



To: General Purposes Committee **Date:** April 18, 2018
From: Barry Konkin **File:** 08-4430-03-10/2018-
Manager, Policy Planning Vol 01
Carli Edwards
Manager, Community Bylaws and Licensing
Re: **Cannabis Bylaw Framework and Regulation of Agricultural Structures**

Staff Recommendation

1. To implement the City's framework to regulate cannabis retailing, medical and non-medical (recreational) cannabis production, cannabis research and development and cannabis distribution in advance of the Federal legalization of cannabis, it is recommended that:
 - a. Official Community Plan (OCP) Bylaw 9000, Amendment Bylaw 9837, to revise and update the City's land use regulations and strategic management of cannabis related activities city-wide in Section 3.6.5 to Schedule 1 of the OCP, be introduced and given first reading.
 - b. That Bylaw 9837, having been considered in conjunction with:
 - The City's Financial Plan and Capital Program; and
 - The Greater Vancouver Regional District Solid Waste and Liquid Waste and Management Plans;is hereby found to be consistent with the said programs and plans, in accordance with Section 477(3)(a) of the *Local Government Act*.
 - c. That Bylaw 9837, having been considered in accordance with OCP Bylaw Preparation Consultation Policy 5043, is hereby found not to require further consultation.
 - d. That Richmond Zoning Bylaw 8500, Amendment Bylaw 9838, proposing revisions to existing medical cannabis related regulations, new regulations for non-medical cannabis activities and other changes for cannabis related activities, be introduced and given first reading.
 - e. That Consolidated Fees Bylaw 8636, Amendment Bylaw 9840, to add development application fees specific to cannabis related land use proposals, be introduced and given first reading.
2. That the costs and resources arising from the municipal response to the Federal legalization of cannabis contained in the report, dated April 18, 2018 from the Manager, Policy Planning and Manager, Community Bylaws and Licensing, be received for information and that staff be directed to pursue all Federal and Provincial cannabis related funding resources available and update Council as needed.

3. To protect the long-term viability of soil-based agriculture, it is recommended that:

- a. Richmond Zoning Bylaw 8500, Amendment Bylaw 9861, to regulate large agricultural buildings and greenhouses, be introduced and given first reading.
- b. Upon first reading of Richmond Zoning Bylaw 8500, Amendment Bylaw 9861, a resolution be passed pursuant to Section 463 of the *Local Government Act*, to withhold building permits for agricultural buildings and greenhouses, which may be in conflict with the bylaw under consideration, and that staff bring forward all such building permit applications in the Agriculture (AG1) zone received more than 7 days after the first reading of Richmond Zoning Bylaw 8500, Amendment Bylaw 9861, to determine whether such applications are in conflict with the proposed bylaw.
- c. A letter be sent to the Premier of BC, the BC Minister of Agriculture, and the BC Minister of Finance, with copies to all Richmond Members of the Legislative Assembly, the Leader of the Third Party, the Leader of the Official Opposition, and the Chair of the BC Agricultural Land Commission requesting that the province impose a temporary moratorium on the use of lands in the Agricultural Land Reserve for cannabis production.

Barry Konkin
Manager, Policy Planning

Carli Edwards
Manager, Community Bylaws
and Licensing

BK:ke

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Development Applications	<input checked="" type="checkbox"/>	
Building Approvals	<input checked="" type="checkbox"/>	
RCMP	<input checked="" type="checkbox"/>	
Richmond Fire Rescue	<input checked="" type="checkbox"/>	
Finance	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

At the January 15, 2018 Council meeting, the following referral was made:

That staff report back to Council with bylaw amendments and information on required infrastructure and programs for the regulation of production, processing, and sale of cannabis (medical and recreational) in the City.

At the March 26, 2018 Council meeting, the following referral was made:

That staff comment on the City's ability to impact and limit the size of farm structures on farmland.

This report responds to the January 15, 2018 referral on the production, processing and sale of cannabis, and to the above referral from the March 26, 2018 Council meeting in relation to possible regulations of the size of agricultural buildings.

This report supports Council's 2014-2018 Term Goal #1 A Safe Community:

Maintain emphasis on community safety to ensure Richmond continues to be a safe community.

- 1.1. Policy and service models that reflect Richmond-specific needs.*
- 1.2. Program and service enhancements that improve community safety services in the City.*

This report supports Council's 2014-2018 Term Goal #3 A Well-Planned Community:

Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

- 3.1. Growth and development that reflects the OCP, and related policies and bylaws.*

This report outlines proposed amendments to Official Community Plan Bylaw 9000, Richmond Zoning Bylaw 8500, and Consolidated Fees Bylaw 8636, to establish regulations for both medical and non-medical cannabis activities, in order to have a regulatory framework in place prior to Federal legalization. This report is broken into the following three sections:

- Section 1:** Cannabis Retailing, Production, Research & Development, and Distribution;
- Section 2:** Costs and Fees Arising from the Municipal Response to Federal Legalization of Cannabis; and
- Section 3:** Proposed New Regulations on Agricultural Buildings and Greenhouses.

Proposed Federal and Provincial Regulations

Federal Bill C-45 – the Cannabis Act – is under Federal legislative review, and was granted Second Reading by the Senate on March 22, 2018. Senate Hearings are still in progress, with the expected legalization to occur in summer or fall of 2018.

The Province of BC introduced legislation on April 26, 2018 on the proposed cannabis retail and distribution framework. A summary of both the proposed Federal regulations in Bill C-45 and the Provincial regulations regarding cannabis retail are provided in Attachment 1.

Of key interest to Council will be the proposed Provincial regulations, which indicate that the local government can decide if cannabis retail activities will be permitted:

“The Province will permit local governments to decide whether they wish to have a non-medical cannabis retail store in their community. For the province to issue a license, applicants must have the support of the local government in the community where the proposed store would be located” [excerpt from Province of BC document – BC Cannabis Private Retail and Licensing Guide, February 2018].

The proposed regulations presented by the Province also indicate that public retail cannabis stores (i.e., government run) will be subject to local government support.

