



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
General Manager's Office

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	December 18, 2018
SUBJECT/REPORT NO:	Cannabis Provincial Legislation (PED18249) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Jason Thorne (905) 546-2424 Ext. 4339
SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That Cannabis Retail Stores be permitted to operate in the City of Hamilton, in accordance with the *Cannabis Licence Act, 2018*;
- (b) That the City Manager be directed to provide written notice, prior to January 22, 2019, to the Alcohol and Gaming Commission of Ontario (AGCO) to advise that the City of Hamilton will permit Cannabis Retail Stores in Hamilton;
- (c) That the City of Hamilton Cannabis Policy Statement, attached as Appendix "A" to Report PED18249, be approved;
- (d) That the Mayor submits the City of Hamilton Cannabis Policy Statement to the Province of Ontario along with a request that it be used to guide the Province in making decisions on the approval of cannabis licences in the City of Hamilton;
- (e) That the Director of Licensing and By-law Services or their designate be delegated the authority, on behalf of the City, to provide written submissions upon request of the Registrar as to whether the issuance of a retail store authorization is in the public interest, having regard to the needs and wishes of the residents, and that the Director of Licensing and By-law Services be guided in the exercise of this authority by the City of Hamilton Cannabis Policy Statement, attached as Appendix "A" to Report PED18249;

- (f) That the estimated first phase of funding, in the amount of \$574,493, to be funded from the Ontario Cannabis Legalization Implementation Fund for costs that directly relate to the legalization of recreational cannabis be allocated as outlined in Appendix “B” to Report PED18249;
- (g) That staff be directed to report back to the General Issues Committee once the second phase of funding, under the Ontario Cannabis Legalization Implementation Fund, is announced with recommendations on how the funds should be allocated;
- (h) That the item respecting Private Retail Cannabis Stores be identified as complete and removed from the Planning Committee’s Outstanding Business List.

EXECUTIVE SUMMARY

The Provincial government introduced the *Cannabis Licence Act, 2018*, (CLA) through Bill 36 which sets out a licensing scheme for Private Retail Cannabis Stores. The licensing scheme is regulated by the Alcohol and Gaming Commission of Ontario (AGCO) and creates two types of licences; a Retail Operator Licence and a Cannabis Retail Manager Licence. The CLA also creates a retail store authorization which authorizes its holder to operate a specific Cannabis Retail Store. A retail store authorization will only be issued to a holder of a Retail Operator’s Licence.

Subsection 41(1) of the CLA gives the authority to municipalities to decide to opt in or out of allowing Retail Cannabis Stores in their community. In order to opt out, a resolution must be passed by Council not later than January 22, 2019 and in accordance with the CLA and regulations thereunder, notice of the resolution shall be provided to the Registrar no later than three business days after the resolution is passed and not later than January 22, 2019. If notice is not submitted in the manner required under *O. Reg. 468/18*, the municipality is opted in by default.

A municipality is not permitted to license Retail Cannabis Stores through business licensing, or establish a specific zone category for any proposed Retail Cannabis Store. If the City of Hamilton opts in, retail cannabis stores would generally be permitted in any area zoned for commercial or mixed use, such as Business Improvement Areas (BIA), strip malls, plazas, malls, big box centres, or neighbourhood retail such as variety stores. In most circumstances, if a retail cannabis store was seeking to establish in one of these areas, the only municipal approval required would be a Building Permit, if applicable.

The enforcement of the CLA will be at the discretion of the Provincial government through the AGCO and power to make regulations under the CLA will rest with the Lieutenant Governor in Council. Retail Cannabis Stores, regardless of whether the City of Hamilton were to opt in or opt out, would not be subject to municipal enforcement under the City’s Zoning or Licensing By-laws. Municipal enforcement authority is limited

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to those matters that apply to all retail stores in the City, such as property standards, noise and yard maintenance.

