

REPORT

Planning and Development and Community Services

To: Mayor Johnstone and Members of Council
Date: December 16, 2024

From: Jackie Teed, Director
Planning and Development
File: 13.2680.20
#2598751

Blair Fryer, Acting Director
Community Services
Item #: 2024-741

Subject: **Cannabis Store Relocation Requests: North Root Cannabis Ltd. and the Queensborough Cannabis Company**

RECOMMENDATION

THAT staff be directed to inform the proponents that their proposed rezoning applications would be considered premature in advance of the planned review of the Cannabis Regulatory Framework.

PURPOSE

To seek Council's direction regarding recent relocation requests from two cannabis retail businesses, which were part of successful applications in the City's 2018/2019 process to rezone limited properties to permit retail cannabis sales. These requests are in advance of an update to City cannabis retail location policies, which are anticipated in 2025, subject to Council approval of 2025 budget requests.

SUMMARY

The City has received requests to relocate from two cannabis retail businesses, North Root Cannabis Ltd. and Queensborough Cannabis Co. North Root wishes to relocate within the Sapperton neighbourhood, citing challenges securing a lease at their originally approved location, while Queensborough Cannabis wishes to relocate from Queensborough to Downtown, citing economic viability challenges given there is a public BC Cannabis Store location in Queensborough.

These requests are in advance of updates to City cannabis and liquor retail location policies anticipated for 2025, subject to Council approval of 2025 budget requests. As the cannabis retail land use “runs with the land,” should the subject businesses relocate, either the City would need to work with the property owners to remove the cannabis retail use from their property; or, this would result in an increase of two cannabis retail locations in advance of the policy update work. Staff considers the second to be more likely.

This report reviews the requests in light of current policies, previous approvals, staff work program impacts, and in regards to equity to previous applicants in the initial application intake.

As both applicants were part of successful applications in the City’s 2018/2019 process to rezone limited properties to permit retail cannabis sales, staff is seeking Council’s direction as to whether or not to advance their applications prior to the policy update.

Staff recommend that Council direct staff to advise both North Root and Queensborough Cannabis that their applications are considered premature in advance of the review of the Council endorsed Cannabis Regulatory Framework which staff are proposing to advance in 2025, based on the following:

Outcomes of Waiting for the Policy Update	Outcomes of Advancing the Subject Applications Prior to the Policy Update
Consistent with Council-endorsed policy of limiting number of cannabis retail businesses to one in each identified area	While this could result in two additional cannabis retail sites, there have been no issues with any of the cannabis retail businesses operating in the city to date
Would allow for the policy update, including public feedback and Council direction, to determine if/where additional cannabis retail sites could be located	Would result in a baseline of 2 sites in each of Sapperton, Queensborough, and Downtown, should Council choose not to remove that use from the current sites’ zoning
More fair to those applicants in the initial process who wished to operate a local business in Sapperton and Downtown (where Queensborough Cannabis proposes to relocate), but were not selected in the first intake	Would support local business operators, both of which were part of successful applications in the original intake
New operators who may wish to apply in future intakes, should they occur, would also have equal opportunity for any of the limited cannabis retail sites	The two cannabis retail locations would be available for other operators, should Council choose not to remove that use from their zoning

BACKGROUND

Cannabis Regulatory Framework

In January 2018, the City initiated the process of developing the Cannabis Regulatory Framework. On July 9, August 27 and September 17, 2018 Council endorsed: (1) a process for the initial intake of cannabis retail applications; (2) the Cannabis Retail Rezoning Policy; and, (3) the Cannabis Application Evaluation Criteria, and adopted the amending bylaws necessary to put the regulatory framework in place, and enable applications to be received. The initial application intake period was between October 24 and December 5, 2018 and 22 applications were received.

Applications were reviewed in accordance with the endorsed process, policy, and criteria. A key consideration of the Council-endorsed framework to distribute stores across the city - one store within each of Downtown, Uptown and Sapperton, and a total of two stores within the remaining retail areas (Twelfth Street, Twentieth Street, Queensborough, and McBride Boulevard at Eighth Ave). Ultimately, Council approved five private cannabis stores and one a public provincial location (in Queensborough), shown in Table 1.

Table 1: Current Cannabis Retail Locations

Business Location	Location	Status
Queensborough	540 Ewen Avenue	Operating
Queensborough (Provincial Store)	805 Boyd Street	Operating
Downtown	71 Sixth Street	Operating
Twelfth Street	710 Twelfth Street	Operating
Uptown	320 Sixth Street	Operating
Sapperton	416 E. Columbia Street	Rezoned but not operating

Further background on Non-Medical Cannabis, including links to policies, evaluation criteria and previous Council Reports, are available at this [link](#).

Cannabis Retail Location Policy Updates

Economic Development staff, in collaboration with Planning and Development, anticipate an update of the City’s Liquor and Cannabis Policy as part of their 2025 workplan. The purpose of this policy framework is to allow for a fulsome consideration of liquor and cannabis applications, and ensures equity and transparency when reviewing these applications. In regards to cannabis retail store applications, this policy is expected to include considerations such as the number of permitted cannabis retail stores, siting criteria, and business licence application requirements, based on community input and Council direction.

In order to facilitate this project, along with other policy and strategic priority work, a Policy Analyst position has been requested in the Economic Development section’s 2025 operational enhancement request.

DISCUSSION

Summary of Cannabis Retail Relocation Requests

Staff have received requests from North Root Cannabis Ltd. and Queensborough Cannabis Co. to consider the relocation of their businesses in advance of the policy update work. As both applicants were part of successful applications in the City's 2018/2019 process to rezone limited properties to permit retail cannabis sales, staff is seeking Council's feedback as to whether or not to advance their applications prior to the policy update. Other cannabis retail operators who were not successful previous applicants would be considered premature to the policy update work.