Based on the above, local government may exercise land use controls and regulations for cannabis retail within their boundaries, including outright prohibition. As the federal and provincial cannabis related regulations are still under review and may change through the legislative review process, future bylaw amendments may be required in order for the City of Richmond regulations to be consistent with the new laws.

Existing Official Community Plan and Zoning Bylaw Regulations for Cannabis

●fficial Community Plan

The City’s Official Community Plan (OCP) contains policies to manage Health Canada licensed medical marihuana production and research and development facilities (see Attachment 2 for an excerpt of the OCP). In general, the existing OCP policies state that:

- all medical marihuana production and research and development facilities require a rezoning application;
- the number of permitted facilities is limited to one, on “Mixed Employment” and/or “Industrial” OCP designated land only – other rezoning application proposals beyond the one site are to be considered by Council on a case-by-case basis and may require additional amendments to the OCP; and
- proposals are to be reviewed on specific land use criteria (surrounding sensitive land uses, impacts and neighbours, local context and community safety).

Zoning Bylaw 8500

Richmond Zoning Bylaw 8500 currently has land use definitions for “medical marihuana production facility”, “medical marihuana research and development facility” and “marihuana dispensary”. The Zoning Bylaw provisions identify that none of these land uses are currently permitted in any zoning district city-wide, and a rezoning application is required to allow the use. Furthermore, the zoning definition of “farm business” excludes these activities.

Status of Rezoning Applications – Medical Cannabis Production Facilities

To date, there have been four rezoning applications submitted to the City for the purposes of developing a licensed Health Canada medical cannabis production facility (See Attachment 3 for an application status summary). One application has been closed and the bylaw abandoned and one application was granted third reading on September 6, 2016.

The other two rezoning applications are in the process of staff review, based on existing policies applicable to medical cannabis production in the City and policies and the regulations proposed in this report specific to cannabis related facilities (medical and non-medical) and protection of soil-based agriculture (where applicable). Of these two applications, one facility is proposed to be located in an Industrial OCP designated area, which would be consistent with the locational policy in the OCP, but would exceed Council’s objective of one facility city-wide. The second application proposes a site zoned AG1 and located within the Agricultural Land Reserve (ALR), which is inconsistent with Council’s OCP policy on the location of cannabis production facilities, and the limit of one such facility city-wide.

Analysis

Section 1: Cannabis Retailing, Production, Research & Development, and Distribution

1.1 General Cannabis Housekeeping Amendments

The current Zoning Bylaw regulations refer to “medical marihuana” as this was the terminology utilized in the initial Federal legislation providing access to medical cannabis and any other cannabis production is unlawful. Based on the new Federal and Provincial regulations proposed, all references to “marihuana” in the Richmond Zoning Bylaw 8500 will be replaced with the term “cannabis”.

Existing regulations regarding retailing of cannabis and production in the Zoning Bylaw will remain unchanged. These uses are not permitted without Council approval of a site specific rezoning application. Staff also recommend that the following land use definitions in the Zoning Bylaw be amended to specifically exclude cannabis retailing and production activities: “agriculture”, “greenhouse & plant nursery”, “office”, “retail convenience”, “retail general” and “service business support”.

1.2 Cannabis Retail

A “marihuana dispensary” is a prohibited use in all zones in the City and a site specific rezoning would require Council approval to allow the use. Richmond Zoning Bylaw 8500 currently defines “marihuana dispensary” as “a business or other operation involving the sale, barter, storage, distribution or dispensing of cannabis, marihuana or any products containing or derived from cannabis or marihuana.”

Richmond Zoning Bylaw 8500 Amendment Bylaw 9838 would replace the “marijuana dispensary” definition with a new definition of “retail cannabis” – to reflect the upcoming legalization – and this use would remain as a prohibited use in all zones. The proposed definition of “retail cannabis” is as follows:

means a business or other operation involving the sale, barter, storage, distribution or dispensing of cannabis (medical and non-medical) or any products containing or derived from cannabis intended for consumption by individuals in accordance with the appropriate federal and provincial legislation and regulations.

Proposed provincial regulations indicate that retail cannabis stores (government run and private stores) will be subject to local government support, which effectively gives Council the right to prohibit this use in Richmond. Retail sales of cannabis products – both public stores and private stores – would only be permitted through a Council supported and site specific rezoning application.

1.3 Cannabis Production, Research & Development, and Distribution

Official Community Plan (OCP) Amendments

Current Council policy on cannabis production is focussed on medicinal production as all other production is unlawful. The OCP limits only one production facility in the City, and the facility must be located in an “Industrial” or “Mixed Employment” designated area. Official Community Plan Bylaw 9000 Amendment Bylaw 9837 would amend the existing OCP policy to change the reference from “medical marihuana” to “cannabis”, and extend the current regulations to all types of cannabis production – medical and non-medical. These regulations would also apply to cannabis research and development facilities.

Richmond Zoning Bylaw 8500 Amendments

In addition to the general terminology housekeeping amendments outlined above, Richmond Zoning Bylaw 8500 Amendment Bylaw 9838 would introduce a number of new land use definitions related to all forms of cannabis cultivation, production and distribution. Non-medical cannabis production, cannabis retailing or cannabis warehousing would not be permitted in all zones within the City and could only be permitted through a successful rezoning application.

The proposed provincial regulatory framework has identified that the BC Liquor Distribution Branch (BCLDB) will be the wholesale distributor of non-medical cannabis; therefore the Provincial Government will be solely responsible for warehousing and distributing cannabis. Provincially run facilities are not typically subject to the City's zoning bylaw regulations. In the event that the provincial distribution framework for cannabis changes to allow for private (non-government) distribution facilities, the proposed "warehouse, cannabis" zoning definition would require a rezoning application to be considered by Council for any private cannabis distribution warehouse.

1.4 Summary

The proposed amendment to the OCP would still limit the number of permitted production facilities, and research and development facilities as they relate to cannabis to one facility in an OCP designated Mixed Employment or Industrial area. Any future proposals for a cannabis production facility or a cannabis research and development facility may be considered on a case-by-case basis and may require additional OCP amendments. The proposed amendment to the Zoning Bylaw will prohibit the retailing of cannabis in any form and continue to regulate all cannabis production, research and development and distribution (private, if permitted) facilities unless a property was successfully rezoned to allow such use. On this basis, staff recommend first reading of the following OCP and Zoning Bylaw amendments:

- Official Community Plan Bylaw 9000 Amendment Bylaw 9837; and
- Richmond Zoning Bylaw 8500 Amendment Bylaw 9838.

