

REQUEST FOR DECISION

SLRD Cannabis Regulations – Public Survey and ALC Updates

Meeting Date: December 19, 2018

To: SLRD Board

RECOMMENDATIONS:

THAT the SLRD Board receive the public survey feedback on the SLRD Cannabis Regulations.

THAT the SLRD Board support the Cannabis Regulatory Updates proposed for 2019, generally described as:

- Revise cannabis production regulations (ALR only) to align with new ALR regulations in which only soil-based cannabis production is considered a farm use;
- Develop a policy for Micro Cannabis Production (micro processing and cultivation) in order to support the review of site-specific zoning requests; and,
- Maintain the current approach for cannabis retail, in which a site-specific zoning amendment is required.

PURPOSE:

In April 2017, the Government of Canada introduced Bill C-45 (the *Cannabis Act*) and Bill C-46 (the Act to amend the Criminal Code), and non-medical (i.e. recreational) cannabis became legal in Canada on October 17, 2018. The SLRD adopted regulatory updates in May 2018, in preparation for cannabis legalization. These regulatory updates presented an incremental approach to the regulation of cannabis in the Electoral Areas – maintaining the status quo for both retail and production while providing for consideration of new uses through the site-specific zoning amendment process. In addition to these regulatory updates, the SLRD sought public feedback through an online survey.

The purpose of this report is to share the public feedback received through the survey and receive direction on proposed next steps for cannabis regulatory approaches in the SLRD.

BACKGROUND:

The *Cannabis Act* came into force on October 17, 2018. While the *Cannabis Act* provides an overall framework for cannabis legalization and regulation, it also provides authorities for all levels of government. Generally the *Cannabis Act* provides authority for the Federal government to regulate commercial cultivation, processing, and sales (by phone or online), with Federal licences required for these activities. Provincial governments will have authority to establish age limits, wholesale and retail distribution models, among others. Local governments will have authority to regulate certain aspects like retail location and rules, regulatory compliance, public consumption, and land use/zoning.

The SLRD took the following approach in preparation for cannabis legalization:

1. Update SLRD Electoral Area Zoning Bylaws – adopted May 23, 2018. These zoning amendments provided an incremental approach to the regulation of cannabis in the SLRD Electoral Areas – maintaining the status quo (where cannabis retailing remains an unpermitted use in all zones and cannabis production is permitted in some zones) for both retail and production while considering new uses through site-specific zoning amendment processes (see Appendix C for full details).
2. Seek Public Feedback – the SLRD initiated an online survey as a way to seek public feedback on cannabis regulations which would help to inform the Board. This survey is now closed and the results are shared below.
3. Develop and Implement Regulations – To come. Now that cannabis is legal and regulated under the *Cannabis Act*, the SLRD may want to undertake further regulatory updates. Options are discussed below.

Current Zoning

SLRD Electoral Area Zoning Bylaws and Cannabis Production

CANNABIS PRODUCTION FACILITY means a premise used for cultivation, processing, testing, destroying, storing or distribution of cannabis authorized by a licence issued by Health Canada.

Electoral Area A: Cannabis Production is a permitted use in the RR1, RR2, M1, M2 zones. The minimum parcel size in the Rural Zones is 10 hectares. The minimum parcel size in the Industrial Zones is 0.5 ha if the parcel is serviced by a sewer system and 1 ha where not serviced.

Electoral Area B: Cannabis Production is a permitted use in the RR1, RR2, RR3, RR4, RR5 zones. Generally the minimum parcel size is 10 hectares. The minimum parcel size is 100 ha on lands within the Agricultural Land Reserve.

Electoral Area C: Cannabis Production is a permitted use in the RR1, I1, I2 zones. The minimum parcel size in the Rural Zones is 10 hectares and 0.5 hectares in the Industrial Zones. The minimum parcel size is 60 ha in the AGR zone.

Electoral Area D: Cannabis Production is a permitted use in the RR2, RR3, RR4 zones. Generally the minimum parcel size is 10 hectares. The minimum parcel size is 60 ha in the AGR1 zone.

In all zones in all bylaws, the following regulations apply:

- The maximum gross floor area for a cannabis production facility is 2,500m²
- The maximum height for a cannabis production facility is 10m (except Area D where the maximum height is 15m)
- Minimum setback for a cannabis production facility from all parcel lines is 15m

Note the SLRD zoning bylaws will need to be revised to address the new ALR regulations (July 2018; see Appendix D) in which only soil-based cannabis production is considered a farm use and thus permitted in the ALR. It will likely be that the minimum parcel size requirement is

removed for all cannabis production designated as a farm use, while the above existing minimum parcel sizes in the ALR (60 ha and 100 ha) will be maintained for non-farm use cannabis production.

SLRD Electoral Area Zoning Bylaws and Cannabis Retail
CANNABIS RETAIL means the sale of cannabis.

Cannabis retail is prohibited, except through site specific zoning amendments.
Unless expressly permitted in this Bylaw, cannabis retail is prohibited in all zones including zones which broadly permit retail sales/stores or use, farm retail sales/retail sales of farm products, convenience store, or accessory retail use/auxiliary retail sales.

ANALYSIS:

Public Survey Feedback

Survey Period: Open May 2, 2018 – November 30, 2018.

Total Responses: 193*

*A respondent can only take the survey once per browser or email address.

Mix of participation: residents from all Electoral Areas provided responses, and some responses were provided from people living outside the SLRD. Most responses came from residents in Electoral Area C (32.6%) and Electoral Area A (30.6%). 96.9% of responses came from residents or property owners, with 3.1% of responses from organizations.

Areas of concern were varied for residents/property owners. Most respondents (77.7%) are supportive of having cannabis retail sale(s) stores in the SLRD Electoral Areas. Responses around location of cannabis retail stores was varied (see full summary). Most respondents are supportive of placing a restriction on the proximity of cannabis retail stores to schools and areas frequented by children. Most respondents were not supportive of regulating the location of retail stores by proximity to other retail stores (other cannabis retail stores, liquor stores, etc.). Most respondents felt the provincial and federal regulations will suffice in terms of the regulation of public consumption of cannabis (i.e. no need for a Clean Air Bylaw). Similarly, most respondents felt the provincial and federal legislation will suffice in terms of setting additional rules for personal cultivation.

See Appendix A for word version of survey questions and Appendix B for the full summary of survey responses.

Survey results also available at the following link:

<http://www.surveymonkey.com/stories/SM-QXZ7FND8/>

Next Steps – 2019 Regulatory Updates

ALC Regulatory Updates

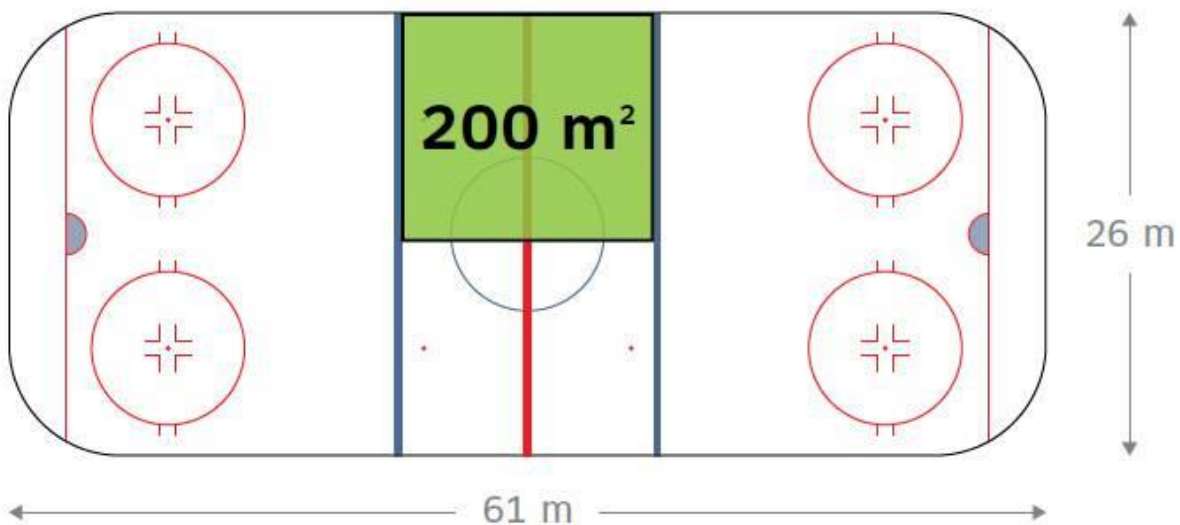
The SLRD will need to update all the Electoral Area zoning bylaws to align with the recent amendments to the Agricultural Land Reserve Use, Subdivision and Procedure Regulation (the ALR Regulation) that came into force on July 13, 2018. The ALR Regulation, which designated as farm use “the production of marihuana in accordance with the Marihuana for Medical Purposes Regulation, SOR/2013-119 (Canada)”, has been repealed. Under the ALR Regulation, the lawful production of cannabis is designated as farm use for the purposes of the [ALC Act] if produced outdoors in a field or inside a structure that has a base consisting entirely of soil. Producing cannabis in a manner contrary to this description (soil-based) requires a non-farm use application to the Agricultural Land Commission.

See Appendix D for full details.

Production

The SLRD may want to differentiate between micro licences and standard licences in terms of cannabis production and the current minimum parcel sizes, as the requirements for micro licences limits both size (200 m²; see below diagram used by Health Canada to illustrate the size of a 200-square-metre plant canopy area) and production (600 kg dried cannabis in 1 calendar year). See Appendix E for details. It is suggested that the SLRD develop a policy specific to micro cannabis production (micro processing and cultivation) to help guide decision-making should zoning amendment applications come forward. The following aspects are recommended for inclusion in such policy:

- Micro processing and cultivation to be considered on a case-by-case basis through site-specific rezoning
- Minimum parcel size of 5 ha is required for consideration of a zoning amendment application for micro cannabis production (current minimum parcel size for cannabis production in the rural zoned areas is generally set at 10 ha irrespective of type of licence/size of operation)
- Maximum size of plant canopy area is 200 m² and production is 600 kg dried cannabis in 1 calendar year, as per the Cannabis Act/Health Canada
- Must be licenced by Health Canada
- Adequate water and servicing must be proved out
- Residential zones will not be considered for cannabis production (micro or standard)



Should the SLRD Board be interested in developing a Micro Cannabis Production Policy to provide guidance around small-scale cannabis production in the SLRD, staff can prepare a policy for consideration in early 2019.

Retail

As the SLRD does not have the authority to issue business licences, with zoning the key regulatory tool for cannabis retail, SLRD staff do not suggest any regulatory updates for cannabis retail. It is felt that it is best to maintain consideration for cannabis retail on a site by site basis through zoning amendment process.

REGIONAL IMPACT ANALYSIS:

Cannabis legalization and the *Cannabis Act* impacts the entire region, through impacts and concerns may vary from urban and rural/remote areas. Authorities also vary between municipalities and regional districts. As such, the SLRD approach may differ from that of some of the member municipalities.

NEXT STEPS:

As per Board's direction.

APPENDIX:

Appendix A: SLRD Cannabis Regulations – Public Survey

Appendix B: SLRD Cannabis Regulations – Public Survey – Summary of Results (Also available at the following link: <http://www.surveymonkey.com/stories/SM-QXZ7FND8/>)

Appendix C: Link to RFP Report Zoning Amendment Bylaw No. 1544-2017, No. 1545-2017, No. 1546-2017 and No. 1547-2017 – Cannabis Regulations:

https://www.slrd.bc.ca/sites/default/files/pdfs/planning/staff-reports/180523%20CannabisRetail%26Regs_3rd%26Adoptiondocx.pdf

Appendix D: ALC Information Bulletin 04 Cannabis Production in the ALR:

https://www.alc.gov.bc.ca/assets/alc/assets/legislation-and-regulation/information-bulletins/information_bulletin_04_cannabis_production_in_the_alr.pdf

Appendix E: Cannabis Licences – Micro versus Standard

Submitted by: C. Daniels, Planner

Endorsed by: K. Needham, Director of Planning and Development

Reviewed by: L. Flynn, Chief Administrative Officer

SLRD Cannabis Regulations – Public Survey

The Government of Canada has introduced Bill C-45 (the *Cannabis Act*) and Bill C-46 (the Act to amend the Criminal Code) with plans to make non-medical cannabis legal in Canada in summer 2018. While the proposed *Cannabis Act* provides an overall framework for cannabis legalization and regulation, it also provides authorities for all levels of government. Generally the *Cannabis Act* provides authority for the Federal government to regulate commercial cultivation, processing, and sales (by phone or online), with Federal licences required for these activities. Provincial governments will have authority to establish age limit, distribution and retail models, among others. Local governments will have the authority to regulate some aspects of cannabis legalization including land-use zoning, retail location and rules, public consumption, and regulatory compliance. The SLRD is seeking public feedback on these aspects.

