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To: ["Direct to Mayor and Council - DL" <CCDTMACDL@vancouver.ca>](mailto:CCDTMACDL@vancouver.ca)

Date: 9/23/2016 3:37:55 PM

Subject: Memo - Permits and Licensing for Medical Marijuana-Related Uses

Attachments: [MS - Implementation - Communications - Council Memo - 2016-09-22.pdf](#)

Dear Mayor and Council,

Please see attached memo from Kaye Krishna, General Manager - Development Services, Building & Licensing, providing you with an update on Medical Marijuana.

Key MMRU Updates:

The attached MMRU memo provides a current snapshot of MMRU permits, licensing and enforcement as well as a proposed approach for providing ongoing MMRU updates to Council. Key highlights from the report include:

- **Summary of activity:** Seven additional permits and licenses were requested since August 25th and one business license was granted. Enforcement activity has increased the number of tickets by approximately 10% (total of 62 more tickets) yet payment of tickets remains low at only about 25% paid. The number of injunctions has not changed but efforts to move those forward are underway.
- **Impact from Federal decisions:** Upon detailed review of recent Federal updates regarding marijuana, staff proposes that the City continue its MMRU compliance approach and that the City reconsider its approach once the Federal government provides legal and policy direction in Spring of 2017.
- **MMRU reporting:** Staff proposes making program data available to Council on a weekly basis and providing memos upon major changes in policy, compliance behavior, or senior government activity.
- **MTI Fees:** Staff have reviewed the Municipal Ticketing Information (MTI) bylaw in conjunction with Vancouver Charter limitations and will be bringing changes to the MTI bylaw to Council in November. The current ticket amount of \$250 per violation is subject to change through that proposal.

Please do not hesitate to contact Kaye Krishna at 604.873.7160 or kaye.krishna@vancouver.ca if you have any questions or concerns.

Best
Sadhu

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DEVELOPMENT SERVICES, BUILDING AND LICENSING
General Manager's Office

MEMORANDUM

September 22, 2016

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Janice MacKenzie, City Clerk
Lynda Graves, Manager, Administration Services, City Manager's Office
Rena Kendall-Craden, Director, Communications
Mike Magee, Special Advisor, Mayor's Office
Kevin Quinlan, Chief of Staff, Mayor's Office
Katie Robb, Director, Communications, Mayor's Office
Emma Lee, Director, Community Relations, Mayor's Office
Andreea Toma, Director, Licensing, Property Use Inspections and Animal Services
Iain Dixon, Assistant Director - Regulatory Litigation
Kathleen Llewellyn-Thomas, GM, Community Services

FROM: Kaye Krishna, General Manager, Development Services, Building and Licensing

SUBJECT: Permits And Licensing For Medical Marijuana-Related Uses

This memorandum provides an update on the City's permits and licensing program for medical marijuana-related retail uses (MMRU). Administering the development permits and the business licensing for MMRU is now well underway as are our enforcement measures for non-compliance. Since the last update memo on August 25th, 2016, five additional development permit applications and two additional business licence applications have been submitted for review and we've issued one new business license. Enforcement has continued in non-compliant locations as have Board of Variance appeal hearings. Overall program statistics are provided in Section 1 below.

Staff will continue to monitor this program and make available the overall program statistics on a weekly basis through email to Mayor and Council in order to keep you informed of the changing nature of the MMRU permits and licenses and to assist with media enquiries. Future memos will be written to highlight significant changes in the program, the behaviour of retail outlets or in other orders of government. Additional information on the costs and revenues of the MMRU compliance efforts will be provided through annual budget updates this quarter.

MS - Implementation - Communications - Council Memo - 2016-09-20

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1. Overall Program Statistics

Permits and Licencing Numbers	Last Memo Update (08/25/16)	Current	Change
Development permits issued for Medical Marijuana-related Uses (MMRUs)	15	15	0
Development permits under review for Medical Marijuana-related Uses (MMRUs)	14	19	+5
Compassion Club business licences issued	2	2	0
Retail Dealer - Medical Marijuana Advocacy business licences issued	1	2	+1
Business licence applications under review	6	8	+2
Bylaw Enforcement			
Medical marijuana stores that have complied with regulations and have closed or are no longer selling marijuana since April 29, 2016	32	32	0
Stores currently operating that are subject to enforcement	51	57	+6
Stores currently operating that are not subject to enforcement	33	32	-1
Tickets Issued (\$250 each)	545	607	+62
Tickets Paid (\$34,000)	121	136	+15
Injunctions Filed	27	27	0

The locations of issued permits and licences are shown on a map at vancouver.ca/medical-marijuana-business

To date, we have collected \$35,000 in business licensing revenues (licensing fees are prorated for the year) and expect an additional \$20,000 before end of year. Staff are working on 2017 and 2018 projections as well as reviewing the costs incurred to date and the level of effort to assess revenue neutrality. The results of this work will be included in the annual budget update to Council.