Section 2: Costs and Fees Arising from the Municipal Response to Federal Legalization of Cannabis

2.1 Proposed Amendments to Consolidated Fees Bylaw 8636

In order to ensure cost recovery for anticipated applications for site-zoning amendments to allow cannabis-related activities in Richmond, staff propose the introduction of a new application fee to Consolidated Fees Bylaw 8636, as follows:

- \$4,000 base fee plus an incremental fee (\$28.25 per 100 m² for the first 1,000 m² of floor area; \$17.50 per 100 m² of floor area for all building area in excess of 1,000 m²).

The rezoning application fee amount has been established to cover staff time associated with the likely processing steps required for cannabis related applications.

2.2 Public Safety and Staffing Costs

The legalization of non-medical cannabis is expected to impact the delivery of Planning, Fire and Community Safety programs, including the RCMP. However, with the Federal and Provincial regulations still under legislative review and uncertainty around what services will fall to the municipalities and what will remain with senior levels of government, it is difficult to estimate the costs of legalization of non-medical cannabis.

Despite uncertainty in this area, staff from Richmond Fire Rescue, the RCMP, Community Bylaws and Planning have developed an estimate of projected equipment and staffing costs based on the bylaws and regulations contemplated in this report. In total, staff estimate these costs to be approximately \$1 million in the first year and ranging from \$500,000 to \$600,000 per year subsequent to the initial implementation of the new regulations. Moving forward, costs could potentially decrease or increase dependent on the final program structure. The details of the current estimate are shown in Attachment 4 with the items summarized in Table 1 below.

Table 1 – Projected costs related to legalization of Non-Medical Cannabis

Department	Description of Item
Richmond Fire Rescue	<ul style="list-style-type: none"> • Training for Fire suppression and prevention staff to prevent fires started from smoking or from equipment used for growing cannabis, in and outside of buildings; • Equipment for Fire inspectors to detect the presence of mould;
RCMP	<ul style="list-style-type: none"> • Training for the RCMP for drug awareness, field sobriety testing and drug recognition; • Purchase of roadside screening equipment; • Increase in funding for medical testing to detect drug impairment; • Construction of a drug detection room;
Community Bylaws	Additional inspector to respond to complaints of growing marijuana contrary to the regulations
Planning	Additional staff to process rezoning or development applications received related to cannabis

While the potential costs are uncertain, so too are the sources of funding available to municipalities. In recent correspondence from Health Canada, the Director General of Cannabis Legalization and Regulation Secretariat states that, “\$161 million has been dedicated to build law enforcement training capacity across Canada, train frontline officers in how to detect the signs and symptoms of drug-impaired driving, provide access to drug screening devices, develop policy, bolster research, and raise public awareness about the dangers of drug-impaired driving.” The Federal government has also agreed to direct 75% of tax revenue to Provinces with the expectation that a substantial portion be transferred to municipalities and local communities.

In addition to commitments on sharing tax revenue and supporting law enforcement, Health Canada has announced a federal funding program that can be accessed by municipalities. It is not clear if this is part of the funding commitments already made or a separate process.

While the legalization of non-medical cannabis applies nationally, it is not clear if prohibiting cannabis retail or limiting production and distribution will have an impact on funding available to the municipalities. The current approach in this report assumes that there will be no impact to funding available to municipalities.

Staff from Community Safety will be coordinating efforts to pursue all funding sources, including that recently offered by Health Canada. Council will be updated as needed as the funding sources are clarified, regulations implemented and as part of the budget process.

2.3 Summary

Staff recommend first reading to Consolidated Fees Bylaw 8636, Amendment Bylaw 9840 which would add development application fees specific to cannabis related land use proposals. This will ensure cost recovery due to additional staff time required to review these type of rezoning applications.

With respect to public safety and staffing costs, it is recommended that staff be directed to pursue all Federal and Provincial cannabis related funding resources available and update Council as needed.

Section 3: Proposed Regulations for Agricultural Buildings and Greenhouses

3.1 Recent Inquiries and Building Permits for Large Agricultural Buildings and Greenhouses

The pending approval of Bill C-45 has raised concerns of an increased demand to use agricultural land for growing and cultivation activities for cannabis. In recent months, staff have received a number of inquiries for cannabis production facilities including greenhouse construction, which staff feel could be related to the pending legalization of recreational cannabis.

A building permit has been issued for a property in the ALR, with a concrete slab footprint of over 7,000 m² (75,000 ft²) as it was consistent with City bylaws, including the AG1 zone. The issued permit was based on the applicant's assertion that the building would be used for vegetable production. However, in anticipation of new Federal laws legalizing cannabis, staff have noted a great deal of interest in the press and social media, in converting existing greenhouses and constructing new greenhouses for cannabis production.

3.2 Provincial Ministry of Agriculture Regulations

The Provincial Ministry of Agriculture Standards for bylaw preparation identifies the following recommended standards applicable to agricultural buildings and structures and greenhouses:

- Agricultural buildings and structures – lot coverage no less than 35%.
- Greenhouses – lot coverage no less than 75%.

The Richmond Zoning Bylaw AG1 zone is consistent with these recommended standards.

3.3 Agricultural Land Commission Regulations

The *Agricultural Land Reserve Use, Subdivision and Procedure Regulation* identifies farm buildings, including greenhouses, as a permitted farm use, therefore a local zoning bylaw cannot prohibit farm buildings in the ALR.

