

Regulation of Retail Dealers – Medical Marijuana-Related Uses

Public Hearing - June 10, 2015

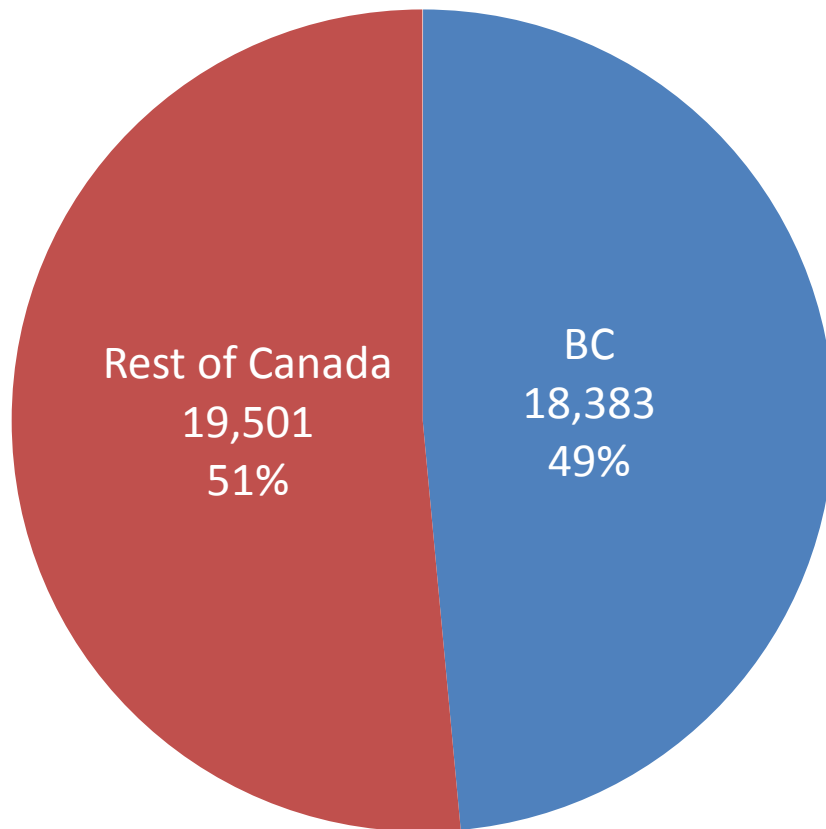
RTS: 10939



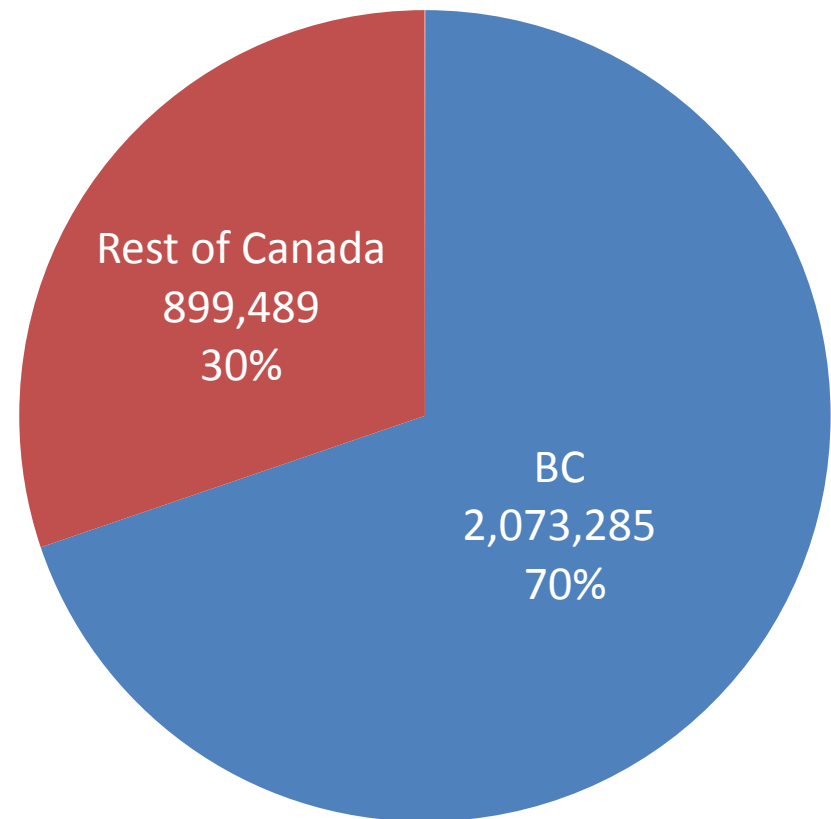
- The number of marijuana-related businesses has grown from 60 in January to 94 in June
- Vancouver Charter accord Council the authority to regulate land use and businesses such as retail shops (e.g. locations, hours, noise, nuisance prevention, design, security features etc.)
- On April 28 Council referred proposed marijuana-related use regulations to Public Hearing
- Council asked staff to provide additional information on how proposed regulations relate to:
 - Safety
 - Implementation
 - Community feedback
 - Fact-based questions
 - Health concerns (VCH will address)

