

NO: L002

COUNCIL DATE: July 22, 2019

REGULAR COUNCIL – LAND USE

TO: Mayor & Council **DATE: July 17, 2019**
FROM: General Manager, Planning & Development **FILE: 3900-30**
SUBJECT: Zoning Regulation Options for Licensee Retail Stores (Private Liquor Stores)

RECOMMENDATION

The Planning and Development Department recommend that Council:

1. Receive this report for information; and
2. Support the City's existing approach identified as Option "A" in this report, which is to retain the status quo whereby Licensee Retail Stores are permitted uses only in the Community Commercial (C-8) Zone, the Town Centre Commercial (C-15) Zone, and in select Comprehensive Development (CD) Zones as endorsed by Council through a rezoning process.

INTENT

The purpose of this report is to provide Council with detailed information outlining previous zoning changes and City policies that regulate the location of Licensee Retail Stores ("LRS") within the City, and to provide Council with options regarding possible changes to the related zoning regulations that could facilitate private liquor stores to be located in additional zones beyond the Community Commercial Zone (C-8") and Town Centre Commercial Zone ("C-15"), which permit a private liquor store as a principal use. This review was requested by Council at the Regular Council – Public Hearing Meeting of May 27, 2019, and staff have recommendation with respect to these options.

BACKGROUND

Between March and November 2002, the Province temporarily lifted a moratorium on new applications for private liquor stores, also known as Licensee Retail Stores" ("LRS"). The Provincial regulations required that an LRS be located in association with Liquor Primary Licensed establishments such as a pub, hotel, cabaret, or resort. Parties interested in opening an LRS under these regulations were required to make application to the Province by November 29, 2002, after which the moratorium was re-instated.

No new application for an LRS has been accepted by the Liquor and Cannabis Regulation Branch ("LCRB") since that time. There is no indication from the Province that the moratorium will be lifted again.

In June 2003, in anticipation of potential de-regulation by the Province regarding liquor sales, Council approved amendments to the Zoning By-law to define "liquor store" and to amend the C-8 and C-15 to permit liquor stores as a principal use, but only in combination with (on the same lot as) a liquor primary licensed establishment, as per the Provincial regulations. Relevant CD Zones were also amended to incorporate this restriction.

In November 2003, the Province removed the requirement that an LRS be located on the same lot as the associated liquor primary licensed establishment, however, LCRB requires that there be a minimum of one-kilometre (0.6 mile) separation distance between existing or proposed private liquor stores and that the proposed location comply with the local municipality's zoning requirements.

On October 1, 2012, to correspond with the LCRB's change in policy, Council approved Corporate Report R117; 2012 which amended the *Surrey Zoning By-law, 1993, No. 12000* ("the Zoning Bylaw") to allow private liquor stores as a permitted use in the C-8 and C-15 Zones without having to be associated with a liquor primary licensed establishment on the same lot.

The C-8 and C-15 Zones allow for a neighbourhood pub and a hotel as a principal use. These Zones are generally located in areas designated in the Official Community Plan ("OCP") as Commercial or Town Centre, which limits the location of these zones to town centres and larger community shopping areas in the City. The intention of limiting private liquor stores to town centres and community shopping centres is to ensure that private liquor stores are limited to designated town centre and community-scale commercial shopping areas and to prevent the proliferation of private liquor stores within the City.

These amendments did not apply to any commercial sites regulated by a CD Zone. If the owner of such a site seeks to locate an LRS on the site, a rezoning application to amend the applicable CD Zone is required and, if supported by Council, requires a public hearing. In order to provide guidance on these types of rezoning applications, the City adopted the *Locational Guidelines for Private Liquor Stores* (Policy O-59), approved by Council in 2013 under Corporate Report R172; 2013. Policy O-59 requires that a proposed LRS satisfy certain locational criteria, such as:

- Private liquor stores should not be located:
 - Within 1 kilometre (0.6 mile) of another private liquor store; and
 - Within 400 metres (0.25 mile) of a school, a public children's park, a public children's playground, a public library or a public recreation centre.

Policy O-59 is not intended to facilitate LRS locations outside of a town centre or a community shopping centre node. Instead, it intends to provide additional evaluation criteria for reviewing applications for LRS where a rezoning is required, on sites that are located within a Town Centre or Community Shopping Centre node but happen to be regulated by a CD Zone.

