

CANNABIS REGULATIONS

REGIONAL DISTRICT OF CENTRAL KOOTENAY ENGAGEMENT REPORT



A summary of stakeholder engagement

Cannabis Engagement – Summary Report

The Regional District of Central Kootenay (RDCK) hosted a series of six sub-regional workshops to build a common understanding of the cannabis industry in the RDCK. The workshops were held in conjunction with on-line engagement through a survey throughout the month of August 2018. Over 300 participants were engaged either on-line or in person. Workshops were held in Nelson, Meadow Creek, Castlegar, Nakusp, Creston and Winlaw. The purpose of this engagement was to invite members of the cannabis industry, interested community members and other stakeholders to discuss the role of local government in the transition and legalization of cannabis within the RDCK.

Cannabis cultivation in the Kootenay region was largely initiated in the 1960s and has been an important economic determinant in the region for over sixty years. The economic value and dependency rate on the cannabis industry ranges from 20% to 70% and varies substantially sub-regionally. Economic dependence on the cannabis industry is specifically noted to be high in the Slocan Valley, Rural Nakusp, North Kootenay Lake and Salmo. The majority of cultivation within the RDCK occurs in indoor production facilities under 'Designated Person Production Licenses' under the now defunct Marihuana Medical Access Regulation (MMAR). Retail sales for medical cannabis has also become established in recent years with six retail facilities in Nelson and one in rural Creston. Retail sale of medical and non-medical cannabis has not been enabled federally and medical access to cannabis remains to be through direct mail or courier to registered patients.

At present, cannabis is a controlled substance under the Federal Controlled Drugs and Substances Act and the Access to Cannabis for Medical Purposes Regulation (ACMPR) which allows authorized individuals to grow their own cannabis for medical purposes or obtain it from a licensed commercial or designated producer. The ACMPR replaced the former Marihuana for Medical Purposes Regulations (MMPR) in 2016.

The proposed Cannabis Act is anticipated to be in place on October 17, 2018 and is intended to set the parameters for the operation of a legal cannabis industry in Canada. It is proposed that the Federal Government (Health Canada) will continue to be responsible for licensing the cultivation and processing of cannabis and that the Province will be able to use their legislative authority with regard to the distribution and retail sale of cannabis. The Province of British Columbia has indicated that retail sale and distribution will be through both public and private retailers through the Liquor and Cannabis Regulations Branch (LCRB).

At this time, proposed changes will only address dried cannabis, fresh cannabis, cannabis oil, seeds and plants. Edibles or concentrates, such as resin or hashish will be addressed at a later date, anticipated to be one year following implementation of the Cannabis Act.

Currently within the Regional District of Central Kootenay, Production Licenses (LPs) were enabled under the former Marihuana for Medical Purposes Regulations (MMPR) on lands zoned Agriculture or Industrial in 2014, in parallel with the Provincial governments decision that cannabis production was considered a 'Farm Use' by the Ministry of Agriculture and was deemed a land use that could not be 'prohibited' on lands designated for such purposes. The retail sale of cannabis was not addressed as licensed producers under the ACMPR were only permitted to retail product through a mail order system.

In August 2018, the Regional District of Central Kootenay initiated stakeholder engagement with regard to understanding the needs of the industry and community members, with the intent of building a better understanding of how to move forward with land use regulation in support of the Cannabis Act.

CANNABIS RETAIL SALES

- Licensed producers will not be enabled to have farm gate sales – distribution will be through LCRB
- Sale for Medical Purposes will continue to be direct to registered clients through secure delivery by mail or courier
- Sale of cannabis products for Recreational Purposes will be through private and public retailers through licensing with LCRB
- Current retailers will not be ‘grandfathered’ and are subject to the same requirements as new applicants
- Retailers will be subject to local land use regulations (zoning)
- Proposed permitted use for lands zoned ‘commercial’ or where retail sales for liquor is currently permitted
- Proposed minimum distance requirements from schools and community halls (areas with potential commercial and civic uses in proximity include Erickson, Six Mile, Ymir Town-site, South Slokan, Winlaw, Edgewood)

WHAT WE HEARD...

