

Regulation of Retail Dealers – Medical Marijuana-Related Uses

April 28, 2015

RTS: 10939



1 Current State - Background



Current State

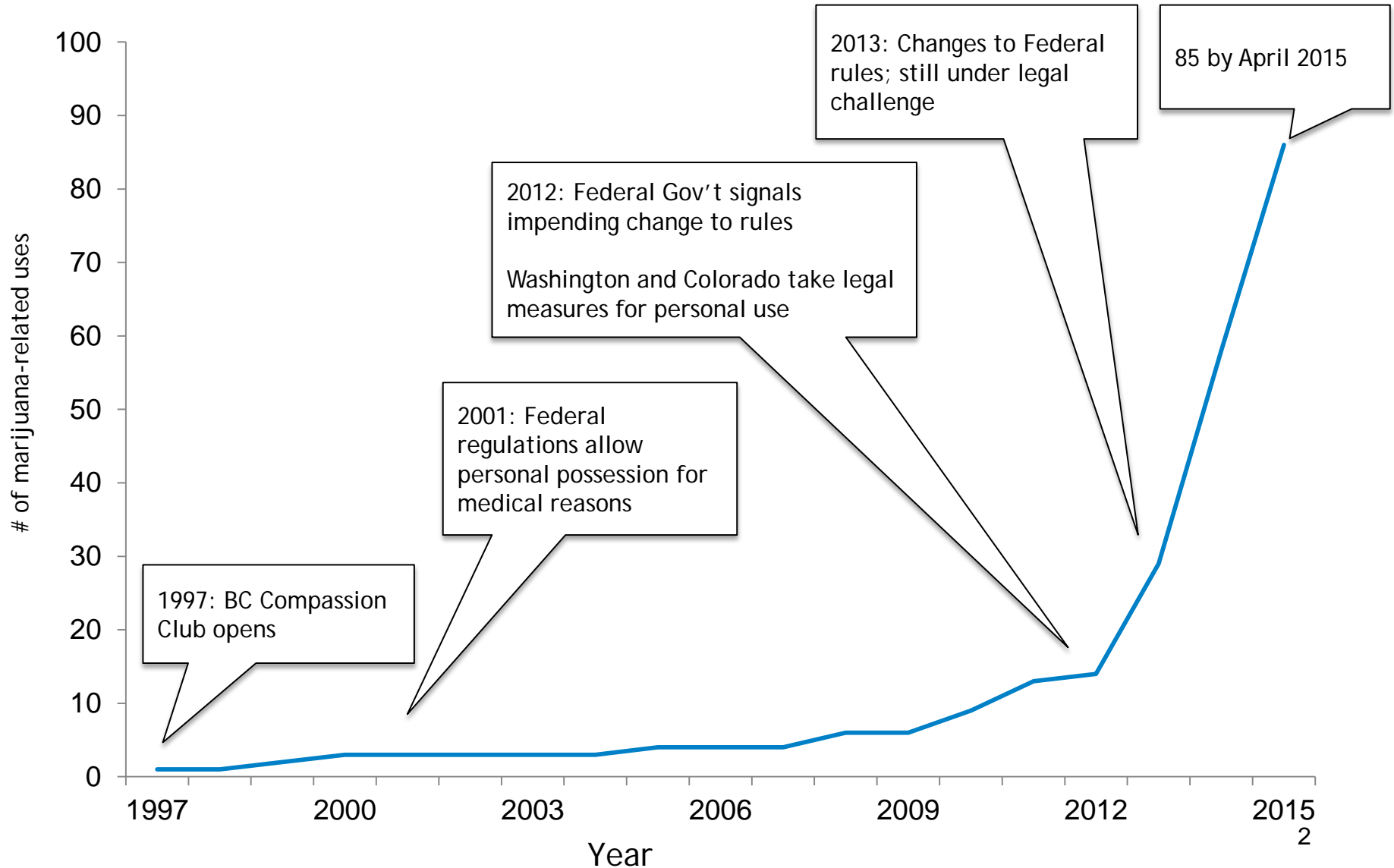
Research

Objectives

