

May 2, 2018

To: Members
Regina Planning Commission

Re: Zoning Bylaw Amendment (18-Z-09) Cannabis Zoning Regulations

RECOMMENDATION

1. That the amendments proposed to *Regina Zoning Bylaw No. 9250* in relation to Cannabis Retail Stores as detailed in Appendix B to this report be approved.
2. That the City Solicitor be directed to prepare the necessary bylaw to authorize the respective Zoning Bylaw amendment.
3. That this report be forwarded to the May 28, 2018 meeting of City Council for approval, which will allow sufficient time for advertising of the required public notices for the respective bylaw.

CONCLUSION

The Administration recommends approval of a number of amendments to the *Regina Zoning Bylaw No. 9250* (Zoning Bylaw) to address the regulation of Cannabis Retail Stores as a land use. The regulations respond to the announcement that the Province of Saskatchewan, through the Saskatchewan Liquor and Gaming Authority (SLGA), will issue six cannabis retail store permits in Regina. The Province of Saskatchewan left it to all municipalities who were granted cannabis retail store permits to set locational regulations on where these permits would be allowed within their respective jurisdictions.

The intent of the recommended regulations balances two primary priorities: to ensure that Cannabis Retail Stores are not located near establishments frequented by youth, and to ensure that locations are visible and accessible to the public. Following this intent, the regulations require visual separation distances of Cannabis Retail Stores from various land uses associated with youth. Cannabis Retail Stores would be provided for in more intense and permissive commercial zones as permitted uses, similar to how Liquor Stores are accommodated. Separation distances are also intended to prevent clustering of Cannabis Retail Stores, which may have a cumulative impact on a neighbourhood.

The Administration does not recommend separation distances between Cannabis Retail Stores and other sensitive land uses be applied in the Downtown in recognition of the neighbourhood as a more urban character with dynamic mix of land uses.

The proposal is consistent with bills passed by the Government of Canada to legalize and regulate cannabis in Canada including Bill C-46, *An Act to amend The Criminal Code* (focuses

on strengthening impaired driving measures) and Bill C-45, *The Cannabis Act* (which addresses the regulation, sale and cultivation of recreational cannabis). The proposal is also consistent with the regulatory approach and legislation of the Government of Saskatchewan with respect to the retail distribution of cannabis and the policies in *Design Regina: The Official Community Plan Bylaw No. 2013-48* (OCP). Accordingly, the Administration recommends approval.

BACKGROUND

On April 13, 2017, the Government of Canada tabled two bills to realize its commitment to legalize and regulate cannabis in Canada: Bill C-46, *An Act to amend The Criminal Code*, (focuses on strengthening impaired driving measures) and Bill C-45, *The Cannabis Act* (which addresses the regulation, sale and cultivation of recreational cannabis).

Bill C-45 will legalize fresh or dried cannabis, cannabis oil, plants and seeds for cultivation, for purchase from provincially regulated retailers or directly from federally licensed producers for recreational use. Cannabis edibles will be addressed through regulations after *The Cannabis Act* comes into force due to the unique health and regulatory challenges associated with this form of cannabis.

The Government of Canada will oversee product and production safety and standards, while the Government of Saskatchewan will determine the distribution and sale of cannabis. The legislation does not specify dates, but the Government of Canada has stated that it intends to bring *The Cannabis Act* into force in the summer of 2018.

The Government of Saskatchewan has announced that SLGA will issue six cannabis retail permits to private operators in Regina. SLGA is selecting proponents through a Request for Proposals (RFP) process and random lottery. Successful proponents may be notified by SLGA as early as June 1, 2018. Successful proponents will have 45 days to file permits with SLGA and will be required to be operational one year from the passing of the provincial legislation. The Administration expects applications for development permits for approval of locations of Cannabis Retail Stores to be filed with the City any time after June 1, 2018.

It is important to note that the Government of Canada has stated that the current program for accessing cannabis for medical purposes will continue under *The Cannabis Act*. Retail sale of cannabis for medical purposes is not permitted under the *The Access to Cannabis for Medical Purposes Regulations*. Currently under that legislation, cannabis for medical purposes is available only through mail order in child-proof packages. The only permitted storefront retail outlets for cannabis will be the six outlets permitted by SLGA.