Alternatives for Consideration – See Page 13

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Under the Ontario Cannabis Legalization Implementation Fund, the Province will provide \$40M over two years to help municipalities with the implementation costs of recreational cannabis legalization. Use of these funds is restricted to costs that directly relate to the legalization of recreational cannabis. The province will distribute two payments of \$15M Province wide. The first payment will be made proportionally to all municipalities. The second payment will be made proportionally only to those municipalities who opt in by January 22, 2019. The last \$10M will be set aside by the Province to address costs for unforeseen circumstances related to the legalization of recreational cannabis, with priority given to municipalities that have not opted out. Further, the Province has indicated that if the Provincial share of the Federal Excise Tax over the first two years exceeds \$100M, the Province will provide 50% of the surplus to municipalities.

There is no commitment to fund beyond the two years.

For the City of Hamilton, the Provincial funding would be as follows under an “opt in” or an “opt out” scenario.

City of Hamilton Opt In

- (a) First payment of \$574,493 will be distributed to the City in January 2019. The payment is the City’s share of the first \$15M which is based on 2018 MPAC household numbers, 225,291 (see Appendix “C”);
- (b) Second payment will be based on the 2018 Municipal Property Assessment Corporation (MPAC) household numbers and is anticipated to be similar to the first payment; and,
- (c) Surplus payment: if the Provincial share of the Federal Excise Tax over the first two years exceeds \$100M, the Province will provide 50% of the surplus to municipalities.

City of Hamilton Opt Out

- (a) First payment of \$574,493 will be distributed to the City in January 2019. The payment is the City’s share of the first \$15M which is based on 2018 MPAC household numbers, 225,291 (see Appendix “C”);
- (b) Second payment is a maximum of \$5,000; and,

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- (c) The Provincial share of the Federal Excise Tax surplus payment will not be applicable to municipalities who have opted out.

It should be noted that the confirmed Provincial funding described above is insufficient to cover the ongoing costs to the municipality associated with the legalization of cannabis, in both an opt in and an opt out scenario. Legalization of cannabis is expected to result in increased costs for the Healthy and Safe Communities and Planning and Economic Development Departments regardless of whether the City opts in or out. Appendix “B” outlines additional enforcement costs related to one additional Tobacco Enforcement Officer in Public Health and two additional By-law Enforcement Officers in Municipal Law Enforcement. In addition to these costs, staff have previously reported to Council on additional expected costs of the legalization of cannabis related to repairs to social housing units.

Staffing: The legalization of cannabis as outlined in the Financial Implications Section includes three additional full-time equivalents.

Legal: The Provincial statutory framework was proclaimed in force as of November 16, 2018. The Lieutenant Governor in Council has been given broad powers to pass regulations under the CLA, and *O. Reg. 468/18* was filed on November 14, 2018 to detail how licences will be issued by the Provincial Registrar for the AGCO.

Where Council decides to opt in and permit retail cannabis stores, the CLA provides no mechanism to opt out at a later time. Alternatively, where Council decides to initially opt out it will have the opportunity to opt in at a later time. Further, under the CLA the municipality is permitted to make non-binding written submissions respecting proposed retail approvals and has no opportunity to license retail stores or institute zoning controls.

The City and its residents may make submissions to the Registrar on whether or not approval of a licence is in the public interest, having regard to the needs and wishes of the residents of the municipality. The Registrar will issue public notice of the application, so that members of the community and the municipality will have a 15 day notice period whereby they can make written submissions directed to the following public interests only:

- (a) Protecting public health and safety;
- (b) Protecting youth and restricting their access to cannabis; and,
- (c) Preventing illicit activities in relation to cannabis.

The Registrar will consider public interest and determine whether or not issuance of the licence is in the public interest, so any submissions by the City or its residents are non-binding. The Registrar may also issue licences with conditions, so it is a possibility that some concerns raised by residents or municipalities could be addressed by having conditions added to a licence. Regardless of the submissions, the ultimate decision rests with the AGCO.

HISTORICAL BACKGROUND

On August 13, 2018, the Provincial government announced that that they will be abandoning the Provincially run cannabis stores for the privatization of retail cannabis stores.

On August 16, 2018, the Planning Committee directed staff to prepare a report on the Province's announcement to privatize cannabis sales.

At its meeting of September 12, 2018, Council approved Item 14 of Planning Committee Report 18-013 directing staff to report back to the Planning Committee with recommendations with respect to the regulation of private retail cannabis stores in the City of Hamilton and that the report outline options for the potential application of the Province's proposed opt out clause.

