

# City of Surrey PLANNING & DEVELOPMENT REPORT File: 7917-0317-00

Planning Report Date: March 12, 2018

#### PROPOSAL:

• Amend CD By-law No. 11302 (as amended by By-law Nos. 15501 and 17706)

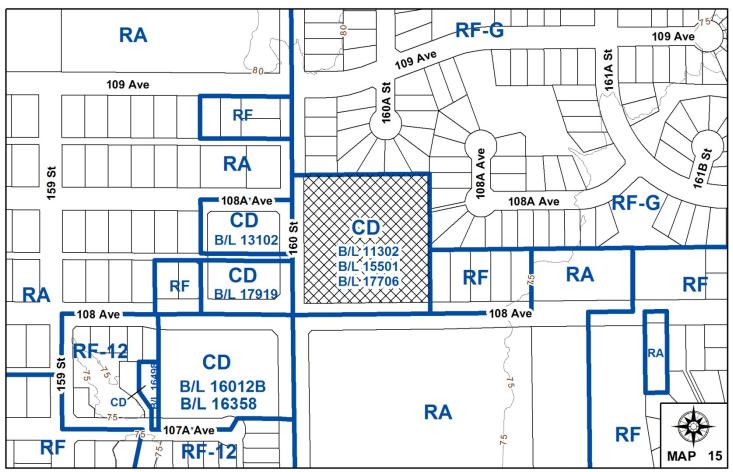
to permit a licensee retail store (private liquor store) in an existing neighbourhood shopping centre.

LOCATION: 16033 - 108 Avenue

ZONING: CD By-law Nos. 11302, 11501, and

17706

**OCP DESIGNATION:** Commercial



#### RECOMMENDATION SUMMARY

• By-law Introduction and set date for Public Hearing for amending CD By-law No. 11302.

#### **DEVIATION FROM PLANS, POLICIES OR REGULATIONS**

• Does not comply with City Policy o-59 which states that a private liquor store should not be located within 400 metres (1/4 mile) of a school, a public children's park, a public children's playground, a public library or a public recreation centre. There is an elementary school, secondary school, and public parks within 400 metres (1/4 mile) of the proposed private liquor store location.

#### **RATIONALE OF RECOMMENDATION**

- The School District No. 36, Fraser Heights Secondary School's Parent Advisory Council (PAC), and the RCMP have not expressed opposition to this proposal.
- The applicant engaged the Fraser Heights Community Association prior to the application's submission and the Association indicated they are neutral on this proposal.
- Unlike the previous similar proposal on the subject site in 2013, for which there was considerable community opposition, the applicant has demonstrated community support for the proposal and few area residents have raised objections to the proposal.
- The applicant has a demonstrated track-record of operating the existing Fraser Heights Wine Cellar without incident.
- There are no other liquor stores currently serving the Fraser Heights neighbourhood.
- There are few alternative commercial locations within the Fraser Heights neighbourhood that could accommodate a liquor store.
- The applicant will enter into a Good Neighbour Agreement with the City.

#### **RECOMMENDATION**

The Planning & Development Department recommends that:

1. a By-law be introduced to amend Comprehensive Development By-law No. 11302, as amended, and a date be set for Public Hearing.

- 2. Council instruct staff to resolve the following issues prior to final adoption:
  - (a) ensure that all engineering requirements and issues including restrictive covenants, dedications, and rights-of-way where necessary, are addressed to the satisfaction of the General Manager, Engineering;
  - (b) approval from the Ministry of Transportation & Infrastructure; and
  - (c) execution of a Good Neighbour Agreement with the City.

#### **REFERRALS**

Engineering: The Engineering Department has no objection to the project as

outlined in Appendix II.

School District: The School District No. 36 and Fraser Height Secondary School's

PAC are not opposed to the transition of the existing wine store to a full-service liquor store provided the business continues to be operated in a responsible manner and that the applicant will work with the school and community in maintaining good relationships.

Surrey RCMP: The Fraser Heights Wine Cellar has had no incidents reported to

the RCMP in the past three years and there appear to be no related problems that have occurred in the area while the business has been in operation. The RCMP is not opposed to the proposed

transition to a full service liquor store.

Surrey By-laws & Licensing

Services:

No concerns.

Ministry of Transportation and Infrastructure (MOTI):

Preliminary Approval has been granted.

