

Subject: Cannabis Legalization in the Regional Municipality of Wood Buffalo**APPROVALS:****Annette Antoniak**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

1. THAT Bylaw No. 18/014, being a Land Use Bylaw amendment, be read a second time.
2. THAT Bylaw No. 18/014, be read a third and final time.
3. THAT Bylaw No. 18/015, being Smoking and Vaping Bylaw, be read a second time.
4. THAT Bylaw No. 18/015, be read a third and final time.
5. THAT Bylaw No. 18/016, being a License Bylaw amendment, be read a second time.
6. THAT Bylaw No. 18/016, be read a third and final time.

Summary:

The Federal and Provincial governments have introduced legislation to legalize, regulate, and restrict access to recreational cannabis. In preparation for this pending legalization, Administration has researched regulations and best practices in other cities in and outside of Canada, engaged with the public and analyzed available options for retail locations, as well as taking part as a member of a provincial round table regarding legalization. This work has informed necessary changes to the *Land Use Bylaw*, *Smoke Free Bylaw*, and *License Bylaw*.

This report is intended to address amendments to these bylaws to accommodate legalization of recreational cannabis in the Regional Municipality of Wood Buffalo, and facilitate a process to accept applications for Cannabis Retail Stores and Cannabis Production and Distribution Facilities, if and when Cannabis is officially legalized in

Canada.

Background:

Federal and Provincial Cannabis Legislation

On April 13, 2017, the Government of Canada introduced *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)*. Subject to parliamentary approval, the *Cannabis Act* will legalize and regulate recreational cannabis in Canada. The Government of Canada has said that they plan to legalize cannabis in the summer of 2018.

On November 30, 2017, following the introduction of *The Cannabis Act* in the House of Commons, the Government of Alberta approved *Bill 26, An Act to Control and Regulate Cannabis*, which amends the *Gaming and Liquor Act*, now known as the *Gaming, Liquor and Cannabis Act*. This Act comes into force upon proclamation. Further, on February 16, 2018, the Government of Alberta enacted new regulations for retail cannabis stores which will be overseen by the Alberta Gaming and Liquor Commission (AGLC).

Under the proposed rules, the Federal Government would regulate cannabis production and the provincial government would regulate cannabis distribution and retail sales, in collaboration with municipalities.

Municipal Response to Federal and Provincial Legislation

In anticipation of the pending legalization, the Municipality has proactively conducted research and public engagement to draft new municipal regulations that deal specifically with cannabis. As drafts of federal and provincial legislation became available, the role of municipalities became clearer. This allowed Administration to determine how it should develop regulations surrounding retail locations, public consumption, land use, education, and taxation to align with federal and provincial legislation.

Through best practice research, Administration found that key areas of concern for other municipalities included:

1. The protection of youth
2. Location of cannabis retail stores and cannabis production and distribution facilities
3. Public consumption laws
4. Number of plants allowed per household

To better inform the changes to the Municipality's bylaws, Administration worked on an extensive public engagement process that ran from February to May 2018. This process was divided into two parts:

1. Internal Engagement: An interdepartmental working group was established with representation from Planning and Development (including Community Development Planning, Safety Codes, Economic Development, and Bylaw Services), Communications and Stakeholder Relations, Legal Services, Legislative Services, Human Resources, Regional Emergency Services and the RCMP. The group provided valuable feedback as work progressed.
2. External Engagement: 12 open houses were conducted (including one open house each in the hamlets of Fort Chipewyan, Conklin, Anzac and Gregoire Lake Estates, Saprae Creek Estates, Janvier and Fort McKay). Over 3,000 interactions were recorded wherein residents were educated on the proposed legalization and were asked to take a survey to provide their opinions on various aspects of legalization. The survey covered all aspects of legalization and was approved by the interdepartmental working group. A total of 2714 surveys were completed (online and paper) and the engagement results are as follows:
 - a. 57% were concerned about cannabis use where youth will gather (33% not concerned, 10% other);
 - b. 79% want minimum distances to extend beyond schools and hospitals to other public spaces;
 - c. On the issue of public consumption, 38% preferred a combination of alcohol and smoking laws, 29% preferred that it be like the alcohol model, 28% like tobacco model, and 5% other;
 - d. 40% think cannabis should be banned in public;
 - e. 66% think cannabis will be positive for the economy (18% disagree, 16% other).