DISCUSSION

In addition to the C-8 and C-15 Zone, which already permit an LRS store as a principal use, staff have received applications and inquiries from proponents seeking to locate a private liquor store on Commercial sites that are either zoned Neighbourhood Commercial Zone ("C-5"), Highway Commercial Industrial Zone ("CHI"), or a CD Zone that is based on the C-5 and/or CHI Zone. The rationale provided by the proponents for considering such sites for private liquor stores is that

they could provide more convenient liquor retail services to customers on sites that already provide other types of commercial services.

Options for Council's Consideration

Option "A": No Change to Zoning By-law (private Liquor Stores are permitted in the C-8 and the C-15 Zones, and in select CD Zones as endorsed by Council through a rezoning process.)

Option "A" is to retain the status quo with respect to the City's current regulatory framework regarding private liquor stores in the City, whereby private liquor stores would continue to be permitted principal uses in the C-8 and C-15 zones, and in select CD zones as endorsed by Council through a rezoning process.

Proponents seeking to locate a private liquor store on a site that is not zoned C-8 or C-15 would continue to be required to pursue a rezoning application and, if supported by Council, this process would require a public hearing. This allows the community to comment on the suitability of the proposed location.

Policy O-59 would continue to provide additional evaluation criteria for reviewing applications for private liquor stores, where a rezoning is required, on sites considered to have land use merit, primarily because they are located within a town centre or community shopping centre node.

Option "B": Amend the C-5 and CHI Zones to allow a private Liquor Store – in addition to the C-8 and C-15 Zones

Option "B" is to amend the Zoning Bylaw to allow a private liquor store as a principal use in the C-5 and the CHI zones.

This option would create additional potential locations for private liquor stores throughout the City, without individual rezoning applications being required. For sites zoned C-5 and CHI, the LRS use would then be permitted, and as such the proponent could proceed with the provincial licensing process through the LCRB. If the location is endorsed by the LCLB, no additional approval processes with the City would be required, other than a business license.

The map attached in Appendix "I" illustrates the number of sites zoned C-8 and C-15 in the City, where private liquor stores are currently permitted, and the sites currently zoned C-5 and CHI, which would become additional potential locations for liquor stores if Option "B" was endorsed by Council.

The provincial requirement of a minimum of one-kilometre (0.6 mile) separation distance between existing or proposed private liquor stores would be administered through the LCRB.

Evaluation of Options

Option "A"

The City's established regulatory framework for private liquor stores limits the potential locations for private liquor stores to sites zoned C-8 and/or C-15, and in select CD zones as endorsed by Council through a rezoning process.

The C-8 and C-15 zones allow for a neighbourhood pub and a hotel as a principal use and are generally located in town centres and larger community shopping areas in the City. Liquor stores are considered most compatible in this context, and the current framework prevents the proliferation of LRS throughout the City.

The C-5 zone is intended for neighbourhood-scale shopping nodes and while this zone does permit retail stores, as well as licensed premises including a neighbourhood pub, it is intended for small-scale neighbourhood-serving shops and services, not larger scale shopping centres.

The CHI zone is intended for commercial and related uses requiring large lots and exposure to major highways, which generally are not accommodated in shopping centres or Town Centres. The limited commercial uses are generally intended to support the employees and businesses within adjacent employment areas and are not intended to replicate those commonly found in community-scale commercial nodes and/or shopping centre developments. The CHI zone does not permit a neighbourhood pub and retail uses are limited outside of the City Centre.

In consideration of the number and general locations of lots that are zoned C-8 and C-15 in the City, and in recognition of the contained number of LRS licenses that have been issued by the Province, staff is satisfied that the current regulatory framework provides reasonable location options for private liquor stores in the City, and the City has not experienced a proliferation of private liquor stores.

Option “B”

Expanding the current regulatory framework to permit private liquor stores in other commercial zones (i.e. C-5 and CHI) in the City would expand potential liquor stores locations considerably, and onto sites in the City that are not within Town Centres or part of a community shopping centre where they are considered to be most appropriate.

The current framework requires proponents seeking to locate a private liquor store on a site that is not zoned C-8 or C-15 to pursue a rezoning application, which allows staff to evaluate such proposals on the basis of their land use merit, and in consideration of the City’s established Policy O-59. This process also requires a public hearing, which allows the community to comment on the suitability of the proposed location.