The majority of respondents felt that the location of cannabis retail facilities should be enabled in commercial areas of the RDCK, similar to that of liquor sales or rural agency stores. Concerns expressed included: co-location of cannabis and liquor sales, inequitable access to cannabis products in rural and remote communities, associated costs to access or obtain cannabis products and proximity considerations. Many felt that it would be appropriate to allow for co-location or rural agency stores in more rural or remote areas of the RDCK and some expressed that farm gate sales should be enabled to support local tourism and economic opportunities. Most felt that it would be appropriate to consider the proximity of retail facilities to areas where youth may congregate. There appeared to be limited concern with limiting the number of retail licenses in the rural areas of the RDCK and most agreed that the market will determine the number of retail facilities. All respondents and participants expressed that they supported private retail facilities over provincial retail facilities and sought support for local business development and product preference.

Retail licensing requires public notification and local government support. All respondents and participants felt that direct mailings and local newspaper notices would be an appropriate means of engaging community members and public meetings or hearings are unnecessary.

CANNABIS CULTIVATION

Micro Cultivation

- Permits 200 square metres (2152 square feet) of canopy space both indoors and outdoors – new applicants permitted ‘unique genetics’
- One license permitted per parcel
- Can sell wholesale (third party), direct sales to provincial distributor (LCRB), other processors or direct to medical patients
- Application to Health Canada requires notification to local government
- Building must be constructed prior to issuance of a license

Standard Cultivation

- Permits more than 200 square metres (2152 square feet) of canopy space indoors (higher security risk) - new applicants permitted ‘unique genetics’
- Can apply for multitude of licensing (processing, analytical testing, research and development, nursery)
- Can sell wholesale (third party), direct sales to provincial distributor (LCRB), other processors or direct to medical patients (if licensed)

Nursery

- Authorizes the cultivation of genetics (cannabis and hemp) for the production of seeds, seedlings and clones - new applicants permitted ‘unique genetics’
- Can be sold to any other type of license holder
- Cultivation can be either indoors (greenhouse or warehouse) or outdoors (farmed)
- Canopy space limited to 50 square metres (538 square feet) – does not permit cultivation of finished product (dried flower)

WHAT WE HEARD...

PUBLIC NOTIFICATION

Cannabis cultivation licenses and nurseries do not require public notification or local government support, although they are subject to local land use regulations. The majority of respondents felt that such facilities should not require public notification due to concerns over security of the product. Support for notification requirements was primarily due to concerns with nuisances such as: odor, noise, light pollution, water usage, pest control practices, increased traffic, associated crime and perceived impacts to property values.

CULTIVATION

Cultivation was considered to be a ‘farm use’ by most respondents and participants. Some participants questioned the provincial decision to limit cultivation on agricultural lands to soil based, while others supported the decision as a means of protecting agricultural land and ensuring future food security. There was consensus that cultivation licensing should allow a residence on site from a security perspective for both indoor and outdoor cultivation. Current licensing does not allow this at a federal level.

Concerns that were expressed included: weed management, cross-pollination between cannabis and hemp production, pest control, setback requirements or minimum lot sizes being a barrier on narrow and smaller lots, economic and financial barriers, infrastructure (water and energy), nuisance associated with indoor and outdoor cultivation (odor, noise, lighting), lack of dependable workforce, potential for a flooded market and a preference to keep the industry localized.

Opportunities that were expressed included: existing expertise and knowledge, support for the local economy, regional reputation of the industry, value added industry (agro-tourism, edibles, processing, packaging and distribution, hemp fiber), utilization of marginal agricultural land, supplemental income for agricultural producers and other resource based industries, building community through cooperative cultivation models and access to national and international markets.

MICRO CULTIVATION

Most respondents and participants indicated that due to the anticipated small scale of micro cultivation licensing that it should not be regulated in the same manner as standard cultivation. Survey results indicated that many respondents felt that micro cultivation could be accommodated as an accessory use to residential or agricultural lands and that there should be no specified zoning for such facilities. The additional costs of acquiring vacant land for micro cultivation facilities would be a significant cost constraint to potential license holders; as would additional requirements for screening or landscaping. Non-farm use approval requirements for lands within the ALR was also identified as a potential barrier for micro cultivation licensing as indoor production allows for better quality control over the plant and production methods which may be required to compete with the volume of product from larger producers.

