

RESULTS OF PUBLIC HEARING

File No: 3360-20/20180053

Date: August 8, 2019

Location: Board Room of the CRD Office in Williams Lake

Re: **CARIBOO REGIONAL DISTRICT CHILCOTIN AREA RURAL LAND USE AMENDMENT BYLAW NO. 5217, 2019; CARIBOO REGIONAL DISTRICT SOUTH CARIBOO AREA ZONING AMENDMENT BYLAW NO. 5218, 2019; CARIBOO REGIONAL DISTRICT WILLIAMS LAKE FRINGE AND 150 MILE HOUSE AREA ZONING AMENDMENT BYLAW NO. 5219, 2019; CARIBOO REGIONAL DISTRICT CENTRAL CARIBOO AREA RURAL LAND USE AMENDMENT BYLAW NO. 5220, 2019; CARIBOO REGIONAL DISTRICT QUESNEL FRINGE AREA ZONING AMENDMENT BYLAW NO. 5221, 2019; CARIBOO REGIONAL DISTRICT NORTH CARIBOO AREA RURAL LAND USE AMENDMENT BYLAW NO. 5222, 2019; CARIBOO REGIONAL DISTRICT CANNABIS LICENSING FEE ESTABLISHMENT BYLAW NO. 5223, 2019.**

Persons Present:

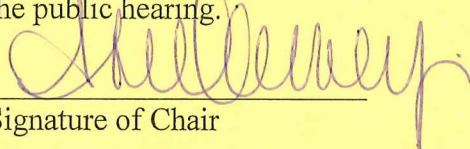
- ☒ Director (s): Angie Delainey, Maureen LeBourdais, Steve Forseth, *Walt Cobb*
- ☐ Public: See attached list
- ☒ Staff: Havan Surat, Nigel Whitehead, *Shivani Sajwan*
- ☒ **No public in attendance** (excluding owner/agent)

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- ☒ **Waited ten (10) minutes and then called the meeting adjourned.**
 - ☐ Welcome and introduction by the Area Director/Alternate
 - ☐ The "Purpose of a Public Hearing", including the rules for the meeting and the specifics of the application were read out and the hearing was called to order at 7:10pm
 - ☐ The Chair read out comments received from the referral process including CRD planning staff's comments and board actions to date.
 - ☐ The Chair read out the following letters received from the public: (attached) (add additional sheet if required)
 - 1) Date: _____ Name: _____
 - 2) Date: _____ Name: _____
 - ☐ The following verbal comments and questions were received: (add additional sheet if required)
Comments in favour:

Comments of concern/opposition:

- ☐ Attendees were asked three times for further comments and/or questions.
- ☒ The Chair called the meeting adjourned at 7:40pm

I certify this is a fair and accurate report on the results of the public hearing.


Signature of Chair

August 2, 2019

Cariboo Regional District
Unit 3 – 170 Cedar Avenue
100 Mile House, B.C V0K 2E0
Attention to: Cariboo Regional District Board of Directors

Interest to allow for Cannabis Micro-Grow Production in RR1 & 2 Zones of the Cariboo Regional District

Dear Cariboo Regional District Board of Directors,

I, Jeff Kline, Owner of the property located at 6640 Perrey Rd property am writing this letter to express my, and my families deepest interest to have the Cariboo Regional District strongly evaluate, consider and allow a Cannabis Micro-Grow Production bylaw to be allowed in Rural Residential (RR1 & RR2) zones at this month's City Council meeting addressing Cannabis Production.

With medical and recreational Cannabis now being federally legal, we are seeing entrepreneurs and investors alike interested in providing their services and expertise to the legal Canadian Cannabis Market.

Micro-Grow Cannabis opportunities allow an interested party the ability to grow and harvest medical and recreational grade Cannabis inside a facility with a maximum grow space of simply 2,150 sq.ft. All this being done organically with no harm to the environment.

For the first time in my life, this would allow myself and my family an opportunity to own our own craft Cannabis business, operate it at the highest degree within Health Canada's guidelines, provide an additional tax revenue stream for the Cariboo Regional District & Canada, and provide a well-needed, high-quality, exceedingly sought after product to the citizens of B.C and our Country.

We sincerely ask the board to consider the matter of allowing micro-grow opportunities to RR1 & RR2 zoned landowners within the CRD be given immediate and strong attention.

Thank you for your understanding, your time is much appreciated, and we look forward to a positive outcome for future Micro-Grow & Craft Cannabis producers in the CRD.

