



Item.....
Meeting..... 2019 December 16

COUNCIL REPORT

TO: CITY MANAGER 2019 December 11

FROM: DIRECTOR PLANNING AND BUILDING

**SUBJECT: REZONING REFERENCES #19-21 AND #19-22
CANNABIS PRODUCTION FACILITIES
3290 PRODUCTION WAY AND 3030 BETA AVENUE
RESPONSE TO COUNCIL'S REQUEST FOR INFORMATION
REGARDING SECURITY AND AIR QUALITY CONTROL IN
CANNABIS PRODUCTION FACILITIES**

PURPOSE: To respond to Council's request for information on cannabis production and manufacturing facilities, including air control and security.

RECOMMENDATION:

1. **THAT** this report be received by Council for information.

REPORT

1.0 BACKGROUND

On 2019 June 10, Council received initial reports for rezoning applications on 3290 Production Way and 3030 Beta Avenue (Rezoning References #19-21 and #19-22, respectively) to allow cannabis production facilities in the existing industrial buildings. Following initial consideration of the subject rezoning applications, and approval of the recommendations to authorize staff to continue to work with the applicants towards the preparation of a suitable plan of development, Council requested a further report with information regarding security in cannabis production and manufacturing facilities, and any related air quality considerations and controls, prior to advancement of the amendment bylaws to a Public Hearing. This report summarizes the permitted activities under each class of cannabis licence as defined in the *Cannabis Act*, and the federal, provincial and municipal requirements to allow such activities.

2.0 CANNABIS LICENCE CLASSES

The *Cannabis Regulations* which support the *Cannabis Act* creates a framework for controlling the production, distribution, sale and possession of cannabis in Canada. Under this framework, a person is required to obtain a licence issued by Health Canada, and meet the requirements of the *Cannabis Act* and its Regulations, as well as other applicable federal, provincial and municipal bylaws, in order to conduct various activities with cannabis.

To: City Manager
From: Director of Planning and Building
Rezoning References #19-21 and #19-22
Response to Council's Request for Information Regarding
Security and Air Quality Control of Cannabis Production
Facilities
2019 December 11 PAGE 2

According to the *Cannabis Act*, the cannabis licence classes are as follows:

- “Cultivation licences” allow obtaining of cannabis by propagation, cultivation and harvesting;
- “Processing licences” allow manufacturing of cannabis products¹, other than obtaining it by propagation, cultivation and harvesting;
- “Sale for medical purposes licence” allows sale of cannabis to registered clients;
- “Analytical testing licence” allows testing of cannabis; and,
- “Research licence” allows conducting research and development with cannabis.

The Zoning Bylaw permits “cannabis production facilities” in the M1 Manufacturing, M2 General Industrial, M3 Heavy Industrial, M4 Special Industrial and M5 Light Industrial Districts, subject to rezoning to the Comprehensive Development (CD) District. The “cannabis production facility” is defined as a building or portion thereof providing for the production, finishing, packaging, warehousing, and distribution of cannabis.

The Zoning Bylaw does not define the term “production”. However, according to the *Cannabis Act*, “produce” means to obtain cannabis by any method or process, including by manufacturing; synthesis; altering its chemical or physical properties by any means; or cultivating, propagating or harvesting it, or any living thing from which it may be extracted or otherwise obtained. Accordingly, a cannabis production facility may include any cannabis related activity including cultivation, processing, analytical testing, research, sales and distribution to other licence holders, if it is authorized by Health Canada, and subject to meeting all other requirements of the City of Burnaby.

It should also be noted that the retail sale of cannabis to consumers is not permitted in cannabis production facilities considering that Health Canada does not allow sale and distribution of cannabis under licence classes or subclasses² except to other licence holders, the government or to a person authorized to sell cannabis under the Provincial Acts. In addition, the Zoning Bylaw limits the retail sale of cannabis and cannabis accessories to “government cannabis stores”, which are permitted in the C2i and C3i Commercial Districts.

¹ “Cannabis Products”, as defined in the *Cannabis Act* means, cannabis of only one of the classes that are set out in Schedule 4 of the *Cannabis Act* – or a cannabis accessory if that accessory contains such cannabis – after it has been packaged and labelled for sale to a consumer at the retail level, but does not include a drug containing cannabis. Classes of cannabis include fresh cannabis, dried cannabis, cannabis oil, cannabis plants, and cannabis plant seeds.

