



Mayor and Council  
City of Victoria  
No.1 Centennial Square  
Victoria, BC  
V8W 1P6

December 16, 2016

**Re: Cannabis Retail Rezoning Policy**

Dear Mayor Helps and Council,

The DRA understands the City of Victoria's attempts to regulate medical cannabis retail businesses for the stated purpose of providing for those with medical need. However, the DRA has strong concerns regarding the recently enacted Storefront Cannabis Retailer Bylaw and our participation in prematurely legitimizing a retail activity that is not currently legal under provincial or federal legislation. As such, the DRA LUC has chosen to decline to facilitate the public meetings related to rezoning applications for Cannabis Dispensaries.

The Access to Cannabis for Medical Purposes Regulations (ACMPR) is federal legislation which regulates the medicinal use of cannabis and provides for individuals who have been authorized by a health care practitioner to use cannabis for medical purposes, but does not authorize storefronts (i.e., dispensaries) to sell cannabis or marijuana for medical or any other (e.g. recreational) purposes.

Mayor and Councils' clearly stated intent in enacting the Storefront Cannabis Retailer Bylaw is to facilitate the retail of medical but not recreational cannabis. If Council is genuinely sincere about the distinction between medical and recreational use, then "Compassion Clubs" should be defined and favoured over "Retail Dealers" as they are in the Vancouver Bylaw. Other core municipalities have declined to enact similar Bylaws and currently there are no dispensaries within the Municipalities of Oak Bay, Esquimalt, Saanich, View Royal, Colwood, Langford, Central Saanich, Highlands and Sidney, but there are roughly 30 so-called dispensaries within the municipal boundaries of the City of Victoria effectively creating a destination for sales to people from outside the municipal jurisdiction.

As a benchmark for comparison, the number of traditional pharmacies operating within a prescribed area would be a good indication for how many cannabis dispensaries would be needed to serve the local community's medical needs. Currently there are five traditional pharmacies operating within the Downtown Harris Green boundaries dispensing all of the prescription drugs for the local area. The current situation of three times that number of cannabis dispensaries operating in downtown would indicate a strong recreational component of sales.

The number of dispensaries can easily be regulated with proximity rules, however the current bylaw proximity distance of only 200m does little to limit numbers, as it will allow approximately 25 cannabis

dispensaries to be approved within the Downtown precinct. Even if Council were to consider recreational uses as well, it would be reasonable to compare the existing regulations that are in place for other jurisdictions such as Vancouver, Washington and Colorado, which are all 300m. Another option is to apply the same proximity as is applied to alcohol retail, which is 1000m. Currently, five existing liquor retail outlets adequately serve the Downtown area.

The retail sale of medicines and intoxicants to the public are strongly regulated businesses and the sale of cannabis will certainly be as well. This is not a retail business like any other nor will it be treated as such by regulators. Proximity rules were established by public policy within the liquor retail regulations to actually limit competition to the point that the public is adequately served and operators do not need to sell to minors to make ends meet. Margins are extremely low in the liquor retail business and they will be likely as low in the cannabis business as soon as it becomes legal. There is a strong case that indicates a direct correlation between the viability of these businesses and compliance regarding sale to minors so it appears premature to approve any more than a few cannabis dispensaries within the Downtown precinct. When the retail sale of cannabis is legalized there will be dispensaries established in the other municipalities that will significantly reduce demand within the core. There is a good chance that "Core Area" dispensaries approved now will be "grandfathered" upon legalization and then will desperately try to earn their rent in our neighbourhood with a declining market. Legalization will still retain cannabis as a controlled substance and Provincial Regulation will most likely mirror the existing 1000m proximity rules for the retail sale of alcohol.

The federal government will set the framework for who will be allowed to grow, distribute and sell marijuana. However, those new laws are not expected to be in place until 2018. In absence of this framework, the City of Vancouver implemented zoning and licensing and bylaws for the illegal shops in June 2015. The City of Victoria can leverage the lessons learned in Vancouver and avoid some of the problems before they are created.

As reported recently in the Ottawa Sun, "Many of the pot shops have ignored the bylaws. According to recent statistics released by the City of Vancouver, 32 marijuana stores voluntarily closed or stopped selling marijuana, but 57 shops are still operating and "subject to enforcement." The City has issued 691 tickets at \$250 a pop, but only 140 have been paid. The city has also filed 27 court injunctions against shops that have not complied. Only four business licences have been awarded. Several dozen applications are processing" (October 3, 2016). These statistics speak to the massive investment of resources that will be required to educate, regulate, and enforce the bylaws that are essentially temporary.

Regardless of best intentions, the City of Victoria, through the current version of the Storefront Cannabis Retailer Bylaw, is likely facilitating the sale of recreational cannabis (the supply of which is currently dominated by organized crime) without the regulatory and criminal oversight that a federal or provincial framework would provide. If Council feels compelled to act ahead of senior government oversight on this issue and Councils' intent is truly to facilitate the retail sale of medical, not recreational, cannabis, then it should exercise caution and amend the current bylaw to increase the proximity distance and only approve an appropriate type and number of retailers until senior government catches up.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ian Sutherland', written in a cursive style.

Ian Sutherland,  
Chair Land Use Committee,  
Downtown Residents Association