

Options for Managing Impacts of Major and Minor Alcohol Sales

Recommendation

That Administration prepare amendments to Zoning Bylaw 12800, as generally outlined in Option 4 of Attachment 6 - Options to Manage the Impacts of Liquor Stores of the October 2, 2018, Urban Form and Corporate Strategic Development report CR_5604, and return to a future City Council Public Hearing.

Previous Council/Committee Action

At the January 23, 2018, City Council meeting, the following motion was passed:

That Administration explore options for managing impacts of Major and Minor Alcohol Sales, including but not limited to amending separation distances of Major and Minor Alcohol Sales, and report back on these options to Urban Planning Committee. As well, Administration will include:

- data on the policy's effectiveness and impacts
- information regarding the experience and policies of other municipalities
- best practices
- comprehensive results of related studies.

Executive Summary

In 2007, an applicant-initiated text amendment to the Zoning Bylaw was adopted with the intent that a 500 metre separation distance between liquor stores would address an over-concentration and proliferation of liquor stores. Other stated objectives of the separation distance were to address reduced values of neighbouring properties, increased traffic, drinking in parking lots, vandalism and other forms of social disorder, as well as impaired driving.

Administration has found that the separation distance requirement between liquor stores introduced to Zoning Bylaw 12800 has not reduced the proliferation of liquor stores in Edmonton, nor has it improved business practices. Administration could not identify a relationship between the locations of liquor stores and crime, or between the use of separation distances and the issues the regulation was intended to address.

Based on analysis, research, and engagement, Administration recommends removal of the 500 metre separation distance between liquor stores and retaining the current

100 metre separation distance from parks and schools. This is Administration's recommended option of several possible options outlined in the report.

Report

Since the privatization of liquor stores in Alberta in 1994, the number of liquor stores operating in Edmonton has increased by approximately 2.28 liquor stores per 10,000 people (225 stores). In 2007, at the request of the Alberta Liquor Store Association, Zoning Bylaw 12800 was amended to require a 500 metre separation distance between liquor stores, with the stated reasons for the regulation being:

- a proliferation of, and excessive competition among, liquor stores
- criminal activity
- vandalism, fights, drinking and driving, and drinking in parking lots
- devaluation of adjoining properties
- protection of nearby residential areas

Since 2007, multiple amendments to Zoning Bylaw 12800 have relaxed or created flexibility in the separation distance requirements for liquor stores, including:

- removing the separation distance requirements from the Use definitions; so that a Development Officer could vary a separation distance regulation
- opportunities for liquor stores to relocate within their 500 metre separation distance, to accommodate renovations of an existing location or to construct a store at a new location; and
- limiting the ability of the Development Officer to vary separation distances and introducing exemptions to the 500 metre rule, for large sites in suburban areas.

Details on the history of the liquor store related amendments to Zoning Bylaw 12800, are found in Attachment 1 - History of Zoning Bylaw 12800 Alcohol Sales Regulations.

Although the 500 metre separation distance for liquor stores has dispersed new liquor stores, its effectiveness to mitigate impacts related to social disorder has not been proven. One of the concerns with the separation distance is that it restricts competition among liquor stores and enables a false monopoly for existing retailers. Reduced competition decreases the incentive for businesses to operate using good business practices. The 500 metre regulation creates a monopoly where only one liquor store may operate, and is the only one serving the area, regardless of consumer preferences.

Impacts and Effectiveness of Zoning Bylaw 12800 Regulations

Administration undertook analysis of liquor store locations and their impact on property values, parking impacts, and crime. This analysis is found in Attachment 2 - Liquor Store Impact Analysis.

Based on the analysis, it does not appear that liquor stores have a negative impact on property values, and seldom generate parking impacts. High parking requirements for alcohol sales predate the privatization of liquor stores. At a time when there were only 25 liquor stores in the city, the parking demand was high. With liquor stores now distributed evenly across the city, liquor stores no longer generate more parking than other retail establishments. Furthermore, changing mobility trends, along with the emergence of e-commerce and smartphone applications that allow users to order liquor for home delivery, provide alternative options for consumers to access liquor products.

The separation distances have dispersed the majority of liquor stores approved since 2007, although the overall number of liquor stores has continued to increase, and no existing area of concentration has seen a significant decrease in the number of liquor stores. In some areas, the concentration of liquor stores has increased as a result of approvals issued by the Subdivision and Development Appeals Board.