Modeling

Proposed Framework

Summary



1 Current State - Locations



Current State

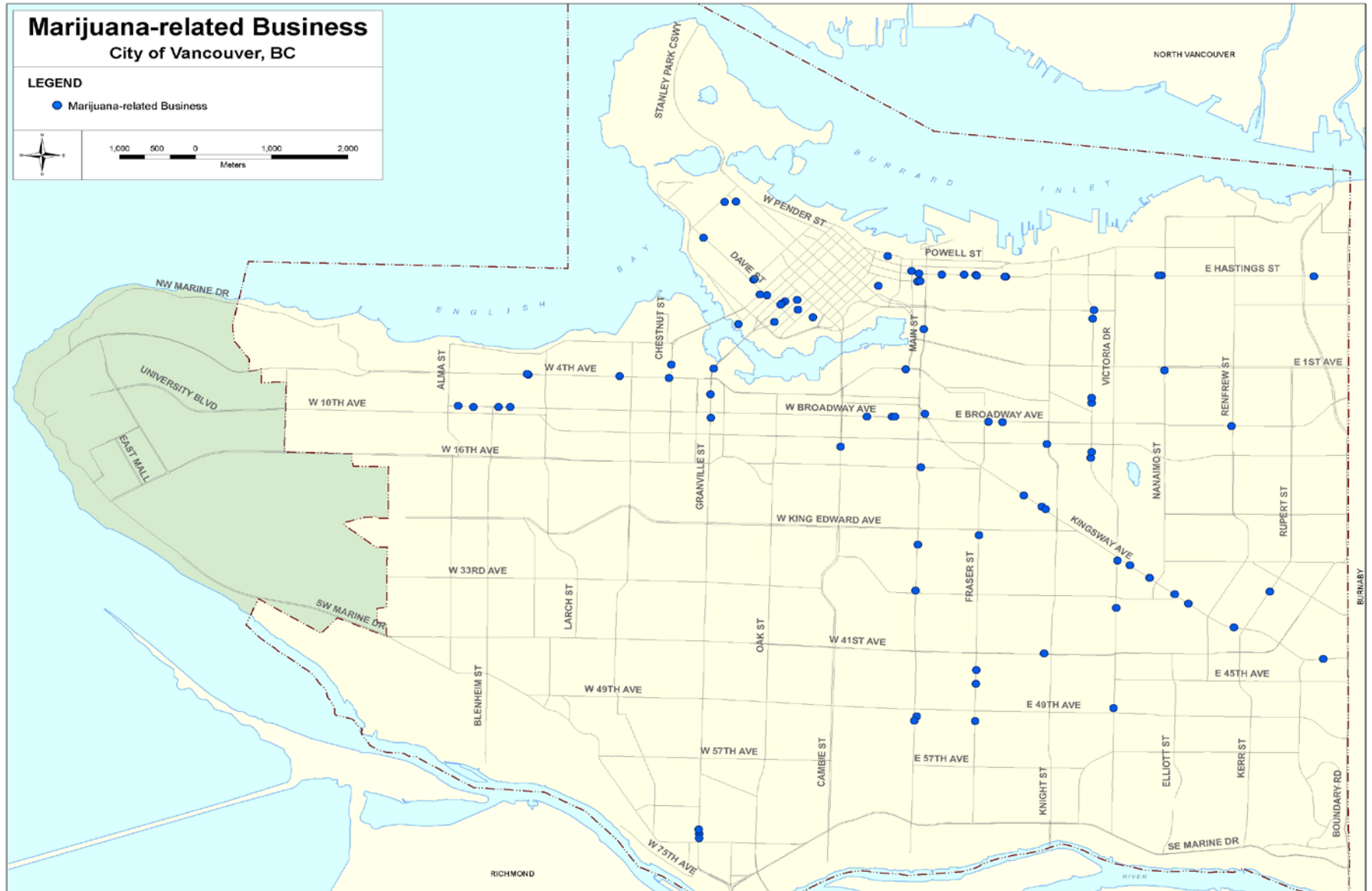
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1 Current State - Storefronts



