



AGENDA

Special Meeting of the Council of the Village of Chase held in the Council Chamber at the Village Office at 826 Okanagan Avenue on Wednesday, July 5, 2017 at 3:30 p.m.

1. CALL TO ORDER

2. ADOPTION OF AGENDA

Resolution:

“That the July 5, 2017 Village of Chase Special Council meeting agenda be adopted as presented.”

3. NEW BUSINESS

Cannabis and local governments

Council will discuss cannabis and the options available to local governments in preparation for legalization.

4. PUBLIC INPUT ON CURRENT AGENDA ITEMS

This opportunity is for members of the gallery to provide input on items on this Agenda

5. IN CAMERA

6. ADJOURNMENT

Resolution:

“That the July 5, 2017 Village of Chase Special Council meeting be adjourned.”

CANADA'S NEW CANNABIS REGIME

CURRENT AND FUTURE STRATEGIES FOR BC COMMUNITIES

Denise McCabe and Sam Dabner



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Case Study: Nanaimo

- Tilray - licenced to produce medical marijuana
 - Named a top employer in 2014
 - 600,000 sqf facility – in 2015 brought \$46 million “economic windfall” to the City and fostered 395 jobs
 - “Poised for a ‘green rush’ ”

Local Government Provisions

- Section 59
 - Feds may enter into agreement with LGs re:
 - Prosecution & enforcement of ticketing offences created by *Cannabis Act* (not criminal offences)
 - Sharing proceeds of fines and fees
- Future regulations may provide more guidance

Still in progress...

FEDERAL REGULATIONS

- Cultivation
- Medical Cannabis
- Edibles
- Product Testing
- Distribution
- Impairment Testing
- Pricing and Taxation
- Cost and Revenue Sharing (Fed/Prov)

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PROVINCIAL REGULATIONS

- Retail / Co-location Sales
- Tasting Rooms?
- Public Consumption?
- Facility Location? ALR?
- Pricing and Taxation
- Cost and Revenue Sharing (Prov/Local?)

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LOCAL REGULATIONS

- Zoning
- Business Regs
- Building and Safety
- Managing Private Grows
- Inspection, Monitoring Enforcement
- Public Consumption
- Significant demand on local resources

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Demand on Local Resources

- Zoning
- Business Regulations
- Building and Safety
- Private Grows
- Public Consumption
- Inspection,
Monitoring
Enforcement

Additional Staffing Resources
to Regulate Cannabis

Denver, Colorado

Population: 696,060

FT Employees (Cannabis): **65**

Current Status

- Recreational use remains illegal
- Production for recreational use remains illegal
- Distribution for recreational use remains illegal
- All dispensaries are illegal

Proliferation of Storefront Dispensaries

- Significant concern for LGs
 - Rapid proliferation across Canada
 - Exponential increase expected after April
 - Example: 2017 Vancouver 4/20 Celebration – over 200 cannabis product vendors
- Case Study: Denver
 - forced to cap licences at 1,000 two years after legalization

Advice from US Colleagues

- Rapid growth in anticipation of legalization
- Canada should expect “unbelievably high” sales says U.S. Consultant hired by Ottawa
- “Be prepared, engage with all stakeholders, remain nimble and adaptable. Understand that quick and decisive policy/bylaw changes will be ongoing and necessary.”

Interim Policy Decisions

- Local Governments have decisions to make regarding dispensaries:

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graph LR; A[Licence and Regulate] --> B[Prohibit and Enforce]; B --> C[Do Nothing: Wait for Federal/Provincial Implementation];
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Licence and Regulate

Prohibit and Enforce

Do Nothing:
Wait for
Federal/Provincial
Implementation

A Case For Licensing and Regulating

- “Get out in front” of federal/provincial leg’n
- Manage local proliferation
- Develop revenue stream to offset public safety costs
- Avoid costly enforcement in face of eventual legalization
- Place cannabis businesses on equal footing with other businesses
- Other?

