

Re: Items 14.1.9 and 14.1.10

HALIFAX

Cannabis Legalization

HRM Council
June 19, 2018

What we've learned so far...

- Think about your **regulatory structure** sooner rather than later! Learn from others and anticipate the issues.
- **Collaborate** with as many different stakeholders as possible:
 - Federal/Provincial agencies and Depts. (justice, agriculture, licensing, health, environment etc.)
 - HRM Business Units (inspectors, public health, fire, police)
 - Industry members
 - Neighborhood and community organizations
 - Tourism and business associations
- It's easier to **start slow** with a measured controlling approach, than to reel things in down the road.
- **Communication** goes a long way (working groups, industry bulletins, regular meetings).
- Be prepared – once marijuana is legalized, people want it **now**.

Cannabis Act (Can) – Youth

- Offences:
 - Giving or selling cannabis to youth
 - Using a youth to commit a cannabis-related offence
- Prohibitions
 - Packaging and labelling
 - Vending machines
 - Promotion/advertising where seen by youth

Federal responsibility

- Federal
 - Production (growing and manufacture)
 - Types of cannabis products permitted
 - Packaging and labelling
 - Serving sizes and potency
 - Ingredients (terpenes & TBD)
 - promotion

Context

- Federal government on track to formally legalize cannabis in late summer, 2018. Edibles and concentrates to be authorized 12 months later.
- Provincial government passed Cannabis Control Act.
 - NSLC – 4 locations in HRM +
 - Legal Age of 19
 - Penalties for impaired driving
 - Federal rules for personal cultivation
 - Landlords able to amend leases
 - Public consumption regulated through Smoke Free Places Act.

Issues

- Location
 - Where should these businesses reside?
 - Potential impact on neighbourhoods
 - Will some neighbourhoods feel greater burden?
- Public Safety
 - Production – (organic solvents)
 - Commercial grow
- Crime
- Social Consumption
 - Where are people going to be allowed to consume

Where do you want marijuana businesses located?

- Marijuana businesses have the ability to raise rental rights and gobble up space. This can be great for the local economy, but can squeeze out other businesses.
- **Retail in Commercial Zones**
- **Grows or Manufacturing in Industrial Zones**
- **Prohibit in:**
 - Residential districts?
 - Mixed Use?
 - Neighborhood business districts?

Marijuana Landscape

What did all of this mean for Colorado cities?

Licensed	Non-licensed	Crime
(medical and retail, taxed and regulated)	(locations mostly unknown, not supposed to be for profit, not taxed)	
<ul style="list-style-type: none">• Grows• Stores• MIPS• Testing Facilities• Transporters	<ul style="list-style-type: none">• Illegal Operations• Medical MJ Collectives• Retail MJ Collectives• Caregivers• Home Grows	<ul style="list-style-type: none">• Public Consumption• Burglaries• Minors• Diversion

Commercial Production



- Aug. 15 Council Direction to define and specifically permit facilities in appropriate zones
- New Federal guidance on licensing categories
 - Micro – 200 sq. m (2,150 sq. ft.)
 - Standard – anything greater in size
- Updating draft MPS/LUB amendments (target: July 17th Council Meeting)

Licensed Marijuana

What else have we learned about the impacts?

- Marijuana stinks.
 - Denver passed a law in 2017 that all marijuana grows and MIPS will have to install odor mitigation equipment (carbon filtration systems)
 - Boulder had this requirement beginning in 2012 –require filtration sufficient to prevent detection outside of the facility
 - Odor is the biggest source of community complaints.
- Extracting oil from marijuana is dangerous
- The industry is creative and innovative.

Non-licensed Marijuana Grows

What's this all about?

- Possession

8 (1) Unless authorized under this Act, it is prohibited

- (d) for an individual to possess, in a public place, one or more cannabis plants that are budding or flowering;
- (e) for an individual to possess more than four cannabis plants that are not budding or flowering; or
- (f) for an organization to possess cannabis

- Denver's experience

- Warehouse space being converted into **massive, non-licensed grows**
- Electrical, building, structural, fire, sulfur burns
- Huge potential for criminal activity and diversion to black market

COMPLICATIONS

Dangers in Unlicensed Grows

- **Water**—large amounts (damage)
 - Water + heat + humidity = **MOLD**
- **CO2** – 4 times the CO2 can result in 4 times the yield
 - Detached venting
 - CO2 generators/burners/bottles
- **Mold** —problem for landlords



- **Sulfur** – burned to control insects
- When sulfur is burned, it creates sulfur dioxide
- When sulfur dioxide mixes with enriched CO2, it creates hydrogen sulfide

Social Consumption

- Colorado state/municipal law did not allow the open and public consumption of marijuana at the outset and is only now looking at relaxing this.
- Denver created a “Social Consumption Advisory Committee” for the first six months of 2017 and created rules for implementing the ordinance
 - Proximity restrictions
 - Colorado Clean Indoor Air Act
 - Bud and Breakfasts



Actions



- Updating Nuisance and Parks By-laws
- HR updating Substance Abuse Policy
- HR investigating training modules

Enforcement

- HRP and RCMP receiving national wide on-line training
- NSLC consulting with HRP on retail outlet designs
- 30 active investigation of cannabis dispensaries by Municipal Compliance Officers/HRP/RCMP
- Director of Public Safety (Community Safety Orders)
- Health Prom. Insp. - Smoke-free Places Act

Municipal Cost Estimates

- \$3m on-going costs
- \$950K in start-up costs
- Cost drivers include:
 - Police (\$1m)
 - Fire & Emergency Services (\$644K)
 - Planning & Development (\$1.5M)
 - Legal Services (\$400K)
 - Human Resources (\$180K)
 - Corporate & Customer Services (\$300K)

