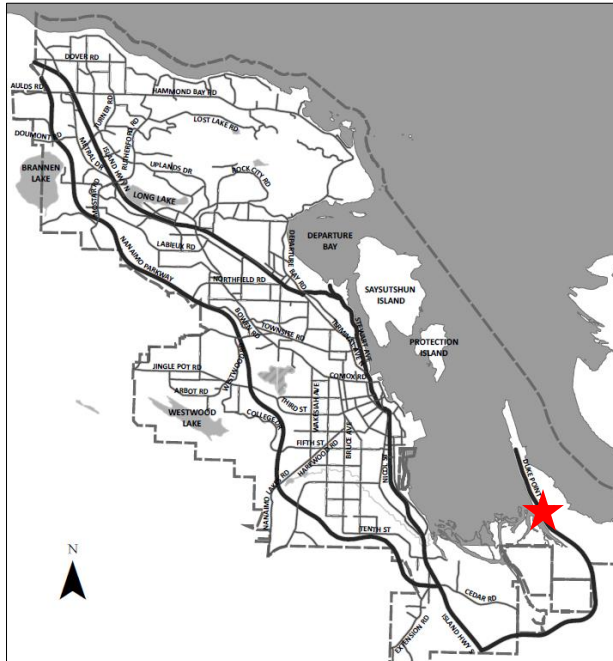


FOR: COUNCIL

MEETING DATE: January 19, 2026

DEPARTMENT: PLANNING AND DEVELOPMENT

SUBJECT: REZONING APPLICATION NO. RA524 – 1100 MAUGHAN ROAD



Proposal:

To allow a Cannabis Producer Retail Store

Current Zoning:

I4 – Industrial

Proposed Zoning:

I4 – Industrial with a site-specific accessory Cannabis Retail Store

City Plan Land Use Designation:

Industrial

Lot Area:

2.22ha

RA



City Aerial Photo 2024

OVERVIEW**Purpose of Report**

To present Council with an application to amend the existing Industrial (I4) zone at 1100 Maughan Road to allow “Cannabis Retail Store” as a site-specific accessory use.

Recommendation

That:

1. “Zoning Amendment Bylaw 2026 No. 4500.239” (to rezone 1100 Maughan Road to allow “Cannabis Retail Store” as a site-specific accessory use in the Industrial [I4] zone) pass first reading;
2. “Zoning Amendment Bylaw 2026 No. 4500.239” pass second reading;
3. Council direct Staff to hold a Public Hearing for “Zoning Amendment Bylaw 2026 No. 4500.239”; and,
4. Council direct Staff to secure BC Liquor and Cannabis Regulation Branch approval prior to adoption of the bylaw, should Council support the bylaw at third reading.

BACKGROUND

A rezoning application, RA524, was received from Broken Coast Cannabis, on behalf of Dorada Ventures Ltd., to amend the existing I4 zone in the City of Nanaimo [Zoning Bylaw 2011 No. 4500](#) (the “Zoning Bylaw”) to allow “Cannabis Retail Store” as a site-specific accessory use to the existing Cannabis Production and Processing facility located at 1100 Maughan Road. Currently, this is the only production and processing facility in the City of Nanaimo.

In 2018, the City of Nanaimo established a [Cannabis Retail Store \(CRS\) Rezoning Criteria Policy](#) in anticipation of Federal and Provincial legislation decriminalizing cannabis consumption and legalizing the retail sale and distribution of cannabis products. On 2022-NOV-30, the province introduced Cannabis Producer Retail Store (PRS) licences as part of its commitment to enable cannabis sales to allow federal cultivator, micro-cultivator, and nursery licence-holders to have an onsite PRS and operate direct-delivery programs. A PRS licence allows federally licensed cannabis cultivators to operate their own store at the same location as their facility and sell products produced onsite directly to the public. These stores can choose to only carry their own exclusive products or carry more broadly sourced products as a CRS.

To date, the province has authorized three PRS (farmgate) licenses (Salmon Arm, Victoria, and Pitt Meadows) as well as two special Section 119 agreements with First Nations in Williams Lake and Chilliwack.

Subject Property and Site Context

The subject property is located at the eastern extent of the City limits (Duke Point) on the north side of Maughan Road, between Wave Place and Jackson Road. The grade change of the property is approximately 4m and slopes downward to the southeast (toward Wave Place). The subject property currently contains two industrial buildings (Cannabis Production and Processing facility) with the proposed PRS to be located within a portion of the southern building, fronting Maughan Road. Established industrial developments, the BC Ferries terminal, and parkland predominantly characterize the surrounding area.