A Case Against Licensing and Regulating

- All dispensaries remain illegal
- All cannabis product obtained from black market
 - Much of supply comes from organized crime
 - No quality control (e.g. pesticides, fentanyl)
- Bylaws may be incompatible with eventual federal/provincial legislative regimes
- Other?

A Case For Prohibiting and Enforcing

- Puts all businesses on equal footing
- Addresses blatant disregard of laws:
 - No reward - decisive (long term) consequences
- Addresses public safety concerns
 - Reduces harm from illegal, unregulated, untested cannabis products
 - Discourages organized crime
- Allows time for consultation with all stakeholders
- Allows council/board to consider and adopt policies
- Allows for orderly transition to new regulatory regime
- **Other?**

A Case Against Prohibiting and Enforcing

- Enforcement can be challenging
 - Fines may be ineffective against non-ppty owners
 - Injunctions are costly and time-consuming
 - Big money = Big defence
 - Whack-a-mole tactics
- Other?

A Case For Taking No Action

Turn a blind eye to illegal local operations

- No immediate financial outlay
- No wasted effort on policies and bylaws that may be incompatible with eventual federal/provincial regulatory regimes
- Other?

A Case Against Taking No Action

- Local businesses not on equal footing
- Undermines LG's authority
- Public safety issues not addressed:
 - Product safety, building safety, fire prevention, nuisance properties etc.
- No revenue stream to offset cost of public safety issues
- May be more difficult to enforce at later date
 - Potential zoning issues with lawful non-conformity

Long-term Policies & Decisions

- Adopting a Collaborative Approach
- Managing Growth
- Law Enforcement Issues
- Public Consumption Issues
- Zoning Policy Decisions
- Building and Safety Issues
- Business Regulations
- Managing Private Grows

Managing Growth

- Industry's footprint in your community may be significant
- How to avoid saturation and protect vulnerable neighbourhoods, children and quality of life?

Strategies Include: cap number of facilities;
incorporate zoning restrictions; adopt rigorous
enforcement tools

Public Consumption Issues

- Smoking/vaping on public property
- Smoking/vaping in commercial premises
- Smoking/vaping in sensitive areas
- Workplace issues for local governments

Zoning Policy Decisions

Discussion Points:

- How best to prevent land use conflicts
- Defining permitted zones
- Buffer zones for sensitive uses
- Prevent clustering
- Ban in certain areas (e.g. transit malls)

Building and Safety Issues

Discussion Points

- Special venting for odor mitigation
- Proper waste disposal
- Edibles: particular hazards associated with extraction process
- Old grow-op concerns likely won't be a factor
 - e.g. hazardous structural issues, electrical and water systems, dangerous pesticides etc.

Regulating Business

s. 8(6) – power to regulate in relation to business
(but not prohibit or impose requirements)

ss. 59-61 – power to prohibit and impose requirements

-may see amendment adding special bylaw making powers for
cannabis-related businesses

*Required to give notice and opportunity to make
representations prior to adoption of new provisions

Business Regulations - Discussion Points

Some will require amendments to CC

- Annual criminal record checks - applicant and staff
- Licence applications must be made by property owner or lease holder – ease of enforcement
- Limit number of licences per person
- Prohibit corporate ownership
- Prohibit licence transfers
- Require insurance

Business Regulations - Discussion Points

Continued...

- Prohibit co-location (ATM, liquor, cheque cashing)
- Require “Nuisance Mitigation Plan” (odor, noise, patron conduct)
- Require “Security Plan”
- Require transparent shop fronts – strictly control signage
- Require that any security bars be set back 1 metre from window

Business Regulations - Discussion Points

Continued...

- Limit operating hours
- Prohibit sampling/tasting
- Prohibit staff from working alone

- Consider:
 - business licence category for commercial leasing

Other Policies and Regulations to Consider

- Ban on smoking in public places
- Designated consumption areas
- Odor Control and Mitigation Bylaw
- Excessive Nuisance Service Call Bylaw
- Nuisance Abatement and Cost Recovery Bylaw

- Training for LG employees to learn best safety and risk management practices during visits

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