The ALR regulations combined with the existing Provincial bylaw standard guidelines for greenhouses, which recommends a site coverage limitation of no less than 75% for greenhouse buildings, is in staff's opinion, a threat to long-term soil-based farm viability, and the standards do not sufficiently protect high-quality, viable soils for the following reasons:

- greenhouses are permitted on any classification of soil (including Class 1 to 3 – the best soils, which are capable of supporting a wide range of crops);
- the negative impacts of a greenhouse operation covering 75% of a parcel can have on future soil-based farming are not considered;
- there are no Provincial recommended regulations on the construction methods for a greenhouse; and
- the City's AG1 zoned land located within the ALR has agricultural soil capability classifications which are able to support a wide range of soil-based crops with minimal improvements.

3.4 Existing AG1 Zone

Richmond's existing Zoning Bylaw is consistent with the Ministry's Standards as the bylaw allows a maximum 35% lot coverage for agricultural buildings and a maximum 75% for greenhouses in the AG1 zone. Based on the permitted coverage in the AG1 Zone, the potential size of greenhouses and large agricultural buildings is considerable, as shown in the table below:

Lot Size	Lot Coverage (Footprint) Greenhouses – 75%	Lot Coverage (Footprint) Agricultural Buildings – 35%
0.4 ha (1 acre)	3,035 m ² (32,668 ft ²)	1,416 m ² (15,242 ft ²)
1 ha (2.5 acres)	7,588 m ² (81,677 ft ²)	3,541 m ² (38,115 ft ²)
2 ha (5 acres)	15,176 m ² (163,353 ft ²)	7,082 m ² (76,230 ft ²)

3.5 Impacts to Native Soil – Large Agricultural Buildings and Greenhouses

Careful management of existing native soil on farmland is critical to being able to undertake viable soil-based farming over the long-term. Large agricultural buildings and commercial greenhouses negatively impact the soil capability of land and limit the ability to undertake soil-based farming in the future. Negative impacts to the native soil and agricultural capability of the land may arise from:

- land and site preparation activities needed in advance of construction of buildings, including removal and wasting of existing native soil and required fill activities;

- the actual buildings and structures, concrete slabs/footings and other infrastructure that become permanent fixtures on farmland with no provision for removal of the structure and site remediation at the end of the building life-span; and
- resulting compaction of the underlying sub-soils.

Land preparation works intended to support agricultural buildings and commercial greenhouses typically result in full removal of the native soil to level the site to enable installation of concrete footings and slabs on harder ground to support the building. Native soil removal, in conjunction with construction of agricultural buildings with impermeable surfaces, can also have impacts on stormwater drainage. This may have considerable negative impacts on the agricultural capability of the soil for large areas around the agricultural building unless substantial infrastructure and capital investment is implemented by the farmer to manage on-site drainage.

In the event that an owner/farmer wished to remove agricultural buildings or commercial greenhouses, significant work and investment would be required to revert and remediate the site to allow soil-based agriculture. When building and foundation removal and remediation activities are completed, the soils are likely to be at a lower agricultural capability when compared to the previous undisturbed soils. In staff's opinion, it is more likely that a site occupied by large agricultural buildings and greenhouses would not be used for soil-based agriculture in the future.

3.6 Zoning Bylaw Amendments

In order to protect existing high-quality soils for future soil-based agriculture, Richmond Zoning Bylaw 8500 Amendment Bylaw 9861 incorporates a number of changes to regulate agricultural buildings and greenhouses, including:

- prohibiting the use of concrete slab floors and strip footing type construction to support an agricultural building or greenhouse, thereby preventing large areas of contiguous concrete slab;
- limiting farm building construction methods (not applicable to greenhouses) to individual spread footing construction, with each concrete footing no greater than 0.5 m² (5.4 ft²) in area, and support column/post at a minimum 3 m (10 ft.) spacing. Concrete grade beams connecting concrete pad foundations are not permitted;
- within an agricultural building, limiting the amount of impermeable surfaces at grade to no greater than 10% of the gross ground level floor area of the building – this regulation would not apply to greenhouses; and
- exempting agricultural buildings less than 300 m² (3,230 ft²) in area from the above regulations – this exemption would not apply to greenhouses.

If a farmer wished to construct a building that would not comply with these regulations, they could apply to rezone the property, which would be reviewed by staff and brought forward to Council for consideration. Through the processing of a rezoning application, information from a Professional Agrologist would be required to justify the scale and construction methods for the proposed building, assess the impact to the soil and future soil-based farming activities. Further,

a financial security would be retained to remediate the site in the future if the greenhouse were removed.

In response to concerns about cannabis production occurring in the ALR on AG1 zoned land, staff recommend that a letter be sent to the Premier of BC, the BC Minister of Agriculture, and the BC Minister of Finance, with copies to all Richmond Members of the Legislative Assembly, the Leader of the Third Party, the Leader of the Official Opposition, and the Chair of the BC Agricultural Land Commission requesting that the Province impose a temporary moratorium on the use of lands in the Agricultural Land Reserve for cannabis production.

3.7 Temporary Withholding of Building Permits

Due to the number of inquiries staff have fielded regarding cannabis production in the City based on pending legalization, the potential for large greenhouses and agricultural buildings for cannabis production, and the experience of conversion of greenhouses from vegetables to cannabis production in adjacent municipalities such as the City of Delta and the Township of Langley, staff recommend that Council consider a resolution under Section 463 of the BC *Local Government Act* which allows a local government to withhold issuance of a building permit where the permit would be in conflict with a bylaw(s) under preparation.

If Council were to grant first reading to Richmond Zoning Bylaw 8500 Amendment Bylaw 9861 to regulate agricultural buildings and greenhouses, and wished to withhold the issuance of building permits for such buildings while the bylaw was under preparation, a resolution would need to be endorsed by Council authorizing the following:

Whereas Section 463 of the Local Government Act allows the withholding of building permits that conflict with bylaws in preparation; and

Whereas Council has granted first reading to a bylaw to preserve high-quality agricultural soils, through the regulation of construction methods for agricultural buildings and greenhouses.

That staff bring all building permit applications for agricultural buildings and greenhouses in the Agriculture (AG1) zone, received more than 7 days after the date of first reading, forward to Council to determine whether such applications are in conflict with the proposed bylaw to preserve high-quality agricultural soils, through the regulation of construction methods for agricultural buildings and greenhouses.