Current State

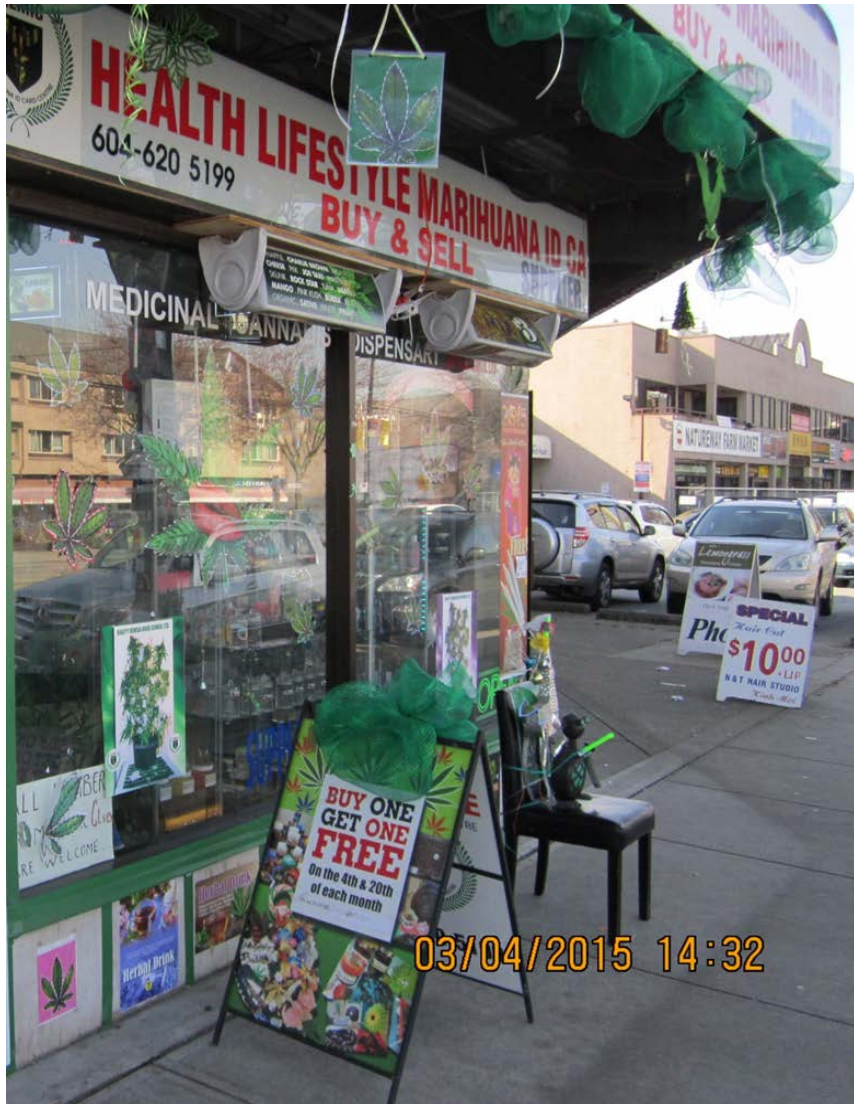
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<ul style="list-style-type: none"> ◆ Juicy Fruit ◆ Charlie Brown ◆ Rock Star ◆ Vanilla ◆ Pink Kush 		<p>Special Mix \$3</p> <p>\$4.50/gr +taxes</p> <p>\$5</p>
<ul style="list-style-type: none"> ◆ O. G. P. ◆ Skunk ◆ Hindu ◆ B. M. I. ◆ Banana Hash Plant ◆ Special C.B.D/T.H.C. 		<p>\$9/gr +taxes</p> <p>\$10</p>
<ul style="list-style-type: none"> ◆ Tuna ◆ Cotton Candy ◆ White Rhino ◆ Cheese 		<p>\$10.7/gr +taxes</p> <p>\$12</p>
<ul style="list-style-type: none"> ◆ Mix ◆ Single Joint ◆ Jumbo Joint 		<p>\$2.65/gr +taxes = \$3</p> <p>\$2.20 +taxes = \$2.50</p> <p>\$4.46 +taxes = \$5</p>