"WHEREAS, recreational cannabis will be legalized in Canada as of October 17, 2018;

WHEREAS, the Province of Ontario has indicated that the Ontario Cannabis Store website will be the only legal option for purchasing recreational cannabis once it becomes legalized on October 17, 2018;

WHEREAS, the Province of Ontario has indicated that it will be introducing legislation that would open up a regulated private retail model for cannabis that would launch by April 1, 2019;

WHEREAS, the Province of Ontario is currently consulting on the scope of its proposed legislation for a regulated private retail model for cannabis;

WHEREAS, the Province has indicated that the new legislation will include some form of "opt out clause" that municipalities may exercise within a very limited time window;

WHEREAS, it is not yet determined what regulatory authorities municipalities will have for the regulation of private retail cannabis stores other than their existing

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zoning powers which in Hamilton generally would permit this use in any commercially zoned property; and,

WHEREAS, there will be a very limited amount of time for the City of Hamilton to put in place any local regulations with respect to private retail cannabis stores, including the potential use of the “opt out clause”, prior to the opening of retail stores on April 1, 2019;

THEREFORE, BE IT RESOLVED:

- (a) That staff be directed to prepare a report with recommendations with respect to the regulation of private retail cannabis stores in the City of Hamilton for the first Planning Committee meeting of the new term of Council;
- (b) That the report outlines options for Council’s consideration for the potential application of the Province’s proposed “opt out” clause;
- (c) That staff be directed to meet with the local interested proprietors to discuss the potential impacts on the private retail cannabis industry and that the input be used as a market sounding for inclusion in the report;
- (d) That the Mayor write to the Premier, appropriate Ministers and Ministries, and to the Association of Municipalities of Ontario, to communicate to them that it is the City’s position that the Province’s approach to the regulation of private cannabis retail stores in Ontario must ensure that municipalities have the ability to regulate the following in a manner that is appropriate to the municipality:
 - (i) separation distances from sensitive land uses such as parks, schools, day cares and healthcare facilities
 - (ii) over-concentration of dispensaries in one area of the city
 - (iii) the total number of dispensaries city-wide and within particular areas of the city
 - (iv) general issues of urban design such as location of entrances and transparency of facades
 - (v) on-site advertising and signage
 - (vi) hours of operation
 - (vii) property standards compliance

- (viii) ability to restrict or prohibit operations by operators that routinely violate municipal standards such as noise, nuisance or property standards.”

Staff was directed to meet with the local interested proprietors to discuss the potential impacts on the private retail cannabis industry and that the input be used as a market sounding for inclusion in the Report.

On September 27, 2018, the Province tabled Bill 36 that was an Act to enact a new Act and make amendments to various other Acts respecting the use and sale of cannabis and vapour products in Ontario.

On October 17, 2018, Federal cannabis legislation came into force.

The Province is responding with a plan to sell cannabis online via the Ontario Cannabis Store (OCS) web platform to meet the Federal legislative timeline and concurrently consumer demand. The Province has identified April 1, 2019 as the date for allowing for retail cannabis sales by privately-run dispensaries. The framework surrounding the approval of local dispensaries is outlined in Bill 36 and the CLA, which received Royal Assent on October 17, 2018 and which was proclaimed in force on November 16, 2018.

On November 14, 2018, the Province also filed *O. Reg. 468/18*, a regulation under the CLA. Effective November 16, 2018 the ACGO is considered the regulator of private recreational cannabis retailing in Ontario. Other matters addressed by the regulation include separation distances from schools, hours of operation, public and Council commenting, and training requirements for employees.

The AGCO will begin accepting retail store applications effective December 17, 2018.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The CLA prohibits a municipality’s ability to restrict land use and zoning of proposed cannabis dispensaries and to establish a municipal licensing requirement for the use.

The *Cannabis Control Act, 2017* (CCA) ensures the sale of cannabis is in accordance with the *Ontario Cannabis Retail Corporations Act, 2017*, the CLA establishes prohibitions including appropriate enforcement and sanctions.