#### **SITE CHARACTERISTICS**

**Existing Land Use:** Neighbourhood Shopping Centre

#### **Adjacent Area:**

Direction	Existing Use	OCP/NCP	<b>Existing Zone</b>
		Designation	_
North:	Single family	Urban	RF-G
	dwellings		
East:	Single family	Urban	RF-G and RF
	dwellings		
South (Across 108 Avenue):	Fraser Heights	Urban	RA
	Secondary School		
West (Across 160 Street):	Gas station and	Commercial/Urban	CD By-law Nos.
	commercial, and		13102 and 17919,
	single family uses.		and RA

#### **DEVELOPMENT CONSIDERATIONS**

#### Background on Subject Site's Zoning

- The subject site, on which the Fraser Heights Shopping Centre is currently located, is situated on the north-east corner of 160 Street and 108 Avenue, is designated Commercial under the Official Community Plan (OCP) and is zoned "Comprehensive Development Zone (CD)" (By-law No. 11302, as amended by By-law Nos. 15501 and 17706).
- The Fraser Heights Shopping Centre was developed in the early 1990's (Application No. 7988-0034-00) to provide local services to the growing residential neighbourhood of Fraser Heights, north of Highway No. 1.
- Originally, the subject site was proposed to be rezoned to "C-R(1) Retail Commercial Zone One" under the prevailing Zoning By-law No. 5942. During the review of the proposal, the Fraser Heights Community Association (FHCA) indicated support for the overall commercial development, but expressed concerns about some of the permitted uses in the C-R(1) Zone (By-law No. 5942).
- As a result of these concerns, the subject site was rezoned to a Comprehensive Development Zone (CD By-law No. 11302) to permit retail, service, and office uses and to prohibit certain uses, specifically video arcades, 24-hour grocery stores, and neighbourhood pubs.
- It should be noted that the commercial properties on the west side of 160 Street, directly across the street from the subject property, were rezoned to CD Zones in 1994 and 1998 (By-law Nos. 12322 and 13102 respectively) and neighbourhood pubs were intentionally not included as a permitted use in either by-law. Similarly, the commercial site to the south-west was rezoned to CD By-law No. 16012B in January 2007 and neighbourhood pubs were not included as a permitted use.

• As described in greater detail in the next section of this report, the zoning of the subject site and other applicable CD-zoned sites, were amended under Council-initiative (By-law No. 15501) on October 18, 2004. The amendment permitted (private) liquor stores only if associated with a liquor primary license (e.g., neighbourhood pub). However, since CD By-law No. 11302, which regulates the subject site, specifically prohibits neighbourhood pubs as a permitted use, a (private) liquor store, by virtue of the link between neighbourhood pubs and liquor stores, is therefore not permitted on the subject site.

- On July 26, 2012, the zoning of the subject site was amended for a second time, under By-law No. 17706, to increase the area of the site that can be occupied by a grocery store (Application No. 7912-0167-00).
- In June 2013, an application to rezone the subject site to permit a licensee retail store (private liquor store) in the existing neighbourhood shopping centre was presented to Council (Application No. 7912-0305-00). This application was subsequently denied due to a significant amount of community opposition based on the proximity to Fraser Heights Secondary School.

#### **Background on Private Liquor Store Regulations**

- Historically, licensee retail stores (or private liquor stores) had to be tied to an existing liquorprimary operation, being a pub, hotel, cabaret or resort.
- It should be noted that government-operated liquor stores have been permitted wherever retail stores are allowed.
- In anticipation of potential de-regulation by the Province regarding liquor sales, in June 2003 Council considered Corporate Report No. R142 and subsequently approved amendments to the Zoning By-law to define "liquor store" and to amend the C-8 and C-15 Zones to permit private liquor stores as a principal use but only in combination with a liquor-primary licensed establishment. The intent was to ensure that there would not be a proliferation of private liquor stores within the City.
- Following the adoption of these Zoning By-law amendments, the relevant Comprehensive Development (CD) Zones (including the CD Zone for the subject site) were also amended to incorporate the restriction that private liquor stores are only permitted if in conjunction with a liquor-primary licensed establishment on the same site.
- In 2011, the Provincial Government changed the regulations with respect to private liquor stores, no longer requiring private liquor stores to be associated with a liquor-primary licensed establishment (e.g., neighbourhood pub). In Surrey however, the relevant zones in the Zoning By-law still required the "link" between private liquor stores and neighbourhood pubs.
- In May 2012, Council considered Corporate Report No. R117, which recommended amending the Zoning By-law to allow private liquor stores to operate independently of any liquor-primary license (neighbourhood pub) in order to bring Surrey into conformance with the new Provincial regulations and with the practices of surrounding municipalities.