1 Current State - Jurisdictions



Current State

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Summary

- Federal Government: designates controlled substances (Criminal Code) and sets out rules for medical marijuana (Health Canada)
- Police and Crown Counsel: determine enforcement of the Criminal Code
- City of Vancouver: regulates land uses and businesses (e.g. locations, hours, noise, nuisance prevention, design)

2 Research - Benefits



Current State

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Summary

- Health benefits include relief of:
 - chronic pain
 - antiretroviral therapy-related nausea
 - multiple sclerosis
 - symptoms of bipolar disorder and ADHD
- Harm reduction for drug users:
 - substitute for more harmful drugs
 - reduce opioid mortality
 - relief from withdrawal symptoms

2 Research - Concerns



Current State

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Summary

- Youth exposure & early addiction
- Health risks
 - impairment of memory (in adolescents)
 - reduced psychomotor performance
 - schizophrenia
 - cancer of mouth, jaw, tongue and lung (in younger people)
 - fetotoxicity
 - leukemia in children
- Safety
 - Criminality concerns (e.g. store robberies and potential ties to organized crime)
 - Construction work without permit (i.e. not meeting Building Code)
- Degraded character/reputation of neighbourhoods due to clusters of stores
- Inequity for other businesses

2 Research - Consultation



Current State

Research

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Summary

- Liaison with key partners:
 - Vancouver School Board
 - Vancouver Coastal Health
 - Vancouver Police Department
 - Vancouver Fire & Rescue Services
 - Business Improvement Associations
- Some outreach to marijuana-related uses:
 - want business licence
 - open to meeting regulations and paying a fee
 - see growth potential for their industry
 - want positive impact on community

2 Research - Washington & Colorado



Current State

Research

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Summary

Best Practice		Washington State/Seattle	Colorado State/Denver & Boulder
Locational Concerns	Minimum distancing from sensitive uses	✓	✓
	Minimum distancing from other marijuana-related retail stores		✓
	Define allowed zoning districts	✓	✓
	Ban on co-location	✓	
	Ban in downtown transit mall		✓
Safety & Security	Require criminal record check	✓	✓
	Require liability insurance	✓	
	Require security features	✓	✓
Business Operations	Limit operating hours	✓	✓
	Disallow sampling	✓	
	Ban minors (18 years old or younger)	✓	✓
	Cap on total number of dispensaries	✓	
	Limit number of licences per person	✓	

3 Objectives - Balanced Approach



Current State

Research

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Summary

- Regulate marijuana-related businesses to reduce risks and impacts in the following areas:
 - Youth exposure
 - Serious crime (organized crime, property crime)
 - Health and safety risks
 - Nuisance
 - Aesthetics
 - Impact on local economy (clusters, unkempt storefronts)
 - Loss of job-producing industrial sites
- Treat all businesses consistently and fairly
- Utilize regulatory framework composed of permits and licences