Your feedback is invited anonymously, however to help us understand where we're hearing feedback from please indicate:

1. SLRD Electoral Area you reside in:

Area A

Area B

Area C

Area D

None of these. I do not live in the SLRD Electoral Areas

2. If you are responding as a Resident/Property Owner or on behalf of an Organization (and if so which one):

Resident/Property Owner

Organization (please specify)

3. Select the top three areas you are most concerned with respect to the legalization of cannabis.

- ☐ Neighbours who grow or smoke cannabis
- ☐ Cannabis store signage and advertising
- ☐ The location of cannabis stores
- ☐ Youth access to cannabis
- ☐ Cannabis-related crime
- ☐ Number of cannabis retail businesses in SLRD Electoral Areas
- ☐ Number of cannabis cultivation businesses in SLRD Electoral Areas
- ☐ Number of cannabis processing businesses in SLRD Electoral Areas
- ☐ Cultivation/processing impacts on agricultural land and farm use
- ☐ Cultivation/processing impacts on utilities and water in unserved Electoral Areas
- ☐ Public consumption of cannabis
- ☐ Public health education
- ☐ Public health impacts
- ☐ I am not concerned about cannabis legalization

Retail Sales

British Columbians of legal age will be able to purchase non-medical cannabis through privately run retail stores or government-operated retail stores and online sales. The BC Liquor Distribution Branch (LDB) will operate the public retail stores, and Liquor Control and Licensing Branch (LCLB) will be responsible for licensing private stores and monitoring the retail sector. The operating rules governing public and private retail stores will be similar to those currently in place for liquor. In urban areas, licensed retailers will not be able to sell cannabis in the same stores as liquor or tobacco. The Province recognizes retail access for people in rural areas will require a different approach than those used in urban communities and will establish exceptions for rural non-medical cannabis retail stores, similar to those of rural liquor stores.

The Province will not be regulating the location of cannabis retail stores. Local government jurisdiction over land use management is recognized, including jurisdiction to set requirements for the proximity of a store to another cannabis store, schools, daycares or other land uses.

4. Local governments can ban cannabis retail sales altogether. Do you support having cannabis retail sale(s) stores in the SLRD Electoral Areas?

Yes

No

5. Local governments may regulate the location of retail stores by zoning. If you support cannabis retail stores in the SLRD Electoral Areas, in what zone(s) should they be permitted?

☐ Only through site-specific rezoning (eg. on a case by case basis)

☐ All General Commercial Zones

☐ All Tourist Commercial Zones

☐ All Resort Commercial and Backcountry Commercial Zones

☐ All Industrial Zones

☐ All Agricultural Zones

☐ Zones that allow Home Business/Home Craft

☐ Other (please specify)

6. Local governments can regulate the location of retail stores by proximity to certain uses such as schools and areas frequented by children/youth. Do you support placing restrictions on the proximity of cannabis retail stores to schools and areas frequented by children (for example: recreation centres / parks & playgrounds)?

Yes

No

Other (please specify)

7. Local governments can regulate the location of retail stores by proximity to other retail stores. Do you support placing restrictions on the proximity of cannabis retail stores to other retail stores such as cannabis retail stores, liquor stores, cold beer & wine stores?

No

Yes (please explain)

8. Local governments can regulate the number of cannabis retail stores. What number of cannabis retail stores do you feel is appropriate in the SLRD Electoral Area where you reside?

0

1

2-3

4-6

>6

Other (please specify)

Places of Use (Public Consumption)

B.C. will generally allow adults to use non-medical cannabis in public spaces where tobacco smoking and vaping are permitted. However, to minimize child and youth exposure, smoking and vaping of non-medical cannabis will be banned in areas frequented by children, including community beaches, parks and playgrounds. Use of cannabis, in any form will also be banned for all occupants in vehicles.

Local governments will be able to set additional restrictions, as they do now for tobacco use.

9. Should the SLRD regulate the public consumption of cannabis? (for example: introducing a Clean Air Bylaw)

No, the provincial and federal legislation will suffice.

Yes (please explain)

Personal Cultivation

B.C. will align with the proposed federal legislation and allow adults to grow up to four cannabis plants per household, but the plants must not be visible from public spaces off the property. The province may allow municipalities to set rules on public visibility and security requirements for growing cannabis plants at home to ensure public safety and limited nuisances (such as odours and visibility).

10. Should the SLRD set additional rules for personal cultivation?

No, the provincial and federal legislation will suffice.

Yes (please explain)

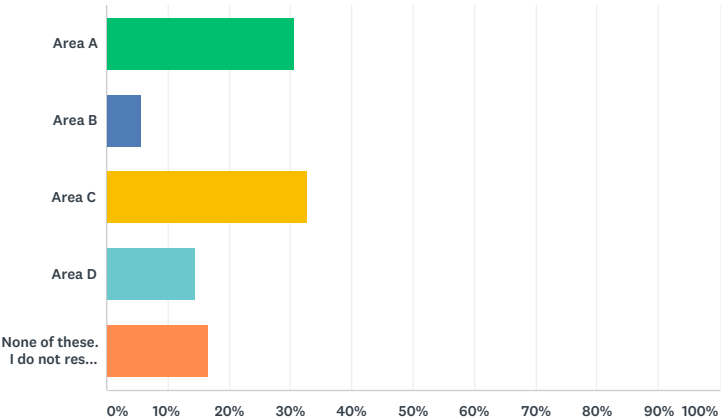
11. Please provide any further comments below (limit to 250 words)

Thank you!

The SLRD will be using your feedback to inform the development and implementation of cannabis regulations in the SLRD Electoral Areas once cannabis is made legal through the *Cannabis Act*.

Q1 SLRD Electoral Area you reside in:

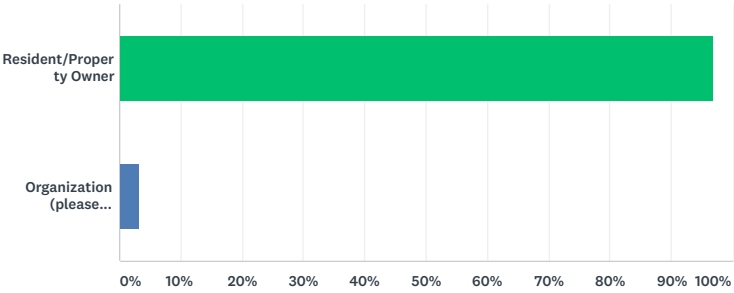
Answered: 193 Skipped: 0



ANSWER CHOICES	RESPONSES	
Area A	30.57%	59
Area B	5.70%	11
Area C	32.64%	63
Area D	14.51%	28
None of these. I do not reside in the SLRD Electoral Areas	16.58%	32
TOTAL		193

Q2 If you are responding as a Resident/Property Owner or on behalf of an Organization (and if so which one):

Answered: 193 Skipped: 0

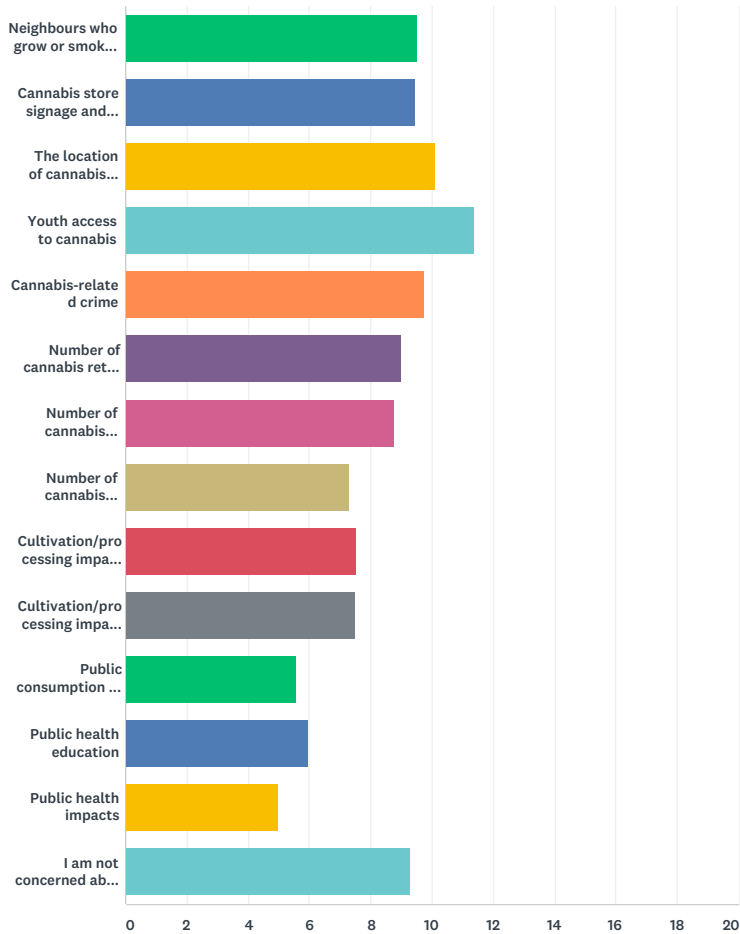


ANSWER CHOICES	RESPONSES	
Resident/Property Owner	96.89%	187
Organization (please specify)	3.11%	6
TOTAL		193

Squamish-Lillooet Regional District Cannabis Regulations Public Survey

Q3 Select the top three areas you are most concerned with respect to the legalization of cannabis.

Answered: 157 Skipped: 36



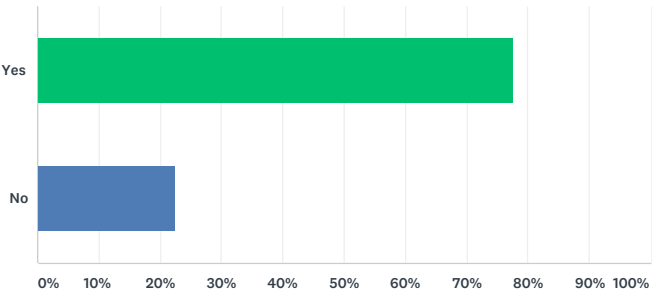
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Neighbours who grow or smoke cannabis	27.38% 23	7.14% 6	11.90% 10	8.33% 7	4.76% 4	7.14% 6	4.76% 4	2.38% 2	2.38% 2	3.57% 3	1.19% 1	5.95% 5	2.38% 2	10.00% 9
Cannabis store signage and advertising	4.00% 3	26.67% 20	14.67% 11	9.33% 7	9.33% 7	4.00% 3	4.00% 3	4.00% 3	2.67% 2	2.67% 2	5.33% 4	2.67% 2	6.67% 5	4.00% 3
The location of cannabis stores	11.69% 9	9.09% 7	22.08% 17	20.78% 16	6.49% 5	5.19% 4	3.90% 3	5.19% 4	2.60% 2	3.90% 3	1.30% 1	2.60% 2	2.60% 2	2.60% 2
Youth access to cannabis	24.72% 22	20.22% 18	16.85% 15	16.85% 15	3.37% 3	2.25% 2	3.37% 3	2.25% 2	4.49% 4	2.25% 2	0.00% 0	2.25% 2	0.00% 0	1.11% 1
Cannabis-related crime	6.17% 5	13.58% 11	7.41% 6	9.88% 8	37.04% 30	3.70% 3	6.17% 5	2.47% 2	0.00% 0	3.70% 3	1.23% 1	3.70% 3	2.47% 2	2.47% 2
Number of cannabis retail businesses in SLRD Electoral Areas	3.80% 3	6.33% 5	5.06% 4	2.53% 2	11.39% 9	45.57% 36	6.33% 5	2.53% 2	7.59% 6	5.06% 4	2.53% 2	1.27% 1	0.00% 0	0.00% 0
Number of cannabis cultivation businesses in SLRD Electoral Areas	5.81% 5	11.63% 10	5.81% 5	2.33% 2	1.16% 1	10.47% 9	39.53% 34	9.30% 8	4.65% 4	3.49% 3	1.16% 1	1.16% 1	2.33% 2	1.16% 1
Number of cannabis processing businesses in SLRD Electoral Areas	0.00% 0	2.60% 2	6.49% 5	0.00% 0	2.60% 2	2.60% 2	10.39% 8	51.95% 40	12.99% 10	2.60% 2	5.19% 4	2.60% 2	0.00% 0	0.00% 0
Cultivation/processing impacts on agricultural land and farm use	4.55% 4	7.95% 7	9.09% 8	4.55% 4	4.55% 4	2.27% 2	1.14% 1	2.27% 2	42.05% 37	9.09% 8	4.55% 4	4.55% 4	3.41% 3	3.41% 3