STANDARD CULTIVATION

Most respondents and participants felt that standard cultivation licensing was most appropriately directed to lands designated for agriculture or industrial activity; the distinction largely being whether proposed cultivation was indoors, outdoors or a combination of both.

The potential scale and size of facilities for standard cultivation licenses also brought into consideration the potential nuisance associated with larger facilities and the need for setbacks from adjacent properties, form and character guidelines and other tools to mitigate potential impacts from odor, noise, lighting and waste management. Participants expressed that outdoor cultivation was viewed as a 'farm use' while indoor cultivation should be appropriately directed to 'industrial' properties to mitigate the potential impact of such facilities on a limited agricultural land base.

NURSERY LICENSES

Most respondents and participants indicated that nursery licenses would be appropriate as an accessory use to residential or on lands designated for agriculture. The scale of the facility was the principal determinant in whether the proposed nursery license would be considered an accessory use or principal use. It is anticipated that nursery licenses will be primarily obtained by those with cultivation licenses.

Outdoor and greenhouse production was perceived to be a 'farm use', while indoor production was perceived to be an 'industrial use' with recommended setbacks for larger facilities. The majority of respondents felt that it would be unnecessary to require landscaping and screening of nursery facilities.

CANNABIS PROCESSING AND EDIBLES

- Authorizes the extraction of cannabis oil
- Micro Processing
 - Permitted to process up to 600 kg of dried flower annually
- Standard Processing
 - No limitation on the amount of dried flower processed annually
- Licensing can be stand alone or in conjunction with cultivation licensing
- Notification to local government and application requirements similar to cultivation licensing

Edibles

- Includes cannabis-infused food and drink products
- Regulations currently under development
- Anticipated to fall within Micro and Standard Processing Licenses
- Some companies pursuing Research and Development Licenses to allow for product development
- Considerations
 - Enable under small scale food processing as an accessory use to 'agriculture' or 'horticulture'

WHAT WE HEARD...

CANNABIS PROCESSING

Most respondents and participants indicated that standard processing licensing is most appropriately directed to industrial properties with appropriate setback and form and character guidelines. However micro processing is anticipated to be of low risk and impact to adjacent properties as current requirements under federal legislation only allow for H²O and CO² for the processing of product. It is anticipated that the majority of micro processing licensing will be an accessory use to cultivation licensing.

CANNABIS EDIBLES

It is anticipated that most individuals seeking licensing for edibles regionally will be small scale producers already engaged in production as a home based occupation. Land use considerations may be under small scale food processing or similar to that of a commercial kitchen. There was

significant concern that edibles will not be enacted in 2018 leaving a significant gap for both producers and medical consumers.

CANNABIS INDUSTRY IN THE KOOTENAY REGION

- Economic value of cannabis to the Kootenay region (including all 3 Regional Districts) from 2000-2005 was estimated to be up to 20% (some say closer to 30%) or approximately 2,000 producers based on regional economic analysis in 2010.
- Economic dependence on the Cannabis industry varies sub-regionally with high dependency rates in areas such as the Slocan Valley, Rural Nakusp, North Kootenay Lake and Salmo
- Outdoor cultivation historically widespread in the Kootenay region but has been reduced significantly since 2010 by an estimated 80% due to changing market preferences and a reduced market south of the border following legalization.
- Indoor cultivation under Personal and Designated Person Production Licenses estimated at 15,000 nationally with 4,500 licensed growers in BC (highest per capita of all Provinces and Territories)

WHAT WE HEARD...

The cannabis industry is of significant importance to the regional economy, culture and social fabric in many of our communities. The cannabis industry is largely characterized as decentralized small producers or 'craft industry' and there is a lot of uncertainty as to how the Cannabis Act and the transition to legalization will impact local producers and consumers.

Many participants and respondents expressed concern that the Cannabis Act and its associated licensing requirements has resulted in an environment that gives preference to larger corporate entities. The opportunities associated with the Cannabis Act include cooperative models of production and focused marketing of 'craft product' building on the regions strengths in the industry. The costs associated with licensing and the complexity of the regulatory requirements were identified as a constraint to transitioning into the legal cannabis market. Financing and business support is currently not largely available. The lack of a transition period for those already involved in the industry is also of concern as it does not allow for a competitive advantage to those already licensed for commercial production under the current regulations and there is uncertainty as to future law enforcement for those producers and retailers that have not obtained licensing.