4 Modeling - Various Scenarios Tested



Current State

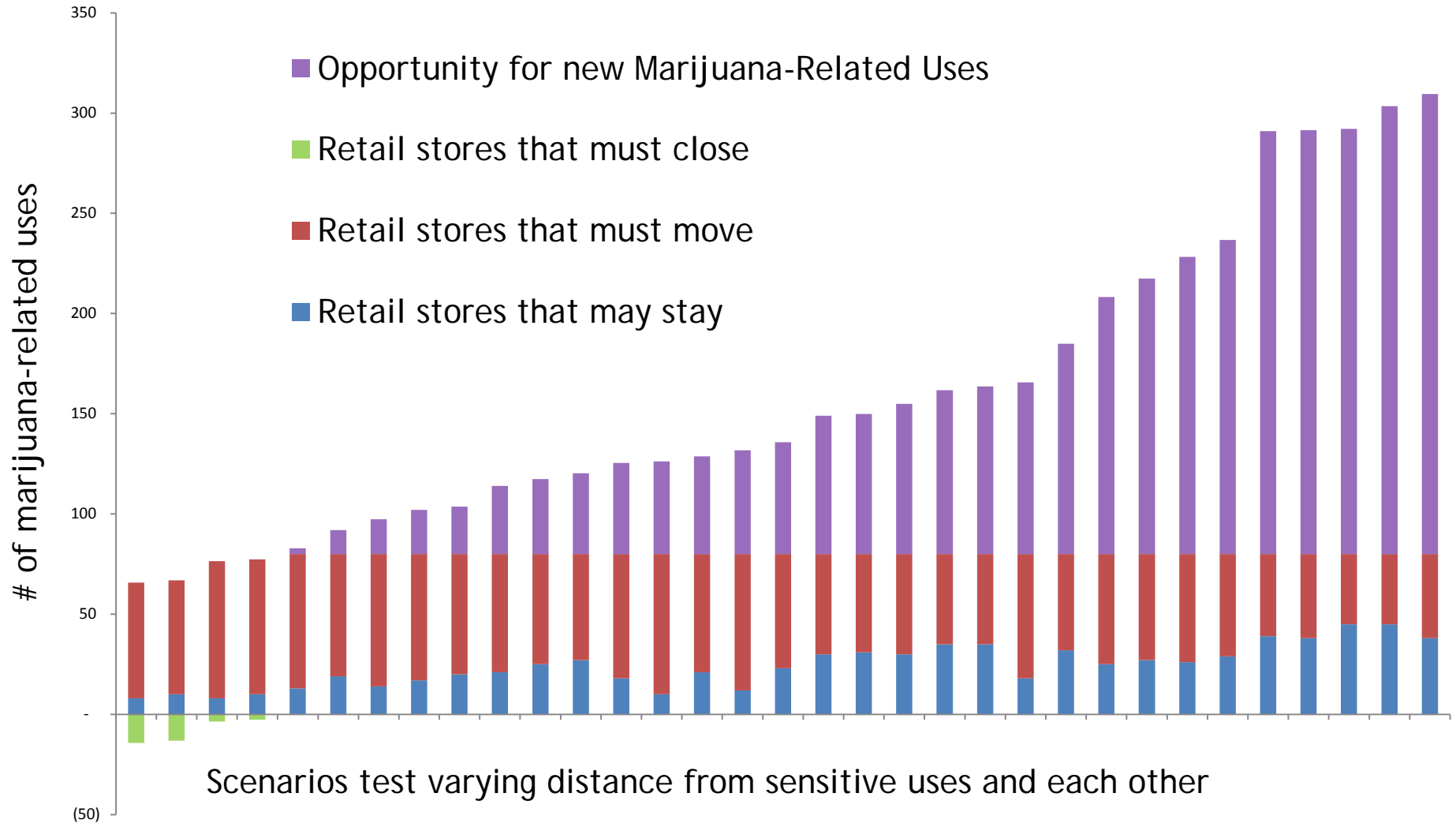
Research

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Note: model estimates only.