SUSTAINABILITY CONSIDERATIONS

The work of this report supports the objectives of the City’s Sustainability Charter 2.0. In particular, this work relates to Sustainability Charter 2.0 theme of Built Environment & Neighbourhoods. Specifically, this project supports the following Desired Outcome (“DO”):

Neighbourhoods and Urban Design DO6: Land is used efficiently and sensitively, and development minimizes the impacts on the natural environment, viewsapes, agricultural land and urban wildlife.

CONCLUSION

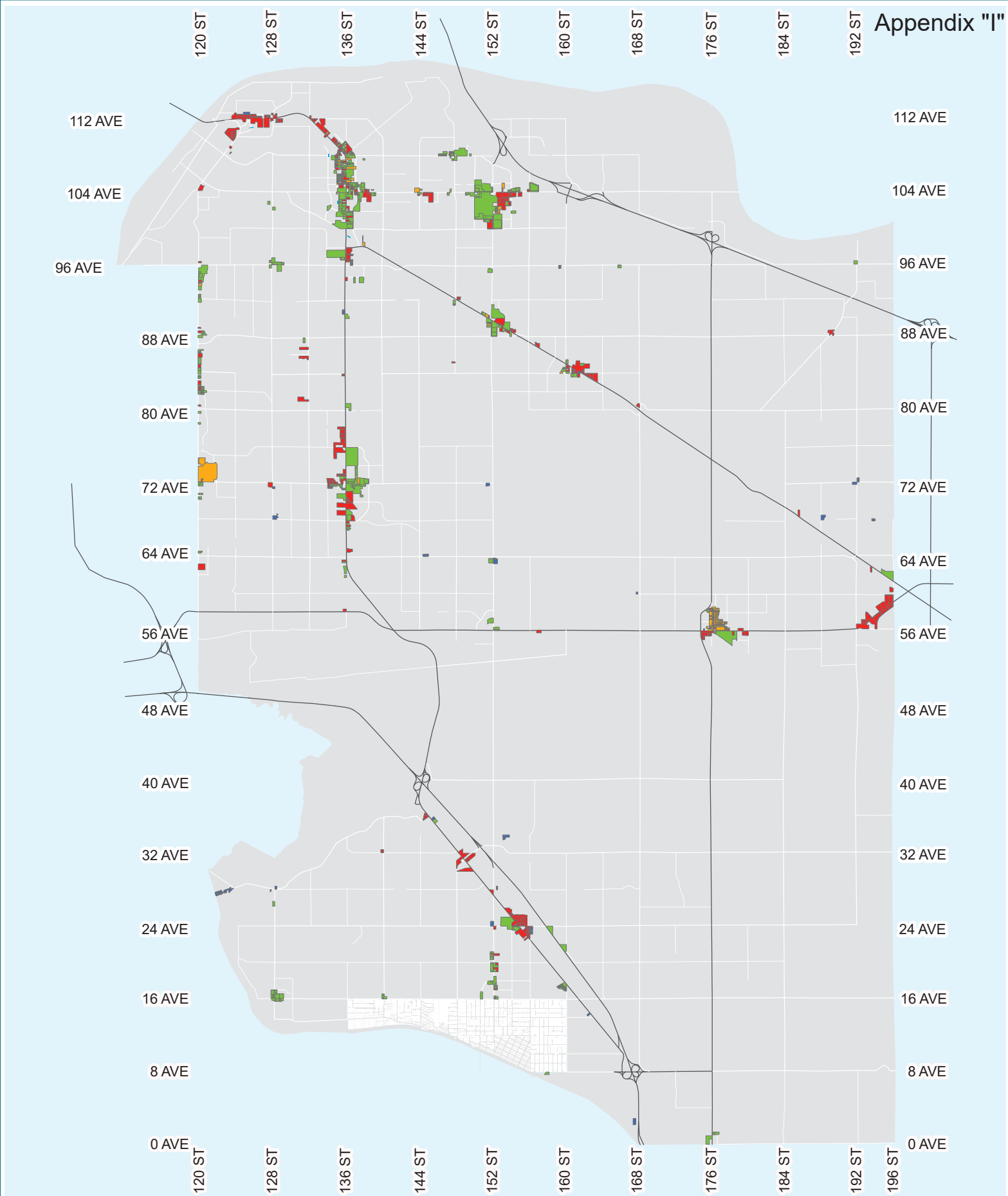
Based on the above discussion it is recommended that Council adopt the course of action identified as Option "A" in this report, which is to retain the status quo whereby private liquor stores (licensee retail stores, LRS) are permitted uses only in the C-8 and C-15 zones, and in select CD zones, as endorsed by Council through a rezoning process.