• As detailed in Corporate Report No. R117, of the eight Metro Vancouver jurisdictions surveyed, none have regulations that require a private liquor store to be located on the same lot as the liquor-primary licensed establishment; however, Richmond and Port Coquitlam require site specific rezoning to allow for the establishment of any new private liquor store.

- On October 1, 2012, Surrey Zoning By-law No. 12000 was amended 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 (e.g., neighbourhood pub).
- At the February 18, 2013 Regular Council Land Use meeting, when considering Application No. 7912-0339-00 for a rezoning, from C-5 to C-8, at 6351 152 Street to accommodate a private liquor store, Council passed the following resolution:

That staff provide a report that discusses and makes recommendations for criteria required for the placement and location of private liquor stores within the City of Surrey. [Resolution No. RES.R13-195]

- At the September 9, 2013 Regular Council Meeting Land Use meeting, staff returned to Council with Corporate Report No: R172 which included Locational Guidelines for Private Liquor Stores (Licensee Retail Stores) under City Policy O-59.
- The Locational Guidelines require staff to consider the location of a proposed liquor store in relation to a school, public park or playground, library, or public recreation centre during a rezoning process with Private Liquor Stores. Private Liquor Stores are discouraged within 400 metres (1/4 mile) of any of the abovementioned facilities.

#### **Current Proposal**

- On June 20, 2017, the owner of the Fraser Heights Shopping Centre submitted the subject rezoning application to further amend CD By-law No. 11302, to permit the conversion of a retail wine store (Off-Site Retail Wine Store) to a private liquor store (Licensee Retail Store). In essence, the applicant is requesting elimination of the "link" to a liquor-primary licensed establishment, similar to the 2013 application that was denied by Council.
- The requested amendment to the CD By-law would bring the existing shopping centre into conformity with "Community Commercial Zone (C-8)" and "Town Centre Commercial Zone (C-15)" zoned shopping centres in Surrey, which allow private liquor stores as an outright permitted use.
- In support of the proposal, the applicant has submitted 507 letters supporting the proposed conversion from a retail wine store to a full-service private liquor store as well as examples of the existing wine store's strict operational standards.

#### City Policy No. o-59

• City Policy No. o-59 stipulates that private liquor stores should not be located within 400 metres (1.4 mile) from a school, a public children's park, a public children's playground, a public library or a public recreation centre when such a use is pursued through a rezoning application process.

• The property on which the private liquor store is proposed to be located is approximately 58 metres (190 ft.) from Fraser Heights Secondary School and approximately 123 metres (403 ft.) from Erma Stephenson Elementary School. Similarly the subject property is located approximately 63 metres (207 ft.) from North Point Park and approximately 168 metres (551 ft.) from the Greenbelt to the southwest (108 Avenue at 159 Street).

- In most cases, this policy is considered to be in alignment with current land-use planning best-practices. However, given the specifics of this application and its context within Fraser Heights, City staff considered additional factors when evaluating this application.
- The Fraser Heights community is served by a single commercial node resulting in few appropriate locations for a full-service liquor store to locate in that are beyond 400 metres (1/4 mile) from a school or park. While there have been discussions around encouraging more commercial uses in the area, to date, no additional commercial uses have been developed.
- Currently, a resident of Fraser Heights must travel to the Guildford community to purchase the full range of liquor products, resulting in inconvenience and unnecessary vehicle miles driven.
- The applicant is proposing to convert the existing Fraser Heights Wine Cellar into a full-service liquor store through this application. The applicant has shown a dedication to upholding a high operational standard within the confines of Provincial and City regulations in their current operations and intends to continue to do so should this application be approved.
- To further ensure the continuance of a high operational standard, the applicant would be required to enter into a Good Neighbour Agreement as a condition of final rezoning approval that will be attached to the Business Licence to ensure that potential impacts on the surrounding community are mitigated.
- The Surrey School District No. 36, the Fraser Heights Secondary School's PAC, and the RCMP have indicated that they have no objections to the proposed conversion of the wine store to a full-service liquor store so long as the current high operational standards are continued.
- For these reasons, there are merits to the departure from the City's Policy Guidelines in this circumstance.

#### PRE-NOTIFICATION

A Development Proposal Sign was installed on-site on September 26, 2017 and Pre-notification letters were mailed on September 14, 2017. In response, correspondence was received from two residents identifying the following (*Staff responses in italics.*):

• One resident raised concerns with college-aged youth congregating in adjacent park smoking marijuana. Making liquor more readily available may exacerbate this issue.