DISCUSSION

Proposed Zoning

Following the legalization of cannabis in 2018, the City of Nanaimo amended the Zoning Bylaw to introduce new regulations and define “Cannabis Production and Processing” and “Cannabis Retail Store” as separate principal uses. The definition of retail store was also amended to exclude cannabis retail sales, thereby requiring site-specific rezonings to permit a Cannabis Retail Store. Cannabis Production and Processing is permitted in the I4 zone but with sales limited to wholesale and mail order only. Cannabis Retail Store is not a permitted principal use in the I4 zone, and a

“Cannabis Producer Retail Store” is not currently defined or permitted in the Zoning Bylaw.

To allow the proposed PRS, Staff recommend amending the existing I4 zone to add Cannabis Retail Store as a site-specific accessory use for the subject property in the existing I4 zone with the following conditions of use:

- Cannabis Production and Processing use must exist on the same lot (a PRS licence is issued only where cannabis is being grown on a lot), and
- The total Gross Floor Area of an accessory Cannabis Retail Store shall not exceed a Gross Floor Area of 500m² (the GFA limit is consistent with similar restrictions on conditions of use or accessory uses in commercial and industrial zones - accessory retail sales are otherwise not permitted in the I4 zone). No other changes are proposed in the I4 zone.

As the use meets the Zoning Bylaw definition of a Cannabis Retail Store, Staff have applied the City’s [Cannabis Retail Store \(CRS\) Rezoning Criteria Policy](#) and consider the application to be substantially in compliance with the policy as summarized in Attachment B.

Allowing accessory cannabis retail sales is consistent with provincial licensing regulations which give Cannabis producers greater access to local retailers and consumers. Staff support the proposed site-specific amendment to allow an accessory Cannabis Retail Store which substantially complies with the Cannabis Retail Store Rezoning Criteria Policy and is not anticipated to result in any negative impacts to the site or surrounding community.

Provincial Licensing Requirements

The BC Liquor and Cannabis Regulation Branch (LCRB) has advised the City that an application for a PRS retail licence has been made for the subject property. As part of the LCRB’s review, the branch will undertake a fit and proper assessment which includes security screening and financial integrity checks to assess the suitability of the applicant, in accordance with [Section 26](#) and [Section 29](#) of the *Cannabis Control and Licensing Act*.

The LCRB will not proceed with a licensing application unless the local government gathers views from nearby residents and submits a positive recommendation regarding the licence application.

Policy Context

City Plan – Future Land Use

City Plan identifies the subject property within the Industrial future land use designation, primarily encompassing the lands at Duke Point, which are envisioned to remain home to large format industrial uses that rely on larger land areas and land and water-based transportation connections. The industrial designation accommodates industry that may generate noise, vibration or odors incompatible with the urban environment and supports limited retail sales as an accessory use. The proposed site-specific Cannabis Retail Store would be limited in scale and consistent with City Plan policies for the Industrial future land use designation as the retail use will be accessory to the existing Cannabis Production and Processing use on the subject property.

Community Amenity Contribution

The applicant has not proposed a Community Amenity Contribution. However, as the Cannabis Retail Store is a site-specific accessory use tied to an existing Cannabis Production and Processing use, Staff accept that a Community Amenity Contribution is not required for the proposed rezoning.

Conditions of Rezoning

Should Council support this application and pass third reading of "Zoning Amendment Bylaw 2026 No. 4500.239", Staff recommend confirmation from the LCRB that it has approved the applicant's suitability for a cannabis retail licence to be secured prior to final adoption of the bylaw.

COMMUNICATION AND COMMUNITY ENGAGEMENT

Pursuant to Section 33 of the Cannabis Control and Licensing Act, the City is required to gather the views of nearby residents when considering a licence. The LCRB suggests gathering the views of residents in an area determined by the local government by one or more of the following:

- (1) collecting written comments in response to a public notice,
- (2) conducting a public hearing,
- (3) holding a referendum, or
- (4) another method the local government considers appropriate.

For previous CRS applications, these comments have been typically gathered through a public hearing and Staff recommend the same process be applied to this application.