² An exception to this requirement is cannabis production facilities with a “sale for medical purposes” licence, which are allowed to sell cannabis to registered patients authorized to use cannabis for medical purposes.

To: City Manager
From: Director of Planning and Building
Rezoning References #19-21 and #19-22
Response to Council's Request for Information Regarding
Security and Air Quality Control of Cannabis Production
Facilities
2019 December 11... .. PAGE 3

3.0 REQUIREMENTS FOR CANNABIS PRODUCTION FACILITIES

Health Canada is responsible for establishing and maintaining a framework to regulate the production of cannabis which includes setting standards for health and safety and for licensing production and processing facilities. Regulations under the *Cannabis Act* allow cannabis production in enclosed indoor facilities, in greenhouses, and outdoors, provided that security requirements can be met.

3.1 Health Canada's Security Requirements

As part of Health Canada's licensing requirements, all cannabis licence classes are required to meet established security measures, including provision of an organizational security plan (OSP). The extent and details of these requirements differ depending on the licence subclasses. In general, cultivation, processing and sale for medical purposes licences require the highest OSP requirements³, while the analytical testing and research licences do not require an OSP.

According to the Regulations, an applicant for standard cultivation, standard processing, and sale for medical purposes with possession licences is required to provide comprehensive details of the site to satisfy the physical security requirements. This information includes (*Attachment 1* summarizes the detailed physical security requirements for different licence classes):

- a site plan including site perimeters, building floor plan, location of security and visual monitory devices, and location of the operation, growing and storage areas;
- a security report to demonstrate how the intrusion detection system requirements are met;
- visual evidence including a guided video tour of the entire site, photographic overview of the site perimeters, visual recording device footage of the site perimeters and the operation areas, and;
- additional information including physical barriers and design to prevent unauthorized access, type and specification of the visual monitoring and intrusion detection devices, description of the restricted access to operation areas and storage areas, storage areas' access log, and information on monitoring of the intrusion detection devices.

³ This includes providing information regarding the organization's head of security, a business plan, a site organization chart, a list of individuals in key positions and their security status, a list of individuals accessing the organization's cannabis tracking account, steps to ensure security awareness and training within the organization, and a list of standard operating procedures.

To: City Manager
From: Director of Planning and Building
Rezoning References #19-21 and #19-22
Response to Council's Request for Information Regarding
Security and Air Quality Control of Cannabis Production
Facilities
2019 December 11 PAGE 4

It should be noted that other cannabis licence classes such as Micro-Cultivation, Micro-Processing, Nursery, Research and Analytical Testing licences are required to satisfy a lower level of physical security since the scale of their production and the extent of the permitted activities are limited by the Regulations.

In addition to physical security, the applicant is required to provide additional information to ensure that the proposed production facility will not become a security concern to the neighbouring properties and adjoining neighbourhoods. The additional information includes (*Attachment 2* indicates the information required by Health Canada regarding security and environmental considerations):

- site details including an up-to-date survey, aerial view of the site and the neighbouring properties within 500 m (1,640 ft.) of the site, and identification of all areas and activities within the site; and,
- a list of site personnel including the security clearance of key personnel.

3.2 Air Quality Control

3.2.1 Health Canada's Requirements

The characteristic odour associated with cannabis is attributed to the release of chemical compounds into the air known as volatile organic compounds (VOC). To control release of such odour from cannabis production facilities, the Cannabis Regulations require that all buildings, or part of the building, where cannabis is produced, packaged, labelled and stored must be equipped with a ventilation system that maintains air quality in these areas. It is also required that the ventilation and air filtration systems be monitored and maintained on a regular basis.

To ensure these requirements are met, the applicant for cultivation, processing, and sale for medical purposes with possession licences is required to provide a Good Production Practices (GPP) Report at the time of application. The Report should include a description of the air filtration system (type, specifications, number and location of air filters installed) and a diagram and/or floor plan detailing the air filtration and ventilation system. GPP compliance may be verified at any time by Health Canada.