4 Modeling -Recommended Distancing



Current State

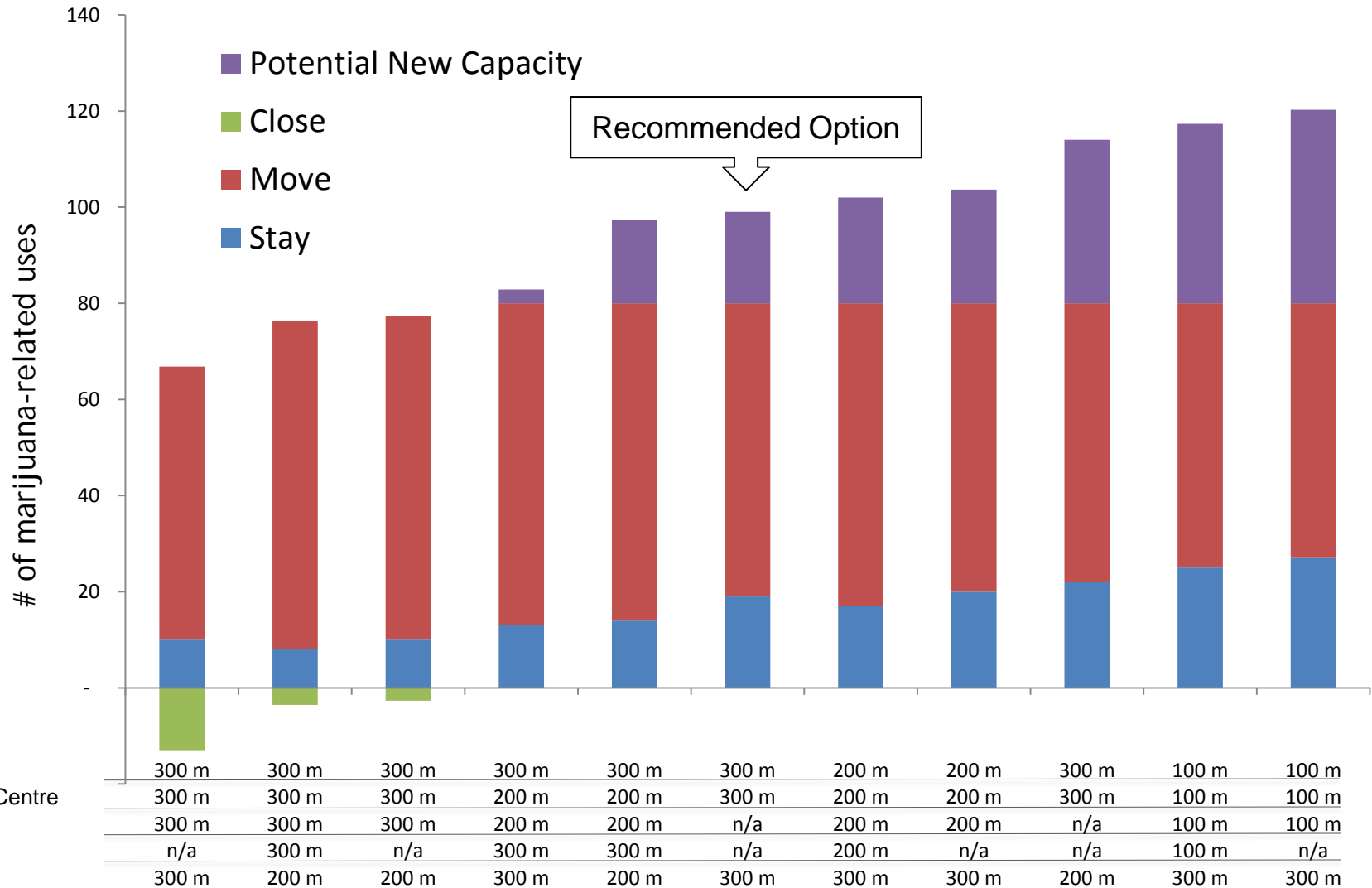
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Note: model estimates only.

