

October 30, 2018

Dear Mayor Eisenberger & Hamilton City Councillors,

Since its inception in 1845, the Hamilton Chamber of Commerce has served as the definitive voice of local business. Throughout its history, the Chamber has played an important role in advocating for policies that enhance the social and economic prosperity of our city.

Over the years, the Hamilton Chamber of Commerce and the City of Hamilton have maintained a constructive dialogue to address the concerns of our 1,000 members and the wider business community. Under this capacity, we thank the City's Director, Licensing and By-Law Services, Ken Leendertse, for sitting down with us to seek our input. This letter is our official position on the question of whether physical cannabis retail stores should be permitted in Hamilton.

The Hamilton Chamber of Commerce supports legitimate recreational cannabis retail stores in Hamilton and thereby recommends that city councillors 'opt-in' and allow their existence within city limits as of April 1st, 2019.

The cannabis industry is now a legal form of agriculture and commerce that is already contributing to the further diversification of our economy. Deloitte projects the legal sales of cannabis to generate up to \$4.34 billion across Canada in the first year of legalization alone (full report found [here](#)). It would be a missed opportunity to disallow legitimate brick and mortar retail businesses that are looking to contribute to the local economy.

The City of Hamilton is already establishing a strong market share in the booming cannabis industry, and we are poised for growth. At present, Hamilton is home to several licensed cannabis producers that employ hundreds, if not thousands of people, and bring in billions of dollars in revenue. Allowing vertical integration, from seed to production to physical retail, is not just sensible economics, but allows our local economy to have greater participation in this growing, profitable industry.

For those concerned about a lack of local control under the provincial regime, we remind councillors that consumer preference and the law of market competition will ultimately determine the right number of retailers for our city and drive up the individual standards of those retailers. As noted in Deloitte's market report, "like any other retailer, those selling cannabis will need to meet or exceed [consumer] expectations and needs if they intend to succeed". This suggests legitimate retail stores, if permitted in Hamilton, would be both profitable and reputable. If neighbouring communities decide to "opt-out" of retail, our local stores will be also bringing in revenue from outside our city.

Finally, the large number of cannabis dispensaries in Hamilton that existed prior to legalization suggests consumer demand is strong enough to support the existence of retail in this city. And despite online delivery options now available, Deloitte research also indicates that almost half (47%) of all recreational products in Canada will be bought from physical locations, based on consumer preference. Prohibiting recreational cannabis retail stores in Hamilton would ignore clear consumer preferences that have been established – it would simply be unrealistic and would just encourage continued illicit retail operations.

Based on these considerations, the Hamilton Chamber of Commerce endorses the approval of legitimate recreational cannabis retail stores in Hamilton.

The Chamber is pleased to play a role in facilitating a constructive dialogue on critically important municipal issues. Thank you for your consideration.

With kind regards,



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