KEY MESSAGES

- This application is to amend the existing Industrial (14) zone at 1100 Maughan Road to allow "Cannabis Retail Store" as a site-specific accessory use within an existing industrial building in relation to an existing Cannabis Production and Processing facility.
- The Provincial Liquor and Cannabis Regulation Branch is reviewing the licensing application for this proposal.
- Staff support the proposed site-specific amendment to allow an accessory Cannabis Retail Store which substantially complies with the Cannabis Retail Store Rezoning

Criteria Policy and is not anticipated to result in any negative impacts to the site or surrounding community.

ATTACHMENTS

ATTACHMENT A: Subject Property Map
ATTACHMENT B: Cannabis Retail Store Rezoning Criteria Policy Review
ATTACHMENT C: Conceptual Site Plan
ATTACHMENT D: Conceptual Building Perspectives
ATTACHMENT E: School and Licensed Daycare Buffer Map
ATTACHMENT F: Letter of Rationale
“Zoning Amendment Bylaw 2026 No. 4500.239”

Authored by:

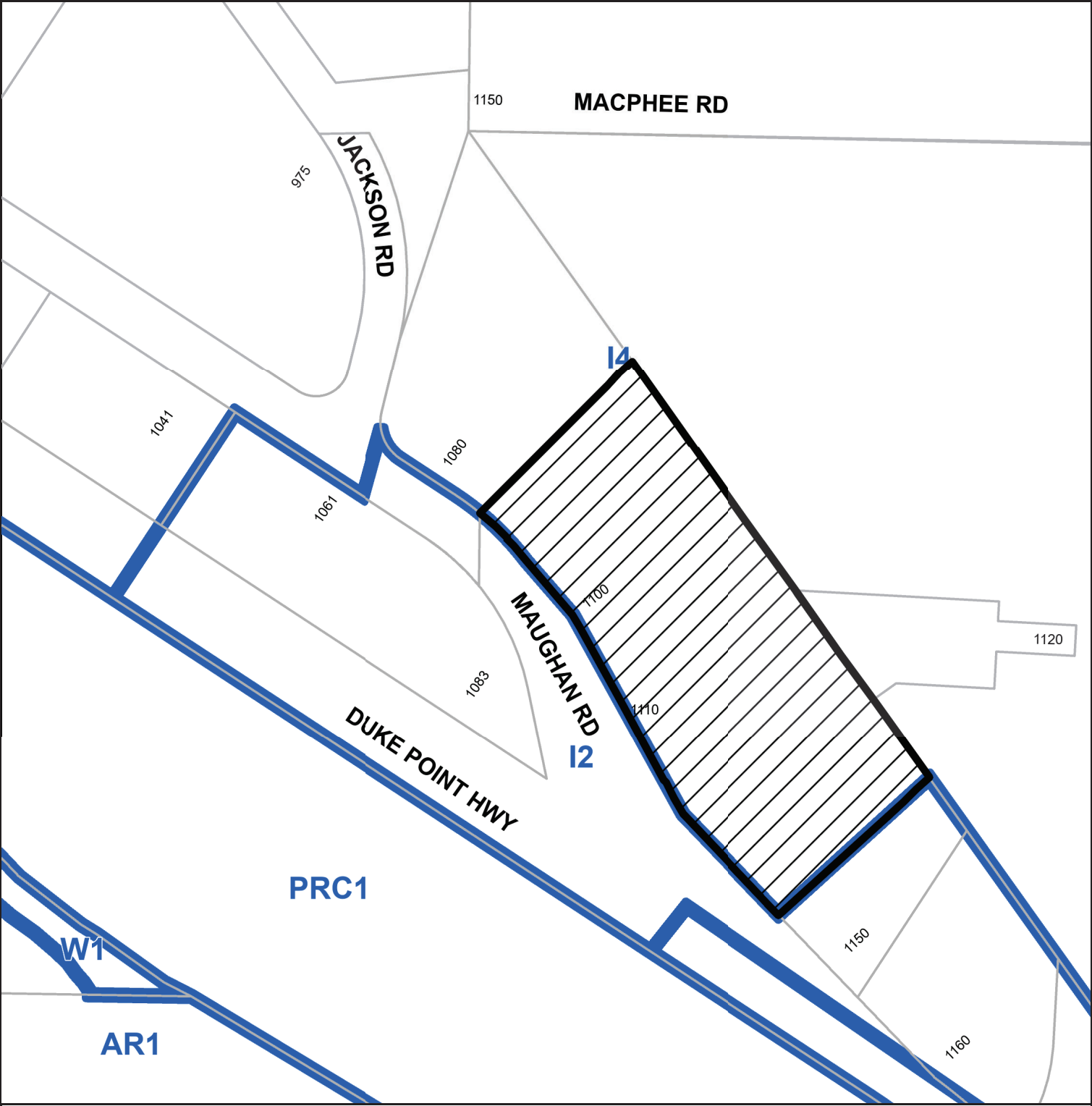
Kristine Mayes
Planner, Community Planning