Original signed by
Jean Lamontagne
General Manager, Planning & Development

RG/ar

Appendix "I" - Maps of Existing and Potential Properties Zoned to Permit Licensee Retail Stores

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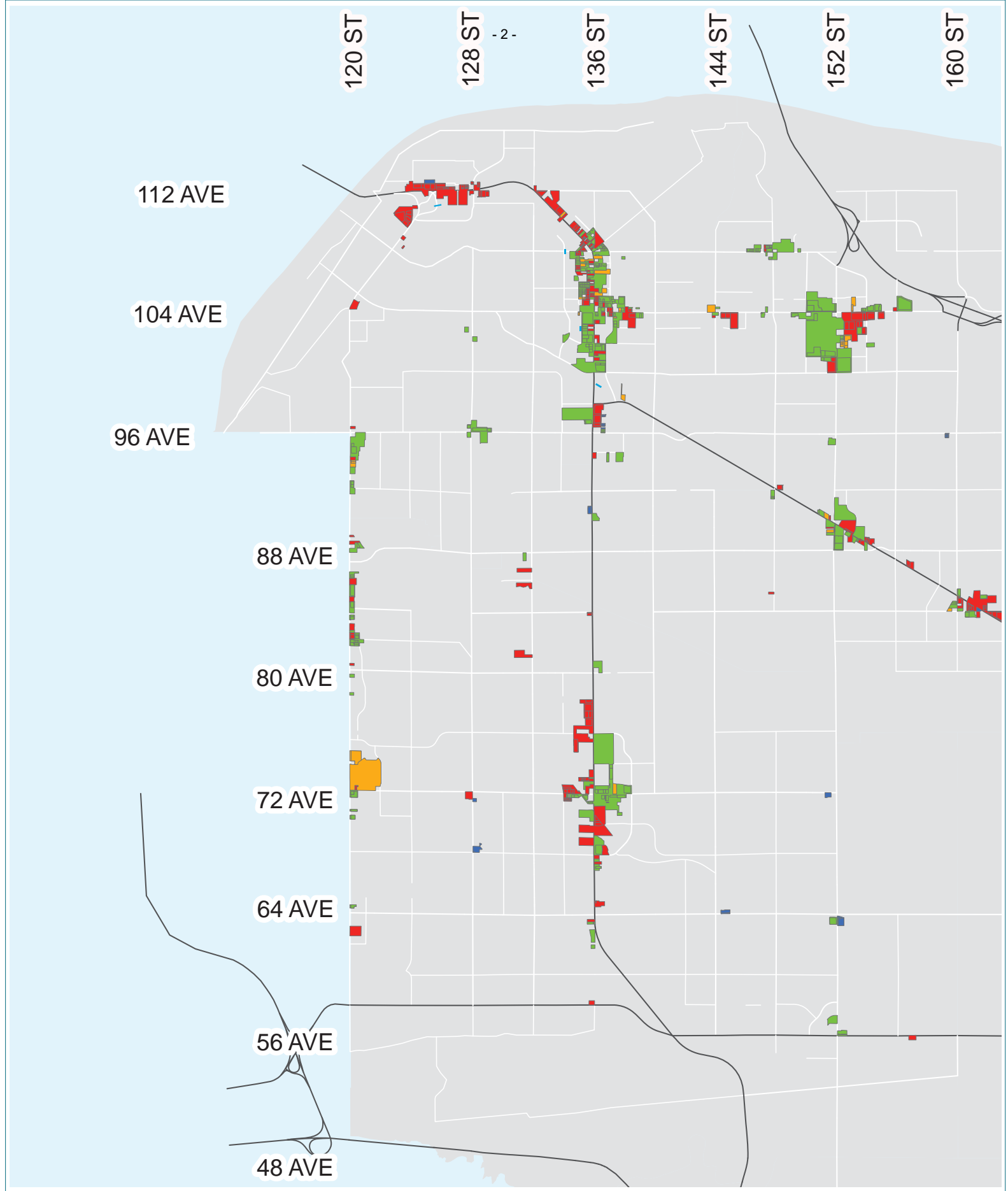


ZONING

Currently permitted option "A" Would become potential locations option "B"

