

# Text Amendment to Zoning Bylaw 12800

## Land Use Framework for Cannabis Legalization

---

### Recommendation

That Administration prepare amendments to Zoning Bylaw 12800, as generally outlined in Attachment 1 of the April 3, 2018, Urban Form and Corporate Strategic Development report CR\_5516, and return to a future City Council Public Hearing.

### Executive Summary

The recreational sale and consumption of cannabis is expected to be legalized by fall 2018. The City of Edmonton is preparing for cannabis legalization by establishing a land use framework that:

- Permits cannabis stores in nine commercial zones, three mixed use zones and one industrial zone
- Requires separation between cannabis stores to prevent clustering of stores
- Requires separation of cannabis stores from schools, libraries, parks, recreation centers and provincial health care facilities in order to manage the compatibility of cannabis stores with places that minors typically gather
- Maintains the opportunity for cannabis production facilities to locate in industrial areas

The proposed land use approach will ensure Edmonton is ready to accommodate cannabis stores and production facilities once legalization takes effect. The proposed approach will manage the issue of proximity of stores to places where children and youth gather and avoid the clustering of cannabis stores.

### Report

This report outlines the proposed land use framework and proposed amendments to Zoning Bylaw 12800 that will enable the permitting of cannabis stores. Administration's proposed approach to managing the land use impacts of cannabis stores involves:

- Complying with federal and provincial standards
- Aligning with Administration's principles for cannabis legalization
  - Public health and safety
  - Business friendly
  - Balanced approach to community perspectives

- Informed by public engagement
- Providing evenly distributed opportunities across the city for cannabis store locations

### **Current State**

The Federal Government is expected to legalize cannabis for recreational use at some point in the second half of 2018. Administration has developed the proposed land use framework for cannabis to align with and implement the principles and priorities of the federal and provincial governments' respective cannabis policies (see Attachment 2 - Principles and Government Priorities Informing Zoning).

### **Proposed Zones**

As shown in Attachment 1 - Markup of Proposed Text Amendment to Zoning Bylaw 12800, Administration proposes including opportunities for Cannabis Retail Sales (the Zoning Bylaw name for cannabis stores) in nine commercial zones, three mixed use zones, and one industrial zone that has a commercial emphasis. The zones selected will result in the opportunity for an even distribution of cannabis stores across Edmonton (see Attachment 3 - Proposed Zoning Locations for Cannabis Stores). Administration recommends defining Cannabis Retail Sales as a permitted use, rather than a discretionary use within these zones for the following reasons:

- Cannabis Retail Sales will have similar land use impacts as Minor Alcohol or Convenience Retail Stores, which are permitted in many commercial zones
- Required separation distances will further limit the possible locations of cannabis stores within each zone where they are proposed to be allowed
- Provincial and federal regulations regarding advertising, how product can be displayed, and security requirements will limit impacts on adjacent development
- Adding the use as a discretionary use would potentially result in appeals due to the nature of this new industry
- This approach provides more certainty for applicants, the development authority, and the general public about where cannabis stores are allowed

These proposed zones align with public engagement feedback; for additional information on the public engagement outcomes, refer to Attachment 8 - Public Engagement Summary. Many stakeholders noted the following in terms of cannabis store locations:

- Walkable commercial areas (main streets, downtown) are desirable for cannabis stores
- Cannabis stores may fit in strip mall and suburban mall locations
- Cannabis stores should not be in commercial zones used inside residential areas or pushed to inaccessible industrial areas

This amendment will not add Cannabis Retail Sales to any direct control or special area zones. The process for adding this use to direct control and special area zones is more involved than adding the use to standard zones, as it may require pre-consultation and notification to adjacent landowners, and potential plan amendments. Rezoning applications to add Cannabis Retail Sales to existing direct control and special areas zones must be advanced on an individual basis.