3.8 Summary

Staff recommend first reading to Richmond Zoning Bylaw 8500 Amendment Bylaw 9861 which aims to strengthen soil-based farming by regulating the type of agricultural buildings and greenhouses and the amount of impermeable (concrete slab) surface that can be constructed.

If Council grants first reading to Richmond Zoning Bylaw 8500 Amendment Bylaw 9861, staff also recommend that Council pass a resolution under Section 463 of the BC *Local Government Act*, which allows a local government to withhold issuance of a building permit where the permit would be in conflict with a bylaw(s) under preparation.

Staff also recommend that a letter be sent to the Premier of BC, the BC Minister of Agriculture, and the BC Minister of Finance, with copies to all Richmond Members of the Legislative Assembly, the Leader of the Third Party, the Leader of the Official Opposition, and the Chair of the BC Agricultural Land Commission requesting that the Province impose a temporary moratorium on the use of lands in the Agricultural Land Reserve for cannabis production.

Public Consultation

Staff have reviewed the proposed OCP amendment, with respect to the *Local Government Act* and the City's OCP Consultation Policy No. 5043 requirements, and recommend that this report does not require referral to external stakeholders as the OCP amendment is generally consistent with the existing policy framework on cannabis, and is an update to the City's existing regulatory framework, to capture the range of issues associated with the pending legalization of recreational cannabis. It is also critical that the bylaw amendments are in place in advance of the approval of Bill C-45 by the Federal government.

A Public Hearing will be held for the proposed bylaws, which will give all interested parties an opportunity to provide Council with their input, and the Public Hearing notice will be placed in the local newspapers, in compliance with the requirements of the *Local Government Act*.

Financial Impact

Section 2.0 of this report provides an overview of anticipated City costs and impacts to resources as a result of the legalization of non-medical cannabis, which are also contingent on funding made available by the Federal and Provincial Government. Staff estimate these costs to be approximately \$1million in the first year and ranging from \$500,000 to \$600,000 per year subsequent to the initial implementation of the new regulations. These anticipated City costs will be subject to future budget discussions.

Conclusion

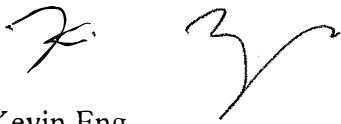
As directed by Council, staff has reviewed the pending Federal legalization of cannabis and proposed Provincial regulations, and potential implications for Richmond. Staff have also reviewed large agricultural buildings and greenhouses and resulting impacts to future long-term soil-based agriculture. In response, staff has recommended a number of amendments to Official Community Plan, Richmond Zoning Bylaw 8500, and Consolidated Fees Bylaw 8636 to:

- reinforce Council's Official Community Plan policy on cannabis production to a total of one facility only city-wide in an OCP designated "Mixed Employment" or "Industrial" area;
- maintain the existing prohibition on cannabis retail;
- update land use definitions related to cannabis in the Richmond Zoning Bylaw 8500;
- continue to regulate all cannabis production and related activities on OCP designated "Agriculture" areas to require site specific consideration through a rezoning in accordance with City guidelines; and

- introduce new regulations on agricultural buildings and greenhouses to preserve high-quality agricultural soils to prohibit the use of extensive concrete footings, slabs or other impermeable surfaces for any agricultural building or greenhouse.

In response to concerns about cannabis production occurring in the ALR on AG1 zoned land, staff recommend that a letter be sent to the Premier of BC, the BC Minister of Agriculture, and the BC Minister of Finance, with copies to all Richmond Members of the Legislative Assembly, the Leader of the Third Party, the Leader of the Official Opposition, and the Chair of the BC Agricultural Land Commission requesting that the Province impose a temporary moratorium on the use of lands in the Agricultural Land Reserve for cannabis production.

It is further recommended that staff be directed to pursue all Federal and Provincial cannabis related funding resources available, and update Council as needed.



Kevin Eng
Planner 2

KE:cas

- Att. 1: Summary of Proposed Federal and Provincial Regulations
- Att. 2: Official Community Plan (Excerpt) – Existing Policy on Medical Marihuana
- Att. 3: Status of Rezoning Applications – Medical Cannabis Production Facilities
- Att. 4: Cost Estimate for City of Richmond Programs Related to Legalization of Non-medical Cannabis

Federal Regulatory Regime

A summary of the proposed Cannabis Act as it relates to regulations surrounding the production, distribution, sale and possession of cannabis across Canada is summarized as follows:

- The Federal Government will be responsible for regulating the legal production of non-medical cannabis.
- Possession, sale and/or providing cannabis to any person under the age of 18 will not be permitted (provinces will be able to increase the minimum age).
- Regulate adult (age 18 and older) possession, share, purchase and growing of cannabis.
- Medical cannabis production and access (through the *Access to Cannabis for Medical Purposes regulations – ACMPR*) will continue after the proposed Cannabis Act becomes law. Medical cannabis will not be permitted to be retailed, and all distribution will be required to be directly from licensed producer to patient in accordance with the ACMPR, which is expected to continue, for at least five years, following the legalization of non-medical cannabis.
- The selling or giving of cannabis to youth, including use of youth to commit cannabis related offences will be criminal offences under the proposed Cannabis Act. Other regulations are also integrated into the legislation to prohibit cannabis marketing oriented to youth.
- Personal cultivation by adults of up to 4 cannabis plants per residence/household for personal use only.

Provincial Regulatory Regime

The provincial regulatory framework is summarized as follows:

- Adults aged 19 years and older will be permitted to possess and/or purchase non-medical cannabis, consistent with the proposed federal legislation.
- The Provincial Government, will be responsible for regulating the distribution, sale and use of cannabis in the province, and have communicated the following:
 - Province of BC will have a government-run wholesale distribution model with the BC Liquor Distribution Branch (LDB) being responsible for province-wide non-medical cannabis distribution.
 - The Province of BC will regulate the retail sale of non-medical cannabis through public stores (government run), private stores and online sales (note: government cannabis online sales only). The LDB will be responsible for operating government stores. The Liquor Control and Licensing Board (LCLB) will be responsible for licensing and monitoring the retail sector (private stores and government operated stores). The province has also communicated that in urban areas, non-medical cannabis will not be permitted to be sold in the same stores where liquor or tobacco is available.
- Personal cultivation by adults of up to 4 cannabis plants per residence/household for personal use only (aligned with Federal regulations). The Province has also identified that cannabis plants cannot be visible from public spaces off the property and will be banned in dwellings used as daycares.