■ C-8 = 289 Lots ■ C-5 = 35 Lots
■ C-15 = 110 Lots ■ CHI = 203 Lots

Existing and Potential Properties Zoned to Permit Licensee Retail Stores



ZONING

Currently permitted option "A"

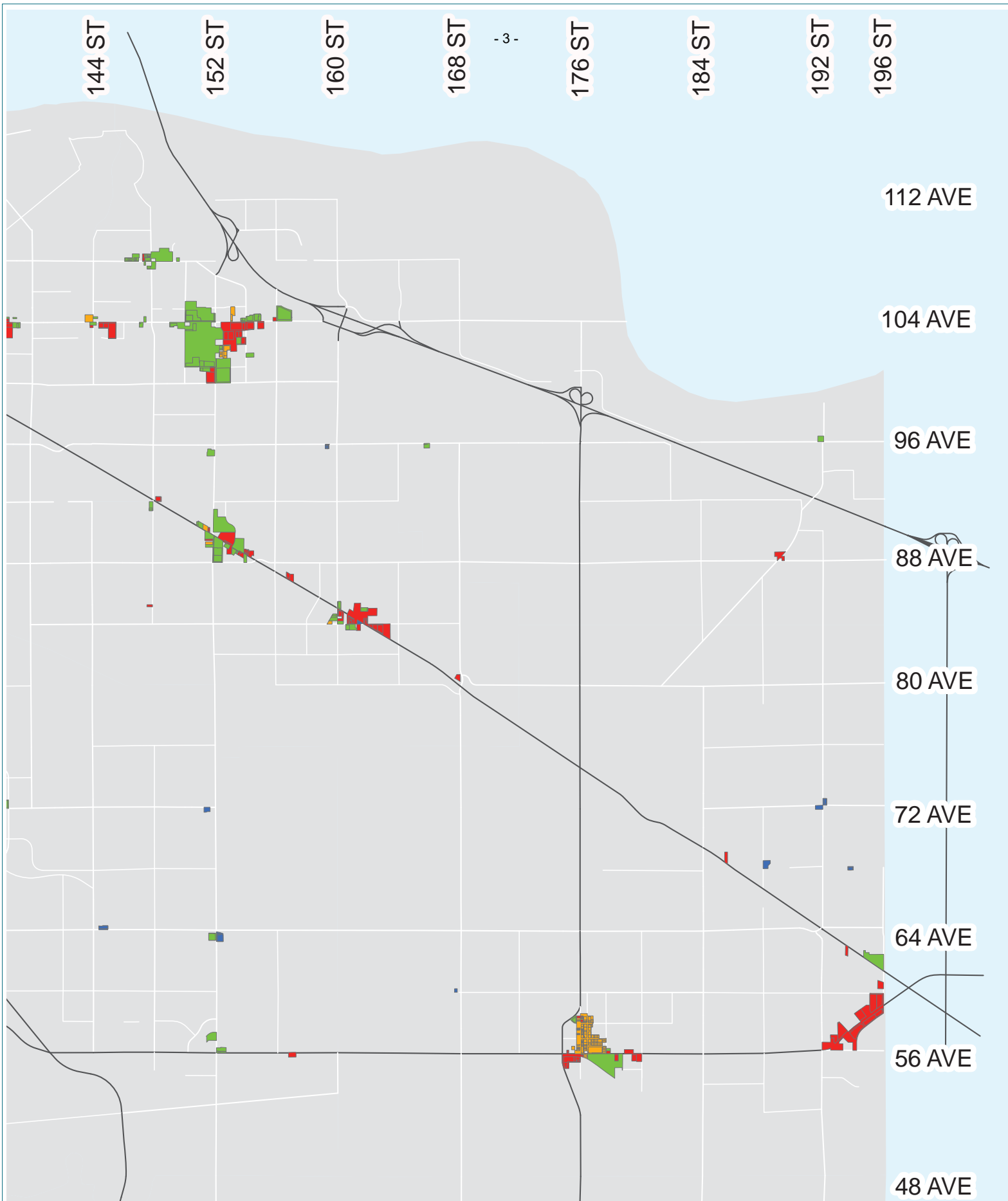
- C-8 = 289 Lots
- C-15 = 110 Lots

Would become potential locations option "B"

- C-5 = 35 Lots
- CHI = 203 Lots

**Existing and Potential Properties Zoned to Permit Licensee Retail Stores
City Centre and King George Boulevard Corridor**





ZONING

Currently permitted option "A"

