

April 3, 2018

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Doc #: 2894557

To: City Manager

From: General Manager Planning and Development

Subject: **Cannabis Legalization Framework – Zoning Amendment Bylaw No. 4865, 2018, Interim Regulations**

For: **Council**

Recommendation:

That Council:

1. Give first reading to *City of Coquitlam Zoning Amendment Bylaw No. 4865, 2018*; and
2. Refer *City of Coquitlam Zoning Amendment Bylaw No. 4865, 2018* to Public Hearing.

Report Purpose:

This report provides a brief background on the status of non-medical cannabis legalization in Canada and the current City land use regulations that apply to cannabis, and proposes a Zoning Bylaw amendment to prohibit the production, distribution and sale of non-medical cannabis as an interim measure.

Strategic Goals:

This report supports the strategic goal of achieving excellence in City governance, by ensuring non-medical cannabis is regulated in an appropriate manner.

Background:

Legalization of Non-Medical Cannabis

The federal government is in the process of adopting the *Cannabis Act* (Bill C-45) and related impaired driving amendments to the *Criminal Code* (Bill C-46). These new regulations focus on the legalization of non-medical cannabis activities, while medical cannabis will still be regulated separately under the existing *Access to Cannabis for Medical Purposes Regulation*.

Under the proposed federal framework the provinces will have some flexibility around the legalization of non-medical cannabis. This flexibility will include the ability to raise the minimum purchase and consumption age (from 18 years old), decrease the possession limit (from 30 grams), and regulate wholesale and retail distribution models. The regulations put in place by each province will determine the framework that local governments will work within.

The implementation of a cannabis regulatory framework is a “B” priority on the City’s 2018 Business Plan. A cross-departmental team of staff in Planning and Development, Business Licensing, Bylaw Enforcement and Legal Services has been established to undertake this work. Staff in Corporate Communications, Coquitlam Fire Rescue and the RCMP will also be involved as required.



Background: cont'd/

City of Coquitlam Zoning Bylaw

The City's Zoning Bylaw currently contains regulations for both medical and non-medical cannabis. A "medical marijuana grow operation" is permitted in the M-2 Industrial Business zone, whereas "marijuana dispensaries" are prohibited in all zones. Both "medical marijuana grow operation" and "marijuana dispensary" are currently defined by referencing the federal *Controlled Drugs and Substances Act*, so when cannabis is legalized and removed from that Act neither definition will apply to cannabis products of any kind (i.e., which may provide the basis for arguing that these activities can operate in Coquitlam).

Discussion:

Legalization of Non-Medical Cannabis in British Columbia

The Province of British Columbia undertook an online and telephone consultation process in September and October of 2017, and received approximately 50,000 responses. In December of 2017 the Province announced it would be proceeding with a minimum age of 19, that wholesale distribution would be handled solely by the Liquor Distribution Branch, and that a mixed public / private retail model would be the likely approach.

In February of 2018 the Province released a position statement on a number of other policy areas, including home cultivation limits, possession limits and public space consumption. It also released preliminary information about its intended public / private retail model and indicated that local governments will be authorized to prohibit non-medical cannabis businesses, or to add supplemental regulation should they choose to permit these activities.

Despite the information the Province has provided in relation to the intended approach for the legalization of non-medical cannabis, no provincial legislation has been released. The specific details of the regulatory framework that local governments will be working within will remain unclear until this information is made available.

Interim Zoning Bylaw Regulations

Once cannabis is removed from the *Controlled Drugs and Substances Act* and legalized, the existing definitions in the City's Zoning Bylaw will no longer serve their intended purpose. As a result, non-medical cannabis could be sold lawfully in any zones where retail sales uses are permitted. These businesses could then be immune to subsequent zoning changes, and the City could lose the ability to regulate any of these established businesses from a zoning perspective in the future.