Kind regards,

Jeff Kline
Property Owner, Cariboo Regional District
jkline_58@hotmail.com
604-866-2611

Nyree Alexander

From: Pam <groclu@xplornet.com>
Sent: August 1, 2019 5:34 PM
To: CRD Planning
Subject: cannabis production

Planners at Cariboord.ca:

I like the idea of following the "Federally-licensed facilities" definition of cannabis production in heavy industrial areas...sometimes there are odours and this should help keep that away from residential areas. Just make sure to make all the tax or permit money from this that you can, the town can certainly use the money to do other socially useful things for our community, like maybe NOT needing to allow burning of railroad ties. Thank you.

Sincerely, Pam Grover, Chilanko Forks, VOL1H0.

Nigel Whitehead

From: Patrick Mulholland <patrickm@pashabrands.com>
Sent: August 1, 2019 1:50 PM
To: CRD Planning
Subject: Bylaw updates regarding cannabis
Attachments: Understanding Cannabis Micro-cultivation Pamphlet.pdf

Dear Directors and Staff

As you consider amending the land use bylaws for the Cariboo Regional District, I ask that you take a moment to consider and acknowledge the micro-cultivators that live and work in your community. In your updates to the definitions you do not differentiate between Micro-cultivation of cannabis and Standard cultivation of cannabis.

When Health Canada established the Cannabis Act last year, the government created a specific class of production licence for Micro-cultivation at the request of the BC government. This was specifically to allow the small growers that have existed for many years in our communities a route into the legal framework that is the Cannabis Act. The hope was that Micro-cultivation licences would help prevent the monopolization of the industry by large corporations and encourage the development of small local businesses in rural communities.

We at Pasha Brands are dedicated to helping these small family run local businesses transition into the new licensing framework by providing the expertise that these small growers need to complete the licensing process.

These micro-cultivators are your friends and neighbours who have been quietly cultivating in outbuildings on farmland, or small industrial spaces for many years. It was the efforts of these small cultivators that built the reputation of the BC cannabis industry, not the large standard cultivators.

Micro-cultivation licences are limited to a growing area of only 200 m² or 2150 ft². An entire facility including all growing areas, drying areas, staff facilities, offices, change rooms, washrooms, storage, and parking can be built on a footprint of less than 1000m².

We understand the concerns surrounding impacts on farmland; however, cannabis micro-cultivation has helped many farmers to be more economically viable by providing a year-round cash flow without disrupting existing operations. Small outbuildings all over the region are being utilized, and often these operations are not detectable.

There have been some problems in other municipalities with the odour generated by large cultivators using huge greenhouses that are not treating their air to remove odours. These large facilities may have 100's of thousands of plants growing at one time. The micro-cultivator may only have a few hundred. The new standard set by Health Canada is that no odour be present outside the facility. Existing micro-cultivators are already controlling their odour as evidenced by the fact that people do not even know they exist in many cases.

We are asking that you amend the bylaws to acknowledge Micro-cultivation and allow these facilities on rural properties and ALR land of greater than 4Ha. We would also like to see a comprehensive development zone created in unused heavy industrial areas that would allow for several of the Micro-cultivation licenses to be clustered together to create a technology hub. This would support full vertical integration of the suppliers and services that will support this industry. These include electricians, plumbers, HVAC technicians, computer programmers, laboratory testing, processing and packaging. As this industry is a new employment opportunity, it will be an economic driver for rural economic development in the region, and create well paid, year-round, career-oriented jobs.

Please take the time to read the attached document which explains how Micro-cultivation licences are different from standard cultivation licences.

Thank you for your consideration, and we hope that you will support the local residents that are micro-cultivators in your community.

Best Regards,



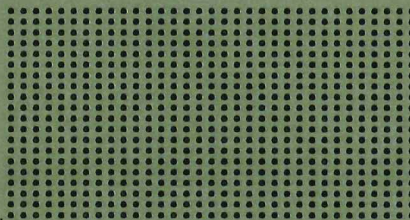
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Patrick Mulholland
R.P.Bio.
Government Relations
Strategist

Understanding Cannabis Micro-cultivation for Municipalities

Susan Chapelle, MBA *Director Government Relations and Affairs*
Patrick Mulholland, R.P. Bio. *Government Relations Strategist*

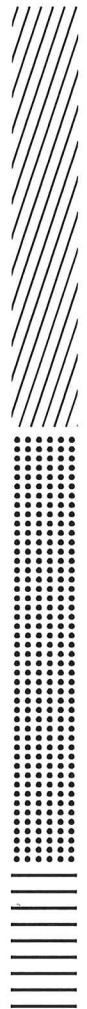
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Introduction

With the passing of the Cannabis Act in October 2018, Canada became the second country in the world to legalize the production and use of cannabis for the recreational market. The introduction of this legislation comes with the growing pains of understanding, enabling and regulating this new industry, and building the institutional infrastructure. Much of this work will fall to the municipalities who are responsible for land-use zoning, bylaw and law enforcement.

