

Planning & Development Report to
SPC on Planning and Urban Development
2018 December 03

ISC: UNRESTRICTED
PUD2018-1226

Cannabis Store Separation Distance Policy for Eighth Avenue South Downtown

EXECUTIVE SUMMARY

This report proposes amendments to the Cannabis Store Guidelines to add a 300 metre separation distance between Cannabis Stores with at-grade entrances on parcels along Eighth Avenue South in the Calgary Downtown Business Association Business Improvement Area. This portion of Eighth Avenue from Macleod Trail S.E. to Ninth Street S.W. includes Stephen Avenue Mall, a pedestrian-oriented retail, dining and entertainment area. It is important that Eighth Avenue South develop a complete retail street to support a quality public realm, liveability and continued commercial and residential development. The purpose of the separation distance is to prevent clustering and ensure there is a wide variety of at-grade retail and other commercial opportunities.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Planning and Urban Development recommends that Council adopt, by resolution, the proposed Cannabis Store Guidelines shown in Attachment 1.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2018 July 23 Combined Meeting of Council the following motion was carried:

“That Council direct Administration to consult with the Calgary Downtown Association on separation distances relating to Cannabis Store locations, “Locations along Stephen Avenue Mall Retail Area,” with the appropriate long-term options to reduce clustering, and return to the Standing Policy Committee on Planning and Urban Development with recommendations on potential retail spacing options, no later than Q4-2018.”

At the 2018 July 23 Combined Meeting of Council, second and third readings were given to Bylaw 26P2018, as amended, in order to list Cannabis Store in the appropriate land use districts to allow Administration to make decisions on Development Permit applications.

At the 2018 June 25 Regular Meeting of Council, a motion to approve amendments to the Cannabis Store Guidelines to add a 10 metre separation distance from a Cannabis Store to a Child Care Service and a 30 metre separation distance from a Cannabis Store to a Payday Loan, Pawn Shop and a Place of Worship was approved by Council.

At the 2018 April 5 Combined Meeting of Council, three readings were given to Bylaw 25P2018, which put in place the new Cannabis Store, Cannabis Facility and Cannabis Counselling uses and their associated rules. Council also gave first reading to Bylaw 26P2018, which listed Cannabis Stores in the appropriate land use districts. Council also adopted, by resolution, the Cannabis Store Guidelines.

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BACKGROUND

Eighth Avenue South within the Calgary Downtown Business Improvement Area (BIA) is comprised of two areas. The first is from Macleod Trail S.E. to Third Street S.W. During the day, this portion is bicycle and pedestrian-only, with no vehicle access, and includes Stephen Avenue a recognized National Historic Site of Canada. The area of Eighth Avenue west of Third Street S.W. to Ninth Street S.W. accommodates both vehicles and pedestrians. Together, these areas are the main retail corridor for visitors to the Downtown. The purpose of a BIA includes: to improve, beautify and maintain property; develop, improve and maintain public parking; and, promote business and shopping.

Cannabis Store separation distances are in both the Land Use Bylaw and the Cannabis Store Guidelines (see background contained in Attachment 2), and are used for three reasons:

1. They limit access, visibility and influence from and on sensitive uses (e.g. schools);
2. They manage clustering and proliferation (e.g. many stores too close to each other or too many in one area); and
3. They help ensure opportunities for a variety of commercial uses can occur.

The 300 metre separation distance between Cannabis Stores were not originally applied in the Commercial Residential District (CR20-C20/R20), the predominant land use district in the downtown, as it is traditional and customary for a downtown to contain large numbers of similar commercial uses. While Administration is not concerned with the clustering or proliferation generally in the downtown, Eighth Avenue South has a unique pedestrian-retail context that could be impacted more than other locations in the downtown, given the desire to have a diversity of retail opportunities. There is a concern that a proliferation of Cannabis Stores may reduce the diversity and mix of other retail, food and entertainment uses needed to develop a high-quality retail environment.

To date, four applications for Cannabis Stores on Eighth Avenue South have been received. Two were approved and two refused. The Subdivision and Development Appeal Board (SDAB) overturned one refusal resulting in three approved stores. Attachment 3 shows the locations of the three approved stores and the one refused store. The two stores approved by the Development Authority are located at 777 and 219 Eighth Avenue S.W. The store approved by the SDAB is located at 121 Eighth Avenue S.W. This store is approximately 160 metres from the store approved at 219 Eighth Avenue S.W. The application that was refused was proposed at 105 Eighth Avenue S.W.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Eighth Avenue South in the downtown does have similarities to other mixed-use corridors in Calgary where there is a 300 metre separation distance between Cannabis Stores to prevent clustering and provide opportunities for a variety of retail uses. A 300 metre separation distance between Cannabis Stores on Eighth Avenue South would help develop a complete retail street that will support a quality public realm in this important area. A complete retail street includes a variety of stores and services that supports liveability and a quality public realm and which promotes residential development.

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Administration reviewed the different areas of the downtown to understand the unique nature and the connectivity of Eighth Avenue. Although the daytime pedestrian-only portion of Eighth Avenue ends at Third Street S.W., bicycle lanes continue the connection that Stephen Avenue provides to the east end of the downtown to the west end of the downtown. Further, the CORE shopping centre bridges past Third Street S.W. and Fourth Street S.W., while venues such as the Globe Cinema and the University of Calgary Downtown Campus are located further west on Eighth Avenue South. As these areas are connected and are becoming more integrated, Administration thinks they should be managed together with similar policy.