Scenarios test varying distance from sensitive uses and each other

5 Proposed Framework - Commercial Zones



Current State

Research

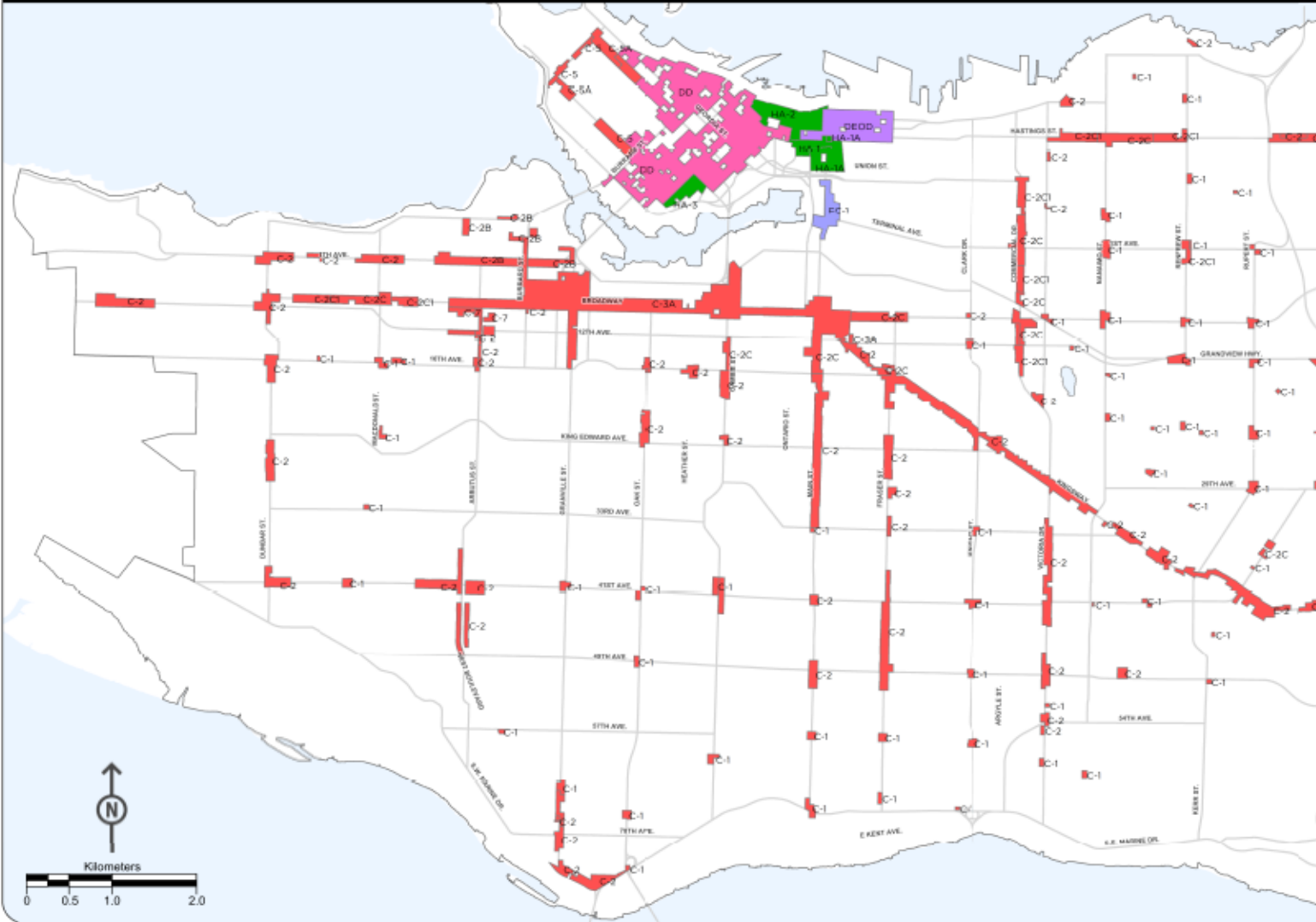
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Select Zoning Districts (C-1, C-2, C-2B, C-2C, C-2C1, C-3A, C-5, C-5A, C-6, C-7, C-8; DD; DEOD; FC-1; HA-1, HA-1A, HA-2, HA-3)



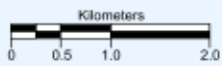
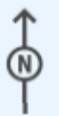
LEGEND

Analysis Layers

- C Districts (C)
- Downtown District (DD)
- Downtown Eastside/ Oppenheimer District (DEOD)
- East False Creek (FC-1)
- Historic Area (HA)

Base Layers

- City Boundary
- Water
- Major Streets



Data Source: Zoning October 2014
Data Created: 2015/04/20

5 Proposed Framework - Zoning Regulations



Current State

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Summary

Zoning Regulations	Rationale
Permit in Commercial Zoning Districts	Prevent land use conflicts
300 m minimum distance from schools and community centres	Protect youth Based on leading practice in Washington and Colorado states
300 m minimum distance from other marijuana-related uses	Reduce impact of clustering on local shopping areas Based on leading practice in Colorado state
Discretionary consideration of impact on youth facilities within 300 m	Protect youth Based on policy for sensitive conditional uses (e.g. community care facilities)