### **Overview of Separation Distances**

In the *Gaming, Liquor and Cannabis Act*, the Alberta Government requires that cannabis stores be located a minimum of 100 metres from:

- Provincial health care facilities
- Buildings containing a school
- Land that is designated as school reserve or municipal and school reserve

Municipalities are able to apply additional separation distances from sensitive uses. The proposed amendment to the Zoning Bylaw proposes separation distances of:

- 200 metres between a cannabis store and a school or public library
- 100 metres between a cannabis store and a park or recreation centre
- 200 metres between cannabis stores

These separation distances are based on insights from other jurisdictions, which are listed in Attachment 5 - Approaches to Cannabis Legalization in Other Jurisdictions. All jurisdictions surveyed have separation distances. Proposed separation distances are informed by public engagement and technical assessment of the outcomes. Cannabis stores will be a new business model in Edmonton and it is uncertain what the land use impacts will be. The proposed separation distances provide a starting point to manage how cannabis stores will fit in commercial areas in Edmonton. The zoning framework for Cannabis Retail Sales may need to be reevaluated in the coming years once more is known about outcomes and market normalization.

The circulation of the draft land use framework included a proposed separation distance between cannabis stores and alcohol stores based on Alberta Health Services recommendations to prevent co-use of alcohol and cannabis. Many stakeholders noted the following in terms of separating cannabis stores from other uses:

- Separating cannabis stores from schools is the most important separation distance in order to limit youth access to cannabis

- Large separation distances between cannabis stores is not necessary, but they should not be clustered on one block or at a particular intersection
- Requiring a separation from alcohol stores make it too prohibitive to find possible cannabis store locations

### **Separation Distances - From Sensitive Uses**

The intent of these separation distances from sensitive uses is to achieve a balance between managing the incompatibility of cannabis stores and places where minors typically gather, while providing enough appropriate locations to ensure that, upon legalization, cannabis is accessible to adults and distributed across the City. For a visual representation of the outcomes associated with the proposed separation distances from sensitive uses, please refer to Attachment 4 - Proposed Separation of Cannabis Stores from Sensitive Uses.

A 200 metre separation distance between cannabis stores and schools and libraries will, in most cases, move potential cannabis stores out of sight of a school building or public library. Libraries are included with schools as they are also visited by a large number of children and youth. A 200 metre separation distance is a practical solution, as any greater distance would significantly restrict cannabis stores in the main street areas of Edmonton's older neighbourhoods. Refer to Attachment 7 - Example Separation of Cannabis Stores from Sensitive Uses to see what this looks like in downtown Edmonton, and Whyte Avenue.

Administration proposes applying a 100 metre separation distance between cannabis stores and parks and recreation centres. This is the same separation distance currently required between alcohol sales and parks. A 100 metre separation prevents cannabis stores from locating right beside recreation centres or parks. A larger than 100 metre separation distance is impractical due to the impact of small pocket and linear parks in higher density commercial areas, such as downtown (refer to see Attachment 7 - Example Separation of Cannabis Stores from Sensitive Uses).

### **Separation Distances - Between Stores**

Typical blocks in commercial areas are at the most 200 metres. A 200 metre separation between cannabis stores prevents clustering of cannabis stores in main street areas. The separation distance is a precautionary measure to ensure that this new industry will not be concentrated in a given area at the outset. The intended outcome of the separation distance is to manage any unknown impacts associated with clustering of cannabis stores, given the high number of applications expected in a short period of time when legalization first comes into effect. To see what the separation distance between stores may look like in Downtown Edmonton, in the Strathcona neighbourhood, and in a suburban location, refer to Attachment 6 - Example Separation between Cannabis Stores.

### **Cannabis Production and Distribution**

Administration proposes maintaining the current process followed for medical cannabis production facilities (also known as commercial licensed producers) for legal production of recreational cannabis. Cannabis production and distribution is included in the General Industrial use category in Zoning Bylaw 12800. This means commercial production and distribution activities are allowed in industrial zones, subject to federal licensing approval. This same model will apply in Edmonton to cannabis production facilities when cannabis is legalized.