Putting appropriate regulations in place prior to the legalization of non-medical cannabis will ensure that no potentially unwanted or inappropriate businesses or uses are established in the City. Given the uncertainty around the details and timing of the release of the provincial legislation, staff recommend implementing interim zoning regulations to prohibit all non-medical cannabis related uses. This will allow sufficient time to review all potential options, consult with residents and stakeholders and amend the Zoning Bylaw and other related bylaws, including the Business Licence Bylaw and the Fees and Charges Bylaw once senior governments have released more detailed information regarding this policy area.

Discussion: cont'd/

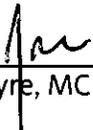
Minor revisions to the Zoning Bylaw will be sufficient to prohibit the growth, cultivation, production, processing, storage, distribution, barter, or sale of non-medical cannabis in the City in the interim. A copy of draft Zoning Amendment Bylaw No. 4865, 2018 is included in Attachment 1.

Financial Implications:

There are no immediate financial implications associated with this report. It is anticipated that any policy development, public engagement, and / or bylaw amendments Council may direct staff to undertake once more information is available can be completed within existing operating budgets. If Council directs the preparation of policy options for authorizing and regulating non-medical cannabis activities, staff will identify in a future report the anticipated financial implications and any available revenue sources associated with each option.

Conclusion:

Cannabis legalization is a complex undertaking that involves coordination between the different levels of government. At this point in time only basic information about the Province's intended regulatory framework is available. Minor revisions to the Zoning Bylaw will prevent any unwanted or inappropriate non-medical cannabis uses in the short-term, while allowing potential options to be explored for the long-term following the release of the provincial legislation.



J.L. McIntyre, MCIP, RPP

Attachments:

1. Zoning Amendment Bylaw No. 4865, 2018 (Doc# 2894539)

This report was prepared by Chris McBeath, Major Project Planner, and reviewed by Stephanie James, Acting Director, Legal and Bylaw Enforcement, and Andrew Merrill, Manager Community Planning.

**BYLAW NO. 4865, 2018**

A Bylaw to amend the "*City of Coquitlam
Zoning Bylaw No. 3000, 1996*"

WHEREAS certain changes are necessary for the clarification and effective and efficient operation of Bylaw No. 3000, 1996 and amending Bylaws, in accordance with the *Local Government Act*, R.S.B.C., 2015, c. 1;

NOW THEREFORE, the Council of the City of Coquitlam in open meeting assembled, ENACTS AS FOLLOWS:

1. Name of Bylaw

This Bylaw may be cited for all purposes as "Zoning Amendment Bylaw No. 4865, 2018".

2. Amendments to Zoning Bylaw No. 3000, 1996

2.1. Section 201 (Definitions) is amended as follows:

2.1.1. deleting the words "*medical marijuana grow operation* and" from the definition for *AGRICULTURAL*;

2.1.2. deleting the definition of *MARIJUANA DISPENSARY*;

2.1.3. replacing the definition of *MEDICAL MARIJUANA GROW OPERATION* with the following definition for *MEDICAL CANNABIS GROW OPERATION*:

"*MEDICAL CANNABIS GROW OPERATION* means a use providing for the growth, cultivation, or production of cannabis for medicinal purposes, in accordance with a license issued by Health Canada under the *Access to Cannabis for Medical Purposes Regulation*."

2.2. Section 503 (General Regulations) is amended by deleting subsection 503(10) and replacing it with the following:

"The growth, cultivation, production, processing, storage, distribution, barter, or sale of cannabis, or any products containing or derived from cannabis, except *medical cannabis grow operations* where expressly permitted in this Bylaw."

2.3. Section 706 (Number of Required Off-Street Parking Spaces) is amended by deleting the phrase "*medical marijuana grow operation*" from subsection 706(5) and replacing it with "*medical cannabis grow operation*".

2.4. Section 801 (A-3 Agricultural and Resource) is amended by deleting the phrase "*medical marijuana grow operation*" from clause 801(3)(f) and replacing it with "*medical cannabis grow operation*".