Squamish-Lillooet Regional District Cannabis Regulations Public Survey

Cultivation/processing impacts on utilities and water in unserviced Electoral Areas	8.54% 7	13.41% 11	6.10% 5	3.66% 3	0.00% 0	2.44% 2	0.00% 0	6.10% 5	2.44% 2	41.46% 34	10.98% 9	2.44% 2	1.22% 1	1
Public consumption of cannabis	4.65% 4	6.98% 6	5.81% 5	2.33% 2	2.33% 2	0.00% 0	2.33% 2	1.16% 1	0.00% 0	5.81% 5	41.86% 36	11.63% 10	10.47% 9	4
Public health education	2.35% 2	10.59% 9	9.41% 8	4.71% 4	3.53% 3	2.35% 2	0.00% 0	1.18% 1	1.18% 1	1.18% 1	9.41% 8	36.47% 31	15.29% 13	2
Public health impacts	2.33% 2	5.81% 5	11.63% 10	1.16% 1	5.81% 5	1.16% 1	1.16% 1	1.16% 1	1.16% 1	2.33% 2	1.16% 1	10.47% 9	40.70% 35	13
I am not concerned about cannabis legalization	53.45% 62	3.45% 4	3.45% 4	2.59% 3	0.86% 1	0.00% 0	0.00% 0	0.86% 1	0.86% 1	1.72% 2	0.86% 1	0.86% 1	0.86% 1	30

Q4 Local governments can ban cannabis retail sales altogether. Do you support having cannabis retail sale(s) stores in the SLRD Electoral Areas?

Answered: 157 Skipped: 36

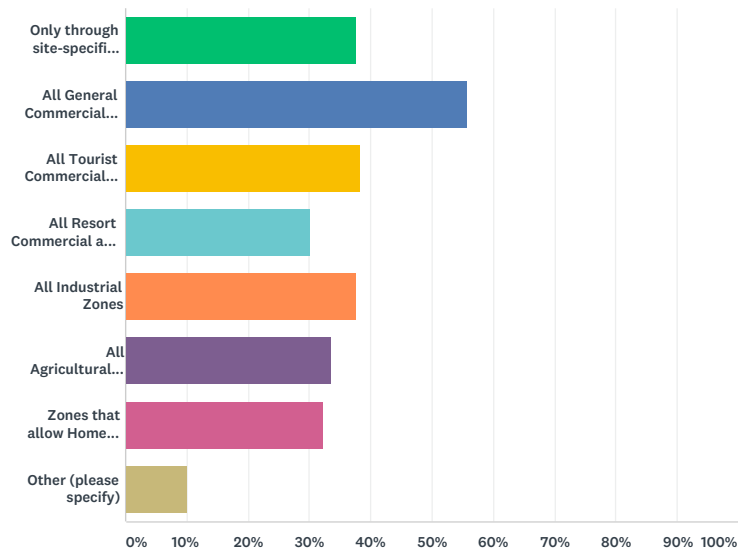


ANSWER CHOICES	RESPONSES	
Yes	77.71%	122
No	22.29%	35
TOTAL		157

Squamish-Lillooet Regional District Cannabis Regulations Public Survey

Q5 Local governments may regulate the location of retail stores by zoning. If you support cannabis retail stores in the SLRD Electoral Areas, in what zone(s) should they be permitted?

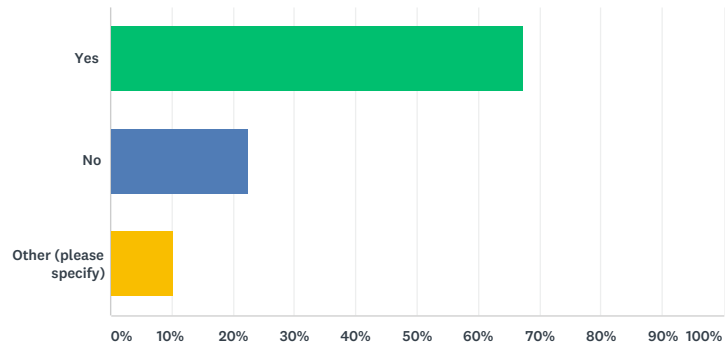
Answered: 149 Skipped: 44



ANSWER CHOICES	RESPONSES	
Only through site-specific rezoning (eg. on a case by case basis)	37.58%	56
All General Commercial Zones	55.70%	83
All Tourist Commercial Zones	38.26%	57
All Resort Commercial and Backcountry Commercial Zones	30.20%	45
All Industrial Zones	37.58%	56
All Agricultural Zones	33.56%	50
Zones that allow Home Business/Home Craft	32.21%	48
Other (please specify)	10.07%	15
Total Respondents: 149		

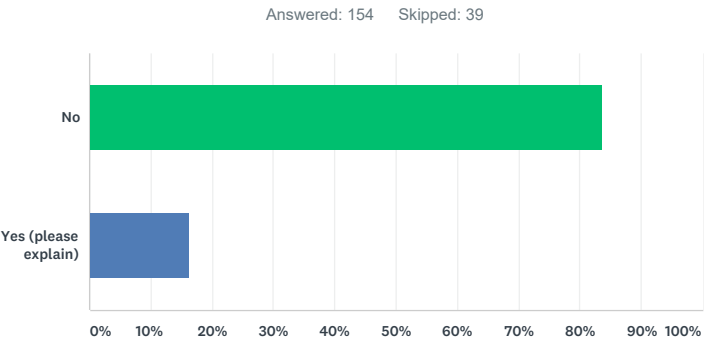
Q6 Local governments can regulate the location of retail stores by proximity to certain uses such as schools and areas frequented by children/youth. Do you support placing restrictions on the proximity of cannabis retail stores to schools and areas frequented by children (for example: recreation centres / parks & playgrounds)?

Answered: 156 Skipped: 37



ANSWER CHOICES	RESPONSES	
Yes	67.31%	105
No	22.44%	35
Other (please specify)	10.26%	16
TOTAL		156

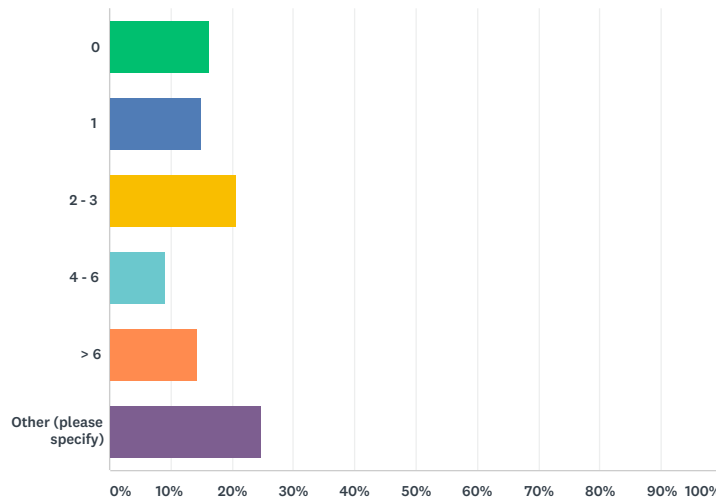
Q7 Local governments can regulate the location of retail stores by proximity to other retail stores. Do you support placing restrictions on the proximity of cannabis retail stores to other retail stores such as cannabis retail stores, liquor stores, cold beer & wine stores?



ANSWER CHOICES	RESPONSES	
No	83.77%	129
Yes (please explain)	16.23%	25
TOTAL		154

**Q8 Local governments can regulate the number of cannabis retail stores.
What number of cannabis retail stores do you feel is appropriate in the
SLRD Electoral Area where you reside?**

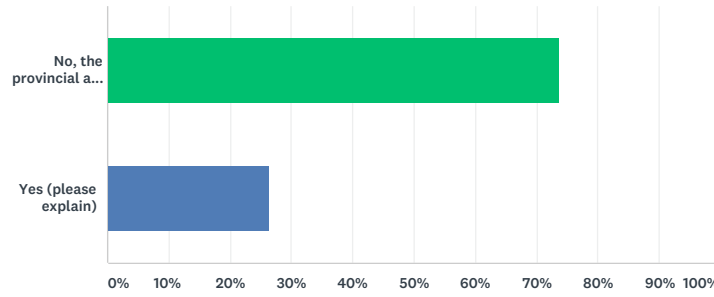
Answered: 154 Skipped: 39



ANSWER CHOICES	RESPONSES	
0	16.23%	25
1	14.94%	23
2 - 3	20.78%	32
4 - 6	9.09%	14
> 6	14.29%	22
Other (please specify)	24.68%	38
TOTAL		154

Q9 Should the SLRD regulate the public consumption of cannabis? (for example: introducing a Clean Air Bylaw)

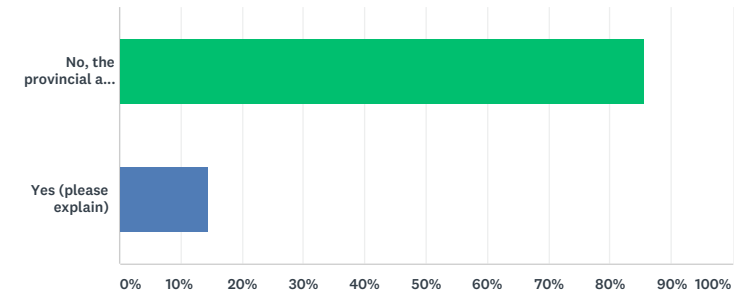
Answered: 156 Skipped: 37



ANSWER CHOICES	RESPONSES	
No, the provincial and federal legislation will suffice.	73.72%	115
Yes (please explain)	26.28%	41
TOTAL		156

Q10 Should the SLRD set additional rules for personal cultivation?

Answered: 153 Skipped: 40



ANSWER CHOICES	RESPONSES	
No, the provincial and federal legislation will suffice.	85.62%	131
Yes (please explain)	14.38%	22
TOTAL		153

Q11 Please provide any further comments below (limit to 250 words)

Answered: 59 Skipped: 134

#	RESPONSES	DATE
1	If cannabis is allowed in public places, why not alcohol?	11/1/2018 12:39 PM
2	Many homes do not have a space where plants can be grown out of site. Making this a crime is prejudice and arbitrary	10/19/2018 7:24 PM
3	I would just like to point out that putting extra restrictions on something that has already so many restrictions/regulations on something not recreational for some but medical may have an adverse reaction and and give more side street dealers ses thus keeping them in "business". I think we as a community, all electoral areas should support the movement forward the federal government is taking. Liquor has more of an intoxicating effect than marijuana and we currently have many establishments that serve liquor (kids may be present)and a few that sell it, my point is that liquor/marijuana, and cigarettes are all in the same category. "They're all bad for your health " and are all not to be consumed nor sold to a minor. Rant over, thank you for your time.	10/18/2018 11:58 AM
4	In general I have no problem with cannabis cultivators and users provided their activities do NOT impact ME. Thanks.	10/17/2018 10:24 AM
5	There is too much legislation already	10/16/2018 11:07 PM
6	allowing micro cultivation and processing will increase employment and encourage small business enterprises	8/14/2018 5:49 PM
7	Need for public education on this subject	8/12/2018 5:21 PM
8	I stopped smoking cannabis forty years ago and I am glad I did. First, smoking causes cancer. Second, I shudder to think how productivity in the workplace is going to decrease. Third, those who wouldn't try it before due to cannabis illegal status could now.	8/12/2018 9:41 AM
9	The Federal government has made an error of judgement and Cannabis should not have been legalized.	8/11/2018 10:12 PM
10	Alcohol is much more addictive and destructive than cannabis and should be treated much more seriously than cannabis, but we're not! Someone who consumes cannabis doesn't suddenly want to beat his wife, pick fights with ppl, is not bilegerant, is not depressed, you can't die from over consuming cannabis! Hopefully the SLRD will do their homework and educate themselves properly before taking those important decisions.	8/11/2018 6:12 AM
11	Alot of people already consume cannabis, it is important not to push the stigma forward. We have a chance to inform and increase general knowledge, especially in terms of medicinal and scientific research going forward.	8/10/2018 9:18 AM
12	The SLRD should start a forum with local First Nations in each of the SLRD Area's and collaborate on blending jurisdictions and views of jurisdictional authority with the legalization of cannabis for medicinal and recreation purposes and business. Also for the regulatory responsibilities in their respective jurisdictions.	7/16/2018 9:48 AM
13	This survey is poorly constructed and clearly has a restrictive or prohibitive bias. I suppose it is not surprising as the SLRD has been willing to illegally prohibit cannabis production on agricultural land by restricting it only very large parcel sizes of which there are very few. The Province clarified yesterday that local government is only allowed to limit production to concrete "bunker" type operations. I expect that the bylaw will be amended immediately to conform to the intent and letter of the regulation. Let the market determine retail and production demand and use the liquor processing and retailing regulation as an example.	7/14/2018 3:47 PM
14	I am not concerned about selling weed. I am concerned about turning farmland into cannabis factories.	7/12/2018 7:43 PM
15	treat it EXACTLY how you treat private liquor sales/retail. there is ZERO need to reinvent the wheel for a substance that is LESS HARMFUL than alcohol.	7/12/2018 10:34 AM
16	No Cannabis cultivation or processing in the ALR!	7/12/2018 9:00 AM

