



Bennett Jones

Bennett Jones LLP
3400 One First Canadian Place, P.O. Box 130
Toronto, Ontario, M5X 1A4 Canada
T: 416.863.1200
F: 416.863.1716

Andrew L. Jeanrie
Partner
Direct Line: 416.777.4814
e-mail: jeanriea@bennettjones.com
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November 3, 2017

Via E-Mail: clerk@hamilton.ca

Mayor and Members of Council
City of Hamilton
Hamilton City Hall
71 Main Street West
Hamilton, ON 4Y5

Dear Mayor and Members of Council:

Re: Motion by Councillor L. Ferguson, Regulatory and Land Use Planning Framework for the Marijuana Industry

We are the solicitors for Beleave Inc. ("**Beleave**"), who operates a licensed medical marijuana facility.

Concern with Proposed Motion That Could Derail A Hamilton Success Story

As you are aware, at the last meeting of Council, Councillor L. Ferguson brought forward a motion requesting that staff:

- (a) consult with Federal and Provincial departments and ministries regarding the regulatory and land use planning framework for the marijuana industry;
- (b) develop a comprehensive framework to be followed in the City of Hamilton; and
- (c) ask staff not to consider any applications relating to medical marijuana operations until the above items are complete.

Beleave has been pressing the City of Hamilton to complete requests (a) and (b) for some time and reiterates that request here. Our client sees Hamilton as a critical hub in the growing cannabis industry and has been encouraging the City to update its Official Plan and Zoning By-law to account for the industry's rapid evolution in the years since the original medical marijuana by-law was adopted.

The request to staff that they are not to consider new applications is not acceptable or reasonable. As the City is aware, this is a critical time for the cannabis industry as the industry establishes itself in Canada. Hamilton has been promoting itself as a centre of investment in agricultural business and actively encouraging the growth of cannabis greenhouses and the broader industry. Now, without

consultation or notice, the City is contemplating an approach that would have major financial impacts on those it successfully attracted, and is doing so on an arbitrary and ill informed basis.

In addition, any refusal to process such applications would be an act of bad faith in light of the City's obligations to review planning applications in accordance with provincial plans, provincial policies, and the City's official plan.

Beleave Invests in Hamilton

In the context of the cannabis industry, Beleave has been a longtime owner and operator within the City of Hamilton. Beleave has already invested more than \$5m in their existing site.

In addition, Beleave is in the process of undertaking a major expansion of its facilities – likely more than double its original financial investment. When considering where to make its investment Beleave considered all of its options, but was induced by the City of Hamilton to invest in Hamilton with promises that the City was open for business and eager for investment from agricultural producers. The motion, however, is inconsistent with the message that Hamilton has given our client over the years and could result in our client, and its 1000 plus investors, incurring significant losses, as well as the potential loss of 100 jobs.

Clearly, such a result is not reasonable, not fair to Beleave, its investors, and certainly not fair to its employees.

Greenhouses Just Like Those of Any Agricultural Product

We have seen media reports expressing concerns with the “bunker” that was built by one marijuana grower in Hamilton and some illegal “grow ops” that exist in the City. As with any planning application, it is unjust to hold Beleave's application back because of a development made by others. Each application should be reviewed on its own merits. The City's Official Plan and zoning by-law already provide a policy basis for refusing large bunker projects that seem to be driving much of the City's concern.

Beleave's expansion plans could not be more different from the bunker approach. Beleave will be using greenhouse structures that are no different than those used throughout the rural area for other crops, such as tomatoes. These green houses are visually indistinguishable, and have no greater land use or servicing impact, from any other green house. In fact, our green houses are to be built with the latest techniques and will be eco friendly to an extent well above green houses of the past. As such, Beleave's application should be treated consistently with any other state of the art agricultural greenhouse development in the City.

As for illegal grow ups, it is patently, and obviously, unfair to impose a prohibition on the development of greenhouses for medical marijuana by providers who are licensed by the Federal Government of Canada (and subject to some of the strictest licensing requirements of any operators in any industry in Canada) because of the unrelated illegal actions of others.

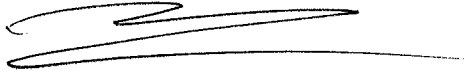
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No reasonable basis has been put forward in support of the recommendation. We therefore request that resolution (c) be refused, and that the City respect its legal obligation to duly consider any complete applications that come before it.

Yours truly,

BENNETT JONES LLP



Andrew L. Jeanrie

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