RELEVANT CONSULTATION

Legal Services, Corporate Services, Public Health, Planning, Economic Development, Hamilton Police Services, Chamber of Commerce, Business Improvement Areas and

current Cannabis Industry Stakeholders were consulted in the preparation of this Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

At its meeting of September 12, 2018, Council approved Item 14 of Planning Committee Report 18-013 directing staff to report back to the Planning Committee with recommendations with respect to the regulations of Private Retail Cannabis Stores in the City of Hamilton and that the Report outline options for the potential application of the Province's proposed opt out clause.

Opt In or Out

Council must determine if they will opt in or out of allowing cannabis retail sales in Hamilton. While there are no provisions in the CLA that would allow a municipality who opts in to later reverse that decision and opt out, Section 41 of the CLA states that a municipality that opts out initially will be permitted to lift the prohibition to permit cannabis retail stores and that such a decision will be final and cannot be reversed.

In accordance with Subsection 41(5) of the CLA and Subsection 22(1) of *O. Reg. 468/18*, a municipality that fails to formally opt out prior to January 22, 2019 will be considered opted in, by default.

Business Licensing By-laws

Subsection 42(1) of the CLA states that the authority to pass a Business Licensing By-law within the meaning of the *Municipal Act, 2001* does not include the authority to pass a by-law providing for a system of licensing respecting the sale of cannabis, holder of a licence or authorization issued under this Act or Cannabis Retail Stores. This clause effectively prohibits the municipality from considering a Municipal Business Licensing Scheme that could define radial separation, support nuisance control, and limit over concentration of Cannabis Stores.

Planning Act and Zoning By-laws

Subsection 42(2) of the CLA does not permit the municipality to pass a by-law under Sections 34 (Zoning By-laws), 38 (Interim Control) or 41 (Site Plan Control) of the *Planning Act* that has the effect of distinguishing between a use of land, a building or a structure that includes the sale of cannabis and a use of land, a building or a structure that does not include the sale of cannabis. This provision prevents the City from defining a Cannabis Retail Store in its Zoning By-law and from determining appropriate regulations for the use of a Cannabis Retail Store (i.e. location, radial separation distance, size, etc.) in its Zoning By-law. The use would therefore be permitted in any zone that permits a retail use, such as BIAs, strip malls, plazas, malls, mixed use buildings, big box centres, or neighbourhood retail such as variety stores. In most

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circumstances, if a retail cannabis store was seeking to establish in one of these areas, the only municipal approval required would be a Building Permit.

Restricting Locations

Subsection 4(12) of the CLA authorizes the Registrar to refuse to issue a retail store authorization for a Cannabis Retail Store that would be located less than a specified distance to a school or other prescribed land use, or in any other circumstance that may be prescribed. The CLA authorizes the Lieutenant Governor in Council to make regulations relating to prescribed circumstances and reasons for refusals.

Provincial regulations released on November 14, 2018 establish separation distances for schools, and not for other types of sensitive uses (e.g. parks, day cares), and the required radial separation is established at 150 m. The map attached as Appendix “D” to this Report outlines for illustrative purposes a 150 m radial separation from schools in Hamilton.

Retail Sales at Point of Production

Subsection 4(4) of the CLA allows licensed producers to operate a single retail store located on or within the site set out in the licence. For zoning purposes in the A1 (Agriculture) and A2 (Rural) zones, the size of a retail outlet is capped at 200 sq. m. The CLA and associated regulations do not establish a minimum or maximum store size. It is noted that there are other uses which are licensed/regulated by the Province such as wineries and micro-breweries which are required to comply with municipal by-law regulations with respect to building setbacks, gross floor area, etc. In those cases where a licensee is seeking to build a building larger than the current as-of-right zoning permissions, then the licensee can make an application for either a minor variance or a rezoning at which time the merits of the application will be considered.