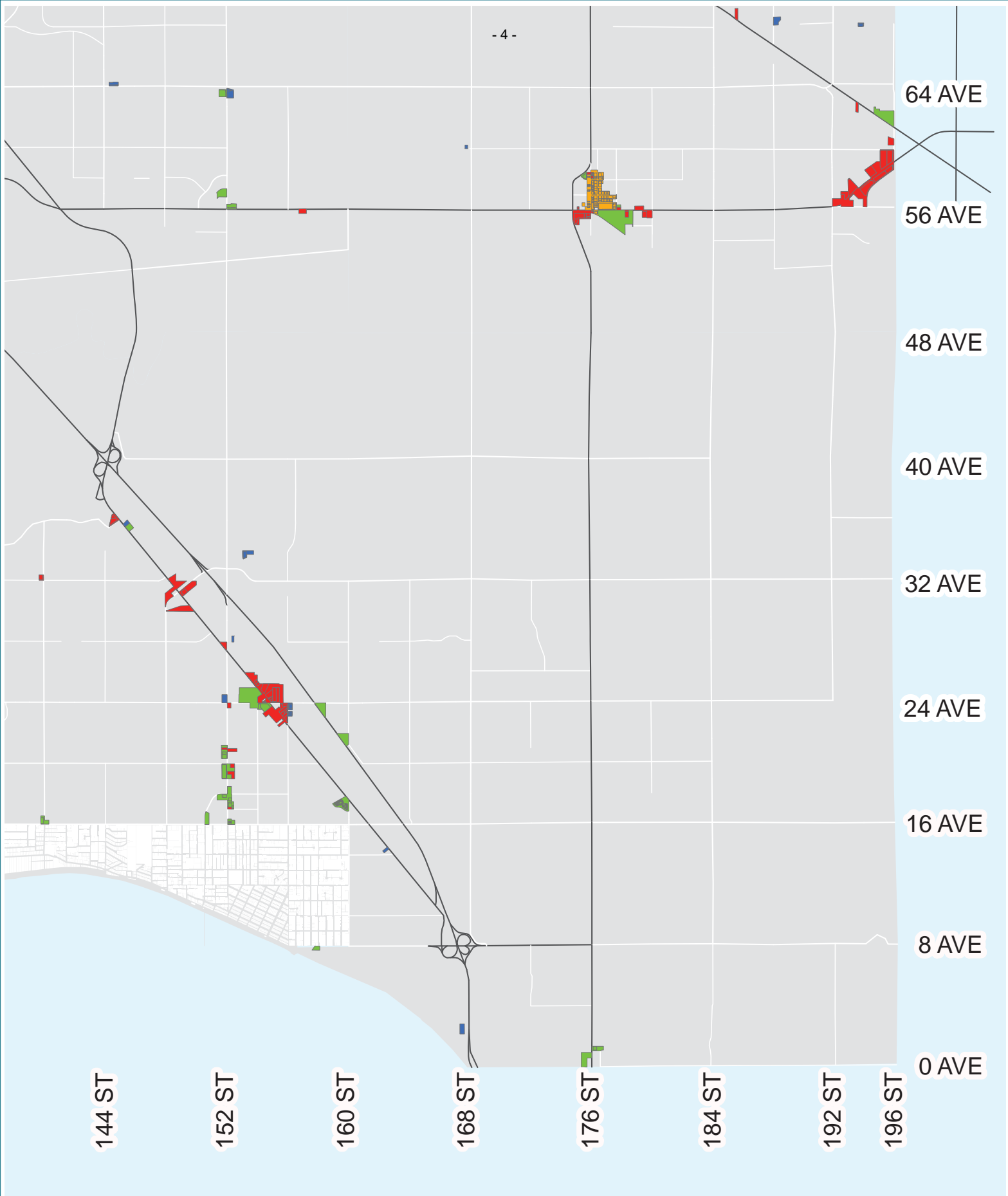
- C-8 = 289 Lots
- C-15 = 110 Lots

Would become potential locations option "B"

- C-5 = 35 Lots
- CHI = 203 Lots

**Existing and Potential Properties Zoned to Permit Licensee Retail Stores
Guildford, Fleetwood and Cloverdale**





ZONING

Currently permitted option "A"

