



STAFF REPORT TO COMMITTEE

DATE OF REPORT February 29, 2024

MEETING TYPE & DATE Electoral Area Services Committee Meeting of March 20, 2024

FROM: Development Services Division
Land Use Services Department

SUBJECT: Application No. RZ23A02 (855 Shawnigan-Mill Bay Road, PID: 000-278-122)

FILE: RZ23A02

PURPOSE/INTRODUCTION

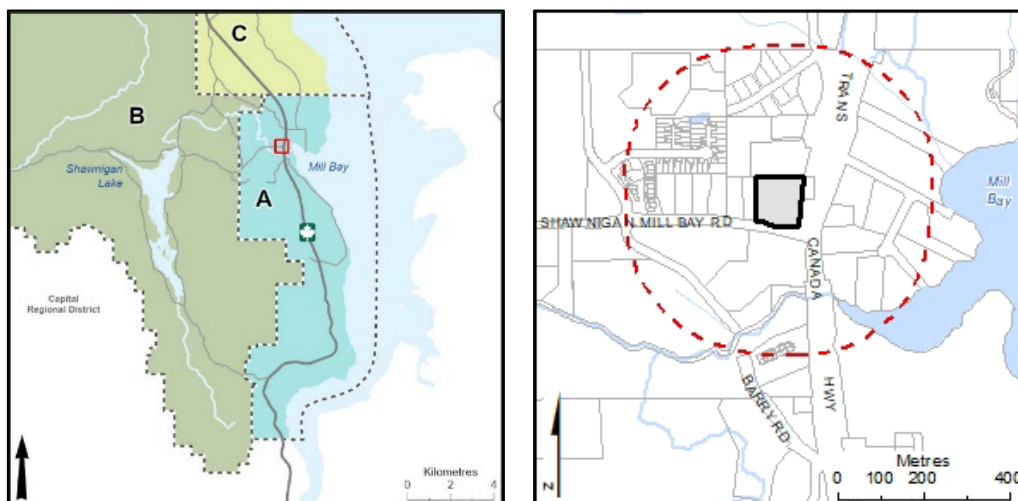
The purpose of this report is to follow up on an application to amend the South Cowichan Zoning Bylaw No. 3520 to permit a cannabis retail store as a site-specific use on the subject property located at 855 Shawnigan-Mill Bay Road.

RECOMMENDED RESOLUTION

That it be recommended to the Board:

1. That a Zoning Amendment Bylaw for Application No. RZ23A02 (855 Shawnigan-Mill Bay Road, PID: 000-278-122), to permit retail cannabis be forwarded to the Board for consideration of 1st and 2nd reading.
2. That a public hearing be scheduled for Application No. RZ23A02 (855 Shawnigan-Mill Bay Road, PID: 000-278-122).

LOCATION MAP



**The red dotted line represents a 300-meter radius around the subject property*

BACKGROUND

On November 1, 2023, a preliminary staff report for this rezoning application was presented to the Electoral Area Services Committee. The following recommendation was approved under Board Resolution No. 23-534:

That Application No. RZ23A02 (855 Shawnigan-Mill Bay Road, PID: 000-278-122), be referred to the following external agencies:

- 1. Electoral Area A – Mill Bay/Malahat Advisory Planning Commission;*
- 2. BC Transit;*
- 3. Cowichan Valley School District (S.D. No. 79);*
- 4. Mill Bay Improvement District;*
- 5. Mill Bay Waterworks District;*
- 6. Island Health;*
- 7. Ministry of Transportation & Infrastructure;*
- 8. Royal Canadian Mounted Police (RCMP);*
- 9. Cowichan Tribes; and*
- 10. Malahat Nation.*

In accordance with the CVRD Cannabis Retail Store Criteria Policy, the applicant also held a public information meeting to gather input on the proposed cannabis retail store.

For more information, please see:

- Attachment A – November 1, 2023, EASC Staff Report
- Attachment B – Referral Response Summary
- Attachment C – Cannabis Retail Public Information Meeting Summary Package

OFFICIAL COMMUNITY PLAN / POLICY CONSIDERATIONS

Official Community Plan for the Electoral Areas Bylaw No. 4270:

The subject property is [regionally](#) designated Commercial with a [local area plan \(LAP\)](#) designation of Village Commercial. The objective of the regional commercial designation is to support a range of mixed-use commercial establishments in areas that have minimal impacts to major transportation networks. The singular Commercial policy is below:

Policy 4.9.2

The CVRD Board:

- 1. Supports commercial development consistent with local heritage.*

In addition, Goal 8 – Realizing the Region’s Economic Potential speaks to supporting sustainable, diverse economic opportunities that contributes to the local economy. The following policies from these goals are relevant to this application:

Policy 3.2.5.2

- 1. Encourages diverse economic opportunities that attract and retain young families.*
- 2. Encourages businesses and development that attract and maintain a highly skilled workforce.*

5. *Supports employment land needs that are consistent with transportation, settlement nodes and growth projections.*
9. *Encourages economic growth and diversification reflective of the community's vision.*

The objective of the Electoral Area A Mill Bay LAP Village Commercial designation includes improving the local economy and raising the quality of life by increasing commercial opportunities and employment. Village Commercial policies will be considered in the modernized OCP.