Issuance, Refusal of Retail Store Authorization

The CLA governs the issuance, renewal and expiry of retail operator licences, cannabis retail manager and retail store authorizations. The CLA sets out the process for public and municipal input on locations for retail cannabis stores. Public notice will be displayed at all locations proposed for a Cannabis Retail Store specified in the application, the same will also be posted on the AGCO’s website. Residents and the municipality will have 15 days in which to issue written submissions on each application on whether issuance of the licence is in the public interest considering the needs and wishes of residents. The CLA requires these submissions to be considered by the Registrar in determining the issuance of a retail store authorization approval, but do not ensure that a retail store authorization would be declined where a municipality was not in favour of the proposed location, as the ultimate decision rests with the Registrar. Matters of public interest are specified by regulation, which limits the scope of comments that would be considered by the Registrar to the following interests:

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- (a) Protecting public health and safety;
- (b) Protecting youth and restricting their access to cannabis; and,
- (c) Preventing illicit activities in relation to cannabis.

Delegated Authority

The Association of Municipalities of Ontario has recommended that municipalities identify a “key senior staff lead” for the purpose of responding to notifications from the AGCO within the 15-day window, for municipalities that elect to opt in.

The Director of Licensing and By-law Services currently has a similar delegated authority related to other matters. Providing this delegated authority to the Director of Licensing and By-law Services will ensure all City Departments and members of Council are notified and all responses are coordinated and completed within the 15-day window.

Policy Statement

The Association of Municipalities of Ontario has recommended that municipalities adopt a ‘Municipal Cannabis Retail Policy Statement’. Such a Policy Statement could address what a municipality sees as significant local sensitive uses. This would give municipal staff direction in responding to the 15-day window during the commenting process. For example, a Policy Statement may identify specific sensitive uses and express some parameters to consider proximity to them. A proposed City of Hamilton Cannabis Policy Statement is attached to this Report as Appendix “A”. It should be noted that this Policy Statement does not have any regulatory authority and is not binding on the Province. It merely describes the wishes of the City of Hamilton as it relates to the Province’s review and decision-making on license applications

Clustering or Caps

Section 12 of *O. Reg. 468/18* made under the CLA addresses market concentration. A single operator will be restricted to only operate a maximum of 75 retail stores. The maximum of 75 has been set to prevent a high degree of market consolidation by one operator, promote opportunities for small business and promote investment in the cannabis retail market.

There is no provision under the CLA to cap the overall number of stores in a municipality, or to restrict their concentration in a particular area.

Municipal Funding

Provincial funding details are described under the Financial Implications Section of this Report.

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Operating Requirements

Provincial regulations released on November 14, 2018 establish operating requirements for retail cannabis stores, including the following:

- (i) Retail cannabis stores will be allowed to open from 9:00 a.m. – 11:00 p.m. each day of the week;
- (ii) 75 stores per operator will be the amount allowable to promote small business opportunities;
- (iii) Retail employees will be subject to training requirements for responsible sales; and,
- (iv) Licences will not be issued to a corporation if more than 9.9% is owned or controlled by one or more licensed producers or affiliates, whether direct or indirect ownership.

Public Health Perspective

From Public Health's perspective, it is favourable to opt in to a retail model recognizing that an opt out retail model leaves an online platform as the sole mechanism through which individuals can legally purchase cannabis. This option necessitates that people plan their cannabis use well in advance. Unfortunately, this often is not the case. Having a legalized product that people cannot readily access will likely drive them towards the illegal market, which could allow for the proliferation of organized crime, loss of revenue, and potential product contamination leading to increased harms.

The Provincial government has limited the municipal authority regarding retail outlets. An opt in model is, from Public Health's perspective, preferable given the evidence that illicit cannabis can only be stopped if legal cannabis is readily available and is competitive with the illegal market. Public Health supports a culture of moderation and is committed to educating our citizens about the health consequences surrounding use and ensuring that the consumption of cannabis is done responsibly and safely. A regulated model for sale of legalized product can reduce access for youth who are one of the groups most at risk from the harms of cannabis.

Economic Development Perspective

Opting in to the Provincial model may dissuade the illegal operators, which would be a benefit to the local business environment, and particularly the BIAs. New retail stores also fill retail vacancies and increase opportunities for jobs creation. A potential concern is that retail cannabis stores may create upward pressure on retail lease rates which could negatively affect other businesses. Over-concentration of retail cannabis stores in certain locations may also be detrimental to other business types in those locations.

