

Zones where 'Retail Trade, Cannabis' land use is permitted or discretionary include specific application requirements for development permits such as providing proof of consent of the property owner and proof of an operator license issued by SLGA. The intent of this regulation was that pre-approval from SLGA, which involves a good character reference check, should be required before a proponent can apply to the City to ensure an applicant is an eligible candidate to obtain the provincial permit necessary to support the proposed land use. However, because the City's initial regulations were developed before the practical application of the provincial permitting process was known, the current wording of the Bylaw could be interpreted to mean that final approval from SLGA is required prior to City issuance of a development permit. This latter interpretation is problematic because SLGA's full process also requires proof that the location is approved by the municipality prior to a final permit being issued at their end.

### **Recommended Option**

Proposed amendments identified in Appendix A would clarify that the intent of the regulations is for applicants to provide confirmation that they have obtained pre-approval from SLGA prior to applying to the City. This will mean that proponents who have already completed their pre-approval with SLGA (i.e. good character reference check) may apply to the City for a development permit following adoption of the proposed amendments to the Zoning Bylaw assuming they are consistent with the other regulations in the bylaw. Development permits issued by the City will continue to be conditional on the applicant obtaining the final SLGA permit to operate before the land use is considered legal.

The recommended option will help mitigate the potential for a rush of applications for development permits as they would only be entitled to submit upon completion of pre-approval by SLGA. The recommended changes would ensure that applicants are serious about opening a cannabis retail store and avoid speculation by landlords. The recommended option simply clarifies the original intent of the regulations and aligns the City processes with SLGA processes.

The recommendations of this report focus on clarifying the zoning regulations ahead of provincial regulation changes in September 2020, while a larger discussion and update on the performance of the City's cannabis regulations will be brought forward in 2021.

### **DECISION HISTORY**

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On August 28, 2018, City Council passed Bylaw 2018-14, The Regina Zoning Amendment Bylaw, 2018 (No. 18) to incorporate land use regulations regarding cannabis retail stores.

A more comprehensive discussion about the regulations will be brought forward in a separate report in 2021.

The recommendations contained in this report requires City Council approval.

Respectfully Submitted,



Fred Scarle, Director, Planning & Development Services

6/25/2020

Respectfully Submitted,



Diana Hawryluk, Executive Director, City Planning & Community Dev.

6/30/2020

Prepared by: Michael Cotcher, Senior City Planner

**ATTACHMENTS**

Appendix A - Proposed Amendments Cannabis