Squamish-Lillooet Regional District Cannabis Regulations Public Survey

17	Site by site basis makes sense even in commercial areas. The public has agreed on current City of squamish locations but b.beach and f.creek could use one too. Distribution of liquor stores is an example of capacity required.	7/9/2018 6:46 PM
18	\$5000 fine and 3 months in jail if your plants are seen from the street? That's a [REDACTED] over reactive punishment. Really [REDACTED]	7/9/2018 5:32 AM
19	I support legalization. I also support appropriate regulations that control production and use.	7/8/2018 9:03 AM
20	Slrd should refrain from too much regulation. Provincial and federal regulations will suffice, thanks!	7/7/2018 8:59 AM
21	I am personally more concerned about how the trained drug officers will be charging people, as without a metabolite to measure and simply human judgement, I am worried about the use of saliva tests to confirm impairment as it can test positive up to 12 hours after use, from my understanding. Maybe not of your concern, just a comment	7/7/2018 7:28 AM
22	A hands off, supportive approach will be most conducive to the regional district's aims of increased tourism and public land use. Residents have had constant exposure to cannabis throughout prohibition with extremely limited impacts. This trend should be continued without cumbersome legislation and limitations to personal freedom to access	7/7/2018 6:26 AM
23	It is already scary how many people smoke it publicly even though currently illegal so I'm quite concerned if we will all just smell it all day every day. I shouldn't have to worry if every car on the road has a high driver behind the wheel. Weed smokers don't think of it as a drug and even smoke while driving. Seen it first hand. I live in the mountains for the fresh air.	7/6/2018 9:23 PM
24	Don't over complicate this. The SLRD seems to love writing bylaws that are not required.	7/6/2018 4:47 PM
25	Think employees will have problems with workers being high more.	6/28/2018 10:31 AM
26	I am strongly against making this legal. My kids and grandkids should not have to worry about breathing in this crap. If people want to smoke it do it in their own houses with doors and windows closed.	6/28/2018 7:31 AM
27	I feel there is not enough science to make an informed decision on consumption and have seen the affects of long term use and it is not good for our country but freedom to make your own choices is important.	6/28/2018 6:19 AM
28	Keep it simple. Just follow existing usage guidelines for alcohol or tobacco as applicable.	6/28/2018 6:18 AM
29	Provincial and federal legislation will suffice. The tone of this survey doesn't feel objective.	6/28/2018 6:14 AM
30	Limit the location of shops, same rules as liquor stores. Treat the same as smoking rules already in place. Allow personal cultivation same as federal rules. Heavy rules for commercial cultivation. Should not take place on air land. Should not be permitted in an area where it will impact the neighbors with smell, security or well being. I am mostly concerned with my home and personal security if a property close to me chooses to become a commercial operation. Criminals will seize any opportunity to steal and then re-sell product now that is legal. I do not want a situation where me or my family is placed in harms way because criminals start targeting the grow ops that are legal in my rural neighbourhood.	6/27/2018 3:48 PM
31	Let the free market reign. We don't tell liquor outlets where they can or cannot be located. If you want some expertise from a local, contact [REDACTED] founder of [REDACTED]	6/27/2018 1:43 PM
32	do it right, do it clean or don't do it	6/26/2018 9:46 AM
33	Make it just like alcohol, Easy to access. It is safer to consume than alcohol	6/22/2018 3:09 PM
34	This is a bad idea. Who's going to pay the bill for the problems it's going to cause? Legislators better put in place strong policies because you will be the ones we look at and failed implementing strong limitations.	6/22/2018 8:54 AM
35	stop trying to regulate it please. it is just a plant.	6/21/2018 2:53 PM
36	The old system worked well. Govt. should issue \$100 licenses to grow or sell, then they know the players, and the players should pay their legal taxes. SIMPLE	6/15/2018 1:16 PM
37	I hope that local growers who have pioneered the cannabis industry will not be left out as big business is greedy and will take over the boutique nature of this long time local industry.	6/5/2018 4:09 PM
38	SLRD can make policies as it pleases, but is anything really going to change on the ground?	6/1/2018 12:36 PM

Squamish-Lillooet Regional District Cannabis Regulations Public Survey

39	common sense ...away from kids and i dont want to smell it anywhere near any public space or gov office of any kind	5/31/2018 10:15 AM
40	neighbours need to be aware of the impacts of second hand smoke that blows through the air. no all enjoy the smell of cannibus. make me wanna upchuck,	5/31/2018 9:43 AM
41	I don't have a problem with the medical use of Cannabis, for me the challenge comes in around the recreational use. We support the use of opioids recreationally. I'm concerned we will have a group of young adults who will be emotionally addicted to the recreational use and not know how to live a life independent of substances.	5/31/2018 8:13 AM
42	This is a very bad step in such a small area as ours and should be extremely mindful of the increased property crimes, vehicle and boating accidents and fire risks. At present alcohol is enough of a headache, why add additional risks without law enforcement who rarely are in the area.	5/31/2018 7:41 AM
43	Our area is already know to have some of the best cannabis producers. Lets showcase this and use this to our advantage. Our area could be know as the cannabis region of the world. Please support our cannabis community that already exists here. We really are the experts already. See how kimberly is supporting. https://www.kimberleybulletin.com/news/bc-chamber-supports-kimberley-resolution-on-cannabis/#	5/30/2018 8:14 AM
44	It's about time!	5/25/2018 10:31 AM
45	No legalization of cannabis as crime, car accidents and mental illness and broken families will increase	5/23/2018 7:45 PM
46	I think the local government should stick with implementing federal regulations and not try to make their own rules based on fear of the unknown. Cannabis should be treated the same way as alcohol. The regulations put forward don't seems to be suported by adequate research. I have not heard a valid point from my local government which explain how ban and restrictions would profit their citizens.	5/22/2018 7:20 PM
47	Cigarette smoke and diesel exhaust emissions impact public health on a daily basis. We should not be adding additional toxic fumes to public spaces. I have no problem with edibles, but smoking should be banned in public areas and/or if it impacts a neighbouring property.	5/22/2018 7:42 AM
48	The SLRD staff simply does not have enough qualifications to make informed decisions and implement extra laws. Leave it to the law makers...it's actually their jobs. Maybe you should concentrate on more pressing issues..like a constant cab service in Pemberton..better wifi for remote areas for emergencies, pave the Hurley, adress the extremely serious pollution issues in Bralorne, there's plenty of them. The SLRD should stay out of these debates and leave it to the higher powers in place...bottom line	5/22/2018 2:22 AM
49	maximise cultivation opportunities	5/20/2018 8:22 PM
50	We should be able to use it in any way we like ie: to make fibres, paper , concrete, oils as well as recreational use. We have a chance at a renuable resource that causes no harm or damage so why not prosper as a community/ province/ country. Other countries that have decriminalize have prospered without any negitive results. Why we aren't decriminalizing I don't understand other then taxes and regulations that prevent full freedom of use that could change our way of life with a greener outlook...	5/19/2018 4:36 PM
51	Grow withthe times. Rather be around a personnthat smokes pot than a drunk	5/18/2018 12:10 PM
52	We could use this as such an economic boost around here. We should not let this new thriving industry pass us by.	5/18/2018 10:25 AM
53	When approving operations to grow or process it needs to consider wind direction in relation to neighbours.	5/18/2018 10:19 AM
54	I live in a very small rural town and believe a marijuana dispensary would be great for the community. It will bring income to our town and provide jobs for those in need, rather than source out from somewhere else. This would provide a great opportunity for a small business attached with the dispensary and would be a safe and legitament way to purchase marijuana, from knowledgeable sources. Because the limit is 30grams I feel as though if people need to travel outside of town they may just turn to the black market.	5/18/2018 9:50 AM

Squamish-Lillooet Regional District Cannabis Regulations Public Survey

55	I strongly believe marijuana should be accessed the same as liquor but not sold with liquor(giving exceptions to rural areas). People should be able to access it conveniently so they do not have to resort to the black market. I live in a small rural community(BRVCA) and it would be nice to not have to drive a distance to access marijuana. Because the limit is 30grams per person I would have to stock up, meaning go over my legal amount or resort to the black market, so it would be nice to have a legal place to buy marijuana in my community. Having a store would also bring more money into the community rather than people buying outside of it. Growing businesses should be aloud to, because we don't have a great amount of options for employment in a small community and it would provide many jobs and people wouldn't have to do it illegally and support the black market.	5/18/2018 9:43 AM
56	Conservative regulations support a safe and positive public awareness through times of transition. Health Canada has done a good job of keeping marijuana out of the hands of children as well as approaching legalization from a strict and conservative stand point ensuring public health and safety. The initial impression set by the SLRD will have a large and lasting impact guiding the transition of legal cannabis within the District.	5/16/2018 11:59 AM
57	The impacts of organized crime in all of this is far reaching. Regulations to ensure inspections and checks are mandatory. The edibles are being extracted using dangerous methods (clandestine labs) which pose public safety concerns that are often ignored and not considered.	5/16/2018 7:40 AM
58	Will there be a survey that will provide an opportunity for the public to weigh in on regulations related to cannabis production? I don't think cannabis cultivation is necessarily the best use of farmland. Anything beyond cultivation for personal use should be restricted to industrial zones.	5/10/2018 1:09 PM
59	Embrace the craft cannabis tourism opportunities! Colorado is thriving!	5/4/2018 7:53 AM

Appendix B: Cannabis Licence Classes and Subclasses

This table provides a summary of the cannabis licence classes and subclasses, and activities that can be authorized under the *Cannabis Regulations*. The *Cannabis Regulations* should be referred to for additional detail. In order to conduct any of the activities, they must be authorized by the licence.