Understanding the impacts and benefits of cannabis micro-cultivation for municipalities opens new doors for tax revenue, local economic development and land use planning. The benefits of a vertically integrated economy and the many ancillary businesses that are being created can be a powerful economic driver for small communities. ■



Existing Small Cannabis Growers are an Integral Part of the BC Economy

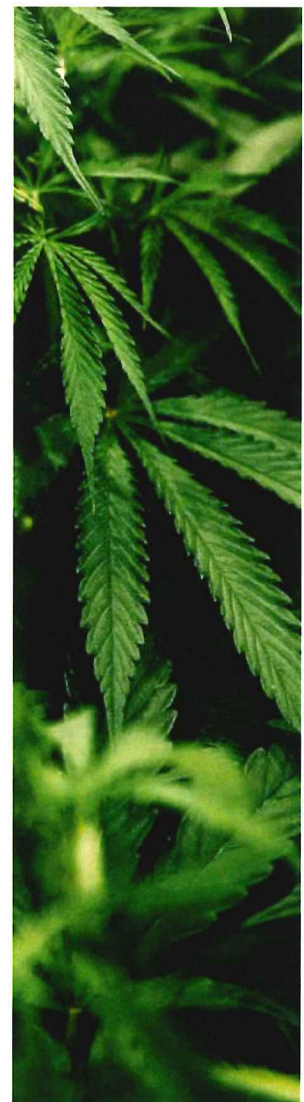
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Cannabis cultivation in British Columbia is not new. Cannabis has been important to communities in British Columbia. In the Kootenays, it is estimated that up to 30% of the local economy has been driven by cannabis cultivation (Paris, 2018). Small communities in B.C. that have had downturns in the resource sector have quietly relied on the craft cannabis industry.

Craft growers have been operating in our communities for many years and have built an industry with a global reputation. Generally, people are unaware of the micro-cultivation facilities that exist all around them. These small growers are your friends and neighbours who care about their communities and want to contribute by entering the new, legal framework.

It wasn't the large corporations that built the cannabis industry in BC, it was craft growers and advocates for access to medicinal cannabis. It is time to recognize their achievements and allow these craft producers to enter this burgeoning market. Failing to acknowledge these craft growers with appropriate land use could lead to rural BC communities taking a financial hit. ■