(The owners of the existing wine store have demonstrated a commitment to operating their store within the parameters of Provincial and City regulations. The applicants have passed audits by the Liquor Control and Licensing Branch (LCLB) illustrating a record of not selling alcohol to minors. Further, the applicant will be required to enter into a Good Neighbour Agreement with the City to ensure that high operational standards are upheld.)

• One resident expressed concerns about the proximity of the proposed liquor store to Fraser Heights Secondary School, noting the 400 metre (1/4 mile) distance that City Policy stipulates and that "bootlegging" has always been a concern given the close proximity to the high school. The applicant also raised concerns about increased traffic in the area and about the eventual legalization of marijuana.

(Staff note that the School Board, the Fraser Heights Secondary School's PAC, and the RCMP have raised no objections to the proposal so long as the applicant continues to operate the business responsibly and within the operational boundaries of the LCLB. The application was circulated to the City's Transportation section and no concerns were raised about increased levels of traffic given that the business is already operating as a wine store.)

• One resident expressed support for the proposal stating that they were a regular customer of the shop. The resident also noted that the residents of Fraser Heights deserve the same conveniences as other residents of the city.

(Staff note that there are no full-service liquor stores that currently serve the Fraser Heights neighbourhood and that, other than the subject site under application, there are not any other commercially zone locations in which a full-service liquor store can operate in the community.)

• Included with the submission of the application were 507 signed letters from customers and area residents who support the conversion of the retail wine store to a full service private liquor store.

#### SUSTAINABLE DEVELOPMENT CHECKLIST

The table below summarizes the applicable development features of the proposal based on the seven (7) criteria listed in the Surrey Sustainable Development Checklist.

Sustainability	Sustainable Development Features Summary
Criteria	
1. Site Context & Location (A1-A2)	• The site is served by public transit. If approved, the proposed liquor store will be the only one in the Fraser Heights community resulting in fewer vehicle miles being driven.
2. Density & Diversity (B1-B7)	• The proposed use will help to create a more complete community in the Fraser Heights neighbourhood by providing products that area residents now currently have to leave their neighbourhood for.
3. Ecology & Stewardship (C1-C4)	• N/A

4. Sustainable	• N/A
Transport &	
Mobility	
(D1-D2)	
5. Accessibility &	• N/A
Safety	
(E1-E3)	
6. Green Certification	• N/A
(F <sub>1</sub> )	
7. Education &	• The applicant has met with the School Board, the Fraser Heights
Awareness	Secondary School PAC, and the Fraser Heights Community
(G1-G4)	Association prior to submitting an application.
	• The applicant provided 507 letters from the existing wine store's
	customers in support of the application.
	• The surrounding community was notified via a pre-notification letter
	and Development Proposal signs as required by the City.
	A public hearing will be required as part of the CD By-law
	Amendment process.

#### **INFORMATION ATTACHED TO THIS REPORT**

The following information is attached to this Report:

Appendix I. Lot Owners, Action Summary (Confidential)

Appendix II. Engineering Summary

Appendix III. Proposed CD By-law Amendment

Appendix IV. Policy o-59 & School/Park Proximity Map Appendix V. Liquor Store Site Plan and Location Map

original signed by Ron Gill

Jean Lamontagne General Manager Planning and Development

## APPENDIX I HAS BEEN

## REMOVED AS IT CONTAINS

**CONFIDENTIAL INFORMATION** 



## APPENDIX II INTER-OFFICE MEMO

TO:

Manager, Area Planning & Development

- North Surrey Division

Planning and Development Department

FROM:

Development Services Manager, Engineering Department

DATE:

Feb 08, 2018

PROJECT FILE:

7817-0317-00

RE:

Engineering Requirements (Commercial/Industrial)

Location: 16033 108 Avenue

#### REZONE

Due to the limited change in use and existing infrastructure onsite the Engineering department is supporting a deferral of the ultimate road dedication requirements along 160 Street and 108 Avenue until future development of the site.

A Servicing Agreement is not required prior to Rezone.

Rémi Dubé, P.Eng.

Development Services Manager

CE<sub>4</sub>

### **APPENDIX III**

#### **CITY OF SURREY**

DV/ I	ATAT	NIO
BY-L	AW	NO.