Concurrence by:

Lainya Rowett
Manager, Current Planning

Jeremy Holm
Director, Planning and Development

ATTACHMENT A
SUBJECT PROPERTY MAP



1100 MAUGHAN ROAD

ATTACHMENT B

CANNABIS RETAIL STORE REZONING CRITERIA POLICY REVIEW

City of Nanaimo Cannabis Retail Store Rezoning Criteria Policy Review

| Criteria | | Response |
|-------------------------|--|--|
| Location | | |
| 1.1 | The proposed CRS should be located on, or in close proximity to, a provincial highway, urban arterial or urban major collector road, as defined in the City's Functional Road Classification Working Plan; or in an Urban Node, Commercial Centre or Corridor as designated in the City's Official Community Plan. | The subject property is located within the Industrial land-use designation and is located in close proximity to a provincial highway. |
| 1.2 | The proposed CRS should not be located directly adjacent, or in close proximity to a school or licensed daycare facility. A minimum separation of 200m from these facilities is considered necessary, as measured from the front door of the CRS to the school or daycare property line. | The proposed CRS is located more than 200m from any licensed daycares or schools, with the nearest school or daycare approximately 3.8km away (the two schools within Nanaimo River No. 4 Reserve and the Regional District of Nanaimo are located outside the 200m radius). Island Health (Community Care and Licensing) has confirmed they have no objections to the application. |
| 1.3 | The proposed CRS should not be located within 200m of another CRS as measured from the front doors of the CRS. Where the CRS is to be located within a dense urban area (i.e. downtown), consideration shall be given to the overall urban density and context of the area. | The proposed CRS is located approximately 3.8km away from the nearest CRS (the two CRSs within the Regional District of Nanaimo are located outside the 200m radius). |
| Building or Site | | |
| 2.1 | The size of the proposed CRS should be consistent with the nature of the immediate area and the size of existing retail stores within the area. | The proposed CRS will be located within an existing industrial building and limited in scale as an accessory use. Retail is not permitted as a principal use in the surrounding (I4 & AR1) zones. |
| 2.2 | The design of the proposed CRS should enhance or improve the aesthetics of the surrounding area, not detract from them. | No building façade changes are proposed. A fascia sign is proposed for the business. |
| 2.2.1 | The revitalization of heritage buildings is encouraged. | N/A |
| 2.3 | Outside the downtown core, consideration should be given to a requirement for onsite parking and loading for every CRS. | The proposed CRS will be located within an existing industrial building as an accessory use as such no additional parking will be required. Notwithstanding, there is sufficient parking onsite and it is not anticipated to negatively impact parking. |
| Community Impact | | |
| 3.1 | The applicant must outline their awareness of potential negative impacts of the proposed CRS on the community and must identify the specific measures that will be taken to minimize or prevent these impacts from occurring. | The applicant provided a Letter of Rationale (Attachment F) which notes the following: <ul style="list-style-type: none"> The isolated nature of the proposed CRS will limit access from minors. |