Purposes of the Cannabis Act

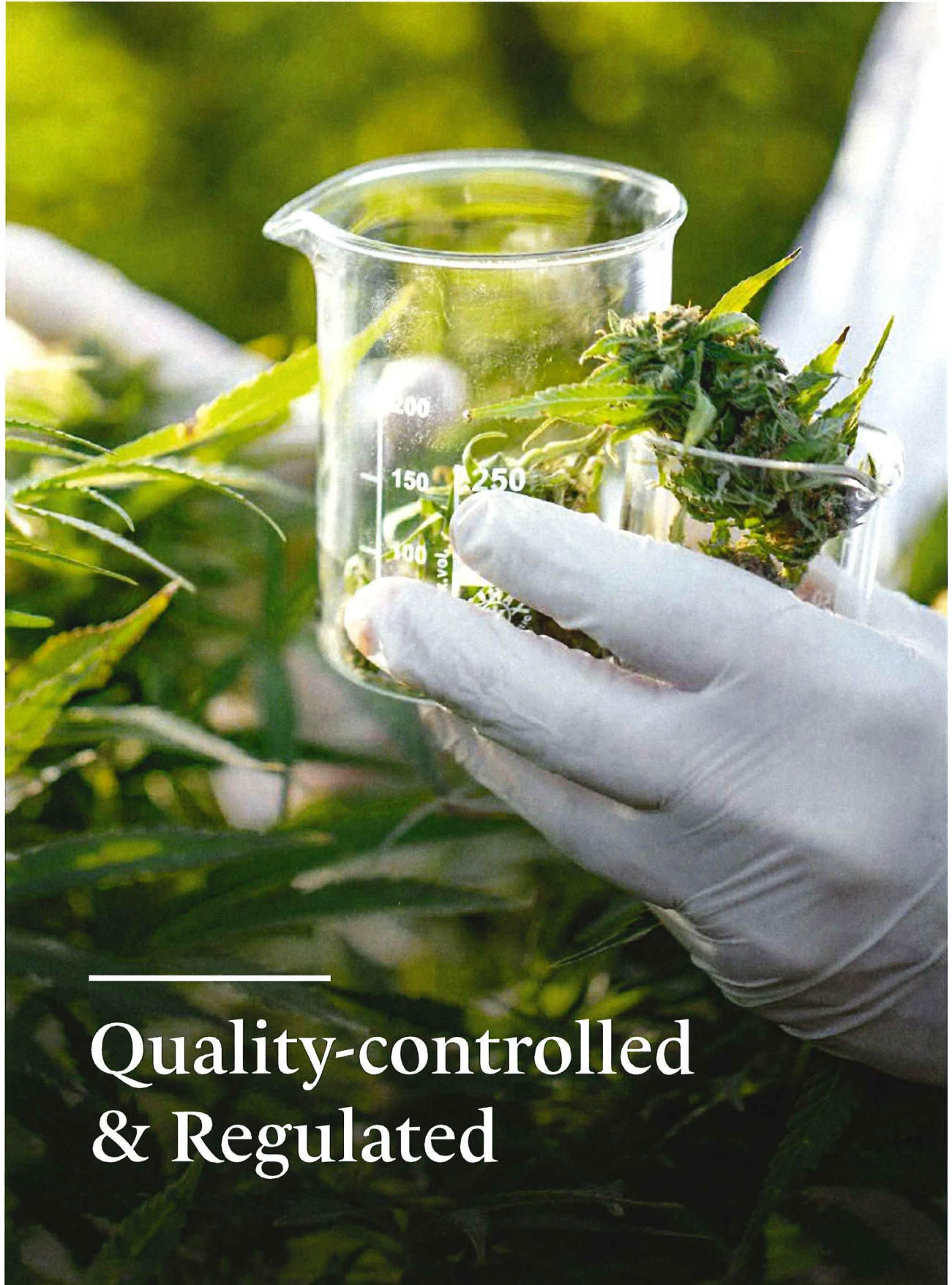


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The Cannabis Act was established by the Government of Canada with several purposes in mind.

1. Protecting young persons by restricting access to cannabis
2. Protecting young persons from inducements to use cannabis
3. Provide for the licit production of cannabis to reduce illicit activities
4. Deter illicit activities in relation to cannabis
5. Reduce the burden on the criminal justice system
6. Provide access to a quality-controlled supply of cannabis
7. Enhance public awareness of the health risks associated with cannabis use

**Safety & Awareness
Are Key**



Quality-controlled
& Regulated

Health Canada Regulatory Compliance is Different Under the Cannabis Act

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Prior to the establishment of the Cannabis Act, there was little regulatory oversight into how cannabis growers operated. In order to achieve the goal of providing access to a safe, quality-controlled supply of cannabis, Health Canada has established a stringent regulatory compliance program which includes:

- Security clearances and site-specific security requirements
- Facility inspections
- Good Production Practices (GPP)
- Odour control and mitigation requirements
- Record keeping audits, Seed to Sale tracking, and inventory verification to prevent diversion
- Product sampling and analysis to ensure product safety
- Product recall and complaint procedures

Classes of Licences Established in the Cannabis Act

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Cultivation Licences

Standard Cultivation Licence

- There is no limit on the size of the growing area
- Facilities range in size from 2000m² (20000 ft²) to 200000m² (2,000,000 ft²)

Nursery Licence

- No limit on the size of the growing area for vegetative growth
- Limited to 50m² (~500 ft²) of growing area for flowering growth