Community considerations include concerns with regard to the impact of the industry on adjacent properties and communities with regard to nuisances, such as: odor, noise, lighting

and waste management. There is significant concern over environmental considerations regarding water quality and quantity, the use of chemicals in production and processing, and the anticipated lack of oversight by Health Canada of current producers.

APPENDIX ONE: CANNABIS WORKSHOP NOTES

Rural Nelson (Prestige Lakeside Resort) Wednesday August 15, 2018

RETAIL SALES

- It would be appropriate to allow for co-location or rural agency stores in rural areas
- Farm gate sales should be enabled
- Already so many regulations and hoops why should it go through a central hub – additional shipping and handling does not make sense
- On-line sales should be enabled
- Local tourism opportunity
- Allow as many retail stores as the market will allow – or limit with process for exemptions
- Create associations for public involvement
- Engage community feedback through RDCK website, community engagement meetings, on-line surveys, round table discussions with stakeholders – local newspapers
- Opportunity to support the local economy and job creation
- Education through community colleges
- Support private retail over public retail – need for vertical integration (farm sales and tourism)

CULTIVATION

- Cannabis cultivation should be considered a farm use – question the ALC decision limiting to soil based – some participants support the regulatory change and others challenge the decision
- If there is un-used industrial land production could occur there.
- ALR – greenhouses and soil based – weeds to be restricted – losing farm land to this industry – concern over small percentage of ALR lands and implications to food security – land values will rise and make farm land un-accessible
- Huge concerns over chemical fertilizers being used on farm land – virgin soil – non-organic soils – inexperienced people with fertilizers
- Cultivation licensing should allow a residential building on-site – every farm has a farm house
- Residences should be allowed on properties with a cultivation license
- Setbacks should be drastically reduced to allow small parcels to be allowed to produce cannabis
- Economically more viable and accessible for small farming – regulations in place regarding neighboring properties

- Opportunity to continue to support local cannabis economy – farm gate sales
- Economic sustainability – skilled work force – regional cultural preservation – high degree of specialization – Kootenay branding – embracing alternative therapies
- Hemp should be considered a farm use – but can cross pollinate with cannabis
- RDCK needs to manage hemp/cannabis proximity in order to prevent cross pollination and crop security
- Participants feel cannabis should be permitted in all zones within the RDCK
- Reduce barriers to entry – allow accessory use outside dwelling
- Land matching program similar to California
- Harness the mature industry and infrastructure in place – Cannatourism
- Secure economic stability – create a thriving industry – farm gate sales to capitalize on Kootenay reputation and brand – keep money in BC
- Lack of competent employees – over regulation – access to market and affordable land a constraint – infrastructure (water/sewage)
- RDCK should support the local economy already in place – opportunity to grow and support local economy through farm gate sales and tourism
- Biggest opportunity is capitalizing on reputation – do everything we can to foster a thriving economy
- Corporate landscape is biggest constraint – through Health Canada and LCRB – maintain craft culture
- Federal regulations a constraint – BC government distribution system – corporate landscape and takeover – lobbying government
- RCMP enforcement
- Local politicians need to stand up for constituents and regional economics – local culture developed because this industry exists

PROCESSING AND EDIBLES

- Allow as an accessory use – eliminate barriers to enable independents to transition with minimal barriers
- Similar to small scale food processing – commercial kitchens – food safe practices – proper labelling and child proof packaging
- Edibles could be separate based on procuring processed product from processors to create edibles
- No need to jump through processing hoops for creating edibles from cannabis product you are procuring
- Use trimmings and otherwise waste product into a value added product
- Culinary artisanal opportunities

- Schooling, education, research and development of new products – safer method of administration (lung health)
- Possible constraints of land use regulation
- Edibles and concentrates are completely separate
- Micro-processing and micro-cultivation need to be bridges because in our region its too much investment for specialized facilities – bridge the two for value added products
- Allow as an accessory use – not industrial – small scale in food safe kitchen
- Don't over regulate everything to make it inaccessible for small scale farms
- Constraints in no packaging facilities – shipping products costs a lot – refrigeration needed for shipping
- Lack of dependable work force and funding incentives to strengthen economic opportunities
- Access to isolates through legal sources for edibles
- Legislation surrounding hemp extracts needs to be legal through LPs