3.2.2 Metro Vancouver Air Quality Requirements

Metro Vancouver under the BC Environmental Management Act (EMA) has been designated as the authority to control air pollution and to manage air quality within the Metro Vancouver region. Under the Greater Vancouver Regional District (GVRD) Air Quality Management Bylaw No. 1082, Metro Vancouver exercises its air quality

To: City Manager
From: Director of Planning and Building
Rezoning References #19-21 and #19-22
Response to Council's Request for Information Regarding
Security and Air Quality Control of Cannabis Production
Facilities
2019 December 11 PAGE 5

regulatory authority with a system of permits that apply to individual facilities, and emission regulations, to protect public health and the environment.

In May 2019, Metro Vancouver released a discussion paper to receive feedback regarding proposed emission regulations for cannabis production and processing operations in Metro Vancouver. The purpose of this regulation is to set requirements which efficiently protect the public and enable the operation of environmentally responsible facilities by reducing air emissions from the cultivation, harvesting, and processing of cannabis plants. Emissions from cannabis production and processing include VOC that can contribute to the formation of harmful ground-level ozone and fine particulate matter. The VOC from cannabis production and processing can be odorous. The regulatory proposals include potential actions to reduce odorous emissions.

Should the Metro Vancouver Regional District Board adopt the proposed regulations, facilities conducting indoor and outdoor cultivation, and cannabis processing operations such as drying and harvesting of cannabis plant material, would be subject to the bylaw. Facilities carrying out the extraction of oils from cannabis and manufacturing derived products are also proposed to be addressed within this regulation. Therefore, no grandfathering of existing facilities is expected.

The proposed regulation could require a comprehensive odour and VOC emission management plan, certified by an appropriately qualified professional, and approved by Metro Vancouver. Facilities can choose to have their emissions authorized subject to meeting all the requirements of the regulation and under a permit.

3.3 City of Burnaby Requirements

3.3.1 Burnaby RCMP's Requirements

Burnaby RCMP has advised that no further security requirements beyond that of Health Canada would be required given that all applications are required to meet their security measures prior to issuance of any cannabis licence.

3.3.2 Burnaby Fire Department Requirements

The Burnaby Fire Department requires that all buildings containing production, finishing, packaging, warehousing and distribution of cannabis shall comply with the required British Columbia Building Code and BC Fire Code requirements.

3.3.3 Burnaby Environmental Services Requirements

Burnaby's Environmental Services Division proposes to require that cannabis production facilities shall satisfy the following requirements:

To: City Manager
From: Director of Planning and Building
Rezoning References #19-21 and #19-22
Response to Council's Request for Information Regarding
Security and Air Quality Control of Cannabis Production
Facilities
2019 December 11... .. PAGE 6

- any operation producing fumes, smoke and similar compounds should provide a mechanical ventilation system;
- any discharge to sanitary sewer shall be in compliance with Metro Vancouver's Regulations concerning sewerage/drainage;
- in facilities where chemical fertilizers and pesticides are used, detailed information regarding the storage, methods of usage and discharge of such chemicals, as well as connection to municipal water system shall be provided;
- any air emission from the facility shall be in compliance with the Metro Vancouver's Regulation concerning air quality; and,
- any cannabis production facility involved in cultivation shall provide storage for soil inside the facility. No stockpiles of used soil/materials should be left exposed or unprotected.

3.3.4 Burnaby Licence Requirements

Any cannabis production facility requires a Burnaby business licence to ensure that it continues to comply with all applicable regulations.

3.3.5 Burnaby Planning Department Requirements

The Burnaby Planning Department proposes the following requirements for cannabis production facilities:

- according to the Zoning Bylaw in the M1, M2, M3, M4 and M5 Districts nothing shall be done which is or will become an annoyance or nuisance to the surrounding areas by reason of unsightliness, the emission of odors, liquid effluents, dust, fumes, smoke, vibration, noise or glare, nor shall anything be done which creates or causes a health, fire, or explosion hazard, electrical interference or undue traffic congestion.
- a Section 219 Covenant will be required for any rezoning application to permit cannabis production facility which will receive Final Adoption prior to adoption of the Metro Vancouver Emission Regulation for Cannabis Production and Processing Operations. This covenant is to ensure all facilities will be subject to Metro Vancouver Regulation concerning air quality.