CTLS Licence Class ⁵	Licence Class ⁶	Subclass	Restrictions	Authorized Activities (if authorized by licence) ⁷	Notes
Cannabis	Cultivation	Standard Cultivation		- Possess cannabis - Obtain dried or fresh cannabis, cannabis plants or cannabis seeds by propagating, cultivating, harvesting - For the purpose of testing, alter the chemical or physical properties of the cannabis - Sell and distribute dried cannabis, fresh cannabis, cannabis plants or seeds to other licence holders (cultivators, processors, analytical testers, researchers, cannabis drug licence holders), with the exception that dried cannabis or fresh cannabis cannot be sold to the holder of a nursery licence	- An applicant may apply for a standard cultivation licence, even with a proposed plant surface area of less than 200 square metres but standard cultivation requirements will apply in this case - Cultivation may be conducted indoors or outdoors
	Cultivation	Micro-Cultivation	Plant surface area cannot exceed 200m² (includes multiple surfaces such as surfaces vertically arranged)	- Sell and distribute cannabis plants or seeds to a licenced nursery - Sell and distribute cannabis products that are plants or seeds to a licence holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Act - Send and deliver cannabis products that are plants or seeds	Cultivation may be conducted indoors or outdoors but the cannabis plant surface area includes any indoor/outdoor areas at any single time)

⁵ For the purposes of CTLS, users are required to first indicate whether they will be applying for a Cannabis, Analytical Testing, or Research Licence. The user will then need to specify the cannabis licence class or subclass (as specified by the *Cannabis Regulations*) for which they intend to apply

⁶ Should the user select 'Cannabis' as a licence class in CTLS, they will then need to specify the cannabis licence class or subclass (as specified by the *Cannabis Regulations*) for which they intend to apply

⁷ Licence holders can conduct research and development activities within their authorized licenced activities. If the licence holder wishes to conduct research and development activities outside of their authorized licence activities, they must apply for a separate research licence

CTLS Licence Class ⁵	Licence Class ⁶	Subclass	Restrictions	Authorized Activities (if authorized by licence) ⁷	Notes
				to the purchaser at the request of a licence holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Act Conduct ancillary activities (e.g., drying, trimming, milling, etc.)	
Cannabis	Cultivation	Nursery	- For seed production, total surface area of no more than 50m² must contain all the parts of budding or flowering plants - Maximum of 5kg of flowering heads harvested from plants with the exception of seeds - Must destroy the flowering heads (with the exception of the cannabis plant seeds), leaves and branches of the plants within 30 days of harvesting them	- Possess cannabis - Obtain cannabis plants or plant seeds by propagating, cultivating, harvesting - For the purpose of testing, alter the chemical or physical properties of the cannabis - Sell and distribute cannabis plants or seeds to other licence holders (cultivators, processors, analytical testers, researchers, cannabis drug licence holders) - Sell and distribute cannabis products that are plants or seeds to a licence holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Act - Send and deliver cannabis products that are plants or seeds to the purchaser at the request of a licence holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Act - Conduct ancillary activities (e.g., drying)	Cultivation may be conducted indoors or outdoors
	Processing	Standard Processing		- Possess cannabis - Produce cannabis, other than obtaining it by propagating, cultivating, or harvesting - For micro-processing, the cannabis cannot be obtained by	All activities must be conducted indoors

CTLS Licence Class ⁵	Licence Class ⁶	Subclass	Restrictions	Authorized Activities (if authorized by licence) ⁷	Notes
Cannabis	Processing	Micro-processing	Maximum of 600kg of dried cannabis (or equivalent) in 1 calendar year Note: If licence holder also holds a micro-cultivation licence for the same site and the cannabis comes exclusively from that site, this maximum quantity does not apply.	synthesis. - Sell and distribute cannabis to other licence holders (processors, analytical testers, researchers, cannabis drug licence holders) - Sell and distribute to licenced micro-cultivators or standard cultivators: - dried cannabis, fresh cannabis, cannabis plants, or cannabis seeds - cannabis produced for the purposes of testing that is necessary to determine the chemical characterization of cannabis, such as a reference standard - Sell and distribute to licenced nursery: - cannabis plants or seeds - cannabis produced for the purposes of testing that is necessary to determine the chemical characterization of cannabis, such as a reference standard - Send and deliver cannabis products to a licence holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Act - Send and deliver cannabis products that are plants or seeds to the purchaser at the request of a licence holder that is authorized to sell cannabis for medical purposes or to a person authorized to sell cannabis under a provincial or territorial Act	

CTLS Licence Class ⁷	Licence Class ⁸	Subclass	Restrictions	Authorized Activities (if authorized by licence) ⁹	Notes
Cannabis	Sale for Medical Purposes	N/A	Must sell cannabis products in the packaging in which they were sold or distributed to them	- Possess cannabis products - Sell or distribute cannabis products to a client - Sell or distribute cannabis products to a licence holder (with the exception of a cultivator) - Sell or distribute cannabis products that are dried, fresh, plants or cannabis seeds to micro-cultivator or standard cultivator - Sell or distribute cannabis products that are plants or plant seeds to a licenced nursery - Sell or distribute cannabis products other than plants or seeds to a hospital employee	- Requirements for the application for a sale for medical purposes licence with possession of cannabis differ from those that do not have possession. Refer to Section 6 of this guide for more information - Sale is to registered clients authorized to use cannabis for medical purposes
Analytical Testing		N/A	- All samples of a lot or batch of cannabis must be destroyed within 90 days of the completion of the testing - If testing is not started within 120 days of sample receipt, samples must be destroyed	- Possess cannabis - Alter the chemical or physical properties of the cannabis for the purposes of testing	
Research		N/A		- For the purpose of research, possess, produce, and transport, send, or deliver cannabis between sites that are authorized by the licence - Sell cannabis plants or seeds to a cultivator, another researcher, cannabis drug licence holders, the Minister, exemption holder	In general, research licence holders will be required to destroy all cannabis in their possession upon the completion of their research project as part of the terms and conditions of their licence. They may be authorized to conduct limited sale and distribution activities such as the sale of cannabis plants and seeds to another researcher or a cultivation licence holder.

Full Health Canada Licensing Guide available here: file:///Y:/6400-6999_PLAN_DEV/6410.01-PLAN-DEV-GEN/Cannabis%20Legalization%20&%20Regulation/cannabis-licensing-guide.pdf



Small Scale Cannabis Businesses: Understanding the New Regulatory Framework

**Prepared by the BC Micro License Association
October, 2018**

Who we are:



Formed in May, 2018, the BCMLA is a registered society which represents over 900 individuals and small businesses who will be applying for nursery, micro cultivation and micro processing licences under the Cannabis Act, and other small business owners who will provide goods and services to the micro licensees.

We are working to ensure that BC's regulated craft cannabis industry will be able to develop and contribute to the local and provincial economies:

We are helping to educate our members,

-and-

**Advocating on their behalf at the municipal,
provincial and federal levels.**

Introduction:



We prepared this slide show to provide information about the federally regulated small scale micro licences that will be available pursuant to the Cannabis Act and its regulations.



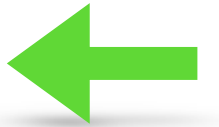
While Health Canada will administer the new cannabis regulatory framework, municipalities in BC will play a critically important role in its implementation.



We hope to inform municipalities and other organizations about issues related to small scale cannabis production and the economic benefits of a robust and thriving industry in British Columbia.

The topics covered in this slide show are:

Micro licences and their role in the new regulatory framework



Support for cannabis legalization



Municipalities' role in implementation



Zoning and ALR land use issues



Job creation and the cannabis economy



Implementation and the Big Picture



The demographics of cannabis consumption



'Recreational' Cannabis Supply Chain

Nursery



Cultivation



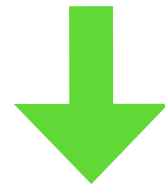
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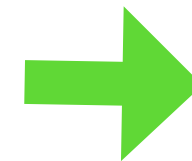
**International
Export**



**Provincial Cannabis
Distribution Branch**



**Licensed Provincial
Retail Outlet**



Consumer

What are micro licences?

- They are a **new** class of cultivation and processing licences created by the Cannabis Act regulations.

- The micro licences are intended for **small scale** cannabis businesses.

- Micro-licensed operations will be **limited** in their size and production output.

- Micro-licence applicants, and their proposed operations, must comply with the same stringent requirements as the large-scale 'standard' licensed operations (with one exception on the security side), also known as 'Licensed Producers' or 'LPs'.

The micro licences are distinct from:



Personal cannabis cultivation allowed under the 'four-plant' rule in BC provincial legislation.



Personal cannabis cultivation licences under the ACMPR-medical cannabis system.



The large-scale, corporate 'LP' operations that are currently licensed for ACMPR 'medical' production and are unlimited in their size and production output.

The 'LP' operations will automatically switch to 'standard' cultivation and processing licences on October 17, 2018 for the simultaneous production of both 'medical' and 'recreational' cannabis.

After legalization, the distinction between 'medical' and 'recreational' cannabis will be less pronounced, from a production and processing point of view.



Unchanged:

Personal cannabis cultivation licences under the ACMPR-medical cannabis system:

- Individuals will continue to be allowed to grow their own medical cannabis, and
- The federal government will maintain exclusive jurisdiction over these operations.

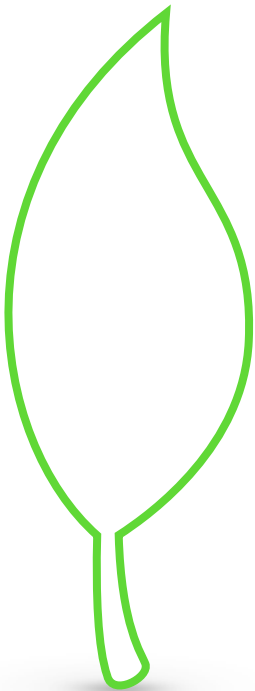
Changed:



Federally licensed standard or micro cultivators and processors will be able to produce or process cannabis for either or both the recreational or medical markets, depending on whether they have the medical licence endorsement from Health Canada.

- Even though it is permitted, micro licensees will likely not produce 'medical' cannabis, given the costs associated with obtaining the medical licence endorsement and the complex, on-going administrative and reporting requirements,
- It is highly likely the standard licensees will cultivate and process 'medical' and 'recreational' cannabis in the same facilities, and service both types of consumers.

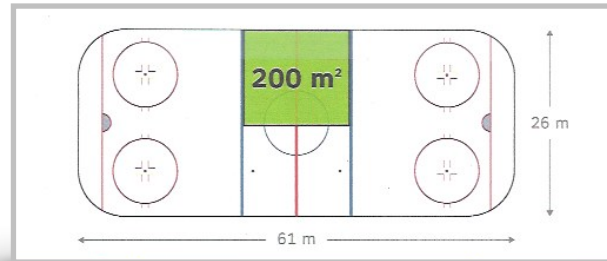
Nursery Licence



- Permitted to propagate the cannabis seeds and plants for other licence holders,
 - Research and development activities will also be allowed; for example, the creation of new strains of cannabis plants,
 - Will not be limited in size, but may be done on a small scale,
 - Does **not** permit the sale of cannabis seeds or plants to the general public, only to other federal licence holders, most likely to a cultivation licensee, and
 - Will be subject to extensive federal monthly inventory reporting requirements to prevent diversion of cannabis plants or seeds.
-
- Will most likely be done indoors, due to BC's climate and a greater degree of control over environmental factors,
 - If done indoors, facility must comply with 'Good Production Practices' standards, including the requirement for zero odour emissions, and
 - It will be possible to economize water usage through recycling from the air conditioning system. Most of the waste will be compostable organic matter.

Micro Cultivation Licence

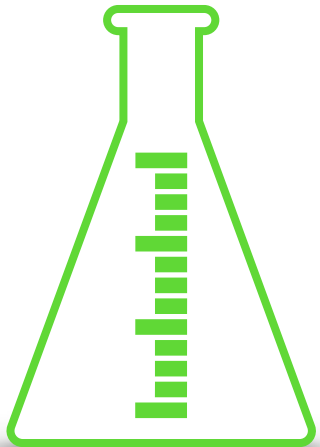
- Permitted to grow cannabis plants until they produce 'flowers' to be harvested,
- Will be limited to 200 square metres of growth canopy,



- Does **not** permit the sale of cannabis to the general public, only to other federal licence holders, most likely to a processing licensee, and
- Will be subject to extensive monthly federal inventory reporting requirements to prevent diversion of cannabis plants or flower.

- Will most likely be done indoors, due to BC's climate and a greater degree of control over environmental factors,
- If done indoors, facility must comply with 'Good Production Practices' standards, including the requirement for zero odour emissions, and
- It will be possible to economize water usage through recycling from the air conditioning system. Most of the waste will be compostable organic matter.

Micro Processing Licence



- Permitted to purchase the harvested cannabis flowers from a cultivator and process the cannabis into dried cannabis, cannabis oils, edibles and concentrates (in 2019),
 - Will be limited to processing 600 kilograms of cannabis plant material per year, which is approximately equivalent to the output of one micro cultivation business,
 - Will complete the testing and quality control, and the cannabis will be packaged and labelled once it has passed the testing,
 - Permitted to sell cannabis and cannabis products to the cannabis distribution branch of any province. Or, the processor may export the cannabis or cannabis products internationally, and
 - Will be subject to extensive monthly federal reporting requirements to prevent diversion of cannabis or cannabis products.
-
- **Must** be done indoors and facility must comply with 'Good Production Practices' standards, including the requirement for zero odour emissions (facility may not have dirt floors),
 - Permitted to use CO2 or ethanol for cannabis extraction, but **not** organic solvents (no butane or propane).