Micro-Cultivation Licence

- Limited to 200 m² (2100 ft²) of growing area

Processing Licences

Standard Processing Licence

- No limit on the amount of cannabis that can be processed

Micro Processing Licences

- Limited to possession of 600kg of cannabis in a year

Analytical Testing Licence

Research Licence

Micro-cultivation Licences are Different

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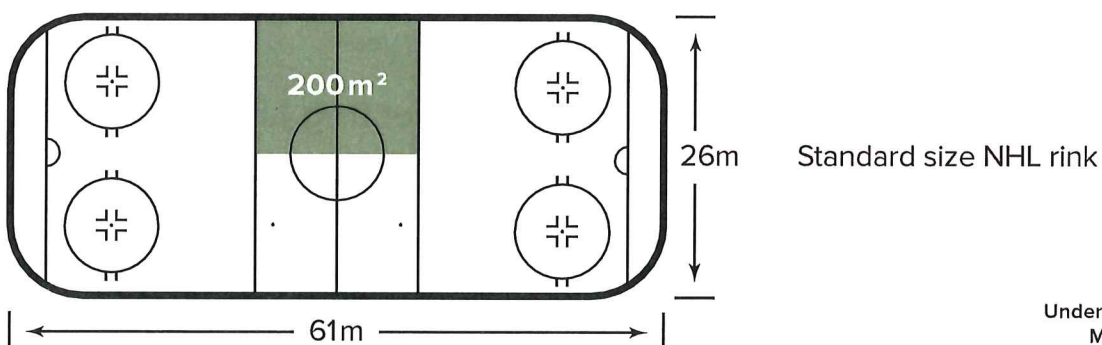
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Micro-cultivation licences were created by Health Canada at the request of the B.C. government as a way of allowing the EXISTING craft cannabis growers a route to join the legal framework of the Cannabis Act.

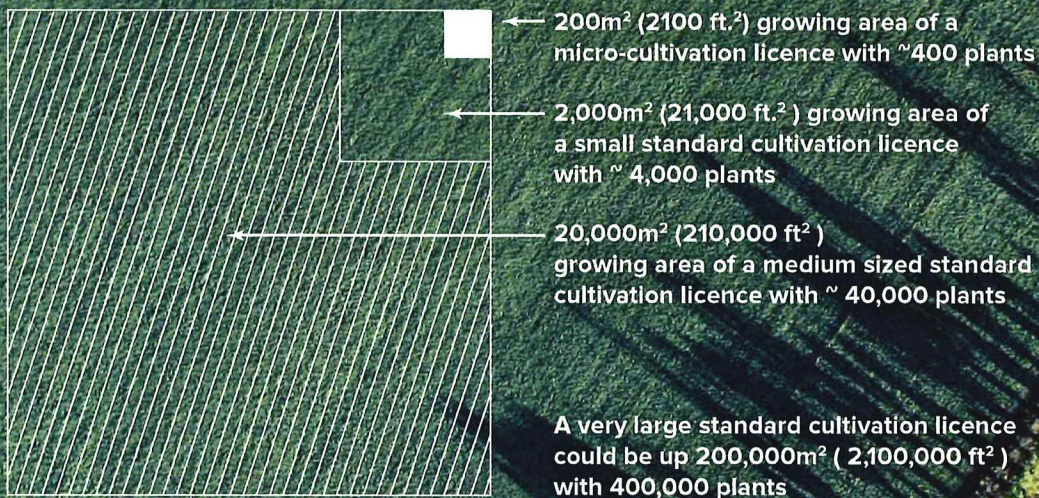
The goals of the Micro-cultivation licence are:

- **Prevent monopolization of the cannabis industry by large corporations by allowing individuals and small businesses who built the cannabis industry into the regulated framework**
- **Provide for the licit production of cannabis to reduce illicit activities by allowing existing small growers to join the legal framework**

A Micro-cultivation licence is very different than a standard cultivation licence. Growers utilize a very small footprint. The canopy area of a micro-cultivation is only 200m² which is about the size illustrated below. ■



In contrast a Standard Cultivation licence could have a growing area up to 200,000 m² or 20 Ha. An entire micro-cultivation facility including fencing and parking will only be about 1000 m² or 0.1 Ha.



Economic Benefits of Micro-cultivation

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Every community has dozens and, in some cases hundreds of micro-cultivators operating within their community. These growers want to move out of the shadows and become part of the new legal framework and be accepted as local small businesses that contribute to the social fabric of their communities.