To: City Manager
From: Director of Planning and Building
Rezoning References #19-21 and #19-22
Response to Council's Request for Information Regarding
Security and Air Quality Control of Cannabis Production
Facilities
2019 December 11 PAGE 7

4.0 SUMMARY

Cannabis production facilities are permitted in the M1 Manufacturing, M2 General Industrial, M3 Heavy Industrial, M4 Special Industrial and M5 Light Industrial Districts, subject to rezoning to the CD District. These facilities may conduct any cannabis related activities including cultivation, processing, analytical testing, research, sales and distribution to other licence holders, if it is authorized by Health Canada.

In order to establish a cannabis production facility, the applicant is required to obtain a licence issued by Health Canada, and meet the requirements of the *Cannabis Act* and its Regulations, as well as Metro Vancouver and the City of Burnaby's requirements. These requirements are related to security, air quality, and other environmental concerns to ensure public health and safety of the neighbouring properties.

This is for the information of Council.


E.W. Kozak, Director
PLANNING AND BUILDING

PS:rh

Attachments

cc: Director Corporate Services
Director Engineering
Director Public Safety and Community Services
Officer-in-Charge, RCMP, Burnaby Detachment
Chief Licence Inspector
Chief Building Inspector
City Solicitor
City Clerk

Attachment 1 – Health Canada’s Physical Security Requirements for Different Cannabis Licence Subclasses

	Requirement	Required details to include
Physical Security Requirements for Standard Processing, Standard Cultivation and Sale for Medical Purposes with Possession Licences	Site plan and floor plans	<p>The overall site plan must include the following details.</p> <ul style="list-style-type: none"> • The perimeter of the site must be clearly identified. Indicate whether the site perimeter is defined by a fence or the building envelope. • The footprint of any building(s) must be clearly identified. • Indicate if the building is a multi-unit building or a stand-alone site (i.e., single unit). If it is a multi-unit building, the site perimeter should be placed accordingly and all units must be labelled with information on their current use (i.e., company name). • The location of any outdoor cultivation area must be clearly identified. For any outdoor area, the latitude and longitude coordinates for all four corners must be indicated. • The locations of, and area covered by the security devices and visual monitoring devices for the site perimeter and any outdoor cultivation area. • All security devices must be clearly identifiable and uniquely labeled. <p>If there are areas, including buildings that will not be used exclusively by the applicant or areas that will be used by the applicant to conduct activities other than activities with cannabis, these areas must be outside of the proposed site perimeter.</p> <p>Additionally, the application must also include a floor plan for each building with the following details.</p> <ul style="list-style-type: none"> • Clear delineation of rooms where operations, grow and storage activities, as applicable, take place. • Clear identification of storage area(s) and the areas it is located within that meet the requirements of section 67 of the regulations, as applicable. • The locations of and area covered by the security devices and visual monitoring devices as they relate to any operations area (including grow areas) and storage areas, as applicable. • All security devices must be clearly identifiable and uniquely labeled. • Product flow between the rooms must be identified.
	Security reports	<p>Provide the following information to demonstrate how the intrusion detection system requirements will be met.</p> <ul style="list-style-type: none"> • Alarm test reports for all intrusion detection devices for the site perimeter, all operations areas (including indoor and outdoor grow areas), and storage areas. These reports must contain the date and time of the test, the name of the device and location of the device. • A list of which alarm partition each intrusion detection device is assigned to. • Access (entry and exit) log reports for all doors leading to and from storage areas. These reports must contain the date and time of each access, the name of the device, location of the device and the identity of the individual entering and exiting from each storage area.

Attachment 1 – Health Canada’s Physical Security Requirements for Different Cannabis Licence Subclasses