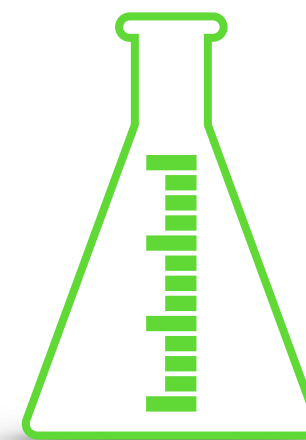
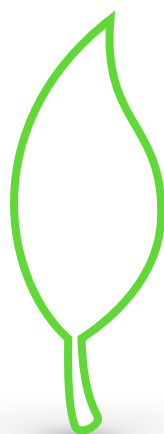
Multiple Licences and Co-Location

An individual or small business may obtain all three licences, or any combination of licences.

The most likely combination will be nursery-micro cultivation, with the micro processing licence being less sought after due to the high barriers to entry, both financial and technical.

Health Canada will permit the co-location of multiple licences on a single site.

But, if an applicant wants all three licences, the nursery licence may not be co-located. The nursery will have to be located on a different site, or the applicant will have to apply for some type of sub-division of the property so that a different municipal address can be assigned.



Micro licensed operations will look like this:



The facility for a maximally sized micro **cultivation** licensed operations will likely be about **3,000** square feet, but most operations will likely be between 1,000 and 2,500 square feet.

The facility for a maximally sized micro **processing** licensed operations will also likely be **3,000** square feet, but may be up to 5,000 square feet, depending on the activities undertaken.

Micro licensed operations will not look like this:



Examples of the structures in which each of the three small scale licensed activities could take place:



Required Micro Licence Application Information:



Security Clearances:

- all applicants' corporate directors and officers and any individuals exercising control over the business,
- the 'responsible person',
- head of security,
- master grower,
- quality assurance person,
- each investors' individual identity and contribution to the operation must be disclosed,
- prior convictions for non-violent, non-trafficking offences will not prevent a clearance from being granted



Site:

- municipal address and GPS co-ordinates,
- property survey and aerial photographs,
- information about neighbouring properties,
- building floor plans



Facility Security:

- physical security plan,
- exterior fence or physical barrier,
- interior physical barriers and controlled access points



Facility:

- municipally compliant for electrical, plumbing, HVAC, etc.,
- interior materials must comply with Good Production Practices (non-shedding, non-porous material that is easily cleaned and disinfected),
- separated work areas

The role of micro licences:

The federal government established small scale micro licences for 2 specific reasons:

1.

Goal:

To prevent a monopolization of the industry by large, publicly traded corporate entities.



Allow individuals and small businesses into the regulated framework.

2.

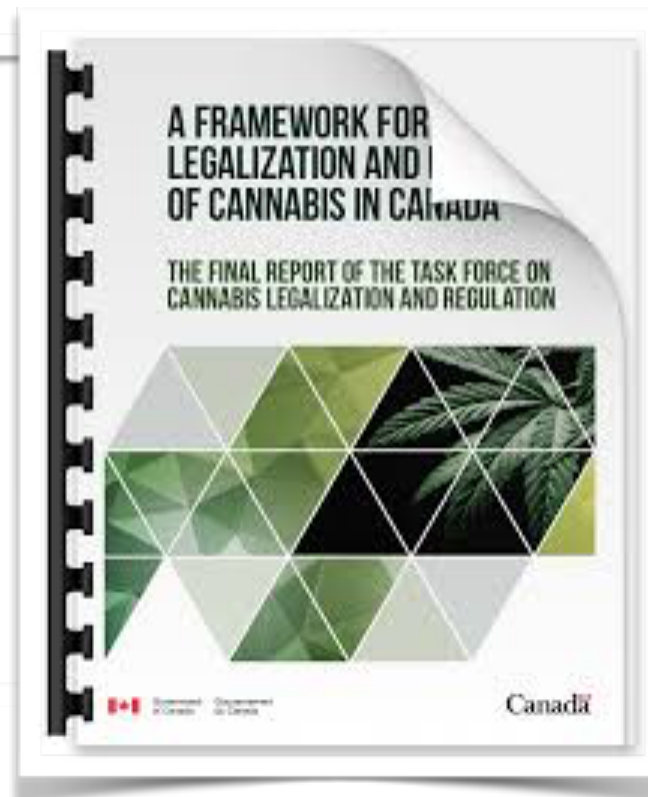
Goal:

To prevent “illicit” production and diminish the the so-called ‘black market’.



Bring existing cannabis propagators, cultivators and processors into the system.

Creating a place in the new regulatory framework for small cannabis producers, including existing unregulated producers, was a well considered and deliberate decision made by the federal government, on the basis of the recommendations made by the Task Force on Cannabis Legalization and Regulation.



Our elected representatives endorsed this approach when it voted on and ultimately passed the Cannabis Act through the House of Commons and the Senate.

Support for legalization of cannabis:

British Columbia's federal politicians' support for legalization of cannabis:



House of Commons:



85%

of BC's Members of Parliament supported the passage of the Cannabis Act, the final vote being **28** in favour and 5 against (9 didn't vote).



Senate:



60%

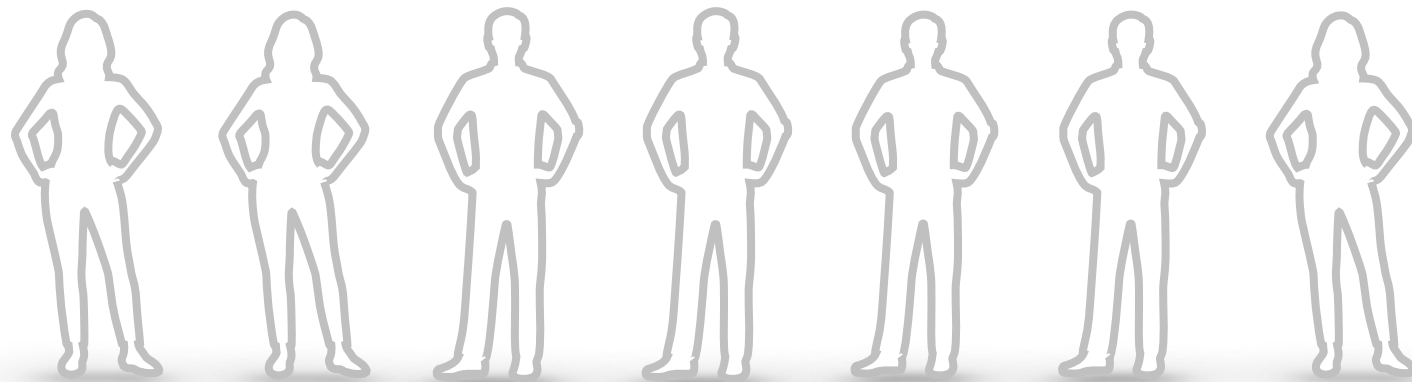
of BC's Senators voted in favour of the Cannabis Act, the vote being **3** in favour and 2 against (all voted).



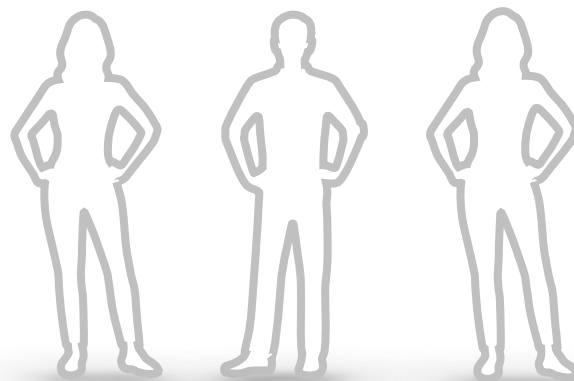
British Columbia Public Safety Minister and Solicitor General Mike Farnworth pushed for the inclusion of micro licences in the new federal regulatory framework:

Public Safety Minister Mike Farnworth said B.C. was the only province that advocated for small-scale producers to be included in federal regulations. "If it wasn't for British Columbia, they wouldn't have been taken into account," he said. "I pushed very hard for that".

British Columbians' support for cannabis legalization:

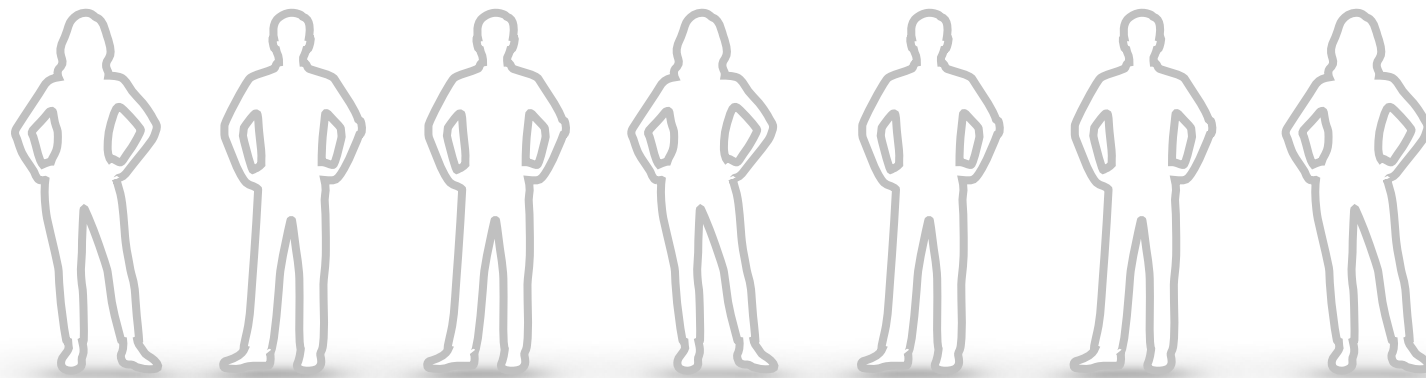


This is the number of British Columbians that **support** cannabis legalization.

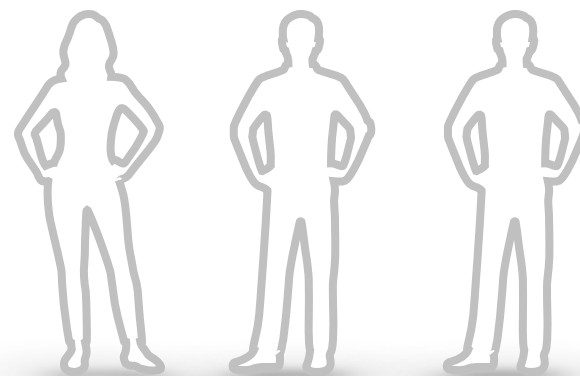


This is the number of British Columbians that do **not** support cannabis legalization.

Canadians' support for cannabis legalization:



This is the number of Canadians that **support** cannabis legalization.



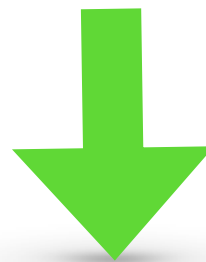
This is the number of Canadians that do **not** support cannabis legalization.

Municipalities' role in implementation:

Without the inclusion of small scale micro licensed participants, the carefully considered legal framework cannot be implemented as intended and the goals of the federal government with respect to cannabis legalization cannot be met.

According to the federal government, municipalities have a “shared responsibility” in the implementation of the new system.

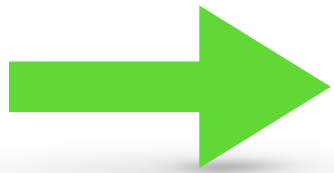
(Surprise!)



What can the municipalities do to ensure the new system is implemented properly and works as intended?

Simply put:

Small scale cannabis businesses require land upon which to conduct their licensed and federally regulated nursery, micro cultivation and micro processing operations.



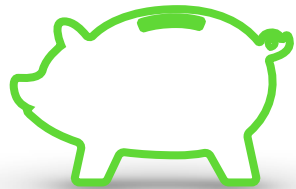
If zoning bylaws or land use policies are too restrictive or prohibitive, small scale cannabis businesses will not be able to even start the process to enter the regulatory framework.

What are the consequences of not amending the zoning bylaws?

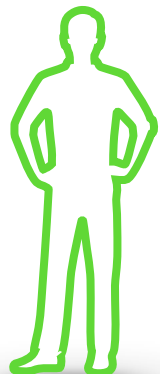
The new framework will not be implemented properly, it will not operate as intended and the goals that form the basis of the new regulatory framework will not be met:



New cannabis producers will not be able to enter the regulated system and existing producers will likely continue their unregulated operations.