CANNABIS INDUSTRY

- Cooperation needed among producers for outdoor production – mostly geared to indoor growing – under utilized lands
- Local culture – Kootenay weed – BC known for outdoor cultivation –positive for the local economy
- Outdoor industry limited by climate – indoor production is the predominant form of cultivation in the Kootenays – needs legitimization – opportunities for greenhouse growing and craft trade
- No transition period in BC (California allowed 18 months)
- Lack of investment funding – CRA
- Need a commitment from the Ministry of Justice – Canada US relations a constraint
- Land use regulations should have no minimum lot size – setbacks need to be reasonable for residential zones (15 metres) visible barriers – zoning should be as permissive as possible during transition period
- Reduce setbacks to accommodate cannabis businesses within the RDCK and the land available to industry
- RDCK unable to assist with cash flow – credit unions may have a role but fear the industry
- Black market – designated production licensing numbers too high – over producing product and over production built into market – 200 plants for one person – need to be revoked – stigmatized industry
- Allow growing in residential areas – have a conversation around odor tolerances

- Hemp industry – look into fertilized seeds – run ads in newspaper – house the industry under agriculture – look at QVA
- More awareness and education needed regarding the importance of the industry
- Economic output for indoor growing is much larger – requires more staffing, more production and greater margin for total output
- Quality Analysis and Control (QAC) burden differing – could potentially devastate industry
- Need to simplify the process and facilitate the transition – local growers have experience but are no number crunchers – process is expensive and time consuming
- Little direction on how things will play out – difficult to engage industry – economic barriers
- Industry is scared to engage – stigma for industry to come forward – hard to overcome barriers to transition from the black market
- Economic incentives and support needed – RDCK economic development commissions – advocacy role (UBCM)
- Support financing through grants – CBT may consider looking at grants and investment into the industry
- Real estate industry is ‘black listing’ properties used as grow ops
- RDCK staff could act as a resource for helping navigate transition and with educational awareness – extension services – promote economic awareness of industry – heart of the green economy

Lardeau Valley (Lardeau Valley Community Centre) Thursday August 16, 2018

RETAIL SALES

- Should allow for co-location with liquor at rural agency stores for more remote areas – rural choice is limited – may not need to be overly regulated (age limits)
- Market demand will drive location and private ownership preferred
- Notification can be through local newspaper and direct mail outs – social media and website can also assist but has limitations in rural areas – no meetings need to be held
- Low population can not support retail sales – but product readily available locally – also personal cultivation will be permitted
- Cost is prohibitive (\$240 per ounce through retailers) – would prefer no paraphernalia shops (head shops) like in Spokane

CULTIVATION

- Scale will determine if whether industrial or farm use – purely indoors should be considered an industrial use – outdoor and greenhouse production is a farm use
- Smell can be a nuisance – large scale concrete farming can be detrimental to lands within the ALR
- Accessory uses – narrow lots – density can be an issue (proximity concerns) – maximum of 2000 square feet for micro-cultivation
- Costs a barrier – bureaucracy of licensing process – huge LPs are reducing the market – owned by large corporations and are a risk to the regional economy – costs going toward law enforcement
- Colorado there was no enforcement and in California there was already a medical regime – liquor and tobacco sales have had same issue – limited by competitive market
- Would like to support a hemp industry – make fabric available to artisans in Argenta
- Cooperative opportunity to use waste product for CBD oils
- There is knowledge and skill sets locally for a craft industry – grass roots, market the ‘Kootenay’ name – regulations are not allowing this to happen

EDIBLES AND PROCESSING

- Depends on scale and use of chemicals – small scale may not have the technical capability to assess THC or CBT profile
- Testing can be prohibitive – costs \$80 – labelling needs to have analysis conducted
- Extraction of oil and edibles two very different things – like hard alcohol versus beer
- Concern that the industry will be dominated by big industry
- Packaging can attract kids – do not need to glorify the product