With this framework in mind, Administration began contemplating changes to three affected bylaws: the *Land Use Bylaw*, *Smoke Free Bylaw* and *License Bylaw*. The necessary changes are summarized as follows:

1. ***Land Use Bylaw (99/059)***: (refer to Attachment 2)
 - a. **‘Cannabis Retail Stores’** and **‘Cannabis Production and Distribution Facility’** are defined and added as a “use” in the *Land Use Bylaw*.
 - b. **‘Cannabis Retail Stores’**
 - i. Cannabis Retail Stores’ are allowed as a ‘Discretionary Use - Municipal Planning Commission’ in Mixed use, Commercial and Industrial districts.
 - ii. A minimum separation distance of 150 meters from schools, hospitals, day cares and alcohol and drug rehabilitation centers is proposed for

cannabis retail stores in the urban area. (Refer to Attachment 3 for a copy of the Urban Service Area maps highlighting districts that are proposed to allow cannabis retail stores with 150-meter separation distance.

- iii. A minimum separation distance of 100 meters from schools and playgrounds is proposed for cannabis retail stores in hamlets and the rural service area. (Refer to Attachment 4 for maps showing districts in each of the hamlets that are proposed to allow for a cannabis retail store with a 100-meter separation distance.
- iv. Cannabis retail stores cannot be located on a parcel abutting residential property but can be allowed on the main floor of a mixed-use building with commercial on the main floor and residential on the second floor.
- v. Subject to the application meeting all other requirements, the development authority can vary the separation distances up to 10 %.

c. 'Cannabis Production and Distribution Facility'

- i. Cannabis Production and Distribution Facility are allowed as a 'Discretionary Use - Municipal Planning Commission' in Industrial districts.
- ii. A minimum separation distance of 300 meters from schools, hospitals, day cares, alcohol and drug rehabilitation centers and residential area is proposed for cannabis production and distribution facility in the urban service area, the rural service area and hamlets.
- iii. Subject to the application meeting all other requirements, the development authority can vary the separation distances up to 10 %.

d. Growing up to (4) Cannabis Plants per household for personal use:

- i. In single family housing (including single detached, semidetached and row houses) up to four (4) cannabis plants can be grown in the house, in any legally permitted accessory structure or in a fenced backyard.
- ii. In multi-family housing, such as apartments and condominiums, up to 4 plants can be grown within the private unit. Growing cannabis plants on common property (including common property - exclusive use and balconies) will not be allowed.

For comparison purposes, a table showing regulations proposed by Calgary, Edmonton, Red Deer, Grand Prairie and the Regional Municipality of Wood Buffalo is available in Attachment 5.

2. *Smoke Free Bylaw (07/042)*: (refer to Attachment 6 for a new bylaw proposed to replace the *Smoke Free Bylaw 07/042*).

- a. Consuming cannabis in any form (including smoking and vaping) in public places will not be allowed.
- b. Smoking in any form (tobacco or cannabis) is not permitted on public transit vehicles and at transit stations.
- c. Smoking cannabis or tobacco will not be permitted in public places such as educational institutions or areas accessible to the public.

3. *The License Bylaw (01/031)*: (refer to Attachment 7)

- a. Cannabis related business are added as a category of business in the *License Bylaw*.
- b. Regulations surrounding a business license are added to the *License Bylaw*. This includes authority for licensing inspectors to approve or refuse a business license for a cannabis related use.
- c. Requirements for operating a cannabis-related use are added to the *License Bylaw* (including restrictions only allowing persons over 18 years of age on the premises and not allowing smoking or vaping cannabis on the premises).
- d. Provisions regarding offences is defined and added.
- e. The fee for a business license for a cannabis-related use is set at \$ 350.00.

Budget/Financial Implications:

Permits for cannabis retail stores and production facilities will generate some revenue for the Municipality through development permit, building permit and business license application fees. However, this is not expected to be a significant source of revenue.

Rationale for Recommendation:

The proposed changes to the Municipality's bylaws are in response to federal and provincial legislation. These changes align with federal and provincial legislation, but also strike a balance between economic development opportunities and laws to mitigate community concerns.

Providing opportunities for retail cannabis sales and cannabis production and distribution facilities will minimize impacts that could otherwise occur in a narrower range of locations while providing opportunities for local business and economic diversification. The proposed separation distances can minimize impacts to sensitive uses and ensure that overall cannabis sales are not concentrated in specific areas.

Banning consumption of cannabis in public places will protect children, adults and seniors from exposure to second hand cannabis smoke, while still allowing people to smoke it in their privately owned or rented space. Furthermore, limiting plants in certain locations on private property will ensure it is not accessible to the public. This reduces concerns regarding children and youth obtaining domestically grown cannabis.

Strategic Priorities:

Responsible Government
Downtown Revitalization
Regional Economic Development

Attachments:

- 1. Alberta Cannabis Framework - Highlights**
- 2. Bylaw 18/014 Land Use Bylaw Amendment**
- 3. Maps Showing 150 m Separation Distance in Urban Service Area**
- 4. Maps Showing 100 m Separation Distance in Hamlets**
- 5. Table Showing Regulations Proposed by Cities in Alberta**
- 6. Bylaw 18/015 Smoking and Vaping Bylaw**
- 7. Bylaw 18/016 License Bylaw Amendment**