		A by-law to amend Surrey Amendment By-law, 1992, Amendment By-law, 2012,	No. 11302, Am			01,
			**********	*********		
ТНЕ СІТ	ГҮ СО	UNCIL of the City of Surrey	, in open mee	ting assembled,	ENACTS AS FO	LLOWS:
		Zoning By-law, 1979, No. 59 2004, No. 15501, Amendme				
S	Sub-sec	ction 2.B.1 is amended by de	eleting the fol	lowing:		
"	<b>'</b> _	<i>Liquor Store</i> , permitted on with a valid license issued R.S.B.C. 1996, chapter 267,	pursuant to th	ne L <u>iquor Contro</u>	ol and Licensing	
F	And in	serting the following in its J	place:			
u	<b>'</b> _	Liquor Store."				
A	Amend	r-law shall be cited for purp ment By-law, 1992, No.1130 2012 No. 17706, Amendmen	2, Amendmen	t By-law, 2004, l		
PASSED	FIRST	'AND SECOND READING	on the	th day of	, 20 .	
PUBLIC	HEAR	ING HELD thereon on the	th da	y of	, 20 .	
PASSED	THIR	D READING ON THE	th day of		, 20 .	
RECONS Corpora		ED AND FINALLY ADOPT on the th day of	ED, signed by , 20	•	Clerk, and sealed	d with the
						MAYOR
						CLERK



# City of Surrey Policy

No. O-59

Policy Title: Locational Guidelines for Private Liquor Stores

(Licensee Retail Stores)

Approval Date: 2013 SEP 09 (RES. 13-1895)

History: NEW

**Department:** PLANNING & DEVELOPMENT

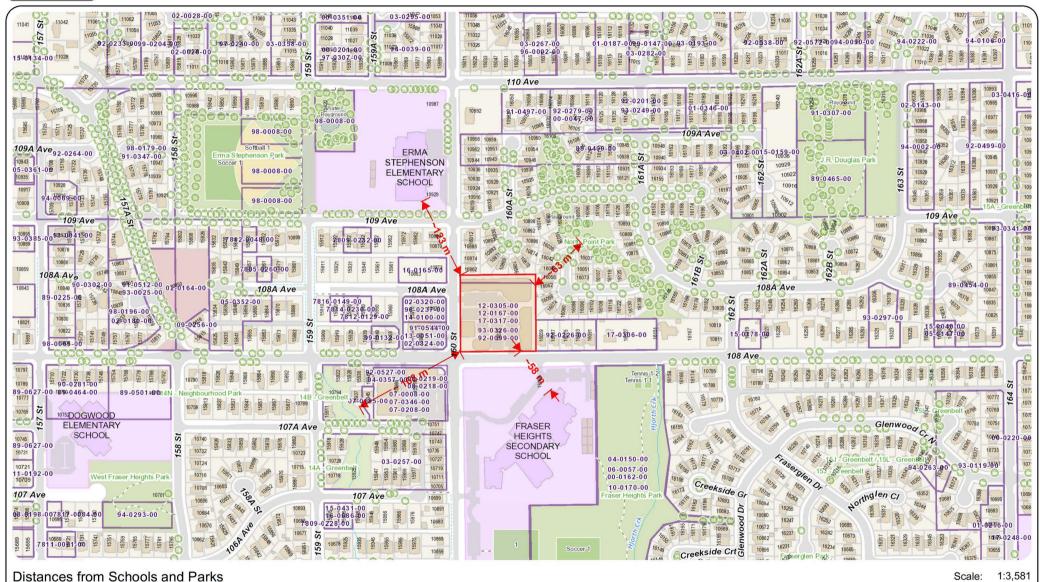
#### **Policy Guidelines**

The following locational guidelines for private liquor stores (licensee retail stores) will be used as part of the analysis of determining the suitability of a site for a private liquor store when such a use is pursued through a rezoning application process.

- 1. Private liquor stores should not be located:
  - 1.1 Within 1 kilometre (0.6 mile) of another private liquor store; or
  - 1.2 Within 400 metres (1/4 mile) of a school, a public children's park, a public children's playground, a public library or a public recreation centre;
- 2. Where a private liquor store is proposed to be relocated within 400 metres of its current location, the new location for the private liquor store should be no closer to a school, a public children's park, a public children's playground, a public library or a public recreation centre than it was at its former location.



#### 17-0317 Fraser Heights Wine Cellar



The data provided is compiled from various sources and is NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, legal descriptions and encumbrances must be confirmed at the Land Title Office. Use and distribution of this map is subject to all copyright and disclaimer notices at cosmos.surrey.c



0 0.035 0.07 0.14 0.21 km Map created on: 2018-02-2