- Zoning and Development Bylaw
 - Remove unclear language
 - Correct minor errors (i.e. typos)
- License Bylaw
 - Change maximum number of licences per person from one to five
 - Require posting of health warnings to customers
 - Correct oversights in order to:
 - enable implementation of regulations
 - implement a declustering process for outlets already in operation
 - Remove unnecessary language

Authorized Medical Marijuana Possession: No. of People



Authorized Medical Marijuana Production: No. of Plants



Data indicates MMAR plants before 2014 change in Federal rules for growing.

April 2014 to May 2015

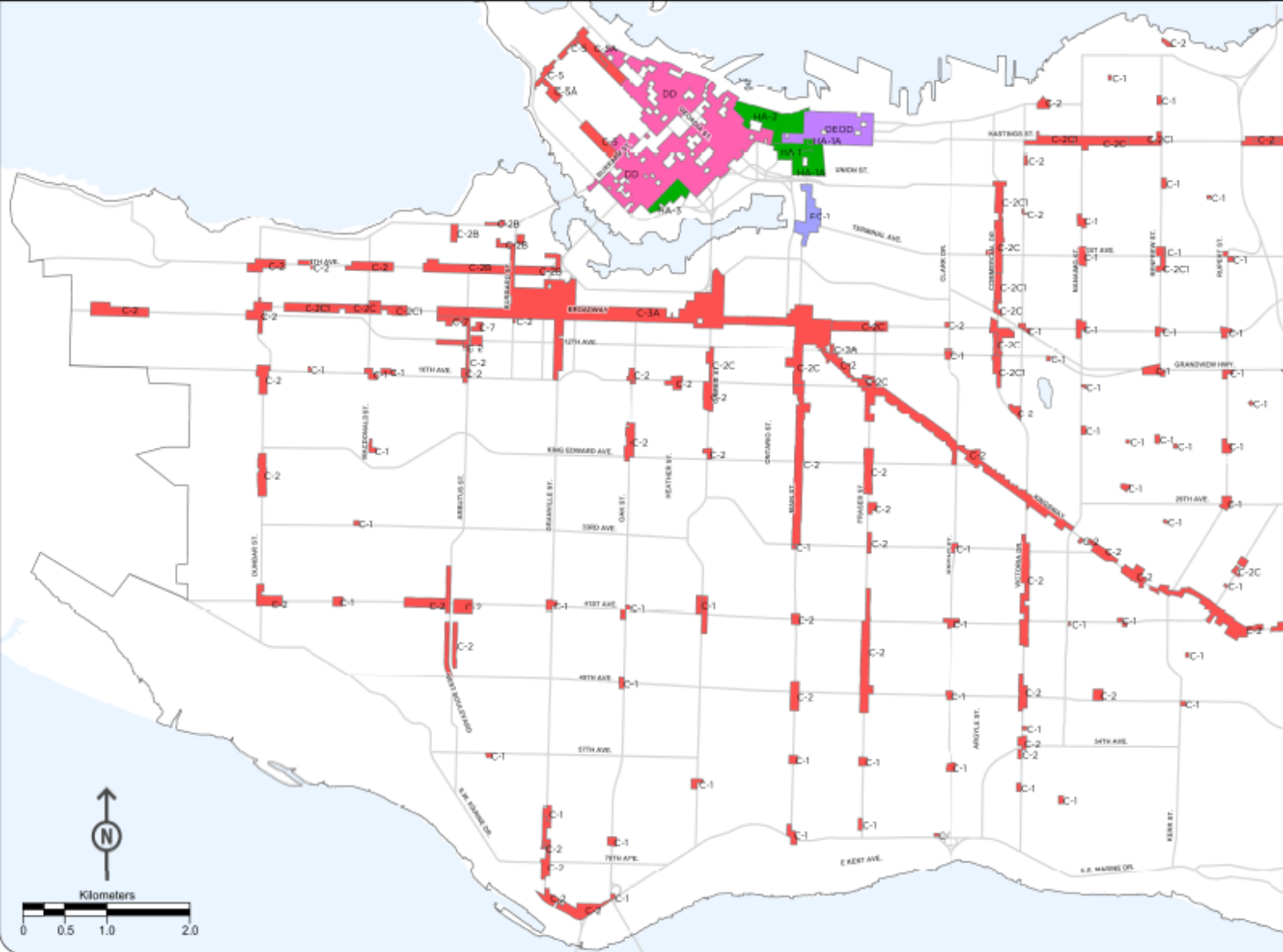
	Crimes Against Marijuana-related Uses	Crimes Against Pharmacies
B&E	6	18
Robbery	3	14
Attempted Robbery	1	0
Extortion	2	0
TOTAL	12	32

	Marijuana-related Uses	Pharmacies
No. of locations	94	168
VPD search warrants executed	9	0
% Crime	13	19

- 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 City's regulatory framework composed of permits and licensing

Zoning Districts

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

Zoning Regulations

Allowed in Commercial Zoning Districts only

300 m minimum distance from schools, community centres and neighbourhood houses

300 m minimum distance from other marijuana-related uses

Discretionary consideration of impact on youth facilities within 300 m

Stricter

More Lenient



Increased distancing and/or additional sensitive uses (e.g. child care, libraries and parks)

Decreased distance and/or fewer sensitive uses



retail stores that must close
retail stores that must relocate



retail stores that may stay in place
opportunity for new retail stores



retail stores that may stay in place
opportunity for new retail stores

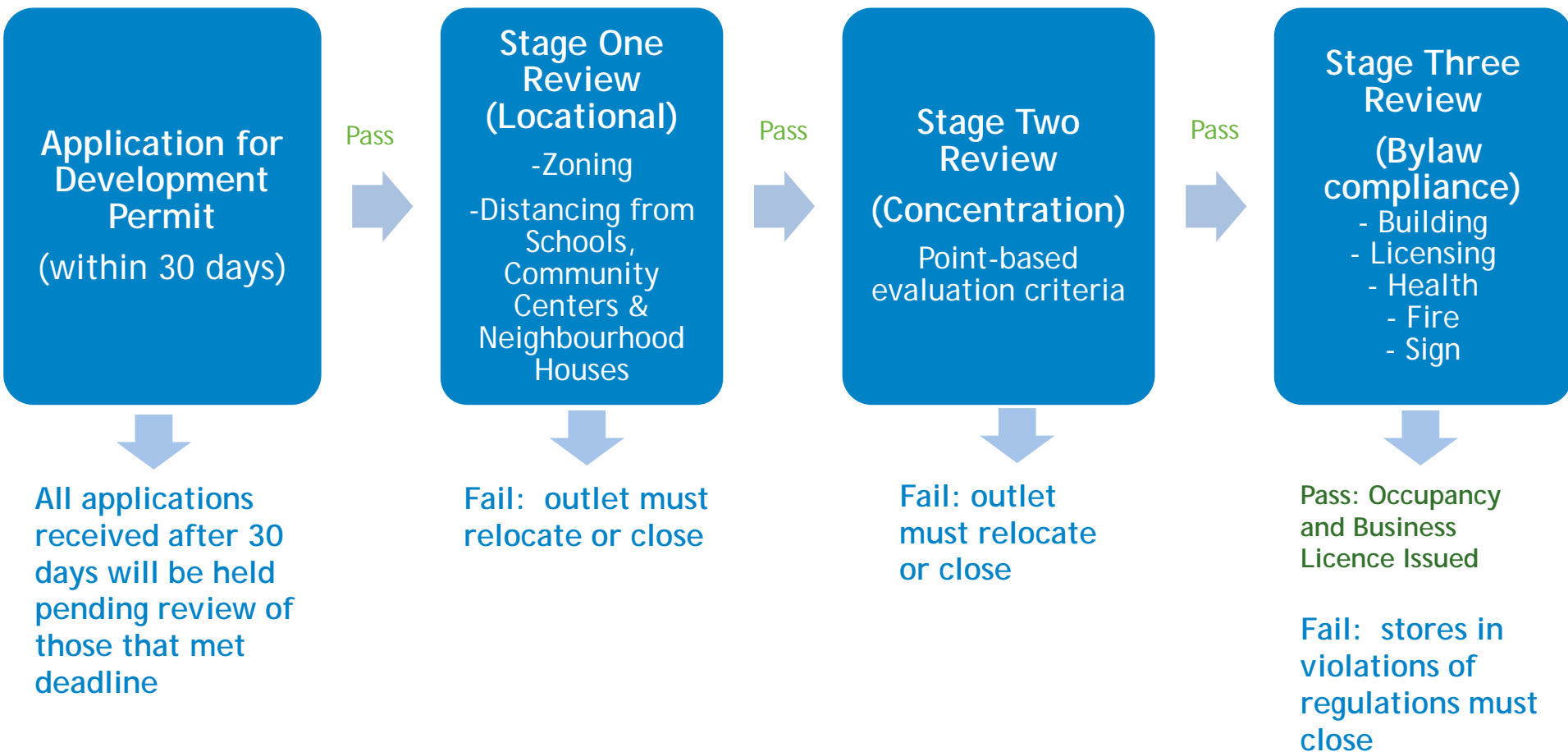


retail stores that must close
retail stores that must relocate

Regulations: License By-law

Rationale	Business Licence Regulations
Protect Youth	<p>Disallow minors (under 19 years) 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 five Business Licences 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 gate (if any) be set back one metre from front window</p>

Implementation of Regulations



A typical application process will take between 6 and 12 months depending on complexity of application.

- Each marijuana-related use in a cluster will be assigned points in the following circumstances:

- history of poor business practices (e.g. search warrant executions)	4 points
- existing work without a Building Permit	3 points
- is the subject of complaints from more than one complainant within past 12 months	2 points
- is operated for profit (i.e. not a non-profit society)	1 point

- The one with fewest points is allowed to remain (the other(s) must relocate)

- Vancouver Police Information Checks (PIC) required annually for operator and all its employees
 - search several databases to reveal details of criminal convictions, charges and warrants
 - the City must deny a Licence if, within last 5 years, an applicant has been convicted of a related crime (e.g. drug trafficking)
 - the City may choose to deny Licence if concerned about an applicant who, within his lifetime, has record of:

Likely To Be Denied	Possibly Denied	Likely Allow
<ul style="list-style-type: none"> • trafficking or intent to traffick drugs • production drug offences (e.g. meth labs, illegal marihuana grow operations) • violent offences (murder, manslaughter, robbery, assault, extortion, kidnapping) • offences that endangered youth • organized crime 	<ul style="list-style-type: none"> • theft • fraud • possession of stolen property • arson 	<ul style="list-style-type: none"> • summary convictions • driving offences

- applicant may appeal Licence denial to Council

What will happen to outlets that are too close to a sensitive use?

- Outlets that fail to meet distancing requirements (e.g. schools, community centres) must relocate
- Displaced outlets will get 6 months grace
- Grandfathering existing outlets is not recommended:
 - enables significant number of outlets near sensitive uses
 - increases total capacity from 90 to 140 outlets

- Why are proponents limited to five licences each?
 - discourages organized crime
 - corporate ownership also prohibited for the same reason, and to ensure full disclosure of business ownership
 - this will still enable non-profits to expand their charitable work under the same name

- Why are marijuana-related uses disallowed in Granville Entertainment District?
 - Business concerns about sensitive, revitalizing area
 - Focus of area is entertainment, not health services
- Why is the Downtown Eastside being treated differently than other neighbourhoods?
 - Area with many vulnerable people
 - Policy allows for reasonable access (on Hastings and Main Streets), ensuring most residents are within a short walk
- Why not allow marijuana-related uses on Pender Street?
 - Business/community has concerns about erosion of the historic and cultural character of this street

- Why are Automated Teller Machines (ATMs) disallowed in marijuana-related uses?
 - Reduces incentive to make impulse purchases
 - Reduces incentive for robbery
 - Banning ATMs is considered a best practice for casinos¹
- Why are other business uses (e.g. cheque-cashing, liquor, cafe) not allowed to co-locate with marijuana-related use?
 - Based on best practice research from Washington State
 - reduces potential for crime and social impacts

¹ “Lower the Stakes: A Public Health Approach to Gambling in BC”, 2009.

- Is smoking, vapourizing or e-smoking allowed in marijuana-related uses?
 - *Health Bylaw* disallows this in all public spaces (updated by Council unanimously on October 1, 2014)
 - to health and odour impact objectives
- Why are non-retail uses (growing, drying, processing) disallowed?
 - potential nuisance impacts (odour, noise)
 - these uses only allowed in agricultural/industrial zones
- Why are edible products disallowed?
 - due to risk of overdose, appeal to children, and issues with quality control
 - note: Health Canada is contemplating changes to allow medical marijuana edibles in the future

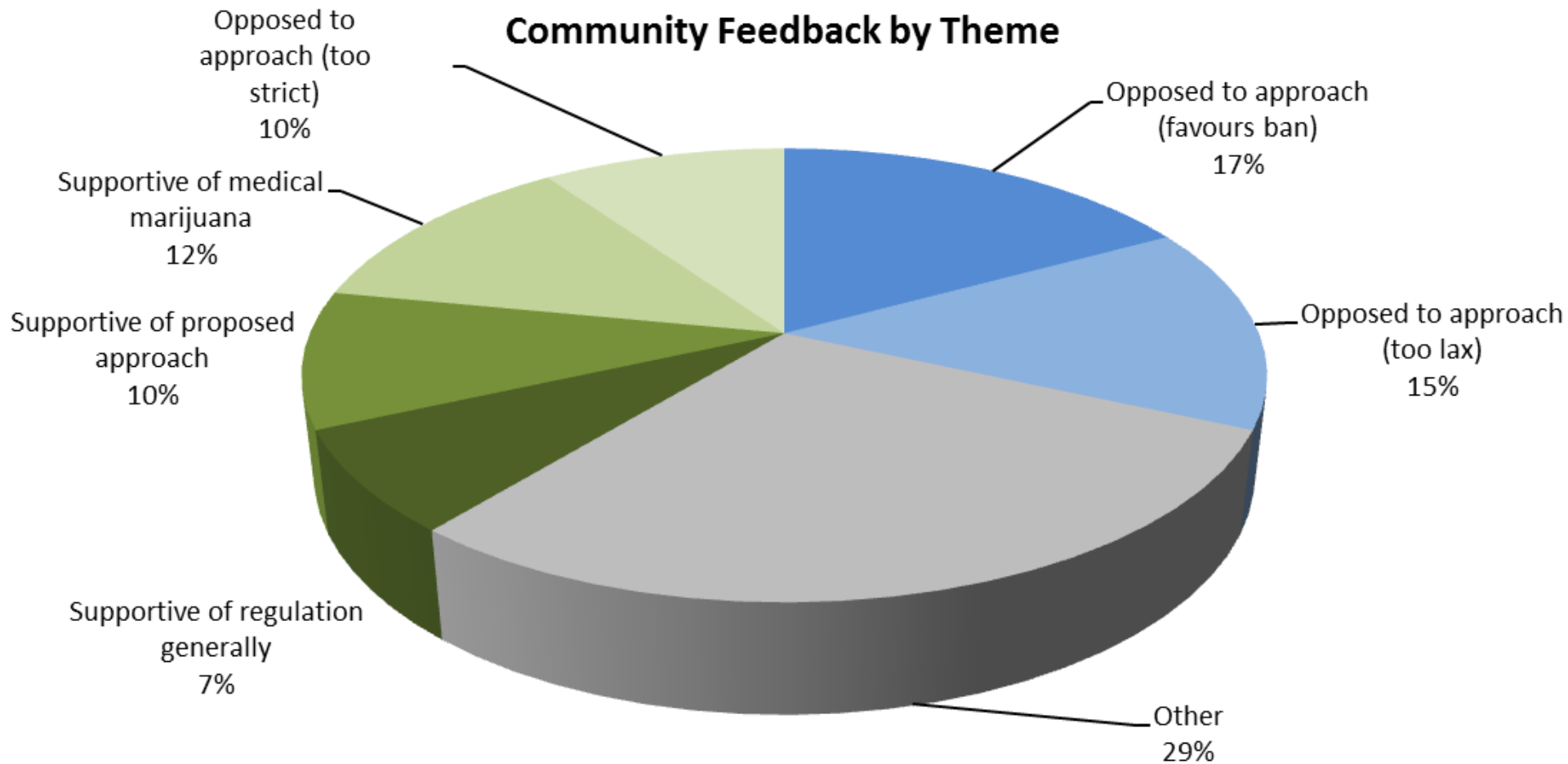
- Can the Business Licence fee be paid in installments?
 - no, fees are due in full prior to Licence issuance
 - this is commensurate with all other business licence applicants
- What rate will non-profit marijuana-related organizations pay?
 - the same rate as for-profit businesses due to higher-risk, labour-intensive business category

New Staff Resources	Annual Cost (wages, benefits, startup costs)
First Year	\$1,400,000
Second Year	\$700,000
Subsequent Years	\$500,000

Note: includes staff costs to implement the policy, except for costs that will be recovered via permit application fees (e.g. Development Permit, Building Permit, Special Inspection).

- Vancouver Coastal Health is supportive of the recommended approach
- VCH recommends that outlets be required to post information about health risks to customers
- VCH would also like to conduct outreach to public, including youth, to encourage informed choice-making (e.g. similar to tanning bed info campaign)
 - Staff recommend working with VCH to determine annual funding needed to develop and distribute educational information program

Community Feedback by Theme



- 40 calls to Licensing staff in previous two months:
 - concerns about nuisance impacts, crime, health, magnitude, poor business practices
 - inquiries about opening a marijuana-related use
 - dissatisfaction that proposed licence fee is too high

- Themes:
 - Support City’s regulatory approach
 - Reduce distancing regulations
 - Grandfather existing outlets
 - Allow edibles
 - Reduce Licence fee