5 Proposed Framework - Business Licensing



Current State

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Summary

Rationale	Business Licence Regulations
Protect Youth	<p>Disallow minors from entering or working in the Marijuana-Related Use, and post signage to this effect</p> <p>Prohibit displays of wares or advertising to minors</p>
Prevent Crime	<p>Require a police information check for the applicant and for all staff annually</p> <p>Limit of one Business Licence per person, and disallow corporate ownership</p> <p>Prohibit transfers of licences to another party</p> <p>Require that Business Licence applications must be made by the property owner or lease holder</p> <p>Disallow sharing of space with any other land use (e.g. cheque cashing, massage, liquor, ATM)</p>
Optimize Security and Safety	<p>Require use of a monitored security and fire alarm system, including video surveillance</p> <p>Require removal or storage of valuables in a safe when business is closed</p> <p>Require a security plan</p> <p>Require provision of a list all staff and 24/7 contact information for a responsible person</p> <p>Disallow staff from working alone</p> <p>Disallow sale of food products (either pre-packaged or freshly-prepared) except edible oils</p>
Mitigate Nuisance	<p>Limit hours of operation between 8:00 am and 10:00 pm</p> <p>Require management of community impacts such as noise, odour, and patron conduct</p> <p>Disallow mail or delivery of products</p>
Support Aesthetics and Public Realm	<p>Require transparent shop fronts</p> <p>Require that security bars (if any) be set back one metre from front window</p>

5 Proposed Framework - Review Stages



Current State

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Summary

Apply for Development Permit

(30 days from Council enactment of by-law)

Pass



Stage One Review (Locational)

- Zoning alignment
- Distancing from Schools & Community Centers

Pass



Stage Two Review (Concentration)

Point-based evaluation criteria

Pass



Stage Three Review (Bylaw compliance)

- Building
- Licensing
- Health
- Fire
- Sign

All applications received after 30 days will be held pending review of those that met deadline

Fail: stores must relocate or close

Fail: stores must relocate or close if in a cluster

Pass: Business Licence Issued

Fail: stores in violations of regulations must close

5 Proposed Framework - Review Stage One



Current State

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Summary

Stage One

- City Council enacts regulations
- Everyone seeking a Marijuana-Related Uses retail store licence is required to apply for a Development Permit within 30 days of date of enactment
- Only applications with proof of lease in a location allowable under zoning will be considered
(commercial retail zoning districts only and 300 m distancing from schools and community centres)

5 Proposed Framework - Review Stage Two



Current State

Research

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Summary

Stage Two

- Applications clearing stage one will undergo an evaluative process with points based criteria:

Evaluation Criteria for Each Marijuana-Related Use	Points
Is the business considered a problem premises by Vancouver Police Department?	-4
Does the premises contain work conducted without a Building Permit?	-3
Has the premise been the subject of more than one complainant from members of the community?	-2
Is the enterprise operated for profit (i.e. not a non-profit society)?	-1

- Points are assigned to each Marijuana-Related Use and evaluated to limit concentrations
- For applications that are equal in points, a lottery will be used to move successful applicants to next stage.

5 Proposed Framework - Review Stage Three



Current State

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Stage Three

- All successful applications from stage two will be required to ensure compliance with all Building Bylaw and Licensing Bylaw regulations
 - Work to be undertaken to ensure alignment with these bylaws - if not compliant, enforcement action will be taken
- Development Permit (DP) needed
 - City notifies community (standard practice)
 - Time-limited (1 year; consistent with other conditional uses) DP and Building Permit, if required, is issued
- City inspects to ensure regulations are met
- Applicant pays licensing fee (\$30,000) and City issues Business Licence

5 Proposed Framework - Timeline



Current State

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Summary

Enactment (Day 1)

- Enactment of new regulations
- Application period commences

Application Period (Day 1 - 30)

- Notification to industry of new regulations
- Ensure received applications are complete

Review Stages (Day 30 - 120)

- Applications closed
- Review applications
- Enforce immediately if no application received
- Notify unsuccessful applicants (6 months to relocate)

Issuance (Day 120+)

- DP & BL issued
- Monitoring & Enforcement

6 Summary - Anticipated Outcomes



Current State

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Summary

- Rapid growth in marijuana-related uses and ensuing concerns
- City has a number of tools/mechanisms to enforce bylaws
- Proposed regulatory framework is based on best practice - research of other jurisdictions and input from key partners
- City's proposed approach strikes a balance
- Implementation of regulations will be timely and consistent