The proposed separation distance only applies to street level locations directly fronting onto Eighth Avenue and should not apply to Cannabis Stores located within an enclosed mall (e.g. the CORE Shopping Centre and Bankers Hall) because the impact of Cannabis Stores on the outdoor street level pedestrian experience is limited when they are inside a mall. Although there could be clustering within an enclosed shopping mall, shopping mall operators and tenant groups generally strive to manage the mix of stores in an appropriate manner, and enclosed shopping mall operators manage impacts (noise, line-ups, etcetera) within malls.

Administration contemplated different separation distances based on the impacts and potential opportunities. A 150 metre separation distance would potentially allow opportunities for about 10 or 11 Cannabis Stores at-grade along Eighth Avenue South from Macleod Trail S.E. to Ninth Street S.W. Administration also considered whether the separation distance should be implemented in the Land Use Bylaw or the Cannabis Store Guidelines. It was felt that the guidelines would provide clear direction to the Development Authority and prospective Cannabis Store operators, while giving the Development Authority a measure of flexibility. Finally, it was determined that a simple numerical limit of Cannabis Stores on Eighth Avenue South would be ineffective because it would allow clustering.

The map in Attachment 3 highlights the potential effects of a 300 metre separation distance and shows that, with a 300 metre separation distance, there will still be an opportunity for two additional Cannabis Stores at-grade along Eighth Avenue South in addition to the three already approved. There will also be opportunities for Cannabis Stores throughout the remainder of the downtown, within enclosed shopping centres and elsewhere in the Centre City.

Conclusion

For these reasons discussed above, Administration recommends the Cannabis Store Guidelines should be amended to include a 300 metre separation distance between Cannabis Stores with at-grade exterior entrances on parcels that abut Eighth Avenue South between Macleod Trail S.E. and Ninth Street S.W. This policy would assist the Development Authority in refusing proposed stores that are significantly closer than 300 metres to each other, such as the store approved by the SDAB at 121 Eighth Avenue S.W. The parcels affected by the proposed policy are shown on the map in Attachment 3. Implementation of the proposed separation distances in the Cannabis Store Guidelines provides a rationale for the separation distance, and the guidelines also offer flexibility for the Development Authority in making decisions.

Finally, Administration also thinks the clarity of the Cannabis Store Guidelines could be improved by inserting a new title (Concentration of Cannabis Stores in communities) for the portion of the Cannabis Store Guidelines that relate to the overall number and density of

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Cannabis Stores that are allowed in communities. This is reflected in the proposed amendments. Attachment 4 shows the 'redline' version of the Cannabis Store Guidelines (strikeouts for deleted words and highlights for added words).

Stakeholder Engagement, Research and Communication

Administration has consulted directly with the Calgary Downtown Association, NAIOP, an organisation that represents owners and investors in office, industrial, retail and mixed-use real estate, the Building Owners and Managers Association (BOMA) and BILD Calgary Region. Administration has also requested input from existing Cannabis Store operators. A letter of support from the Calgary Downtown Association is included in Attachment 5.

Strategic Alignment

Two objectives of the Municipal Development Plan (MDP) are to create a city attractive to people and business. The Plan's policies include providing "... safe and healthy communities with a variety of housing choices, employment opportunities, local retail and services and mobility options" (MDP Policy 2.1.1 a.) and attracting and retaining "...suitable business and industry in Calgary by fostering economic diversification and providing a climate that supports and enhances economic activity" (MDP Policy 2.1.2 a.). The proposed separation distances in the Cannabis Store Guidelines are intended to provide opportunities for Cannabis Stores balanced with opportunities for other uses.

Social, Environmental, Economic (External)

Social

Limits on the number of Cannabis Stores located on Eighth Avenue South may help promote a greater variety of retail opportunities. This may help build Eighth Avenue as an important shopping destination and attract residential development and visitors to downtown.

Environmental

Separation distances between Cannabis Stores may mitigate the potential impacts of noise, lighting and activity that might have occurred if there was clustering.

Economic (External)

While separation distances between Cannabis Stores along Eighth Avenue South create opportunities for a variety of other uses, they may reduce opportunities for landlords to lease to Cannabis Stores.

Financial Capacity

Current and Future Operating Budget:

No impacts have been identified.

Current and Future Capital Budget:

No impacts have been identified.

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Risk Assessment

Not implementing a separation distance along Eighth Avenue South means that Cannabis Stores could cluster and reduce opportunities for a variety of retail, food and entertainment uses to develop.

REASON FOR RECOMMENDATION:

A 300 metre separation distance between Cannabis Stores along Eighth Avenue South within the Calgary Downtown Association Business Improvement Area prevents clustering and promotes a diversity of retail opportunities.

ATTACHMENTS

1. Attachment 1 - Proposed Cannabis Store Guidelines
2. Attachment 2 - Background on Separation Distances for Cannabis Stores in Calgary
3. Attachment 3 - Cannabis Stores on Eighth Avenue South
4. Attachment 4 - Redline Copy of Proposed Cannabis Store Guidelines
5. Attachment 5 - Letter of Support from the Calgary Downtown Association