| | | |
|-------|--|---|
| 3.1.1 | Possible measures could include efforts to prevent service to minors, minimize smells, prevent smoking or cannabis consumption on or near the premises, property maintenance and beautification programs designed to prevent unsightliness, etc. | <ul style="list-style-type: none"> The business is committed to the "Selling It Right" program for all retail store employees. The Cannabis Production and Processing facility has a Health Canada Research and Development license which authorizes program participants to consume or smoke cannabis on the premises within the production areas but not within the retail store. |
| 3.1.2 | Consideration must be given to the impact a CRS will have when they are located in close proximity to libraries, public recreation centres, public community centres, parks, places of worship and other family-oriented facilities. | The proposed CRS is located approximately 72m from Jack Point and Biggs Park, which is located on the opposite side of the Duke Point Highway. |
| 3.2 | Projected traffic volumes and on-street parking demands associated with a proposed CRS should not adversely impact nearby residential and commercial areas. | The subject property contains onsite parking and has vehicular access from Maughan Road. Staff do not anticipate the proposed CRS use will negatively impact traffic volumes. |
| 3.3 | The support of the local community, neighbouring property owners and the local neighborhood association for the proposed CRS is important to Council's decision. | The subject property is not within a neighbourhood association area. |
| 3.3.1 | The applicant is required to notify all neighbouring property owners within 200m of the subject property of the rezoning application prior to the application proceeding to Council. | The subject property is located within an industrial area and is not located within 200m of a residentially zoned lot. |
| 3.4 | All CRS rezoning applications must be reviewed by the Community Vitality Committee and the RCMP, in addition to being reviewed by the City's Community Planning and Development Committee. | The RCMP have reviewed the proposal and indicated they have no comment. The Community Planning and Development Committee no longer exists. |