The Zoning Bylaw was adopted by City Council in 1992 and currently does not contain regulations related to the retail sale of cannabis. City Council at its meeting on February 26, 2018 considered a report concerning municipal preparedness of cannabis legalization (CR18-11), and approved the following motions:

1. That Council approve the issuance of the Saskatchewan Liquor and Gaming Authority's (SLGA) (six) cannabis retail store permits to private retail operators in Regina.

2. That the Administration develop options for municipal regulation of cannabis in relation to business licensing, zoning and community standards within the City of Regina (City).
3. That, in the event that the Government of Saskatchewan does not introduce regulations that prohibit smoking cannabis in indoor public places, Administration will report to Council with proposed amendments to *The Smoking Bylaw*, Bylaw 2017-20, regarding the smoking of cannabis in indoor public places.
4. That the Mayor, on behalf of City Council, write to the Premier of Saskatchewan and the Minister of Justice to formally request that the revenue from cannabis be provided to the City to recoup all costs incurred.
5. That the City of Regina ask the Provincial Government to be cognizant of the research on recreational cannabis use on brain development in youth when setting age limits for use province wide.
6. That Administration, in conjunction with the Regina Police Service, report on the effects of the six locations on the black market and help determine if six is enough to significantly disrupt this market within two years of legalization.
7. That an addition to Recommendation #4 be added to include that the Province provide an accounting for their expenses relating to cannabis legalization.

This report responds in part to Recommendations 1 and 2, by establishing land use regulations within the Zoning Bylaw to set the rules and requirements in determining the locations for the six SLGA cannabis retail store permits (pending) in Regina.

DISCUSSION

Purpose of Zoning Bylaw

Zoning bylaws exist to ensure the health, safety and general welfare of the residents and ensure orderly and beneficial development of the community. The Zoning Bylaw controls the uses of land within the city by establishing land use zones and determining uses that are generally compatible within each zone. Permitted uses are allowable, as-of-right, subject to compliance with all applicable regulations related to the land use and approval of a development permit and/or building permit. Discretionary uses require City Council's approval prior to issuance of any required permit(s).

The Zoning Bylaw currently contains no reference to cannabis and the Administration recommends that the sale of this product be regulated as a specific land use. Without reference to a specific land use (Cannabis Retail Store), places that sell cannabis would be considered generically as Retail and would be allowed in most commercial and some industrial zones in the city.

Recommended Locations and Separation Distance Standards

Two key stated priorities of the federal and provincial legislation are to allow for legalized sale of cannabis to curb black market sales and to keep cannabis out of the hands of youth. These priorities are balanced in the proposed recommended regulations for Cannabis Retail Stores in the Zoning Bylaw.

To ensure that the six licensed Cannabis Retail Stores are accommodated in appropriate and accessible locations the Administration recommends that Cannabis Retail Stores be accommodated in the same zones that currently accommodate a Liquor Store as a permitted use, since they are both controlled substances regulated by SLGA. Cannabis Retail Stores are proposed to be a permitted use in the MAC - Major Arterial Commercial, DSC - Designated Shopping Centre, and D - Downtown Zones. A map showing the locations of the recommended zones is attached as Appendix A-1. Generally, these zones are prevalent on major corridors, major intersections, large shopping centres, in locations accessible by all forms of transportation and are highly visible. Ensuring a high degree of visibility and accessibility encourages consumers to purchase the product from legal sources in a safe environment, which is consistent with the legislation. Conversely, if there are barriers to access legal sales of cannabis, consumers may be more inclined to purchase from non-sanctioned sources.