To date, we have collected \$34,000 through tickets, at \$250 per ticket as stipulated by the Municipal Ticketing Information (MTI) bylaw. As a matter of process, staff will be reviewing the MTI bylaw in conjunction with Vancouver Charter limitations and will be bringing general changes to the MTI bylaw to Council in November and as such, this current ticket limit is subject to change.

2. The Board Of Variance Statistics

In the last year, 136 preliminary development permit applications have been refused by the Director of Planning because they do not meet Zoning and Development By-Law requirements for minimum distancing from schools, public and private community centres, neighbourhood houses or youth facilities. 68 of these applicants have appealed this decision to the Board of Variance. Board meetings are open to the public and attendees can speak for or against the appeal request.

The Board began hearing appeals in February, 2016 and has heard 35 appeals since that time. The Board has upheld the Director of Planning's decision to refuse in 53% (19 cases) and granted variances in 47% (15 cases).

The Board initially planned to hear all appeals by December 2016, however applicants have been requesting additional time and as such, decisions have been adjourned into 2017. Dates are scheduled by the Secretary to the Board of Variance.

All of the variances granted allow a medical marijuana-related use to move to step 2 in the process and submit a full development permit application. If successful to step 3, licensing, all the locations that win the BOV appeal would be within 300 meters of a school, community centre or neighbourhood house.

3. Legal Proceedings For Stores That Remain Open Beyond Closure Deadline

At present, 57 medical marijuana-related retailers in locations that don't meet zoning regulations have not closed as instructed by the City. 32 medical marijuana-related uses have closed since the City initiated the regulatory process. Over 600 MTIs have been issued for operating without a business licence; roughly a quarter of the tickets have been paid. The City has applied to the B.C. Supreme Court for injunctions to force 27 of the stores still operating to close. Those applications have been served on the stores and their landlords and responses have been received from all 27. These 27 injunction requests were prioritized as a result of proximity to approved MMRU development permits, community feedback, and response to enforcement actions to date. Some of these locations are the source of constant noise and nuisance complaints or have been uncooperative with City inspection staff.

In addition to the City's applications for injunction, Don Briere and the Weeds chain have commenced a Petition in B.C. Supreme Court seeking to quash the City's bylaws that create the medical marijuana related use. The basis of this Petition is an allegation that the City's regulations are outside the jurisdiction of the City as they seek to regulate marijuana sales which is a federal jurisdiction. The Petition also asserts that the City regulations are contrary to the Charter of Rights and Freedoms as they deprive medical marijuana users of easy access to their preferred strain of marijuana. There is no court date set for this Petition.

4. Health Canada Reintroduces Allowance For Patients To Grow Their Own Marijuana

The Federal government recently announced that they are not appealing the Federal Court ruling in the *Allard vs. Canada* decision which meant that Health Canada must have a new medical marijuana scheme implemented by August 24th, 2016.

On August 11, 2016, Health Canada announced the new *Access to Cannabis for Medical Purposes Regulations* (ACMPR). These new regulations will replace the *Marihuana for Medical Purposes Regulations* (MMPR) as of August 24, 2016.

The ACMPR reintroduces the allowance for Canadians who need access to cannabis for medical purposes to produce a limited amount of cannabis for their own medical purposes, or designate someone to produce it for them. Individuals authorized to use cannabis for medical

purposes by a health care practitioner will also continue to have the option of purchasing safe, quality-controlled cannabis from one of the 34 producers licensed by Health Canada.

Prior to the introduction of the new ACMPR it was unclear how the federal government was going to address the constitutional issues raised in the Allard decision. It was possible that the new federal legislation might make specific reference to retail marijuana sales which may have significantly altered the City's enforcement approach. Staff have now reviewed the ACMPR and considered its potential impact on the City's marijuana related use regulations and have concluded that it is appropriate to continue to move forward with the to-date compliance approach.

Further, the Federal government have also announced that they will be introducing legislation to legalize, regulate and restrict marijuana in April 2017. Until such changes occur, our permit and licensing program for MMRU will continue as designed and staff will continue consultations with all orders of government.

Please do not hesitate to contact me if you have questions about the content herein or the MMRU strategy and compliance to date.



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General Manager

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KK/mv