Location of Proposed Accessory Cannabis Retail Store

ATTACHMENT D CONCEPTUAL BUILDING PERSPECTIVES

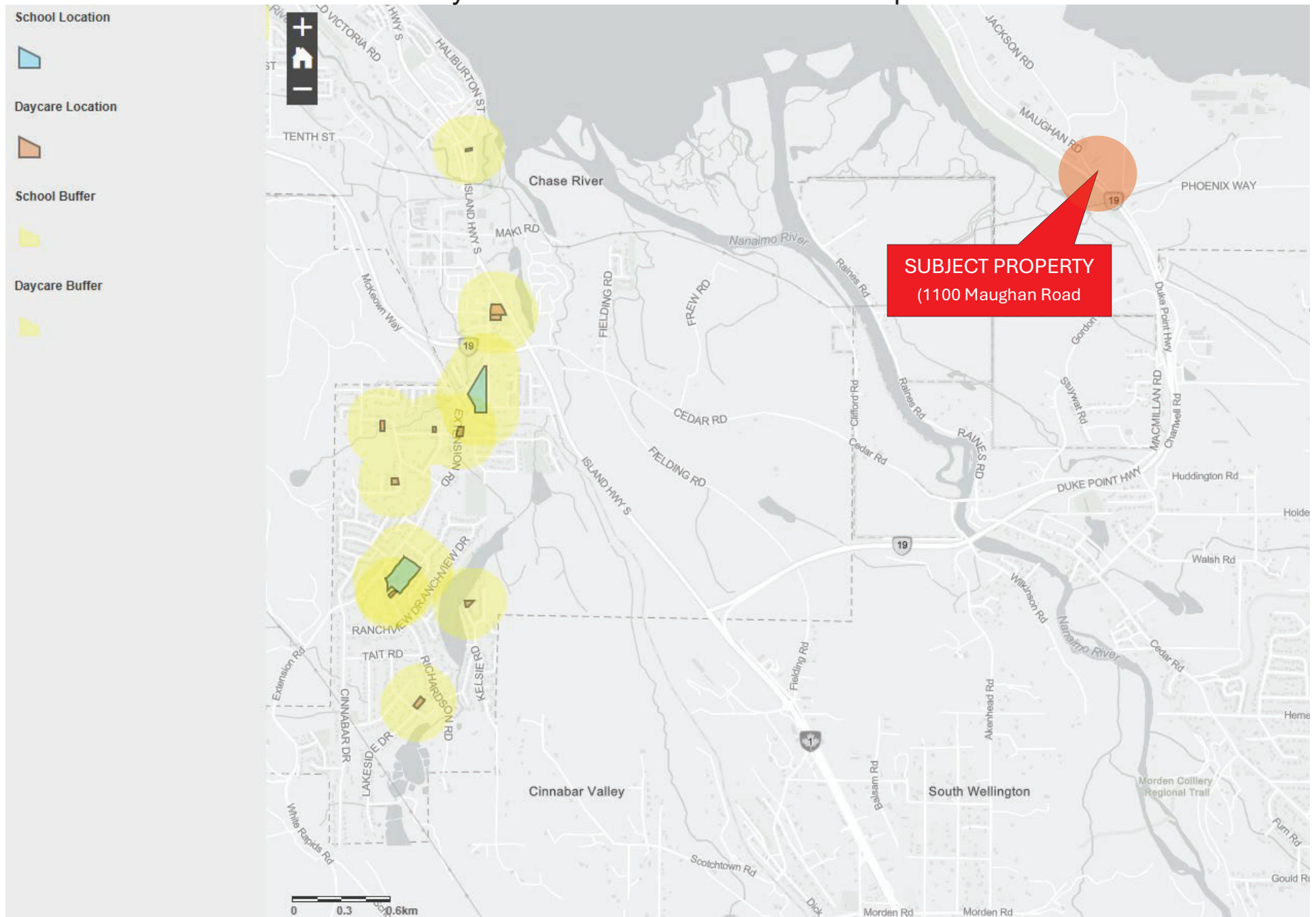


RA524

Current Planning

ATTACHMENT E SCHOOL AND LICENSED DAYCARE BUFFER MAP

City of Nanaimo 200 Metre Buffer Map





REZONING APPLICATION NO. RA000524 – 1100 MAUGHAN ROAD

Community Impact Statement

Positive impacts on the Community:

We believe that a Producer Retail Store at Broken Coast would be beneficial to the City of Nanaimo. The proposed store will act a conduit for increasing tours at our facility. Not only are we ready to host tourists, but we would be able to provide the opportunity to purchase our products directly on site. It is our understanding that boosting tourism is in the best interest of our City. Additionally, we want to be able to provide access to the freshest cannabis that we produce, for our local community.

Negative impacts on the Community:

We do not foresee our store creating any negative impact on the community.

Considering that we are already a cannabis production facility, there will not be an increase in odor load relative to that. Access for minors to our store would be far more difficult than almost any other cannabis retail store in Nanaimo. We are not in close proximity to libraries, public recreation centres, public community centres, places of worship or other family oriented facilities by virtue of being located in the Duke Point Industrial Area. Furthermore, our physical location makes it quite difficult to access by foot or bike, and public transport does not service this area. Along with these factors, we are committed to the *Selling It Right* program for all retail store employees.

Regarding the smoking and consumption of cannabis on or near our premises, it must be made clear that we have a Health Canada Research and Development license associated with our Production Facility. This license authorizes program participants to consume or smoke cannabis on our premises for sensory analysis purposes. Although, this license is not directly related with the Producer Retail Store application, it is relevant to our production area. Therefore it must be understood that cannabis may be smoked or consumed on our site from time to time.



As a business unit of a publicly traded company, we continuously strive to assure our property is well upkept and presentable to our community. Additionally, we always want to have a good image for potential media exposure.

Projected traffic volumes:

We do not anticipate our store to be a high sales volume location. On a busy day, perhaps up to 25 vehicles throughout the day or a small bus or two could be expected. On our property and directly adjacent to the location of the proposed store is a 126 stall parking lot. As a result, we have more parking spaces available than will ever be required.

CITY OF NANAIMO

BYLAW NO. 4500.239

A BYLAW TO AMEND THE "CITY OF NANAIMO ZONING BYLAW 2011 NO. 4500"

WHEREAS the Council may zone land, by bylaw, pursuant to Sections 464, 465, 469, 479, 480, and 481 of the *Local Government Act*;

THEREFORE BE IT RESOLVED the Municipal Council of the City of Nanaimo, in open meeting assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited as "ZONING AMENDMENT BYLAW 2026 NO. 4500.239".
2. The "City of Nanaimo Zoning Bylaw 2011 No. 4500" is hereby amended as follows:
 - (a) By amending the table in section 13.2.2 by adding the following:

| Use | Zones | | | | Conditions of Use |
|-----------------------|-------|----|----|----|--|
| | I1 | I2 | I3 | I4 | |
| Cannabis Retail Store | -- | -- | -- | SS | Permitted as an accessory use where a Cannabis Production and Processing use exists on the same lot. The total Gross Floor Area of an accessory Cannabis Retail Store shall not exceed a Gross Floor Area of 500m ² . |

- (b) By amending section 13.2.3 to add the words "and 13.2.2," after "Notwithstanding Subsection 13.2.1".
 - (c) By amending the table in section 13.2.3 by adding the following:

| Use | Permitted Location Address | Legal Description of Permitted Location |
|-----------------------|----------------------------|--|
| Cannabis Retail Store | 1100 Maughan Road | Lot A, Section 2, Range 8, Nanaimo District, Plan EPP72318 |