South Cowichan Zoning Bylaw No. 3520:

The subject property is zoned [C-6 – Mixed Use Village Commercial/Residential 6](#). “Retail stores” are a principal permitted use in the C-6 zone.

CVRD Cannabis Retail Store Criteria Policy:

In July 2021, the CVRD adopted the [Cannabis Retail Store Application Criteria Policy](#). The Policy outlines criteria for reviewing cannabis retail store applications, locations where application will be considered, as well as building and siting policies.

- Location – Item 1 states that cannabis retail stores are permitted only in zones which allow retail stores as a principal permitted use.
“Retail stores” under 230 m² are a principal permitted use in the C-6 Zone.
- Location – Item 2 states that only one cannabis retail store will be permitted per lot.
There are currently no other cannabis retail stores on the subject property.
- Location – Item 3 states that the cannabis retail store shall not be located within a building containing residential units or on residential properties.
There are no residential units on the subject property.
- Location – Item 4 states that proposed cannabis retail stores shall be at least 300 meters from the following surrounding sites (measured from closest lot line to closest lot line). A map has been attached as Attachment E.

300 m Setback From	Proposed Location
Public/independent school	<i>Does not meet:</i> Brentwood College School – <ul style="list-style-type: none">• approx. 180 m to the north corner of the Brentwood College, bordering Shawnigan Creek
Park zone	<i>Does not meet:</i> <ul style="list-style-type: none">• Mill Bay Church and Historic Cemetery – approx. 60 m• Park zone along Shawnigan Creek – approx. 150 m
Institutional zone	<i>Does not meet:</i> <ul style="list-style-type: none">• approx. 290 m to vacant industrial parcel
Water zone	<i>Does not meet:</i> <ul style="list-style-type: none">• approx. 180 m to Mill Bay
Playground	<i>Meets requirement</i>
Licensed daycare	<i>Meets requirement</i>
Sports field	<i>Meets requirement</i>
Community centre	<i>Meets requirement</i>
Area where children/youth frequent	<i>Does not meet:</i>

	The subject property contains a thrift store and restaurant utilized by children and youth.
Another lot where cannabis retail sales permitted	<i>Meets requirement</i>

Liquor and Cannabis Regulation Branch:

In addition to CVRD regulations, cannabis retail stores are further regulated by the Liquor and Cannabis Regulation Branch (LCRB) who may issue a Non-Medical Cannabis Retail Store (CRS) license subject to prior approval of the local government. The applicant has submitted a CRS application to the LCRB.

Additional Permit Requirements:

The rezoning application will only approve the proposed land use and not the building/site design. Should a zoning amendment be adopted by the Board, any proposed renovations, placement of signage or alteration to the land may require issuance of a development permit, building permit, and meeting any other applicable CVRD bylaw regulations.

COMMISSION / AGENCY / DEPARTMENTAL CONSIDERATIONS

Public Notice:

The applicant intends to post a development application sign prior to a public hearing. A public hearing may be scheduled following 1st or 2nd readings by the Board. Public hearing notification would occur in accordance with the *Local Government Act* and CVRD Development Application Procedures and Fees Bylaw No. 4483.

Advisory Planning Commission (APC):

The Electoral Area A – Mill Bay/Malahat Advisory Planning Commission (APC) considered the application at their meeting held on November 16, 2023. The APC passed the following motion to permit a cannabis retail store at the proposed location:

It was moved and seconded that the APC had no objection to approval of the zoning change.

Agency Referrals:

This application has been referred to various external agencies and internal CVRD Departments/Divisions, as listed below. Of those referral responses received by the CVRD, three external agencies (Island Health, School District 79, and Malahat Nation) do not support the application, one external agencies (MOTI) has no objection to the application and the other (BC Transit) did not provide any comments. Referrals were also sent to internal CVRD divisions of which four divisions had no comments and one supported the application with conditions focused on waste disposal.

A summary of all responses has been compiled and attached to this report (Attachment B).