3.6.4 Potential City Centre Building Height Increase

OVERVIEW

The City wishes to explore increasing building height in a portion of the City Centre. Transport Canada regulates building heights around the airport. YVR and the City have identified a possible area to study for increasing building height (around City Hall see OCP ANSD Map).

OBJECTION 1:

Maximize City Centre viability safely by exploring with YVR possible increases in building height around City Hall to improve sustainability, social, economic and environmental benefit.

POLICIES:

- a) continue to explore with YVR the possibility of increasing building height around City Hall;
- b) if such building height increases are allowed by the Federal Government, study the implications and benefits (e.g., how high to build, what uses would occur, what the community benefits may be).

Bylaw 9110
2014/03/24

3.6.5 Health Canada Licensed Medical Marihuana Production, and Research and Development Facilities

OVERVIEW

In June 2013, Health Canada enacted the *Marihuana for Medical Purposes Regulations (MMPR)* to better manage the research, production and distribution of medical marihuana.

In December 2013, Council amended the Zoning Bylaw to not permit medical marihuana production facilities and medical marihuana research and development facilities in any zoning district City-wide, as they were a new land use, their potential impacts were unknown and it is desirable to prevent the unnecessary proliferation of facilities. Over time, if Council receives requests to approve medical marihuana production facilities and medical marihuana research and development facilities, to protect the City's interests, Council may consider such proposed facilities, on a case-by-case review basis, subject to meeting rigorous social, community safety, land use, transportation, infrastructure, environmental and financial planning, zoning and other City policies and requirements. This section establishes the policies and requirements, by which such proposed facilities may be considered and, if deemed appropriate, approved.

TERMS

In this section, the following terms apply:

- "Medical Marihuana Production Facility"—means a facility for the growing and production of medical marihuana in a fully enclosed building as licensed and lawfully sanctioned under Health Canada's Marihuana for Medical Purposes Regulations (as amended from time to time), including the necessary supporting accessory uses related to processing, testing, research and development, packaging, storage, distribution and office functions that are directly related to and in support of growing and cultivation activities;



Bylaw 9110
2014/03/24

- “Medical Marihuana Research and Development Facility” —means a facility for the research and development of medical marihuana only in a fully enclosed building as lawfully sanctioned by Health Canada under the Controlled Drugs and Substances Act (as amended from time to time).

OBJECTION 1:

Protect the City’s social, economic, land use and environmental interests when considering proposed medical marihuana production facilities and medical marihuana research and development facilities by preventing their unnecessary proliferation, avoiding long-term negative effects, and ensuring minimal City costs.

POLICIES:

- a) limit medical marihuana production facilities and medical marihuana research and development facilities, through the rezoning process, to one facility in an OCP designated Mixed Employment or Industrial area. Any future proposals for a medical marihuana production facility or a medical marihuana research and development facility may be considered on a case-by-case basis and may require additional OCP amendments;
- b) a medical marihuana production facility must:
 - i) be located in a stand-alone building, which does not contain any other businesses;
 - ii) have frontage on an existing, opened and constructed City road, to address infrastructure servicing and emergency response requirements;
 - iii) avoid negatively affecting sensitive land uses (e.g., residential, school, park, community institutional);
 - iv) not emit any offensive odors, emissions and lighting to minimize negative health and nuisance impacts on surrounding areas;
- c) medical marihuana production facility applicants shall engage qualified professional consultants to prepare required studies and plans through the City’s regulatory processes (e.g., rezoning, development permit, building permit, other);
- d) medical marihuana production facility applicants shall ensure that proposals address the following matters, through the City’s regulatory processes (e.g., rezoning, development permit, building permit, other):
 - i) compliance with City social, community safety, land use, building, security (e.g., police, fire, emergency response), transportation, infrastructure (e.g., water, sanitary, drainage), solid waste management, environmental (e.g., Environmentally Sensitive Areas, Riparian Management Areas, Ecological Network), nuisance (e.g., noise, odour and emissions) financial and other policies and requirements;
 - ii) compliance with all federal, provincial and regional (e.g., Metro Vancouver) policies and requirements;



Bylaw 9110
2014/03/24

- iii) compliance with the City Building Regulation Bylaw, Fire Protection and Life Safety Bylaw, Noise Regulation Bylaw, Business License Bylaw, Business Regulation Bylaw and other related, applicable City Bylaws;
- iv) compliance with the current BC Building Code, BC Fire Code, BC Fire Services Act, BC Electrical Code, and other related codes and standards;
- e) the applicant/owner of a Health Canada licensed and City approved medical marihuana production facility shall be responsible for full remediation of the facility should it cease operations or upon closure of the facility;
- f) consultation with stakeholders on a proposed medical marihuana production facility shall be undertaken as deemed necessary based on the context specific to each proposal.

Status of Rezoning Applications – Medical Cannabis Production Facilities

Application Number	Site Address	Official Community Plan Land Use Designation (Existing)	Current Status
RZ 13-639815	11320 Horseshoe Way	Mixed Employment	Application closed and Bylaw abandoned by Council on July 25, 2016
RZ 14-665028	5960 No. 6 Road	Mixed Employment	Public Hearing September 6, 2016 Bylaw at 3 rd reading Applicant is working on fulfilling conditions of rezoning, including confirmation of licensing approval from Health Canada.
RZ 17-769785	13751 Garden City Road	Agriculture (within the Agricultural Land Reserve)	Staff currently reviewing. Not consistent with OCP policy (located on Agriculture OCP designated land and would result in more than one cannabis related facility in the City.)
RZ 18-811041	23000 Fraserwood Way	Mixed Employment	Staff review Not consistent with OCP policy (would result in more than one cannabis related facility in the City.)