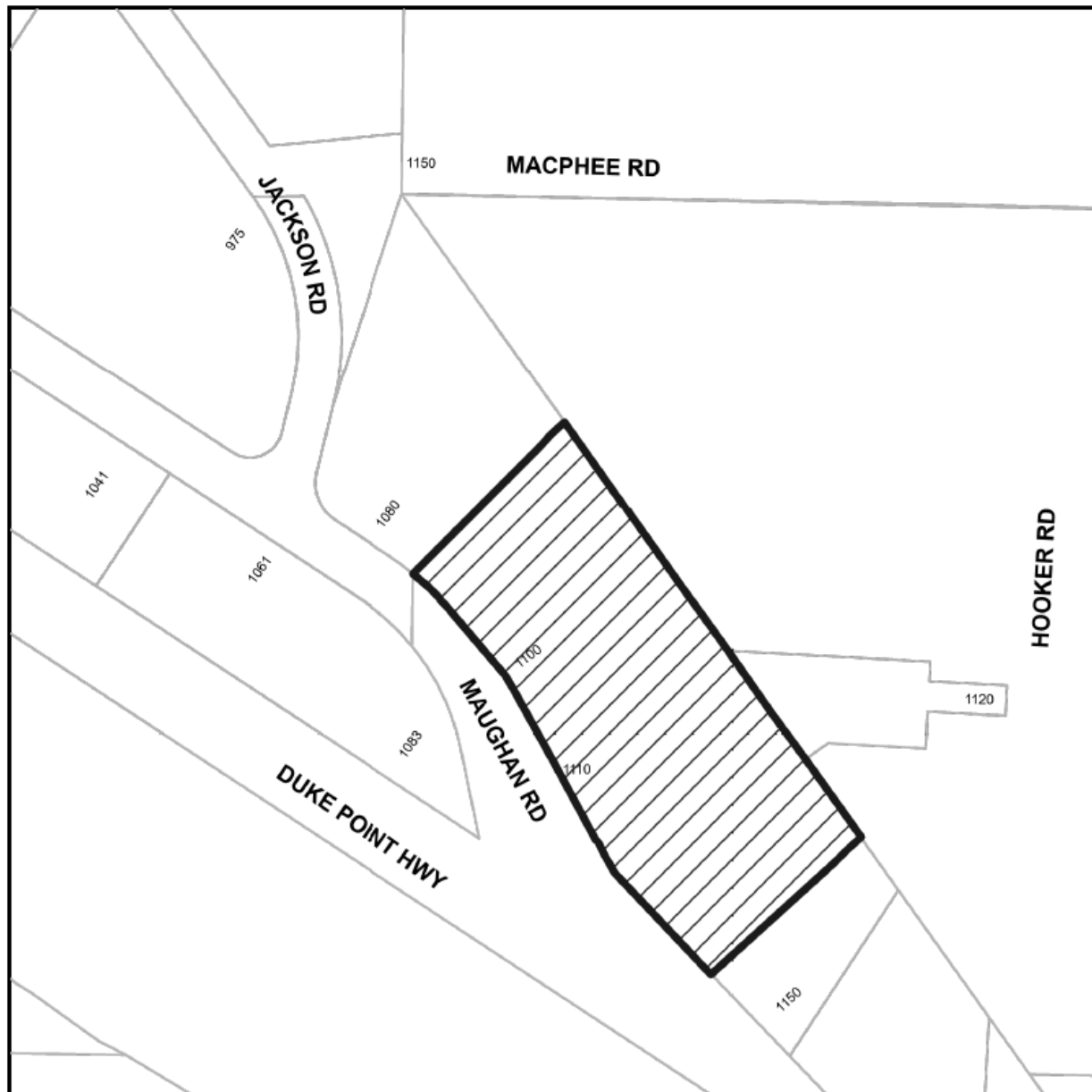
PASSED FIRST READING: _____
PASSED SECOND READING: _____
PUBLIC HEARING HELD: _____
PASSED THIRD READING: _____
MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE: _____
ADOPTED: _____

MAYOR

CORPORATE OFFICER

File: RA000524
Address: 1100 Maughan Road

SCHEDULE A



REZONING APPLICATION NO. RA000524



Subject Property

CIVIC: 1100 MAUGHAN ROAD

LEGAL: LOT A SECTION 2 RANGE 8 NANAIMO DISTRICT PLAN EPP72318