CANNABIS INDUSTRY

- Helps with forestry and other resource industries workers with no employment
- Need to pressure US to not question at US Border
- Cost to apply and the regulatory burden is high
- There is a steady need for electricity and in areas like Meadow Creek would need generators as a back up due to frequent power outages
- Could be unpleasant in smaller communities – sound of current facility disruptive – may need a noise or nuisance bylaw to mitigate
- Opportunities for cannabis tourist industry – day trips tied to pot tours like craft beer and wine
- Public education needed as industry has a stigma – can have negative impacts

- Need a liaison officer to assist people with the application process – difficult to navigate process and costs of consultants too high
- Risk of forcing industry back into the black market – mold in basements and homes
- RDCK lab for cannabis testing and analytical research (there are phone apps for analytical testing) – but should facilitate other businesses

Rural Castlegar (Castlegar Community Complex) Wednesday August 22, 2018

RETAIL SALES

- There should be no restrictions – avoid flooded market and locational considerations
- Castlegar allows no medical cannabis - but has placed to cap as to retail of recreational cannabis
- There should be discretion in application process – similar to liquor sales – limited nuisance associated with retail sales
- Support local over provincial run retail outlets (at RDCK level)
- Constraints of level of requirements
- Niche market in the Kootenays (market like wine country) – fabric of community changing
- Manitoba allows for vending machine sales and smoke lounges – future opportunity
- Farm gate sales should be permitted – supports Cannabis tourism
- Concern over taxation will drive black market – cost currently more than black market – will compete with retail sales
- Requires people to know where to find product – kids will find a way to obtain it regardless of proximity considerations

CULTIVATION

- Outdoor considered a farm use and indoor an industrial uses but depends on scale
- Facilities can cause nuisance with dried flower smell – regardless of ventilation
- Nurseries would be less impact
- Depends on the parcel size and number of plants
- Lack of available agricultural land – lots of opposition in municipalities – no room in municipalities
- Micro-cultivation may be okay but larger operations could be a major nuisance
- Area I used to be an agricultural belt – it has limited farming but the perfect micro-climate conducive to cannabis production
- Kootenay outdoor cooperative
- Conflict of cross pollination between cannabis and hemp

- Flooded market potential with too many producers – price reduction may occur with increased production
- Restrictions on chemical use – quality control over product will slow process – there will be a back log of product before it is released to retail sales
- Restrictions on ALR – limited to soil based (could also consider maximum building footprints or site coverage) to avoid large facilities

PROCESSING AND EDIBLES

- Consider in commercial zones and do not restrict to industrial zones
- Research and development needed
- Edibles market in CBD and not THC likely – can be commercial or an accessory use – will self regulate as an accessory use or home based occupation
- CBD cosmetics and oils are expensive and available now
- Edibles will attract youth (gummy bears) – need to be labelled similar to tobacco products

CANNABIS INDUSTRY

- Bank of Montreal only bank that will finance cannabis industry – credit unions seem a natural fit
- Community Futures supports business development but not aware of needs of the industry and can not provide support to businesses not yet legal – need more information
- Kootenay residents (seniors) have expressed fear that there will employment loss in the black market – needs to be resources available to assist those who can not navigate the legal system

Rural Nakusp (Nakusp Senior Citizens Hall) Thursday August 23, 2018

RETAIL SALES

- Should be enabled in commercial zones with no limitation as to numbers
- Competitive market will determine no different than any other retail - rural agency stores needed
- Increased cost with fewer stores – as no competition
- RDCK should notify communities of applications using newspaper and mail outs – public meetings cause grief and conflict
- Access to edibles after October will be a constraint for medical patients – readily available now at storefronts

- Potency of edibles – should be regulated similar to food
- Security and proximity considerations

CULTIVATION

- Outdoor cultivation should be considered farming and indoor production as an industrial use
- Small scale production could be an accessory use to residential provided there is setbacks and based on scale and size of structures
- Cooperative model and third party production most feasible locally – residential occupancy important for operations from a security perspective

PROCESSING AND EDIBLES

- Food based processing is low risk – but oil extraction can involve flammables
- Large scale facilities should be looked at as an industrial use but small scale as a home based occupation
- Smell can be a huge issue if ventilation not adequate
- Packaging can be attractive to youth but edibles are important to seniors and the medical community and reduces smoking of the product