ATTACHMENT 4

Cost Estimate for City of Richmond Programs Related to Legalization of Non-medical Cannabis

DEPARTMENT AND CATEGORY	Year 1	Year 2	Year 3	Year 4	Year 5
Richmond Fire Rescue					
Training	\$ 76,000	\$ 8,000	\$ 8,000	\$ 82,000	\$ 8,000
Equipment	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 5,000
Staff	\$ 270,000	\$ 277,000	\$ 284,000	\$ 291,000	\$ 298,000
TOTAL	\$ 351,000	\$ 285,000	\$ 297,000	\$ 373,000	\$ 311,000
RCMP					
Training	\$ 127,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000
Equipment	\$ 324,000	\$ 44,000	\$ 44,000	\$ 45,000	\$ 45,000
TOTAL	\$ 451,000	\$ 73,000	\$ 73,000	\$ 74,000	\$ 74,000
Community Bylaws					
Staff	\$ 100,000	\$ 100,000	\$ 102,000	\$ 105,000	\$ 108,000
TOTAL	\$ 100,000	\$ 100,000	\$ 102,000	\$ 105,000	\$ 108,000
Planning					
Staff	\$ 43,000	\$ 43,000	\$ 43,000	\$ 43,000	\$ 43,000
TOTAL	\$ 43,000	\$ 43,000	\$ 43,000	\$ 43,000	\$ 43,000
TOTAL ESTIMATE	\$ 945,000	\$ 501,000	\$ 515,000	\$ 595,000	\$ 536,000



**Official Community Plan Bylaw 9000, Amendment Bylaw 9837
(Medical Cannabis Production and Non-Medical Cannabis Production
and Cannabis Research and Development Facilities)**

The Council of the City of Richmond enacts as follows:

1. Richmond Official Community Plan Bylaw 9000, as amended, is further amended at Section 3.6.5 [Health Canada Licensed Medical Marijuana Production, and Research and Development Facilities] by deleting it in its entirety and replacing it with the following:
**“3.6.5 Health Canada Licensed Medical Cannabis Production,
Non-Medical Cannabis Production and Cannabis Research and
Development Facilities**

OVERVIEW

The City wishes to regulate the location and number of medical and non-medical cannabis production and cannabis research and development facilities in Richmond.

Council may consider medical and non-medical cannabis production and research and development related facilities, on a case-by-case review basis, subject to meeting rigorous social, community safety, land use, transportation infrastructure, environmental and financial planning, zoning and other City policies and requirements. This section establishes the policies and requirements, by which such proposed facilities may be considered and, if deemed appropriate, approved.

TERMS

In this section, the following terms apply:

- “Medical Cannabis Production Facility”— means a facility for the cultivation or processing of medical cannabis in a fully enclosed building or structure in accordance with the appropriate federal and provincial legislation and regulations, including supporting accessory uses related to cultivation, processing, testing, research and development, packaging, storage, distribution and administrative office functions that are directly related to and in support of cultivation and processing activities.
- “Non-Medical Cannabis Production Facility” – means a facility for the cultivation or processing of non-medical cannabis in a building or structure, as well as outdoor cultivation, in accordance with the appropriate federal and provincial legislation and regulations, including supporting accessory uses related to

cultivation, processing, testing, research and development, packaging and storage and administrative office functions that are directly related to and in support of cultivation and processing activities.

- “Cannabis Research and Development Facility” – means a facility for the research and development, including testing, of cannabis only in a fully enclosed building or structure in accordance with the appropriate federal and provincial legislation and regulations.

OBJECTIVE 1:

Protect the City’s social, economic, land use and environmental interests when considering proposed medical and non-medical cannabis production facilities and cannabis research and development facilities by preventing their unnecessary proliferation, avoiding long-term negative effects, and ensuring minimal City costs.

POLICIES:

- a) limit a medical cannabis production facility, non-medical cannabis production facility and cannabis research and development facility, through the rezoning process, to a total of one facility only. This single facility will only be permitted in an OCP designated Mixed Employment or Industrial area. Any proposals for additional facilities may be considered on a case-by-case basis and may require additional OCP amendments;
- b) a medical cannabis production facility or non-medical cannabis production facility or a cannabis research and development facility must:
 - i) be located in a stand-alone building, which does not contain any other businesses with the exception of non-medical cannabis production, which can be located outside in accordance with the appropriate federal and provincial legislation and regulations;
 - ii) have frontage on an existing, opened and constructed City road, to address infrastructure servicing and emergency response requirements;
 - iii) avoid negatively affecting sensitive land uses (e.g., residential, school, park, community institutional);
 - iv) not emit any offensive odors, emissions and lighting to minimize negative health and nuisance impacts on surrounding areas;
- c) applicants shall engage qualified professional consultants to prepare required studies and plans through the City’s regulatory processes (e.g., rezoning, development permit building permit, other as required);
- d) applicants shall ensure that proposals address the following matters, through the City’s regulatory processes (e.g., rezoning, development permit, building permit, other):
 - i) compliance with City social, community safety, land use, building, security (e.g., police, fire, emergency response), transportation, infrastructure (e.g.,

- water, sanitary, drainage), solid waste management, environmental (e.g., Environmentally Sensitive Areas, Riparian Management Areas, Ecological Network), nuisance (e.g., noise, odour and emissions) financial and other policies and requirements;
 - ii) compliance with all federal, provincial and regional (e.g., Metro Vancouver) policies and requirements;
 - iii) compliance with the City Building Regulation Bylaw, Fire Protection and Life Safety Bylaw, Noise Regulation Bylaw, Business License Bylaw, Business Regulation Bylaw and other related, applicable City Bylaws;
 - iv) compliance with the current BC Building Code, BC Fire Code, BC Fire Services Act, BC Electrical Code, and other related codes and standards;
- e) the applicant/owner of a Health Canada licensed and City approved medical cannabis production facility or non-medical cannabis production facility or cannabis research and development facility shall be responsible for full remediation of the facility should it cease operations or upon closure of the facility;
- f) consultation with stakeholders on a proposed facility shall be undertaken as deemed necessary based on the context specific to each proposal.”