	Requirement	Required details to include
Physical Security Requirements for Standard Processing, Standard Cultivation and Sale for Medical Purposes with Possession Licences	Visual evidence	<p>Provide the following information in the site evidence package.</p> <ul style="list-style-type: none"> Guided video tour of entire site (including both indoor and outdoor areas), highlighting all security features of the site perimeter, operations areas (including all grow areas) and storage areas. All devices must correspond to their location as indicated on the site plan (including all floor plans). Photographic overview of each side of the defined site perimeter. Visual recording device footage that includes the front, back and sides of the defined site perimeter (e.g., east, west, south and north walls). Complete coverage may be best demonstrated by displaying multiple visual recording device feeds that capture an individual walking around the perimeter. Footage from all visual recording devices in each operations areas (including the entry and exit points of the grow areas) and all storage areas. <p>All video and images must meet the following criteria:</p> <ul style="list-style-type: none"> Have sufficient resolution to clearly visualize the area (not a pixelated image); Capture the entirety of the areas identified (i.e. no blind spots and/or obstructed views); and Demonstrate the visual recording devices ability to capture the required information in both low light and night time conditions.
	Additional information	<p>Provide the following information to demonstrate how physical security requirements will be met.</p> <ul style="list-style-type: none"> Physical Barrier and Site Design <ul style="list-style-type: none"> Description of the site and how it will prevent unauthorized access. Include any access controls at entry or exit points of the site such as windows, doors and vents. Description of materials used in the construction of the physical barriers, as applicable, for the site perimeter and for all of the operations areas (including all grow areas) and storage areas. This may include fences, walls, floors, ceilings, and doors to ensure prevention of intrusion. Visual Monitoring Devices <ul style="list-style-type: none"> The type and specifications of the visual monitoring devices and how the devices meet the requirements (including operating temperature range, and any special features such as infrared or night vision and weatherproofing). Description of how monitoring will be maintained at all times (e.g., during a power outage). Intrusion Detection Devices <ul style="list-style-type: none"> The type and specifications of the system installed for intrusion detection (including operating temperature range, motion detection range if applicable, intended use, and any special features such as weatherproofing, tamper-resistance). Description of how intrusion detection system will be maintained at all times (e.g., during operating hours and a power outage). Description of how any attempted or actual tampering with the system will be detected. Restricted Access <ul style="list-style-type: none"> Description of how the access to operations areas (including grow areas), and storage areas will be restricted to individuals whose presence is required by their duties.

Attachment 1 – Health Canada’s Physical Security Requirements for Different Cannabis Licence Subclasses

	Requirement	Required details to include
	Additional information	<ul style="list-style-type: none"> ○ Details on the types, specifications, and locations of access control or restriction devices installed and operating (e.g., Proximity card readers or keypads with electric door strikes or electromagnetic locks, door lock and key, combination lock, padlock). ○ Information on how and which personnel will be given access (e.g., issued cards, fobs, PINs, keys). • Access Log <ul style="list-style-type: none"> ○ Description of how access to storage area will be logged. ○ Method used to record the identity of every individual entering or exiting a storage area and the information that will be recorded. • Monitoring and Response <ul style="list-style-type: none"> ○ Information on how the intrusion detection devices will be monitored continuously (i.e. 365 days a year, 7 days a week and 24 hours a day), either on-site or off-site (e.g., use of a ULC-certified monitoring company). ○ Information on the procedure in place for when the intrusion detection system's alarm is triggered, and the procedure for creating and retaining records of detected occurrences.
Physical Security Requirements for Micro-Cultivation, Micro-Processing and Nursery Licences	Site plan and floor plans	<p>The overall site plan must include the following details.</p> <ul style="list-style-type: none"> • The perimeter of the site must be clearly identified. Indicate whether the site perimeter is defined by a fence or the building envelope. • The footprint of any building(s) must be clearly identified. • Indicate if the building is a multi-unit building or a stand-alone site (i.e., single unit). If it is a multi-unit building, the site perimeter should be identified accordingly and all units must be labelled with information on their current use (i.e., company name). • The location of any outdoor cultivation area must be clearly identified. For any outdoor area, the latitude and longitude coordinates for all four corners must be indicated. <p>If there are areas, including buildings, that will not be used exclusively by the applicant, or areas that will be used by the applicant to conduct activities other than activities with cannabis, these areas must be outside of the proposed site perimeter.</p> <p>Additionally, the applicant must also include a floor plan for each building with the following details.</p> <ul style="list-style-type: none"> • Clear delineation of rooms where operations, grow and storage activities, as applicable, take place. • Product flow between the rooms must be identified. <p>Delineate the respective surface areas to demonstrate how the site meets the surface area threshold (including both indoor and outdoor grow areas). As well, it should indicate whether the surface area comprises of multiple surfaces (e.g., is vertically arranged).</p> <ul style="list-style-type: none"> • The delineated area shown on the site plan and/or floor plan should include dimensions which demonstrate how the total surface area of the cannabis plants do not exceed the applicable threshold. <ul style="list-style-type: none"> ○ A sample calculation should be included to demonstrate how the total surface area does not exceed the applicable threshold.