As these facilities upgrade to meet the standards required by the Cannabis Act, they will have to engage with a large number of local contractors such as:

- Building contractors
- Electricians, HVAC Specialists, Plumbers
- Computer programmers
- Security companies
- Laboratory testing companies

Economic Benefits of Micro-cultivation

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In B.C. it is estimated that there are as many as 6000 of these micro-cultivators operating under the Federal program (Shore, 2019). If we look at the cumulative effects of licensing, just 10% or 600 of these existing micro-cultivators, we can see how small rural communities that are suffering from a downturn in the resource sector can benefit:

	Each Micro-cultivator	600 Micro-cultivators
Amount of land used	0.1 Ha	60 Ha
Direct Full Time Jobs	4	2400
Local Wages ¹	\$200,000	\$120M
Gross Revenue to Growers ²	\$2.4M	\$1.4B

1. Assuming a \$25/hr. wage

2. Assumes 400kg/yr./micro of production and a retail price of \$12/g which is the mid-price for premium flower as listed on the BCLDB website for premium cannabis. Wholesale price to growers is assumed to be 50% of retail

Municipalities will also benefit from:

- Increased municipal revenue to communities through permits and fees
- Reduced bylaw enforcement and policing costs
- Reduced fire and life safety risks

Cannabis Micro-cultivation in the ALR

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On Feb.22, 2019, the Agricultural Land Commission clarified that all forms of cannabis production are a ‘farm-use’, and that application to the ALC was not required for growing cannabis. The ALC does allow local governments to limit cannabis production in certain forms through local zoning bylaws.

The ALC specified that local government **may not** prohibit cannabis production if it is produced:

- Outdoors in a field
- Inside a structure that has a base entirely consisting of soil
- Inside a structure built before July 13, 2018 for the purpose of growing crops

Due to concerns that large cannabis companies are accessing farmland to build huge industrial scale greenhouses for cannabis production, some municipalities have taken the path of prohibiting all forms of cannabis production in the ALR except for that which the ALC allows. ■

Cannabis Micro-cultivation in the ALR

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This does not acknowledge the difference in scale of operations between Micro-cultivation licences and Standard cultivation licences

Limiting cannabis production to soil based within the ALR effectively prohibits micro-cultivation for the following reasons:

- Micro-cultivators are craft growers who tend to each plant by hand to grow the high-quality flower that B.C. has become world famous for.
- Most cannabis grown outdoors or in greenhouses with a soil base is only suitable for extraction
- Health Canada has strict limits for microbial and pesticide contamination for flower, which are difficult to achieve with a soil base
- Outdoor cannabis may be subject to contamination from neighbouring crops
- Health Canada requires licencees to use Good Production Practices (GPP) which include stringent sanitation practices that are extremely difficult to achieve with a soil base

Micro-cultivation can Help Support B.C. Farmers

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Municipalities are rightfully concerned about the use of agricultural land for large scale cannabis production. The conversion of large-scale greenhouses that were built for food production on ALR land into cannabis production facilities has caused municipalities to be concerned. Some believe that cannabis production on ALR land is really just about getting cheaper agricultural land for industrial use. (Kwan, 2019)

Not all farmland is created equal and not all farmland is used for food production. The ALR represents about 5% of the land area in B.C., but only about 50% of the ALR is suitable for a range of crops. ALR land is used for growing many different crops including; flowers, ornamental plants, shrubs, trees, hops and grape vines. Farming is a complicated business with huge capital expenditures and many variables. Farmers should have the right to grow the crops that they choose in the way that they choose to grow.

ALR land is used for a variety of other activities including the Oil and Gas industries, without disrupting its use for agricultural purposes.

Micro-cultivators are getting caught in the crossfire of the ALR debate. In reality, micro-cultivators are already in many outbuildings on ALR land. Allowing micro-cultivators to operate legally will have no effect on the availability of farmland for agricultural use. The additional income that this year-round crop provides to traditional food farmers enhances the viability of these farmers and allows them to continue to produce other crops that are becoming economically marginal due to cheaper production internationally. ■



Cannabis Production and Infrastructure

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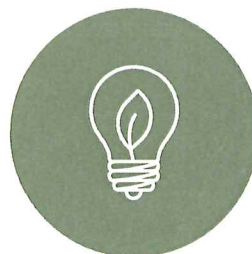
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Municipalities have expressed concern regarding the burden that cannabis production places on local infrastructure. Micro-cultivators, due to their small size, do not place the same burden on municipal infrastructure that large corporate standard cultivators do. Micro-cultivators are focused on sustainable cannabis cultivation.



Water

Cannabis plants need 15-20 litres of water per day for each plant. For a micro-cultivator with 500 plants, this amounts to 7500-10000 litres per day. This is a fraction of what standard cultivators are using. Micro-cultivation facilities are developing effective water conservation strategies such as rain water collection, and reusing water from fertigation systems and dehumidifiers.