2. This Bylaw is cited as “**Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9837**”.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

MAY 14 2018



MAYOR

CORPORATE OFFICER



**Richmond Zoning Bylaw 8500
Amendment Bylaw 9838
(Cannabis Related Zoning Regulations)**

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

1. Richmond Zoning Bylaw 8500 is amended by repealing and replacing and adding text to various sections of Richmond Zoning Bylaw 8500 as follows:

- i) Repeal and replace the following use definitions in Section 3.4 (Use and Term Definitions):

“Agriculture

means the **use** of land for the growing of crops or the raising of domesticated animals and allotment gardens where land is divided into plots for exclusive **use** as vegetable, fruit or flower gardens such as private and community gardens but does not include a **medical cannabis production facility** or **non-medical cannabis production facility**.

Greenhouse & plant nursery

means a facility for the raising, storage and sale of produce bedding, **household**, ornamental plants and related materials such as tools, soil, fertilizers and garden furniture but does not include a **medical cannabis production facility** or **non-medical cannabis production facility**.

Office

means a facility that provides professional, management, administrative, consulting or monetary services in an **office** setting, including research and development, which includes **offices** of lawyers, accountants, travel agents, real estate and insurance firms, planners, clerical and secretarial agencies, but excludes the servicing and repair of goods, the sale of goods to the customer on the **site**, the manufacturing or handling of product and a **cannabis research and development facility**.

Retail, convenience

means a facility for the retail sale of those goods required by area residents or employees on a day-to-day basis, which includes but is not limited to small food stores, selling groceries, meats, fruits and vegetables, flowers and confectionaries, drug stores and variety stores selling tobacco, beverages, postal services, personal care items, lottery tickets, printed matter or the rental/sale of videos, but does not include **adult retail**, stand alone video stores or **retail, cannabis** operations.

Retail, general

- a) means a premises where goods, merchandise, other materials and services are offered for sale at retail to the general public and includes limited on-site storage or limited seasonal outdoor sales to support that store's operations, which includes but is not limited to **grocery store**, hardware, pharmaceutical, appliance and sporting goods stores, bicycle/scooter sales and rentals, and a farmers' market, and minor **government services**, such as postal services, but does not include warehouse sales and the sale of **building** supplies, gasoline, heavy agricultural and industrial equipment, alcoholic beverages, **retail pawnshop**, **retail secondhand**, **adult retail**, retail stores requiring **outdoor storage** and **retail, cannabis** operations.
- b) The sale of wine – limited to wines produced in British Columbia, as per the regulations of the Liquor Control and Licensing Act – is permitted within a **grocery store**, if the **floor area** of the **grocery store** exceeds 2,322 m².

Service, business support

means a facility that provides services to **businesses** and which are characterized by one or more of the **use** of minor mechanical equipment for printing, duplicating, binding or photographic processing, secretarial services, the provision of **office** maintenance or custodial services, the provision of **office** security, and the sale, rental, repair or servicing of **office** equipment, **office** furniture and **office** machines, which includes but is not limited to printing establishments, testing laboratories, film processing establishments, janitorial firms and **office** equipment sales, repair establishments and sign shops but does not include a **cannabis research and development facility**.”

- ii) Repeal and replace “medical marijuana production facility” and “medical marijuana research and development facility” in the use definitions in Section 3.4 (Use and Term Definitions) with the following:

“Cannabis Research and Development Facility

means a facility for the research and development, including testing, of cannabis in a fully enclosed **building** or **structure** in accordance with the appropriate federal and provincial legislation and regulations.

Medical Cannabis Production Facility

means a facility for the cultivation or processing of medical cannabis in a fully enclosed **building** or **structure** in accordance with the appropriate federal and provincial legislation and regulations, including supporting accessory **uses** related to cultivation, processing, testing, research and development, packaging, storage, distribution and administrative **office** functions that are directly related to and in support of cultivation and processing activities.”

- iii) Add the following new use definitions in Section 3.4 (Use and Term Definitions):

“Non-Medical Cannabis Production Facility

means a facility for the cultivation or processing of non-medical cannabis in a **building** or **structure**, as well as outdoor cultivation, in accordance with the appropriate federal and provincial legislation and regulations, including supporting accessory **uses** related to cultivation, processing, testing, research and development, packaging and storage and administrative **office** functions that are directly related to and in support of cultivation and processing activities.

Warehouse, cannabis

means the processing, storage and distribution of cannabis (medical and non-medical) in a fully enclosed **building** or **structure** in accordance with the appropriate federal and provincial legislation and regulations.”

- iv) Repeal and replace a portion of the “farm business” use definition in Section 3.4 (Use and Term Definitions) as follows:

“**farm business** does not include:

- a) an activity, other than grazing or hay cutting, if the activity constitutes a forest practice as defined in the *Forest and Range Practices Act*;
- b) breeding pets or operating a kennel;
- c) growing, producing, raising or keeping exotic animals, except types of exotic animals prescribed by a Minister of the Province of BC;
- d) a **medical cannabis production facility**;
- e) a **non-medical cannabis production facility**; and
- f) a **cannabis research and development facility**.”

- v) Repeal and replace clause e) in Section 3.5.1 (Section 3.5 Non-Permitted Uses and Definitions) with the following:

“e) Retail, cannabis”

- vi) Repeal and replace the use definition of “marihuana dispensary” in Section 3.5.2 (Section 3.5 Non-Permitted Uses and Definitions) with the following:

“Retail, cannabis

means a business or other operation involving the sale, barter, storage, distribution or dispensing of cannabis (medical and non-medical) or any products containing or derived from cannabis intended for consumption by individuals in accordance with the appropriate federal and provincial legislation and regulations.”

vii) Repeal and replace clause c) in Section 5.13.4 (Section 5.13 – Uses Permitted in All Zones) with the following:

“c) A **medical cannabis production facility, non-medical cannabis production facility, and cannabis research and development facility** is not permitted.”

2. This Bylaw may be cited as **“Richmond Zoning Bylaw 8500, Amendment Bylaw 9838”**.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

MAY 14 2018

CITY OF RICHMOND
APPROVED by <i>LE</i>
APPROVED by Director or Solicitor <i>BK</i>

MAYOR

CORPORATE OFFICER