- Cowichan Tribes

- Malahat First Nation
- Ministry of Transportation and Infrastructure
- Shawnigan Lake Fire Department
- CVRD – Community Planning Division
- CVRD – Parks & Trails Division
- CVRD – Water Management Division
- CVRD – Transit Division

Provincial Licensing Requirements:

The CVRD has received confirmation from the BC Liquor and Cannabis Regulation Branch (LCRB) that an application for a non-medical cannabis retail license has been made for the subject property.

PLANNING ANALYSIS

Public Information Meeting/Input:

A virtual public information meeting was held by the applicant on February 8, 2024. The public information meeting was advertised in accordance with the Cannabis Retail Store Application Criteria Policy.

One member of the public attended the meeting and expressed support of the proposed cannabis retail store use at this site. Two written responses were received by the CVRD and provided to the applicant. The applicant created an additional email address specifically to collect feedback from the community. There were no submissions made to that email inbox. A summary of the comments was prepared by the applicant and can be reviewed in Attachment C.

A public hearing can also be held for this application to receive additional feedback from the community. As the proposed zoning bylaw amendment is consistent with the South Cowichan Official Community Plan, the public hearing can be waived, at the direction of the Board.

Existing Cannabis Retail Stores in the CVRD:

There are currently five licensed cannabis retail stores within the CVRD Electoral Areas, one of which is in on the corner of Barry Road and Deloume Road, approximately 500 m from the subject property. Of the five licensed cannabis retail stores, the applicant currently operates two of them, one in Cobble Hill and one in Whippetree Junction (Electoral Area D). To date, the CVRD has not received any bylaw enforcement complaints regarding any of the five cannabis retail stores.

Recommendation:

Most agencies that do not support the application cite proximity of the cannabis retail storefront to surrounding schools and places that youth frequent. It should be noted that Frances Kelsey Secondary School is located 400 m from the proposed store, 100 m outside the suggested 300 m radius outlined in the Cannabis Retail Store Application Criteria Policy. The north corner of Brentwood College property is within 180 m and is located on the opposite side of the Trans-Canada Highway. Most commercial areas where retail store is a permitted use are often areas frequented by youth. Strict provincial regulations for the sale of cannabis that require identification of the purchaser ensure minimum age requirements are met. Security measures are

prescribed in the Cannabis Retail Store License Handbook prepared by the LCRB and include cameras with an unobstructed view of the interior and exterior of the retail store.

The CVRD does review applications for cannabis retail stores in relation to the CVRD Cannabis Retail Store Application Criteria Policy. It should be noted that this policy provides guidelines and suggested distances from surrounding uses; however, all sites are assessed on a case-by-case basis.

CVRD OCP policies support commercial endeavors within settlement nodes such as the Mill Bay Village. They also encourage diverse economic opportunities that add to the workforce. This application proposes a retail use consistent with these policies; therefore, staff are recommending that bylaws be drafted and forwarded to the Board for consideration of 1st and 2nd reading and that a public hearing be scheduled.

OPTIONS

Option 1 (recommended):

That it be recommended to the Board:

1. That a Zoning Amendment Bylaw for Application No. RZ23A02 (855 Shawnigan-Mill Bay Road, PID: 000-278-122), to permit retail cannabis be forwarded to the Board for consideration of 1st and 2nd reading.
2. That a public hearing be scheduled for Application No. RZ23A02 (855 Shawnigan-Mill Bay Road, PID: 000-278-122).

Option 2:

1. That a Zoning Amendment Bylaw for Application No. RZ23A02 (855 Shawnigan-Mill Bay Road, PID: 000-278-122), to permit retail cannabis be forwarded to the Board for consideration of 1st and 2nd reading.
2. That a public hearing not be held for Application No. RZ23A02 (855 Shawnigan-Mill Bay Road, PID: 000-278-122), in accordance with Section 464 and 467 of the *Local Government Act*.

Option 3:

That it be recommended to the Board that Application No. RZ23A02 (855 Shawnigan-Mill Bay Road, PID: 000-278-122), be denied.

GENERAL MANAGER COMMENTS

N/A

Prepared by:

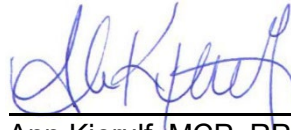


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Planner I

Reviewed by:



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Manager



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General Manager

Reviewed for form and content and approved for submission to the Committee:

Resolution:

☒ Corporate Officer

Financial Considerations:

☒ Chief Financial Officer

ATTACHMENTS:

Attachment A – November 1, 2023 EASC Staff Report

Attachment B – Referral Response Summary

Attachment C – Cannabis Retail Public Information Meeting Summary Package

Attachment D – Draft Bylaw No. 4569