CANNABIS INDUSTRY

- There is opportunity for un-used farm land and job creation – co-op model will create opportunity
- Provides income to growers and workers
- Micro-cultivation – taxation and revenue for government
- Less jail time for low risk offenders – removes criminal element
- Support for local businesses good – extra income – supplements incomes in resources and agricultural industries (can support growth in other sectors)
- Tolerated elsewhere in the world (Germany) future in edibles and pet foods
- Crime rates lower in other countries where cannabis regulated and legalized
- Concern over the potential number of growers
- Highly supportive of legalization – medical use is important
- Border crossing issues a concern – can ban entry of offenders and their family members
- ALC allowing it as a farm use – need security of a residential component for security reasons
- Facilities need to be respectful of neighbors (smell nuisance) – people will get used to it like they did to tobacco (treat it like tobacco) – educate people

- Needs financial support and support for those working through the process – complex requirements cater to larger companies – would like to support craft industry
- Opportunity for tourism – where it can be consumed

Creston Valley (Creston Community Complex) Wednesday August 29, 2018

RETAIL SALES

- Cannabis should be permitted to be sold anywhere similar to tobacco sales
- Kids should not be permitted to purchase and should not be located in proximity to schools, parks or playgrounds
- Signage for age limits and ID required
- There may be saturation in the market
- Commercial not necessary but should be a preference
- Public notice needs to consider older demographic and not be on-line – use of radio, newspaper and direct mail – younger may prefer facebook, twitter or on-line notices
- Public hearings and meetings are too formal and drive up costs
- Tourism opportunity – edibles constrained over the next two years – switch to recreational retail from medical dispensaries
- Opportunity for cafes and lounges, safe inhalation spaces
- Less RDCK red tape compared to municipalities
- Work-safe BC Regulations
- Should be restricted to commercial zones or guided through OCPs in areas where there is no zoning – centralized areas and rural agency stores (or where liquor sales occur in rural areas) constrained by current stand alone retail preference
- There is no transit service to Nelson to access product
- Should not be proximate to residential or areas where people ‘hang out’ – free wifi locations
- Should be determined by market demand and demographics
- Application consultation should be similar to re-zonings and include notice on facebook, twitter, on-line, papers and mail outs
- Economic growth and development

CULTIVATION

- Supports both indoor and outdoor cultivation – indoors should be considered industrial and outdoor as an agricultural activity – needs to be consideration of run off, drainage and leaching

- Support should be toward smaller operations and only allow one license per property parcel
- May require a minimum lot size and a development permit area requirements for screening, dust, parking, noise and form and character
- Shop local and buy local cultivator
- Constraints of lower prices due to import/export to or from areas with lower production costs
- Constraints associated with lot size requirements, non-farm use approvals, and property values
- Opportunities for employment and legal income
- Constraints of ALC Non-Farm Use
- Existing hemp producers force cannabis producers indoors – consideration of outdoor hemp with male and female plants would likely cross pollinate with others including indoors (on clothes and through filters) should require that male plants be pulled
- Should identify areas that are more suitable for hemp production
- Nursery size is restrictive and too small
- Opportunity for craft industry economically – diversification – level out peoples income – fits the Kootenay lifestyle
- Culturally accepted regionally
- Use Kootenay experience and capitalize on Kootenay reputation
- Most people would like to feel supported in transition (lots of uncertainty)
- Cannabis Circle Route – Kootenays
- Process is geared to larger producers – costs associated with licensing
- Could be an accessory use to residential – limits on size and use
- Lack of information available at a federal level – public education needed

PROCESSING AND EDIBLES

- Third party opportunity – centralize processing
- CO2 used and butane and propane not generally permitted and unlikely to be permitted by Health Canada – they are a cheaper method of extraction – licensed processing would not be an issue
- Depends on the scale of the operation (extraction process) CO2 has limited risk and other methods include ice water – may allow for grain alcohol extraction in the future (which can be flammable)
- Industrial use if a stand alone facility – micro-processing can be done in conjunction with cultivation
- Setbacks and site area parameters should be used