In reviewing crime maps, it appears that a stronger correlation can be made between the social vulnerability of an area and certain types of crime than with the locations of liquor stores. Some neighbourhoods with a low number of liquor stores experience relatively higher rates of certain types of crimes, while some neighbourhoods with a high number of liquor stores experience relatively low rates of crime.

Administration suggests that zoning is not an effective tool for limiting the availability and consumption of a regulated substance. Zoning regulates the use of land, and the shape and location of development. It is not intended to regulate a specific type of product.

Jurisdiction Comparison

Administration reviewed land use policies for liquor stores in Alberta municipalities with populations greater than 50,000, as well as those within the greater Edmonton region. Administration also reviewed municipalities across Canada, although comparisons were more challenging due to the significant variability of provincial regulations. For example, in Montreal, grocery stores, corner stores and gas station convenience stores may sell beer and wine until 11:00 PM, therefore liquor stores are not a specific land use category.

The reviews identified that within Alberta, other than Edmonton, only Calgary and Beaumont require a minimum separation distance between liquor stores. Some municipalities define Liquor Stores in their bylaws and then selectively allow the use in various zones; while Lethbridge, Medicine Hat and Stony Plain do not distinguish liquor stores from general retail use.

Review of separation distances required between liquor stores in other cities across Canada found that, in general, liquor stores are regulated through provincial legislation. For more information on land use policies for liquor stores in other municipalities, please refer to Attachment 3 - Jurisdiction Comparison.

Literature Review and Related Studies

Administration conducted a literature review of academic and peer reviewed articles and studies on the impacts associated with liquor stores. The review identified that availability and access to alcohol are related to increased alcohol consumption and health-related impacts. Of the studies reviewed, availability and access includes the physical location of liquor stores, hours of operation, and the price of liquor.

One of the more frequently-referenced studies, *Strategies to Reduce Alcohol-Related Harms and Costs in Canada: A Comparison of Provincial Policies* (2013) identifies a number of initiatives, in addition to regulating physical availability of alcohol, that provincial governments can take to reduce harms from alcohol consumption. For more information on the research, please refer to Attachment 4 - Literature Review.

Engagement with Stakeholders

Through engagement with stakeholders, four themes related to addressing the impact of liquor stores emerged: consumption, operations, appearance, and land use.

Stakeholders identified occasions where they have observed operators over-serve customers, change prices and product displays on “cheque day” to target vulnerable populations, and cover windows with posters, bars, rollshutters or the back side of wall displays. They noted that the Alberta Gaming and Liquor Commission could manage impacts by holding liquor store operators more accountable to the Alberta Liquor and Gaming Act, and that more education and awareness of the provincial requirements would deter predatory business practices.

Stakeholders indicated a need for clear and simple regulations, improved design regulations, and a willingness to explore a context-based approach to the separation distance requirements. Stakeholders indicated support for more opportunities in the downtown, while service providers that work with vulnerable populations indicated support of a buffer between new liquor stores downtown and service providers and shelters in nearby areas.

All stakeholders indicated strong support for retaining 100 metre separation distance requirements from parks and schools, to the extent that this provision would be ‘non-negotiable.’ For further information on the discussions held with stakeholders, please refer to Attachment 5 - What We Heard Report Summary.

Best Practices

Non-Zoning Options to Manage Impacts

Administration has identified a number of existing tools the City has to regulate the real and perceived impacts associated with liquor stores. These tools include the Community Standards Bylaw 14600, the Public Places Bylaw 14614, and the Parkland Bylaw 2202, which can address safety, minimum property standards, and social disorder in public places. As heard from stakeholders, Alberta Gaming and Liquor Commission could improve the enforcement of the Alberta Gaming and Liquor Act. For further information on the non-zoning options, please refer to Attachment 6 - Options to Manage the Impacts of Liquor Stores.

Zoning Options to Regulate Distances Between Liquor Stores

Based on the research and engagement undertaken, Administration has prepared six potential options for regulating distances between liquor stores in Edmonton; these are described in Attachment 6 - Options to Manage the Impacts of Liquor Stores.

Administration recommends maintaining the current liquor store separation distance for parks and schools. All options could be combined with a variety of refinements, such as making the use permitted in more or fewer zones, making the use a discretionary use in more or fewer zones, adding separations distances from more, or fewer sensitive uses, and altering separation distances. All options listed below retain the existing 100 metre separation from schools and parks.