The large, corporate entities will be able to further entrench themselves in a monopolized market and their profits will benefit their shareholders, not local BC communities.



There will be no creation of new, local and legal small businesses, no new jobs, and no spin-off benefits for local non-cannabis businesses. Tax revenues that would benefit the municipalities, province and federal government - and BC residents - will be lost.

The most reasonable starting point for municipalities would be to amend and expand the zoning bylaws to permit small scale propagation and micro licensed cultivation and processing on:



any rural residential lands,

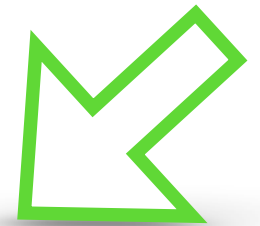


general agricultural use lands, and



light and heavy industrial and commercial lands.

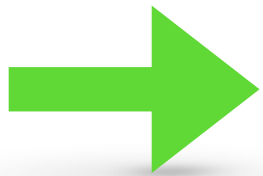
The small scale of the micro licensed operations are appropriate for **rural residential** and **general agricultural** lands.



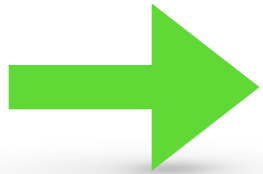
The manner in which cannabis can be propagated, cultivated and processed makes these operations appropriate for **industrial** and **commercial zoning**, too.

Zoning and ALR land use issues:

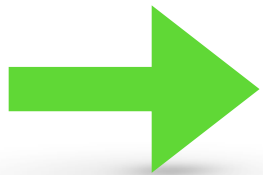
We urge municipalities not to require each micro licence applicant to have to seek re-zoning, variance applications or temporary use permits for the property on which they will operate their small scale cannabis businesses:



It will add to the expense, complexity and length of the federal licence application process.



It will create uncertainty for the federal licence applicants during already expensive, complex and lengthy process.

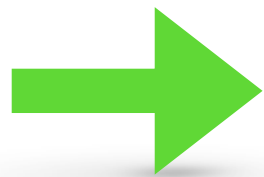


It is likely not the most efficient use of limited municipal resources.

Health Canada has created complex and high barriers to entry for the small scale micro licences and the applicant will incur substantial expenses related to the application:

- to have the security clearance applications processed (about \$1,700.00 each) and to pay other application fees (possibly as much as \$10,000.00), plus the Canada Revenue Agency pre-payment requirement of up to \$20,000.00 for the federal Cannabis Excise Tax;
- to satisfy the security and 'Good Production Practices' requirements for the site and facility, which may include construction and / or upgrades required Health Canada or by the municipalities' building codes, and
- to prepare the necessary legal, accounting, IT and HR groundwork for the business.

For the licence applicant to have to incur the additional expenses, and time, for a re-zoning or variation application, or a temporary use permit, it will add another layer of complexity to the already high barriers to entry into the new regulatory framework.



The prospective applicant may determine that the process is too expensive, too complicated or too uncertain and may decide that entering the regulated framework is not financially feasible.

We also urge municipalities not to limit micro cannabis operations to ALR lands:

ALR lands are expensive, with prices starting around \$2 million (in Maple Ridge, for example). Persons or small businesses seeking micro licences cannot afford to purchase ALR land; their profits would never support a multi-million dollar property investment.



There are likely not enough ALR properties available in BC to correspond to the potential number of micro licensed cannabis operations.

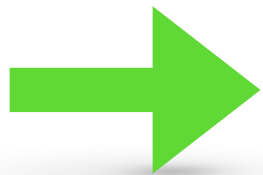


The ALC is currently reviewing its cannabis-on-ALR policy and there is significant uncertainty about the future direction of ALC policy; the ALC must balance a number of factors, such as loss of prime agricultural lands, present / future food security, and prioritizing cannabis activities.



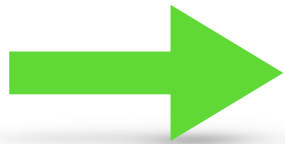
There was a recent development in the ALC's policy on ALR use for cannabis production:

- The base of the structure must consist entirely of soil, or
- The existing structure must have been constructed specifically for the growing of crops, or
- If the structure is currently under construction, construction must progress without alteration in planned size and without interruption, and the structure must have been specifically intended for the growing of crops.



The new requirements are **restrictive** and prospective licence applicants who had not previously had access to a structure intended for growing crops will likely not be able to find a facility that conforms to the new policy.

If municipalities relegate micro licensed activities to ALR lands only, the effect will be tantamount to an outright **ban**:



The use of soil base greenhouses is not a viable option:

- increased risk of mould and rot in the cannabis, due to BC's wet climate,
- Health Canada requires facilities to be compliant with 'Good Production Practices' standards, and / or
- it would be impossible to co-locate a processing facility because of the no-concrete rule and the 'GPP' requirements. A second facility in a different location would be required, increasing the costs to the prospective applicant and complicating the logistics and security of the operations.

Job creation in the new cannabis economy:

For each small scale **nursery** business, there will be at least **3 full-time** and **2 part-time** jobs created:



Master
Grower



Greenhouse
worker



Admin.
manager



IT
specialist



Admin.
support

There will be spin-off benefits for **8** other non-cannabis businesses:



Construction
contractor(s)



Electrician



HVAC
specialist



Plumber



Security
systems
specialist



Grow material
supplier(s)



Accountant



Lawyer

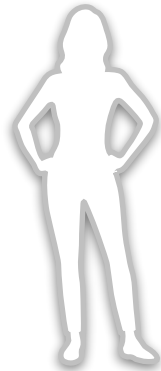
For each micro **cultivation** business, there will be at least
4 full-time and **2 part-time** jobs created.



**Master
Grower**



**Greenhouse
worker**



**Administrative
manager**



**Administrative
support / sales**



Bookkeeper



**IT
Specialist**

There will be spin-off benefits for **8** other non-cannabis businesses.



**Construction
contractor(s)**



Electrician



**HVAC
specialist**



Plumber



**Security
systems
specialist**



**Grow material
supplier(s)**



Accountant



Lawyer

For each micro **processing** business, there will be at least
6 full-time and **3 part-time** jobs created:



Quality Assurance



Cannabis processor



Production worker



Product packager



Admin. manager



Sales rep.



Bookkeeper



Admin. support



IT specialist

There will be spin-off benefits for **12** other non-cannabis businesses:



Construction contractor(s)



Electrician



HVAC specialist



Plumber



Gas fitter



Extraction equipment supplier(s)



Security systems specialist



Package designer/ graphic designer



Package supplier



Web designer



Lawyer



Accountant

Other legalized jurisdictions have had positive economic outcomes:



Colorado, pop. 5.53 million

\$2.4 billion in economic activity

18,000 jobs

<http://natoassociation.ca/cannabis-culture-and-the-economics-of-marijuana-in-canada/>

28,847 individuals with valid occupational licenses

18,000 full-time equivalent jobs

<https://www.mpp.org/regulationworks/>



Washington, pop. 7.41 million

10,000 people were employed

\$300 million in wages

<https://www.thestranger.com/weed/2017/08/02/25319117/washingtons-legal-weed-industry-pays-hundreds-of-millions-in-wages>



Oregon, pop. 4.14 million

1,000 Oregon businesses involved in the legal cannabis industry

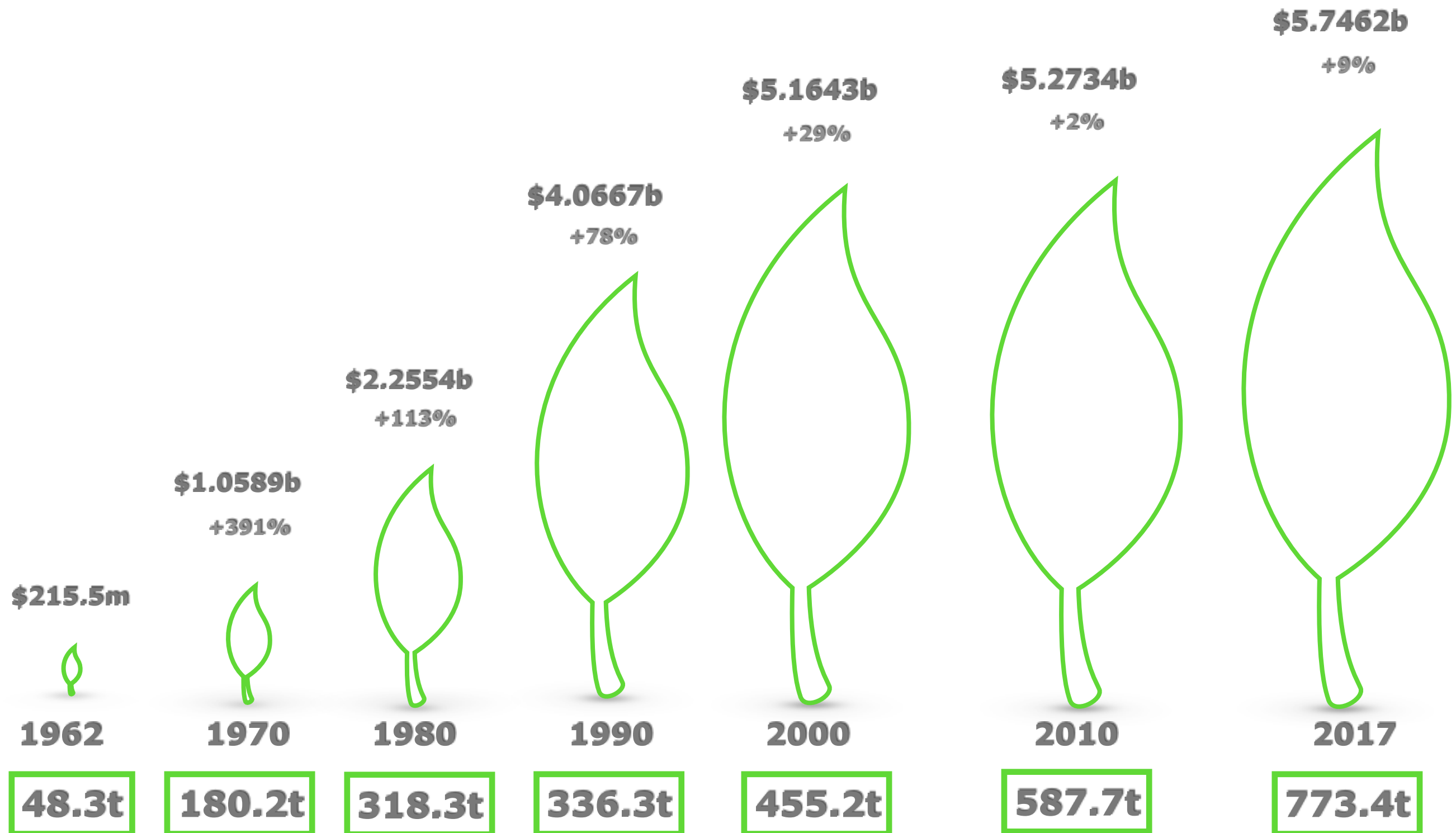
12,500 cannabis-touching jobs

\$315 million in wages for workers

\$1.2 billion in economic activity in the state

<https://www.weednews.co/report-legal-oregon-marijuana-created-12500-jobs-315-million-wages/>

The Canadian cannabis economy:



20,474,100 kgs.

45,137,664 lbs.

Canada 1962 - 2017

\$190.2866 billion

Canada 1962 - 2017

UNTAXED

The economics of cannabis in British Columbia:

In 2017, BC's contribution to the estimated \$5.7642 billion Canadian cannabis industry was **\$1.1 billion**, the largest contribution by any single province (19%)*.

In 2017, BC produced about **37%** of the 773.4 metric tonnes of cannabis that entered the Canadian market in 2017*, but BC only has 13.2% of Canada's population**.



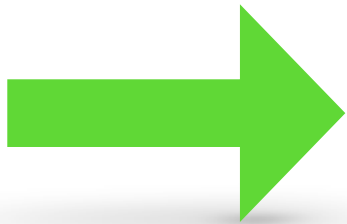
The historical, unregulated BC cannabis industry has contributed significantly to local economies for over a generation.