- Edible can be made in a commercial kitchen or as an accessory to a principal use – control needed over presentation and consumption
- Tourism potential (loop tours) – local economic gain for edibles
- Labeling and minimum dosages should be required – market is already there
- Should allow for direct sale of edibles
- Opportunity for job growth and tourism – sensitive to market needs and steers people away from smoking (edibles can also work better as a medicated product)
- Constrained by Health Canada and gap in legalization – will not curb the black market and will strengthen black market during transition period
- Allow retail sale of edibles and medical retail (for a temporary term) – forcing patients to grey and black market currently - patients are stocking up on edibles which has an overdose risk – important that the right compound is used in the right way or for the correct reason
- Health Canada program limits access – medical referrals

CANNABIS INDUSTRY

- Education required at a stakeholder and community level
- Should be restricted to lots over 1 hectare or larger residential zones
- Inform communities and elected officials – use newspaper and website as a tool for information distribution
- Allow existing retail to exist and recognize the medical system or allow for a transition period
- Enable access to edibles and educate the public and communities so that existing clients are not cut off
- Assistance needed with the federal application process or financing through local credit unions or support from community futures for business development – access to capital is difficult (Farm Credit Canada) – security screening is bottle necking due to lack of qualified people
- There are preconceived notions and stigma associated with industry

Slocan Valley (Winlaw Community Hall) Thursday August 30, 2018

RETAIL SALES

- Working with Chamber of Commerce
- Farm gate sales critical and money stays in the community – opportunity for farm gate sales

- Growers co-ops can help with licensing, lab testing, advocacy, bulk purchasing, commercial kitchen, grants, funding and access – social enterprise
- RDCK could help hire co-op developers – growers association
- Constraints with no farm gate sales
- Uncertainty with goal posts – setbacks keep changing (eg. 100 metres from schools, daycares)
- Bill C-24 (more than 30 grams is 40 years imprisonment) – may see more imprisonments
- Still need testing of farm gate products – concern with chemical use
- Access to testing and lab facilities not available regionally – one local lab is setting up but need more
- Working with Selkirk College – seeking curriculum for the cannabis industry
- Promote private retail sales over public retail stores – small business owner preference
- No co-location with alcohol
- Should be no limit on number of retail stores
- Notification by mail or newspaper notice
- Local product preference – 100 Mile Diet – promote local producers
- Retail sales will only be for recreational purposes and medical recommendations will not be permitted by sales staff – medical dispensaries

CULTIVATION

- Environmental protection and accountability
- Land Use that gives preferential opportunity to small business
- Funding and financial opportunities
- Don't want to see large scale industry
- The industry is non-invasive – no traffic, smell, lights and corporate mentality
- Don't want to see water pollution
- Keep it small 2100 square feet maximum
- Slokan Valley Cannabis Growers Association
- 200 square feet too small – 40 lights is considered small
- Part of the culture and local custom
- Localization and culture versus tyranny of corporations
- Don't want to see the requirements for selling to large distributor – enable local farm gate sales
- Opportunity for bed and breakfast and agri-tourism
- Canada producing for national and international markets – access to national and international markets
- Opportunities for large growers to hire local knowledge – concern for corporate takeover

- Some LPs interested in using local knowledge
- Potential for collectively applying for an LP
- Leverage sustainable practices (permaculture, living soils)
- Work with growers who have already transitioned
- Micro-cultivators will need to sell product third party to LCRB
- Work with CBT to provide services
- CRA issues – start up costs – otherwise need to seek out large investors and banks
- Existing non-conforming buildings and operations
- Investors largely private corporations
- GST and auditing concerns – potential for back tax obligations
- Black and grey markets concerns about law enforcement and that transition process opens up vulnerability of individual applicants

PROCESSING AND EDIBLES

- Preference for accessory use to add to our own properties – similar to small scale food processing
- Constraint of access to product
- Opportunities for cooperative production facilities and commercial cannabis kitchen – obtain licensing and share space – centralized facilities
- Constraints of financing of new facilities and the expense
- Shortage of testing facilities
- Police enforcement when no licensing available and no transition plan for current operators – need advocacy to allow some time to transition
- Allow current producers to continue selling to dispensaries
- Upgrade existing facilities for product development – research and testing needed locally – labeling and packaging