■ C-8 = 289 Lots

■ C-15 = 110 Lots

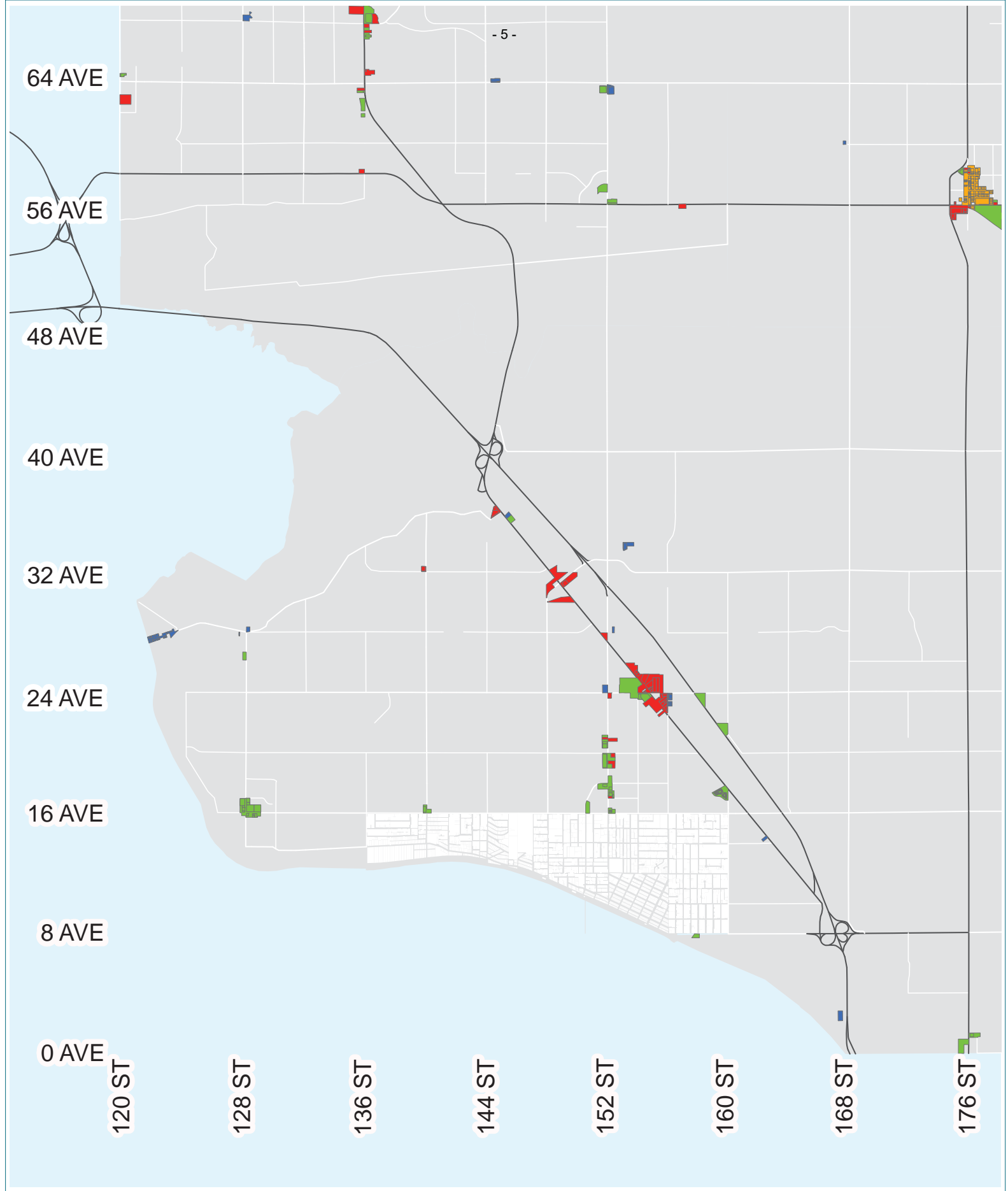
Would become potential locations option "B"

■ C-5 = 35 Lots

■ CHI = 203 Lots

**Existing and Potential Properties Zoned to Permit Licensee Retail Stores
South Surrey - East**





- 5 -

64 AVE

56 AVE

48 AVE

40 AVE

32 AVE

24 AVE

16 AVE

8 AVE

0 AVE

120 ST

128 ST

136 ST

144 ST

152 ST

160 ST

168 ST

176 ST

ZONING

Currently permitted option "A"

- C-8 = 289 Lots
- C-15 = 110 Lots

Would become potential locations option "B"

- C-5 = 35 Lots
- CHI = 203 Lots