Attachment 1 – Health Canada’s Physical Security Requirements for Different Cannabis Licence Subclasses

	Requirement	Required details to include
Physical Security Requirements for Micro-Cultivation, Micro-Processing and Nursery Licences	Visual evidence	<p>Provide the following information in the site evidence package.</p> <ul style="list-style-type: none"> Guided video tour of entire site (including both indoor and outdoor areas), highlighting the entire site perimeter and all storage areas. Visual footage showing entire physical barrier for the site and all storage areas. Photographic overview of each side of the defined site perimeter.
	Additional information	<p>Provide the following information to demonstrate how physical security requirements will be met.</p> <ul style="list-style-type: none"> Physical Barrier and Site Design <ul style="list-style-type: none"> Description of the site and how it will prevent unauthorized access. Including any access controls at entry or exit points of site such as windows, doors and vents. Description of materials used in the construction of the physical barriers, as applicable, this may include fences, walls, floor/ceiling and doors to ensure prevention of intrusion (include this for both site perimeter and for all of the storage areas). Restricted Access <ul style="list-style-type: none"> Description of how the access to storage areas will be restricted to individuals whose presence is required by their duties. Details on the types, specifications, and locations of access control or restriction devices installed and operating (e.g., Proximity card readers or keypads with electric door strikes or electromagnetic locks, door lock and key, combination lock, padlock). Information on how and which personnel will be given access (e.g., issued cards, fobs, PINs, keys).
Physical Security Requirements for Analytical Testing and Research Licences	Site plan and floor plans	<p>The site plan must include the following details.</p> <ul style="list-style-type: none"> The perimeter of the site must be clearly identified. Indicate whether the site perimeter is defined by a fence or the building envelope. The footprint of any building(s) must be clearly identified. Indicate if the building is a multi-unit building or a stand-alone site (i.e., single unit). If it is a multi-unit building, the site perimeter should be identified accordingly and all units must be labelled with information on their current use (i.e., company name). <p>If there are areas, including buildings, that will not be used exclusively by the applicant, or areas that will be used by the applicant to conduct activities other than activities with cannabis, these areas must be outside of the proposed site perimeter.</p> <p>The site plan must also include floor plans with the following details.</p> <ul style="list-style-type: none"> Within all building(s), provide a clear delineation of rooms where storage activities take place.

Attachment 1 – Health Canada’s Physical Security Requirements for Different Cannabis Licence Subclasses

	Requirement	Required details to include
Physical Security Requirements for Analytical Testing and Research Licences	Additional information (Analytical testing licence only)	<p>Provide the following information to demonstrate how physical security requirements will be met.</p> <ul style="list-style-type: none"> • Description of how the physical barrier surrounding the storage area will prevent unauthorized access. • Description of materials used in the construction of the storage area physical barrier and how this will prevent intrusion. • Description of how the access to storage areas will be restricted to individuals whose presence is required by their duties.
	Additional information (Research licence only)	<ul style="list-style-type: none"> • Provide a description of how the operations areas are designed to prevent unauthorized access.

**Attachment 2 – Health Canada’s Licencing Requirements Concerning Security and Air Control for Cannabis
Licence Classes**

	Cannabis Licence Class					
Requirement	Cultivation (Micro, Standard, Nursery)	Processing (Micro, Standard)	Sale for medical purposes (with possession of cannabis)	Sale for medical purposes (without possession of cannabis)	Analytical testing	Research
Site details (including activities)	Required	Required	Required	Required	Required	Required
Site personnel	Required	Required	Required	Required	Required	Required
Notice to local authorities	Required	Required	Required	N/A	N/A	N/A
Physical security (including organizational security plan)	Required	Required	Required	Only organization security plan is required	Required (organization security plan not required)	Required (organization security plan not required)
Good Production Practice (GPP)	Required	Required	Required	N/A	N/A	N/A