



Cannabis Retail & Cannabis-Related Business Licencing

Dec 10, 2018



Proposal

- ▶ To present Council proposed cannabis retail and cannabis-related business regulations
 - ▶ Responding to the legalization of Cannabis retail sales and the creation of a Provincial distribution and sales regime
 - ▶ In follow up to the development of a retail cannabis sales sub zone in the City,
 - ▶ To gain Council direction on establishing licencing requirements to bring forward bylaw in early 2019
 - ▶ Balance concerns for health, life safety, and potential nuisance mitigation concerns for the community

Engagement

- ▶ Federal and Provincial Governments
 - ▶ Large public consultations to help shape federal and provincial legislation and regulations
- ▶ City of Kelowna
 - ▶ Advertised in the Daily Courier in June 2018, circulated draft regulations and asked for feedback
 - ▶ Staff also contacted individuals who had expressed an interest in participating
 - ▶ Comments provided used to refine the bylaw

City of Kelowna

- ▶ Has land use authority relating to cannabis and:
 - ▶ Zoning
 - ▶ Business licensing
 - ▶ Building code
 - ▶ Municipal workplace safety
 - ▶ Enforcement of regulations around public consumption

Background - Federal Role

- ▶ Non Medical cannabis legalized Oct 17, 2018
- ▶ Set forth new regulations in Cannabis Act + Cannabis Regulations (2018 -144)
- ▶ Gave Provinces power to regulate sale/consumption
- ▶ Set rules for personal possession (30 gm) and home cultivation(4 plants per household)
- ▶ Restricts cannabis to adult use over 18yrs

Medical Cannabis

- ▶ Continues to be legally sold online by federally licensed producers or access through personal grow licences
- ▶ Locally production/cultivation regulation under existing MMPR Business Licence Bylaw
- ▶ Staff recommend updates to align with new Cannabis Act and Cannabis Regulations
- ▶ Federal review of Medical Cannabis system to occur in 5 years

Government of BC

Non-medical Cannabis

- ▶ Provincial Government oversees distribution and sales
- ▶ Established a retail licensing regime similar to the current regime for liquor
- ▶ Establishes age restriction of 19yrs and over
- ▶ Prohibits smoking of cannabis everywhere
smoking and vaping currently prohibited
- ▶ Provides enforcement authority to deal with illegal issues

Municipal

- ▶ Provincial legislation allows for prohibition or regulation by cities through zoning authority
- ▶ Proposed regulations provide oversight of health and life safety, ensure zoning, nuisance mitigation and provincial retail licence requirement
- ▶ Province will not issue licence without Municipal approvals
- ▶ Proposed regulation mirror provincial requirement to ensure City has oversight within its boundaries

Guiding Principles

1. Ensure regulations for cannabis retail sales **protect youth in the community.**
2. Ensure regulations support community standards.
3. Encouraging business development in the City by allowing cannabis retail sales under regulation.

Retail Cannabis Sales

- ▶ Similar approach to liquor
- ▶ Creation of a Retail Cannabis Sales Subzone
- ▶ Added to the following zones as a permitted use:

Principal Use	Secondary Use
C ₃	C ₂
C ₄	C ₉
C ₆	I ₁ *
C ₇	I ₂ *
C ₁₀	I ₄ *
CD ₁₇	
CD ₂₆	

- ▶ *Limit to the GFA to a maximum of 250 m² in Industrial Zones*

Best Practices from USA

- ▶ Analysis of best practices has been conducted in two key jurisdictions where marijuana is currently being sold legally.
- ▶ Listed below are key areas of regulation which are being implemented in Washington State and Colorado:

Best Practice	Washington State/Seattle	Colorado State/Denver & Boulder
Require criminal record check	✓	✓
Define allowed zoning districts	✓	✓
Minimum distancing from sensitive uses	✓	✓
Ban on co-location	✓	
Ban in downtown transit mall		✓
Declustering requirements		✓
Ban minors (18 or under)	✓	✓
Limited operating hours	✓	✓
Disallow sampling	✓	
Require security features	✓	✓
Cap on total number	✓	
Limit number of licences per person	✓	
Require liability insurance	✓	

Staff propose Four Business category types

- ▶ Cannabis Counselling Establishment
- ▶ Cannabis-Related Business
- ▶ Retail Cannabis Sales Establishment
- ▶ Retail Store (Cannabis accessory sales) Est.

1) Cannabis Counselling Establishment

- ▶ Provides counselling on Cannabis and its use
 - ▶ Meet Health Services zoning
 - ▶ No retail of cannabis or derivatives as per zone
 - ▶ No clients under 19yrs of age
 - ▶ Can retail cannabis paraphernalia accessories
 - ▶ Signage cannot imply cannabis sales or apothecary or pharmacy under drug act
 - ▶ No cannabis product or derivatives to be on site

2) Cannabis Related Business

- ▶ Cannabis related general category for business not detailed in the Bylaw
 - ▶ Meet required zoning
 - ▶ Retail sale of cannabis prohibited
 - ▶ No consumption allowed on premises
 - ▶ Signage cannot imply cannabis sales or apothecary or pharmacy under drug act

3) Retail Cannabis Sales Establishment

- ▶ Retail sale of cannabis, oils, seeds but no edibles
 - ▶ Obtain retail cannabis sub zoning
 - ▶ Obtain Cannabis retail licence from Province
 - ▶ Provide other requirements that mirror Province requirements
 - ▶ Security screening of Owner/Operator & Staff
 - ▶ Building security measures
 - ▶ Can sell cannabis accessories/paraphernalia
 - ▶ No online sales (Gov't stores only)
 - ▶ No delivery service provided or associated
 - ▶ No drive through service

4) Retail Store (Cannabis accessory sale) Est.

- ▶ Sale of accessories as defined by Cannabis Act
 - ▶ Meet Zoning for Retail Store establishment
 - ▶ Retail sale of Cannabis prohibited in zone
 - ▶ No clients under 19yrs of age
 - ▶ Signage cannot imply cannabis sales or apothecary or pharmacy under drug act

Capacity / Enforcement

- ▶ City will need to increase or create staff capacity to address these new business categories licencing and compliance oversight.
- ▶ Increased Cannabis production facility development creating additional resource pressures on the City
- ▶ Cost recovery fee model to support regulation implementation and compliance oversight
- ▶ Provincial Taxation revenue distribution unknown if Municipal financial support will be made available



Questions?

For more information, visit kelowna.ca.