

Report to Council



Date: March 4, 2019

File: 1250-04

To: City Manager

From: Ryan Smith, Community Planning Department Manager

Subject: Process Update for Retail Cannabis Sales Rezoning Applications and Amendment to Development Application Fees Bylaw No. 10560

Report Prepared by: Kimberly Brunet, Planner

Recommendation:

THAT Council receives, for information, the report from the Community Planning Department Manager dated March 4, 2019, with respect to the status of applications for rezoning to allow for retail cannabis sales establishments;

AND THAT Bylaw No. 11760 being Amendment No. 9 to the Development Application Fees Bylaw No. 10560 be forwarded for reading consideration.

Purpose:

To provide Council with an update following the evaluation of the first applications received for retail cannabis sales establishments and the next steps, and to amend the Development Application Fees Bylaw No. 10560 to remove the application fee for rezoning to a retail cannabis sales subzone.

Background:

Between October 1, 2018 and November 30, 2018, the City of Kelowna received 41 applications seeking a rezoning to allow for a retail cannabis sales establishment on a subject property. Council provided endorsement on October 1, 2018 for a process for Staff to evaluate these applications. This resulted in 35 applications being evaluated by a seven-member committee, which occurred in January 2019.

The Community Planning Department put out a Request for Proposals, and Grant Thornton LLP was selected to independently oversee the evaluation and lottery process. Of the 35 applications reviewed, 10 applications were accepted (based on a combination of scoring and location), and 13 required a lottery to determine which application would be accepted. Five applications were accepted as a result of this lottery process. A report from Grant Thornton LLP outlining the process is attached to this report.

Next Steps:

It is anticipated that Council will be presented with the first proposed rezoning bylaws for consideration of retail cannabis sales establishments in later this month. Rezoning applications that were not selected to move forward at this time are eligible to submit an application for a Zoning Bylaw Text Amendment. This Text Amendment application would be subject to Council approvals, and would allow for retail cannabis sales establishment to be set back at a reduced distance than is what is established in Section 9.16 of Zoning Bylaw No. 8000. Staff will report back to Council about a proposed process for how to handle applications that were received during this first intake, but were not selected to move forward at this time.

Community Planning Staff are also proposing an amendment to the Development Application Fee Bylaw No. 10560 to remove the application fee for the retail cannabis sales subzone, and the reference to this fee being not-refundable. This fee captured the costs associated with the initial evaluation review of rezoning applications during the first intake. As there will be no further evaluation of applications by a committee, it is proposed this fee is removed.

Internal Circulation:

Bylaw Services Manager
Business License Manager
Building & Permitting Manager
City Clerk
Communications Advisor, Community Engagement
Crime Prevention Supervisor
Director, Business and Entrepreneurial Development

Legal/Statutory Authority: Fees in the Development Application Fee Bylaw are pursuant to Zoning Bylaw No. 8000 and the Local Government Act.

Existing Policy: Council gave final reading to a Text Amendment to Zoning Bylaw No. 8000 (TA18-0008, BL11659) on October 1, 2018, which included updates pertaining to cannabis production and retail cannabis sales.

Personnel Implications: Short term impacts are anticipated in development application and business license processes. Each rezoning application is estimated to take approximately 40 hours of staff time to process.

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements: N/A

Financial/Budgetary Considerations: N/A

External Agency/Public Comments: N/A

Communications Comments: N/A

Alternate Recommendation: N/A

Approved for inclusion: R. Smith, Community Planning Department Manager

Attachments:

Schedule "A" – Amendment to Development Application Fees Bylaw No. 10560
Report from Grant Thornton