In the future, Administration may have to look at creating more specific use categories for cannabis production to align with future federal license categories that may include micro-cultivation of cannabis.

### **Conclusion**

Allowing cannabis stores in a range of commercial zones, as well as a limited number of mixed use and industrial zones, will provide opportunities for cannabis stores across Edmonton. A balanced approach to separation distances will address concerns about youth access to cannabis and the negative perceptions and impacts of clustering cannabis stores.

Adapting to cannabis legalization will be ongoing and new legislation may be introduced in coming years. The proposed amendments to Zoning Bylaw 12800 are a key step in preparing for cannabis legalization, but more work and potential future amendments will be required.

### **Public Engagement**

Public engagement included four stakeholder workshops, five public open houses and an online survey completed by over 4,100 individuals. The draft bylaw framework and report was also circulated to internal and external stakeholders on February 23, 2018, and three and half weeks were provided for comments, questions and clarification on the draft. Refer to Attachment 8 - Public Engagement Summary for further information on public engagement activities and the range of perspectives that were shared.

### **Corporate Outcomes and Performance Management**

<b>Corporate Outcome: Conditions of Success</b>			
<b>Outcome</b>	<b>Measure</b>	<b>Result</b>	<b>Target</b>
Effective and efficient service delivery:	Proportion of bylaw amendments	1 of 4 Bylaw amendments	4 of 4 Bylaw amendments

## Text Amendment to Zoning Bylaw 12800 - Land Use Framework for Cannabis Legalization

Business friendly services and regulations support a strong economy	completed to enable cannabis legalization in Edmonton	completed. Zoning Bylaw amendments provide a framework for the legalization of cannabis. Three other bylaws require amendments to manage the legalization of cannabis including: <ul style="list-style-type: none"> <li>• Business Licensing</li> <li>• Public Places</li> <li>• Waste Management</li> </ul>	completed
<b>Corporate Outcome: Edmonton is a safe city</b>			
Development of a livable, safe and sustainable community.	With this amendment the estimated capacity in the city for cannabis stores is 486. It is unlikely that all sites will be used due to market factors such as lease rates, limited vacancies, and desirability of potential locations.	In the first year of legalization the total number of stores in any given area is managed through separation distances and setbacks from sensitive uses.	Keeping cannabis retail sales away from places where children and youth gather.

### Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Regulatory Unknowns	New use that may have different land use impacts than expected	3 - Possible	2 - Moderate	6 - Low	Track development applications and record any problems with process or implementing regulations	Bring forward future Zoning Bylaw amendments to tweak regulations to deal with implementation challenges

# Text Amendment to Zoning Bylaw 12800 - Land Use Framework for Cannabis Legalization

Government Unknowns	Changes to the legalization of cannabis, including the addition of edibles and cannabis lounges	5 - Almost Certain	2 - Major	10 - Medium	Stay connected with provincial and federal governments to understand any upcoming changes	Bring forward future Zoning Bylaw amendments to address changes in federal and provincial legislation
---------------------	---	--------------------	-----------	-------------	---	---

## Attachments

1. Markup of Proposed Text Amendment to Zoning Bylaw 12800
2. Principles and Government Priorities Informing Zoning
3. Proposed Zoning Locations for Cannabis Stores
4. Proposed Separation of Cannabis Stores from Sensitive Uses
5. Approaches to Cannabis Legalization in Other Jurisdictions
6. Example Separation Between Cannabis Stores
7. Example Separation of Cannabis Stores from Sensitive Uses
8. Public Engagement Summary

## Others Reviewing this Report

- T. Burge, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Campbell, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations
- R. G. Klassen, Deputy City Manager, Regional and Economic Development
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- R. Smyth, Deputy City Manager, Citizen Services