Electricity

This is the number one input for micro-cultivation facilities. A micro-cultivation facility will use only 1% of the energy used by a medium sized 20,000 m² facility. New developments in LED technology and the use of hybrid greenhouse facilities that still utilize sunlight are all helping to reduce this cost.

Cannabis Production and Infrastructure

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Wastewater

Micro-cultivation facilities are striving to reduce the discharge of waste water through the use of recirculating hydroponic systems, which recycle fertigation water.



Organic Waste

Composting is the preferred method of disposal for the organic waste that is produced by cultivation operations. Almost all communities in B.C. have access to a commercial composting operation. It does not need to be disposed of in landfills.

**Micro-cultivators are
focused on sustainable
cannabis cultivation**



Cannabis Production and Odours

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Some municipalities have been having problems with odour complaints due to large standard cultivation operations. Cannabis odours are created by the plant's essential oils (terpenes) that are produced during the flowering phase. There are over 200 compounds that have been identified as terpenes that can create smells ranging from pine and citrus to earthy and skunky.

The problem is many large cultivators with 100's of thousands of plants ignored this problem. Micro-cultivators may only have a few hundred plants, and the reality is that they are already controlling their odours, because no one realizes they already exist in neighbourhoods, or industrial areas.

Public Health Ontario completed a literature search that found no studies associating health effects with these odours. However, odours can still be perceived as unpleasant even if they don't have any health effects associated with them, and this can be a source of irritation to nearby residents.

As per The Cannabis Act SOR 2018-144 s.85

The building or part of the building where cannabis is produced, packaged, labeled and stored must be equipped with a system that filters air to prevent the escape of odours

Under the Cannabis Act, Health Canada has mandated that producers control their odour.

Many industries have to control odours, so this is not something new. There are a variety of effective odour mitigation systems including: Carbon Filters, Biofilters, and Non-thermal plasma technology. Municipalities can require via their bylaws that an effective odour management plan be in place in order to prevent this from being a problem.

The Municipal Role in Implementing the Cannabis Act

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Municipalities have a shared responsibility in the implementation of the institutional infrastructure that supports the implementation of the Cannabis Act. Municipalities, Provincial and Federal governments all have the same desire; to reduce crime and the costs associated with illegal cannabis activities. It is only through enabling micro-cultivation licences that we can reduce illegal activities associated with cannabis production. Municipalities need to work with the Federal government to help achieve the goals of:

Reducing and deterring Illicit activities in relation to cannabis.

Reducing the burden on the criminal justice system.

The Municipal Role in Implementing the Cannabis Act

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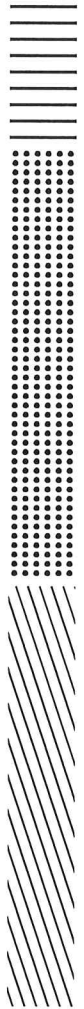
Prohibition has not worked in reducing the illegal activities associated with cannabis. If the response is; “we don’t want production in any form in our communities”, then the underground economy will continue unabated. Municipalities can affect a positive change without the negative side effects by:

- Allowing indoor Micro-cultivation licences on ALR land up to 1000m² total facility size which aligns with ALC regulations regarding fill. This will allow Micro-cultivators to operate, while still protecting agricultural land and food production
- Specifying micro-cultivation and processing as an allowed use in current commercial (C) and industrial (I) zones
- Allowing micro-cultivation in Rural Residential (RR) areas with lot sizes greater than 2 Ha
- Developing Comprehensive Development (CD) zones that would allow for technology hubs to be created. This would allow for micro-cultivation, processing, extraction, packaging and lab services to support the entire vertical cannabis economy.

Conclusion

Canada's cannabis industry exists because of the hard work of local craft cannabis cultivators. B.C. has a history of supporting local agriculture and 'craft' culture, through its support of local wineries and beer producers.

If you do not allow local micro-cultivators to enter the legal framework, then you are encouraging the consolidation of the cannabis industry in the hands of a few large corporations, not unlike the alcohol industry after prohibition ended. There will be few benefits to small communities across B.C. in this scenario, and the craft growers will be marginalized and pushed to the sidelines or choose to remain in the illicit market. By supporting your local growers through policy and regulations, you are building a safe and sustainable new industry. ■



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Presented by



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