

# Zoning Amendment Bylaw No. 4150 for Cannabis Product Manufacturing – First Two Readings

## RECOMMENDATION:

*That Council give Zoning Amendment Bylaw No. 4150 first two readings.*

## OPTIONS (✓ = Staff Recommendation)

| #  | Description   |
|--|---|
| 1<br><input checked="" type="checkbox"/> | Give first two readings to the bylaw.   |
| 2  | Delay first two readings and request staff to provide additional information. |
| 3  | Deny first two readings of the bylaw.   |



# Production of Goods made with Cannabis Extracts

## **RECOMMENDATION:**

That Committee of Council recommend to Council that the Zoning Bylaw be amended to allow for the production of goods made with cannabis in an extracted form.

## **REPORT SUMMARY**

The Government of Canada will be allowing for three new classes of cannabis that could be legally sold by federal licence holders: edible cannabis, cannabis extracts and cannabis topicals. This report recommends Council introduce an amendment to the Zoning Bylaw that would allow for the production and manufacturing of products made with cannabis in an extracted form as a permitted use. This amendment would result in the opportunity for industrial manufacturing businesses producing products containing cannabis extract such as a topical ointment, or commercial kitchens producing baked or packaged food products containing cannabis extract for a wholesale market, in zones which permit production uses, if the business also has the required federal licence to use a cannabis extract product. The City would continue to restrict the production of cannabis and the retail sale of any product containing cannabis to sites with site-specific zoning in place allowing for such production or sale.

## **BACKGROUND**

Cannabis edibles, extracts and topicals are products made with oils and concentrates which have been extracted from the cannabis plant through specific processing techniques. These products in their extracted form do not have any odour and would be similar to other extract products used in the manufacturing of edible and topical goods.

The *Cannabis Act*, which authorizes the legal sale of edibles containing cannabis and cannabis concentrate, comes into force on October 17th, 2019. The Government of Canada has recently announced amendments to its Cannabis Regulations to set out the rules governing the production and sale of the three new classes of cannabis that could be legally sold by federal licence holders as of October 17<sup>th</sup>: edible cannabis, cannabis extracts and cannabis topicals (lotions, balms, and oils that are absorbed through the skin). The BC Liquor Distribution Branch, which is the sole wholesale distributor of non-medical cannabis for the Province, has advised it will be working with producers licenced to use cannabis to secure access to their products for retailers licenced to sell cannabis. It is expected that the sale of products will commence in December.

In Port Coquitlam, sites must have site-specific zoning in place to be permitted to produce, distribute, or sell any product containing cannabis and the *Cannabis Establishment Policy* guides Council in its decisions with respect to where a business may be permitted to produce or sell cannabis. The intent of this regulatory framework is to ensure Council is able to make informed decisions on the right location for cannabis-related uses and mitigate potential impacts, such as to ensure retail sales outlets are not in close proximity to spaces frequented by children and to avoid odour associated with the production (cultivation and processing) of cannabis. This framework was established before the Government of Canada announced its intent to allow for the production and

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sale of edible, extract and topical products and therefore did not contemplate regulations for this use.

## **DISCUSSION**

Cannabis edibles, extracts and topicals are made with oils and concentrates which have been extracted from the cannabis plant through specific processing techniques. In their extracted form, these products do not have any odour and are similar to other extract products used in the manufacturing of edible and topical goods. As a result, the production of goods made with an extracted cannabis concentrate or oil is not anticipated to be associated with the types of significant negative impacts associated with the production of cannabis.

The retail sale of any product containing cannabis oil or concentrate would be permitted where a site has been zoned on a site-specific basis to permit the sale and no changes to the Zoning Bylaw or Cannabis Establishment Policy are required to accommodate such sales.

In summary, it is recommended that the Zoning Bylaw be amended to permit the use of extracted cannabis oils and concentrates in the production of products containing cannabis oil or concentrate, when a site is zoned to permit this production use and the producer has been licenced by Health Canada for this activity. For clarity, the amendment would not permit the extraction process, just use of the extracted product.

## **FINANCIAL IMPLICATIONS**

None

## **OPTIONS**

(Check = Staff Recommendation)

| #  | Description   |
|--|---|
| 1<br> | Recommend that Council amend the Zoning Bylaw to amend restrictions on cannabis uses to allow the production of goods made with cannabis in an extracted form, as permitted by Health Canada. |
| 2  | Request amendment of the draft bylaw amendments prior to their consideration.   |
| 3  | Determine that no changes will be made to existing regulations at this time.  |

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