* <https://www150.statcan.gc.ca/n1/daily-quotidien/180430/dq180430b-eng.pdf>

** <https://www150.statcan.gc.ca/n1/pub/12-581-x/2017000/pop-eng.htm>

Statistics Canada confirms what most people already know:

Locally produced craft cannabis is a deeply interwoven part of the social, cultural and economic fabric of British Columbia.



No other provinces' cannabis has an existing brand.

There is no "Alberta Bud".

Or, "Nova Scotia Bud".

But, "BC Bud" is internationally renowned.

Imagine:

If the 2017 production data from Stats Canada was representative of a **regulated** market, BC would have had:

286.158 metric tonnes

or

286,158,000 grams of cannabis available for taxation

\$214,618,500

as the BC provincial share of the \$1.00/ gram federal excise cannabis tax,
plus the provincial sales tax (which is not included in this figure)

\$85,847,400

as the municipalities' share of the provincial portion of
the federal excise cannabis tax

Just how big are the large, entrenched corporate players?

1.  **TILRAY**™ \$13,377,000,000.00

6.  **MedReleaf**®
THE MEDICAL GRADE STANDARD™ \$2,466,000,000.00

2.  **CANOPY GROWTH**
CORPORATION \$13,320,000,000.00

7.  **HYDROPOTHECARY** \$1,574,000,000.00

3.  **AURORA**® \$11,735,000,000.00

8.  **ORGANIGRAM** \$864,000,000.00

4.  **Aphria** \$3,954,000,000.00

9.  **emerald**
HEALTH BOTANICALS \$628,000,000.00

5.  **CRONOS**
GROUP \$2,542,000,000.00

10.  **newstrike** \$399,000,000.00

All market capitalization figures are from the Globe & Mail, October 1, 2018, as of the close of business. The search engine is available via the link below:

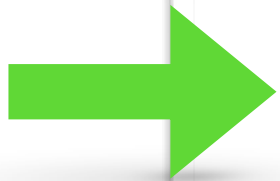
<https://www.theglobeandmail.com/investing/markets/stocks/TLRY-Q/>

The top ten entrenched corporate players are worth:

\$50.859 billion

(we didn't calculate the value of the other 100 or so companies that are currently licensed)

The past value of the unregulated cannabis industry and the current investments in the regulated industry demonstrate that cannabis is an excellent opportunity, economically speaking.



Can the local, small scale BC producers compete with the large, entrenched corporate players?

Yes!

The **premium** quality of the cannabis grown by local, small scale British Columbia producers will definitely have a place in the market, and will likely dominate the higher end of that market, not only in BC, but nationally.

But...*this* will be the situation on October 17, 2018:

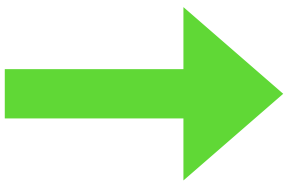
On legalization day, the only cannabis that will be available for sale in Canada within the regulated framework will have been produced by the large, entrenched corporate players.

There will be **no** local BC craft cannabis available to consumers because the micro licence application process opens on October 17, 2018.

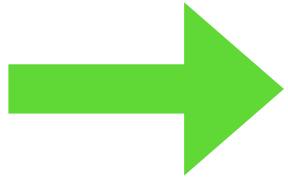
Optimistically, some local BC craft cannabis **may** be available in mid-2019, or later, once micro licence applications have been approved by Health Canada.

For possibly up to one year, the economic benefits of legalization will accrue **solely** to the publicly traded, large, entrenched corporate players and their shareholders.

Local BC communities? Not so much.



Implementation and the Big Picture:



While cannabis-related zoning bylaw amendments should be approached with an appropriate level of thoughtfulness, there will be **consequences** for lengthy delays and for restrictive / prohibitive bylaws:

1.

Small scale, local producers will not be able to enter the regulated framework in a timely manner, if at all, so the large, entrenched corporate players will become further entrenched:

- most of the economic benefits of legalization will accrue to their shareholders and not to small businesses and local BC communities.

2.

BC cannabis consumers have developed very sophisticated preferences for high-end, premium cannabis and have had unfettered access to their preferred choices:

- these consumers will seek their preferred cannabis products in the unregulated market because the large, entrenched corporate players will likely not be able to provide the same quality (and quantity) of cannabis to which BC consumers are accustomed.

We've identified two key components with respect to the Big Picture.
Here is some context, courtesy of Statistics Canada and CIBC:

Estimated recreational and medical cannabis consumption in the first year of legalization



926,000 kgs^{*}

Estimated supply of cannabis



350,000 kgs^{}**

Estimated **shortfall** in the supply of cannabis



-576,000 kgs

Portion of the demand that **cannot** be met in the regulated market



-62.2%

<https://ottawacitizen.com/news/local-news/demand-for-pot-will-be-much-higher-than-anyone-anticipated-after-legalization-says-report-commissioned-for-health-canada>

We have a copy of the report commissioned by Health Canada cited in the news article, but it is a pdf and not linkable - we will forward a copy upon request.

****** https://www.investorvillage.com/uploads/82915/files/CIBC_Cannabis.pdf

The demand vs. supply problem will have consequences, even though the large scale, entrenched corporate players may satisfy a small portion of the demand:

Most BC consumers will continue to purchase their preferred cannabis in the unregulated market,



The province will not be able to capture the tax revenue that would have been attached to regulated cannabis, had production sufficient to meet the demand been able to occur,



And, all related economic development opportunities and benefits related thereto will not materialize.



The historic change in the law that will take place on October 17, 2018 can bring about **positive** outcomes in BC communities:

**Creation of new jobs, economic development
and increased tax revenue**

-and-

Diminishment of the so-called “black market”



IF

Prospective micro licence applicants have reasonable and timely access to a variety of zoned lands upon which to conduct their legal, regulated cannabis businesses.

The bottom line...

It will be in the best interests of all British Columbians if the municipalities would consider whether supporting an entirely new, legal and regulated industry has potentially more **benefits** than drawbacks.

Expansive zoning bylaws will at least give prospective micro licensees the **opportunity** to submit a federal application, and potentially, to be able to:

- start new small businesses,
- create new jobs and spin-off benefits for other non-cannabis businesses,
- produce in-demand, tax revenue generating products,
- pay provincial and federal incomes taxes, and
- contribute to the communities in which they live and work.

If there are drawbacks, we're not sure they outweigh the potential benefits of a robust and thriving craft cannabis industry in British Columbia.

The demographics of cannabis consumption:



This guy is not the face of cannabis anymore.

These are the faces that are more representative of cannabis users.



Who is driving the increase in the Canadian market?

	15 - 17	18 - 24	25 - 44	45 - 64
2000	31.3%	42.7%	12.1%	4.2%
2015	23.6%	38.6%	22.5%	11.3%
Difference	-24.5%	-9.6%	86%	169%

According to Statistics Canada, nationally, the use of cannabis among persons **under 25** is **decreasing**, while the use for persons over 25 is increasing.

Where do young persons in BC fit into the picture?

	15 - 24	25 - 44	45 - 64	65 +
Canada (Lifetime Use) (2012)	47.2% M 42.3% F	60.5% M 46.5% F	53.9% M 37.6% F	18.9% M 8.3% F
British Columbia (Lifetime Use) (2012)	40.9% M 38.6% F	64.4% M 47.5% F	67.8% M 43.2% F	22.9% M 12.1% F
Difference	-13.4% M -8.8% F	+6.5% M +2.2% F	+25.8% M +14.9% F	+21.2% M +45.8% F

For lifetime use of cannabis, Statistics Canada found persons **under 25** in BC consumed cannabis at **lower** rates than the the rest of the nation.

Sometimes, statistics can be interesting...



Statistics Canada's numbers show that persons under 25 are **decreasing** their cannabis use, even with *unfettered* access.



BC produces more cannabis than any other province, but young persons here are consuming cannabis at a **lower** rate than the rest of the country.



The numbers from Statistics Canada indicate the market will **not** be driven by young persons **under** 25.



The regulated cannabis economy in BC will be driven by higher than average demand from persons **over** 25, particularly those in the 45 - 64 demographic.

Please remember the facts that are important:

1.

Small scale micro licensed operations are intended for 'small players', but they must satisfy the same application and operational requirements as the large, entrenched corporate players; the licensees will be heavily regulated and the federal oversight will be extensive.

2.

The federal government designed a regulatory framework in which small producers, including existing unregulated producers, are integral to achieving the government's goal of *"a diverse and competitive market that outcompetes the entrenched illicit industry."* *

3.

Cannabis legalization has significant support among BC's elected and appointed representatives in Ottawa and has significant public support in both BC and across Canada.

* <https://www.canada.ca/content/dam/hc-sc/documents/services/publications/drugs-health-products/summary-comments-public-consultation-regulation-cannabis/summary-comments-public-consultation-regulation-cannabis.pdf>

4.

The municipalities have a “shared responsibility” with respect to the new regulatory framework; zoning bylaws that are expansive, rather than restrictive or prohibitive, align with the federal government’s goals and expectations by allowing prospective micro licence applicants an opportunity to access a variety of lands on which to conduct their businesses, and the size and nature of small scale cannabis activities make them appropriate for:

- rural residential and general use agricultural zones,
- light and heavy industrial zones, and
- commercial zones.

5.

Reasonable and timely action by the municipalities in terms of implementing cannabis related zoning bylaws will ensure the benefits of legalization accrue to small businesses and remain in local communities and that the so-called “black market” will be diminished; all British Columbians will benefit from taxable cannabis produced and consumed within the regulated framework.

6.

Cannabis legalization leads to increased economic activity; the creation of new, local small businesses will result in job growth and increased tax revenues. The Canadian cannabis economy is strong and will continue to grow*, thereby increasing the benefits to local economies - if the small scale operations can enter the regulated framework.

* <https://www.cbc.ca/news/business/cibc-cannabis-1.4653567>

7.

Historically, BC has outperformed every other province in the Canadian cannabis economy and there are many skilled producers whose premium craft cannabis is capable of dominating the higher end of the regulated market - if they are able to enter the regulated framework to supply the significant demand that will exist.

8.

Based on the figures from Statistics Canada and the CIBC, demand for cannabis will far outstrip supply in the first year of legalization and a significant portion of the demand will be satisfied in the unregulated market, thereby depriving British Columbia and its residents of the tax revenue, and other economic benefits, that would have been attached to the purchase of regulated cannabis - had production sufficient to meet the demand been able to occur.

9.

Cannabis legalization will not unduly impact BC's young people, whose cannabis consumption is below the national average and is decreasing, even with unfettered access.



Working together, we can ensure all of our communities share in the benefits of the regulated cannabis economy.

Thanks for taking the time to view our slide show.

APPENDIX - Federal Documents / Legislation

Final Report of the Task Force on Cannabis Legalization and Regulation

<http://www.healthycanadians.gc.ca/task-force-marijuana-groupe-etude/framework-cadre/alt/framework-cadre-eng.pdf>

- published in December, 2016,
- this is the foundational document for the federal government's cannabis legislation,
- it is an interesting report as it lays out the rationale for each one of its recommendations and, for the most part, the government followed the recommendations made by the Task Force,
- Chapter 3 addresses the supply chain and "small players".

Proposed Approach to the Regulation of Cannabis

<https://www.canada.ca/content/dam/hc-sc/documents/programs/consultation-proposed-approach-regulation-cannabis/proposed-approach-regulation-cannabis.pdf>

- published in November, 2017,
- this document provides more details with respect to the specifics of the federal government's cannabis legislation,
- Chapter 2 addresses the "micro" licenses and the activities that would be permitted under each license.

Summary of Comments Received During Public Consultation

<https://www.canada.ca/content/dam/hc-sc/documents/services/publications/drugs-health-products/summary-comments-public-consultation-regulation-cannabis/summary-comments-public-consultation-regulation-cannabis.pdf>

- Published in March, 2018,
- the document contains a summary of the feedback the federal government received in response to the Proposed Approach,
- it contains information about the size and processing limits for the micro-licenses, at pages 7 and 8.

Cannabis Act

<http://laws-lois.justice.gc.ca/PDF/C-24.5.pdf>

Cannabis Act Regulations

<http://laws-lois.justice.gc.ca/PDF/SOR-2018-144.pdf>

Cannabis Application and Licensing Guide

<https://www.canada.ca/content/dam/hc-sc/documents/services/publications/drugs-health-products/cannabis-licensing-guide/cannabis-licensing-guide.pdf>