The Administration recommends a separation distance between Cannabis Retail Stores and certain land uses which are associated with youth. The recommended regulations would ensure a 182.88 metre (600 feet or one block) minimum separation distance between Cannabis Retail Stores and Schools, Parks, Day Care Centres, Enclosed Rinks, Public Libraries, and Public Community Centres. These land uses tend to be frequented by youth and are also institutional in nature, which means they tend to be more permanently established in their locations and are more easily identifiable. The separation distance would essentially act as a visual buffer to ensure no obvious or mistaken association between Cannabis Retail Stores and those more sensitive land uses. Separation distances between other Cannabis Retail Stores is also recommended to avoid clustering of these establishments. Clustering may have a cumulative impact on a neighbourhood. Appendix A-1 shows how the separation buffers would be applied in the evaluation of a development permit. A Cannabis Retail Store would be prohibited from locations affected by the buffer.

The Administration recommends one exception to the minimum separation distance requirement. This exception would apply to the D – Downtown Zone. The Downtown is recognized as the economic and cultural hub of the city, as well as, the central hub for the transit network. It is also the most permissive commercial land use zone, to allow for a dynamic urban character and more comprehensive mix of land use. The Downtown is well-positioned to suit the locational needs of a Cannabis Retail Store without creating conflicts with other established uses; therefore, the Administration does not recommend separation distances between Cannabis Retail Stores and other uses such as Schools, Parks, Day Care Centres, Enclosed Rinks, Public Libraries, and Public Community Centres in the D - Downtown Zone. The Administration evaluated the impact of applying the separation distances in the Downtown and found that most of the Downtown

would be restricted from use as shown in Appendix A-2. In the Downtown Zone, the Administration does recommend that a Cannabis Retail Store be at least 182.88 metres (600 feet or one block) from another Cannabis Retail Store to prevent clustering of these uses, which may lead to a negative cumulative neighbourhood impact.

The proposed amendments to the Zoning Bylaw are detailed in Appendix B to this report.

Application of the Minimum Separation Distances

Separation distances would only be applied at the time of an application to accommodate a Cannabis Retail Store. For example, if a Day Care Centre applies to locate within a separation distance of a Cannabis Retail Store, the restriction would not apply. The reason is that the Day Care Centre would have made a conscious decision to locate in proximity to a Cannabis Retail Store. The Cannabis Retail Store would effectively become legally non-conforming, which would allow the use to continue use.

The proposed amendments to the Zoning Bylaw are detailed in Appendix B to this report.

Other Zoning Bylaw Amendments

A number of consequential amendments to the Zoning Bylaw will also be necessary to accommodate the change. Definitions of Cannabis and Cannabis Retail Store will be added to the Definitions section in Chapter 2. Additionally, amendments to Chapter 14 (Parking and Loading) will be necessary, to include a parking requirement of one (1) parking space per 20 square metres of gross floor area (other than in the Downtown Zone) for a Cannabis Retail Store, which is the same requirement as a Liquor Store and Retail Store. Appendix E - Uses Specifically Mentioned or Defined, will also be amended to add Cannabis Retail Store.

RECOMMENDATION IMPLICATIONS

Financial Implications

None with respect to this report.

Environmental Implications

None with respect to this report.

Policy/Strategic Implications

The proposal is consistent with the policies contained within Part A of *Design Regina: The Official Community Plan Bylaw No. 2013-48* with respect to:

Section E – Realizing the Plan

Goal 7 – Zoning Bylaw Compliance: Ensure that the Zoning Bylaw facilitates development in accordance with the goals and policies of this Plan.

14.40 Ensure that applications to amend the zoning regulations, or requests for the rezoning of land consider the following:

14.40.2 The need to protect all forms of land use from harmful encroachments by incompatible uses.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

The proposed amendments will be published in *The Leader-Post* on May 12 and 19, 2018.

The interested parties will receive a copy of the report and notification of the meeting to appear as a delegation in addition to receiving a written notification of City Council's decision.

Information regarding the Zoning Bylaw amendment relating to cannabis will be shared on Regina.ca.

DELEGATED AUTHORITY

City Council's approval is required, pursuant to Part V of *The Planning and Development Act, 2007*.

Respectfully submitted,



Louise Folk, Director
Development Services

Respectfully submitted,



Diana Hawryluk, Executive Director
City Planning & Development