- Option 1 - No change to the bylaw
- Option 2 - Provide exemptions for separation distances between stores in major shopping and tourist destinations with a high density of potential customers (workers and residents). This option could also include separation from emergency shelters and community service providers working with vulnerable populations
- Option 3 - Align the separation distance of liquor stores with the 200 m separation distance requirement for Cannabis Retail Sales
- Option 4 - Eliminate separation distances between liquor stores and strengthen design regulations for liquor stores
- Option 5 - Eliminate all zoning bylaw regulations for Alcohol Sales and treat the use as General Retail Stores.
- Option 6 - Eliminate separation distances between stores only for sites zoned CSC - Commercial Shopping Centre Zone, CCA - Core Commercial Arts Zone, and AED - Arena and Entertainment District Zone. This option was not a part of online surveys.

Recommendation

Based on the analysis of Zoning Bylaw regulation of liquor stores as contained in this report, Administration recommends that City Council direct Administration to prepare

amendments generally aligned with Option 4 as described in Attachment 6 - Options to Manage the Impacts of Liquor Stores, to eliminate the separation distances between liquor stores and strengthen design regulations for liquor stores. This option best supports the desired outcomes identified collaboratively with stakeholders to provide certainty and efficient service and a diversity of retailers in the marketplace.

Public Engagement

Administration met with Business Improvement Area executive directors and held an industry and community workshop to determine the impacts associated with liquor stores and to identify options to manage the impacts. Administration met with the Downtown Business Association, the Downtown Community League, a representative of Boyle Street Community Services, and had telephone conversations with representatives with Hope Mission and the Bissell Centre.

To gather feedback on the possible options to manage separation distances between liquor stores, Administration conducted a survey. Feedback on the options and the analysis of the effectiveness of the current separation distance regulations informed Administration’s recommendation. For further information on the public engagement undertaken by Administration for this report, please refer to Attachment 5 - What We Heard Report Summary.

A draft version of this report was circulated for review and feedback on June 27, 2018 for a four week period. A list of recipients of the draft report and their feedback can be found at the end of Attachment 5 - What We Heard Report Summary.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Edmonton is a safe city			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Regulations and services enhance public safety and wellness	Edmontonians’ Assessment: Well-designed Attractive City (% of survey respondents who agree/strongly agree)	53% (2016)	55% (2018)
Corporate Outcome(s): Edmonton has a globally competitive and entrepreneurial business climate			
Outcome(s)	Measure(s)	Result(s)	Target(s)

Effective and efficient service delivery: City of Edmonton Services do not increase barriers to economic growth	Number of development permit applications for alcohol sales refused by the City that are approved by the Subdivision and Development Appeal Board	5 of 6 (2017)	2019 : Reduce to zero (Elimination of separation distance requirement will reduce refusals appealed to Subdivision and Development Appeal Board)
Business friendly services and regulations support a strong economy	Number of licences for liquor stores - Alcohol Sales [Consumption Off-Premises]	2018: 249	n/a
City of Edmonton services, regulations, and land use plans are business-friendly and support a strong economy	Completion of proposed amendments	n/a	2019

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Customers/ Citizens	Current process of obtaining development permits for businesses is challenging and leads to poor customer service	3 - possible	2 - moderate	6 - low	Proposed to amend requirements in Zoning Bylaw 12800 help reduce barriers for liquor stores	Further refinement of Zoning Bylaw 12800 to adjust regulatory requirements
Public perception	Increased number of liquor stores may impact neighbourhoods , businesses and vulnerable populations	3 - possible	2- moderate	6 - low	Engaging Edmontonians to understand values and priorities around regulating liquor stores in Edmonton	Public consultation and further refinement of Zoning Bylaw 12800 to adjust regulatory requirements

Attachments

1. History of Zoning Bylaw 12800 Alcohol Sales Regulations
2. Liquor Store Impact Analysis within the Edmonton Context
3. Jurisdiction Comparison
4. Literature Review on the Impacts Associated with Liquor Stores

5. What We Heard Report Summary
6. Options to Manage the Impacts of Liquor Stores
7. Outcome Matrix for Options to Manage Separation Distances
8. Current Zoning Framework for Major and Minor Alcohol Sales

Others Reviewing this Report

- R. Kits / S. Padbury, Acting Deputy City Managers, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement