

Bylaw 18076

Text Amendment to the Zoning Bylaw 12800 - Regulations for Cannabis Related Activities

Purpose

To amend Zoning Bylaw 12800 providing clarity of interpretation of the bylaw prior to a future date when cannabis legalization is in effect. These amendments include definitions for Cannabis and Cannabis Production and Distribution; the addition of two new commercial land use classifications, Cannabis Retail Sales and Cannabis Lounges; and the refinement to existing land use classifications to clarify activities related to the production, sale or consumption of cannabis.

Readings

Bylaw 18076 is ready for three readings after the public hearing has been held. If Council wishes to give three readings during a single meeting, Council must unanimously agree "That Bylaw 18076 be considered for third reading."

Advertising and Signing

This Bylaw has been advertised in the Edmonton Journal on Friday, June 9, 2017, and Saturday, June 17, 2017. The Bylaw can be passed following third reading.

Position of Administration

Administration supports this Bylaw.

Previous Council/Committee Action

At the March 14, 2017, Executive Committee meeting, the following motion was passed:

That Administration prepare draft amendments to Zoning Bylaw 12800 as outlined in Attachment 4 of the March 14, 2017, Sustainable Development report CR_4251, and return to the June 28, 2017, City Council Public Hearing.

Report

The Federal government is currently advancing legislation (Bill C-45, An Act respecting cannabis and to amend the *Controlled Drugs and Substances Act*, the Criminal Code and other Acts, the "*Cannabis Act*") to legalize cannabis, with the intent to create a regulatory environment in which the production, distribution, and consumption of cannabis and cannabis-related products is controlled in a safe and efficient manner. The federal government has stated that they intend to legalize cannabis as early as the summer of 2018. It is expected that the Province will prepare corresponding legislation for cannabis and have indicated that public and municipal engagement will be underway by summer 2017.

The intent of the proposed text amendments is to ensure that Zoning Bylaw 12800 is prepared for a future state when cannabis legalization has occurred. These text

amendments provide clarity of interpretation but do not assign these new uses to zones, nor do they set out specific development regulations, or mitigation approaches (such as separation distances) within the bylaw as these elements must be informed by a provincial regulatory framework currently under development. A detailed consultation framework will also be required to support the development of a zoning, development permitting, and business licensing framework. This work will happen at a later date once there is greater clarity of municipal roles subsequent to the finalization of federal and provincial legislation.

Proposed Definitions

The proposed bylaw introduces definitions for Cannabis and Cannabis Production and Distribution. As cannabis will continue to be treated as a controlled substance, the definition for cannabis within Zoning Bylaw 12800 is consistent with federal definitions for cannabis and its derivatives found in the *Cannabis Act*.

It is difficult to predict the variety of products and applications that will develop after federal legalization. The definition for Cannabis Production and Distribution is intended to be general, to capture all activities related to production and distribution related to cannabis, such as the processing of raw materials; making, testing, manufacturing, assembling or in any way altering the chemical or physical properties of semi-finished or finished goods and products; and the distribution of these goods and products to Cannabis Retail Sales stores or to individual customers.

Proposed Commercial Uses

The proposed bylaw introduces two uses to Zoning Bylaw 12800, Cannabis Retail Sales and Cannabis Lounges, and clarifies that a number of existing uses are not to include the sale or consumption of cannabis. The intent of these changes is to provide clarity through defined land uses within Zoning Bylaw 12800, and ensure that these Uses are not inadvertently classified within existing uses. For example, without the proposed amendments it could be interpreted the activity of selling cannabis could fall within the current General Retail Store Use if retail sale of cannabis is legalized. However, the proposed new Cannabis Retail Sales Use will include the sale of cannabis and cannabis derived products to clarify that this activity is to be excluded from Convenience Retail Stores and General Retail Stores. The amendments will also ensure that future regulations for these uses can be applied from the outset, rather than creating a potential for legal non-conforming uses to result after federal legalization occurs.

The Cannabis Lounges use is introduced to describe a circumstance where cannabis and cannabis-derived products are sold and consumed within the business premises. This new classification is intended to differentiate this use from other eating and drinking uses already defined in Zoning Bylaw 12800 (for example, Bar and Neighbourhood Pubs). Other jurisdictions, such as Denver, have found it necessary to provide places for tourists to consume cannabis - Cannabis Lounges would provide a land use classification to accommodate this activity.

Clarifying Existing Land Use Definitions

The proposed text amendments refine the General Industrial Use definition to specifically include commercial licensed producers, under the definition of Cannabis Production and Distribution, licensed and operating pursuant to federal legislation. This change aligns with the Access to Cannabis for Medical Purposes Regulations (SOR/2016-230) and the *Cannabis Act*. General Industrial Uses will not allow for the production of non-medical cannabis, which remains illegal at this point in time. Additional clarifications have been made to other Uses within Zoning Bylaw 12800 that do not include cannabis related activities. For more information please refer to Attachment 2 - Mark-up of Proposed Text Amendments to Zoning Bylaw 12800 for the complete set of Uses to be amended.

Administration does not anticipate a need to regulate recreational home production of cannabis through Zoning Bylaw 12800, as the proposed *Cannabis Act* clearly limits home production to four plants less than 100 centimeters in height per dwelling. However, Administration will continue to monitor the current state of the proposed federal legislation and will review possible municipal bylaw amendments for recreational home production of cannabis and cannabis-related products as needed.

Conclusion

The proposed amendments ensure Zoning Bylaw 12800 is prepared for future federal legislation legalizing non-medical cannabis. These amendments allow the City to take proactive steps to regulate potential cannabis-related activities. Further amendments to assign uses to zones, specific development regulations, potential separation distances and other regulations to mitigate the impact of legalization will occur at a later date when federal and provincial legislation define the role of municipalities in regulating the production, access, and consumption of non-medical cannabis.

Administration will continue to monitor the current state of the proposed federal legislation, the development of provincial distribution legislation, and will consult with stakeholders on future amendments to Zoning Bylaw 12800 for non-medical cannabis related activities.

Policy

The proposed bylaw supports *The Way We Grow*, Edmonton's Municipal Development Plan by Section 11.3, which notes that "Implementation of the MDP will require incremental or wholesale amendments to the Zoning Bylaw over time."

Corporate Outcomes

This report contributes to the corporate outcome "Edmonton is a safe city" as it provides a stronger Zoning Bylaw regulation to ensure that the sale and consumption of cannabis products are not a permitted use in most zones, with the exception of commercial licensed producers for medical purposes.

Public Consultation

A three week circulation to internal and external stakeholders occurred on April 5, 2017. The comments received from this circulation are summarized as follows:

- A number of internal City departments noted to adequately resource to manage this new framework, including Edmonton Police Service.
- Industry stakeholders have expressed significant interest for cannabis dispensary storefronts. Over 25 inquiries have been received to date.
- Some stakeholders have expressed concern about the proximity of dispensaries to sensitive uses.
- Many stakeholders are looking forward to provincial and municipal engagement on a framework for the legalization of cannabis in Edmonton.

Attachments

1. Bylaw 18076
2. Mark-up of Proposed Text Amendments to Zoning Bylaw 12800