North Root Cannabis Ltd. (Sapperton)

North Root Cannabis Ltd. is seeking to relocate due to challenges in securing a lease arrangement at 416 E. Columbia Street, the property rezoned to permit cannabis retail as part of their application in 2019. The applicant has been unable to open their business at this location since that time, and wishes to lease elsewhere on East Columbia Street in the Sapperton neighbourhood. North Root Cannabis Ltd. has provided a letter of intent which has been included as Attachment 2 to this report.

Queensborough Cannabis Co.

Queensborough Cannabis Co. is seeking to relocate from their currently approved location at 540 Ewen Ave. due to challenges competing with the BC Cannabis Store operated by the Province. The applicant states they wish locate in Downtown where they would have access to a larger market. Queensborough Cannabis Co. has provided a letter of intent which has been included as Attachment 1 to this report.

Implications to Zoning at 416 E. Columbia St. and 540 Ewen Ave.

To enable North Root and/or Queensborough Cannabis to relocate, a rezoning application for their new location would need to be approved by Council, to add cannabis retail as a permitted use. Cannabis retail would continue to be a permitted use at the current locations (416 E. Columbia St. and/or 540 Ewen Ave.) which could result in additional cannabis locations, unless Council were to approve an amendment to the zoning at those sites, removing cannabis retail as a permitted use. Staff has reached out to inquire of land owners if they would support the latter, and will provide a verbal update at the Council meeting.

Staff Recommendation

Staff considers bringing forward either of the applications would be premature in advance of an evaluation of the existing Cannabis Regulatory Framework. These applications would result in two additional cannabis retail locations in the city without a Zoning amendment to remove cannabis retail as a permitted use on the existing sites and the removal may not be supported by the owners of these properties. While there have been no issues with currently operating cannabis retail businesses in New

Westminster, this would result in an increase without public or Council input on an evaluation of the Framework. Given the rigorous evaluation that occurred through the initial intake of applications, permitting further cannabis retail store rezoning applications for North Root and/or Queensborough Cannabis, though they are not “new” operators but were part of successful applications in the initial intake, without a detailed and open process that would allow any interested party to apply, could potentially be considered unfair to all of the previous applicants that were not successful in being able to open a cannabis store in New Westminster. For example, the City originally received seven applications in Downtown, and three in Sapperton, with Council having approved one for each area.

As such, staff recommends that Council direct staff to advise both North Root and Queensborough Cannabis that their applications are considered premature in advance of the review of the Council endorsed Cannabis Regulatory Framework which staff are proposing to advance in 2025, based on the following:

Outcomes of Waiting for the Policy Update	Outcomes of Advancing the Subject Applications Prior to the Policy Update
Consistent with Council-endorsed policy of limiting number of cannabis retail businesses to one in each identified area	While this could result in two additional cannabis retail sites, there have been no issues with any of the cannabis retail businesses operating in the city to date
Would allow for the policy update, including public feedback and Council direction, to determine if/where additional cannabis retail sites could be located	Would result in a baseline of 2 sites in each of Sapperton, Queensborough, and Downtown, should Council choose not to remove that use from the current sites’ zoning
More fair to those applicants in the initial process who wished to operate a local business in Sapperton and Downtown (where Queensborough Cannabis proposes to relocate), but were not selected in the first intake	Would support local business operators, both of which were part of successful applications in the original intake
New operators who may wish to apply in future intakes, should they occur, would also have equal opportunity for any of the limited cannabis retail sites	The two cannabis retail locations would be available for other operators, should Council choose not to remove that use from their zoning

NEXT STEPS

Should Council approve the resources required to undertake the cannabis and liquor policy updates, requested as part of the 2025 budget, this work would proceed in 2025. As existing local operators, both North Root and Queensborough Cannabis, along with the other operators in the city, would be engaged with as part of the update work.

Should Council direct that a rezoning application for either of the applicants be considered prior to the policy update work, the applicants would need to make a rezoning application for the new property, and their application would be put in the development application review queue. As these would not provide housing, they would not be priority applications.

Any application would be evaluated against current policy and regulations including the initial intake of cannabis retail applications process, the Cannabis Retail Rezoning Policy, and the Cannabis Application Evaluation Criteria. Approval from the LCRB would also be required for any new locations.

FINANCIAL IMPLICATIONS

Other than those financial implications associated with the noted resources required in Economic Development to support the policy update in 2025, there are no additional financial implications to the City anticipated, should Council direct staff to process rezoning applications to allow relocation of North Root and Queensborough Cannabis retail locations. The proponents would both be required to submit rezoning applications which would cover the cost of processing these requests for Council’s consideration.

INTERDEPARTMENTAL LIAISON

The Planning and Development and Community Services Department are working closely together on the proposed location change requests. The Community Services Department will be taking a lead role in the update of the City’s Liquor and Cannabis Policies.

OPTIONS

The following options are presented for Council’s consideration:

- 1. That staff be directed to inform the proponents that their proposed rezoning application would be considered premature in advance of the planned review of the Cannabis Regulatory Framework.
- 2. That North Root Cannabis Ltd. be advised Council would further consider a rezoning application to relocate their operation to another location along East Columbia Street in the Sapperton Neighbourhood;
- 3. That Queensborough Cannabis Co. be advised Council would further consider a rezoning application to relocate their operation to a location within the Downtown area;
- 4. That staff be provided with alternative feedback.

Staff recommends option 1

ATTACHMENTS

Attachment 1: Letter of Intent from the Queensborough Cannabis Co.
Attachment 2: Letter of Intent from North Root Cannabis Ltd.

APPROVALS

This report was prepared by:
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