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Chamber of Commerce Perspective

The Hamilton Chamber of Commerce is in support of opting in to allow Private Cannabis Stores. In their view, opting in supports the growth of the industry and the ability to open up new markets. The competitiveness of the industry will ensure a high-quality retail establishment that will create employment and additional business opportunity.

The Stoney Creek Chamber of Commerce has expressed concerned about the lack of communication and education from the Province on how the new cannabis stores will operate and where they will be located.

Cannabis Industry Stakeholder Perspective

Current Cannabis Industry Stakeholders are in full support of opting in for the municipality. They indicate that each store employs approximately 30-40 people creating additional well-paying jobs. They believe the legalized stores will reduce crime and create less opportunity for the illegal market and organized crime.

The stakeholders believe that the cannabis stores will have a positive impact on tourism and meets with the City's vision of being Open for Business. They also see that opting in will assist in supporting harm reduction to provide an opportunity to address the opioid crisis. Lastly, from their own experience, they have seen a positive impact on surrounding businesses as customers and staff access local shops while attending the cannabis stores.

CLOSING OF EXISTING ILLEGAL CANNABIS STORES

The CCA gives specific authority to policing services to close down existing illegal dispensaries. Tools include closure orders as well as significant fines to bring these retail stores into compliance.

Following is an overview from the Hamilton Police Service (HPS) perspective as well as an outline of the new enforcement powers under the CCA. These powers are different from those afforded to the AGCO for controlling licensed cannabis stores under the CLA.

Enforcement and Hamilton Police Service Perspective

The HPS has indicated that it will support the municipality in their decision regarding cannabis retail sales in the City of Hamilton. The HPS is committed to ensuring only legal activity is permitted in the City of Hamilton and will act on any illegal activity as it relates to the operation of cannabis retail sales. The HPS has expressed the need for the new, higher fines to be upheld in court and will communicate with the Attorney General's Office for support with this initiative.

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Municipal enforcement will be limited to enforcing infractions related to property standards, signs, noise, public nuisance and yard maintenance through Administrative Penalties and Provincial Offences Notices, even when/if accompanying the HPS.

New Enforcement Powers

Under the CCA the new enforcement powers include closure orders and significant fines for those convicted. The fines can extend to landlords or property owners that allow illegal stores to operate. On conviction for certain offences under the CCA, an individual can face fines up to \$250,000 and/or imprisonment for a term of two years less a day for a first offence and corporations could face fines up to a maximum of \$1M for a first offence. Depending on whether it's an individual or corporation, subsequent offences can include fines ranging from \$10,000 to \$500,000 for each day the offence occurs or continues.

By-law Officer Designations

Subsection 21(1) of the CCA provides that powers of Police Officers, with the exception of Section 19 - arrest powers, may be exercised by any other person or class of persons designated in writing by the Minister. Subsection 21(2) of the CCA provides the opportunity to ensure that restrictions are included as part of the designation.

Licensing and By-Law Services does not recommend the designation of Municipal Law Enforcement (MLE) Officers as an option. Designations of MLE Officers would significantly increase the cost to the City for cannabis legalization enforcement. The designation would create liability with respect to the use of police powers, including issues of logistics of product and money seized. We believe that it is cost prohibitive and strongly do not recommend seeking designations, as the powers should remain the privy of the HPS.

ALTERNATIVES FOR CONSIDERATION

Council may consider opting out of allowing cannabis retail sales in the City of Hamilton. If Council elects to pass a resolution to opt out initially, Council could decide to opt in at a later date. If Council decides to opt out, a resolution must be sent to the Registrar no later than three business days after the resolution is passed and not later than January 22, 2019 pursuant to Subsections 41(1) and (5) of the CLA and Subsections 22(1) and (2) of the *O. Reg. 468/18*.

To opt out, Council should consider the following recommendation;

- (a) That cannabis retail stores not be permitted to operate in the City of Hamilton, in accordance with the *Cannabis Licence Act, 2018*;

- (b) That the City Manager be directed to provide written notice, prior to January 22, 2019, to the Registrar no later than three business days after the resolution is passed and not later than January 22, 2019 to advise that the City of Hamilton will not permit cannabis retail stores in Hamilton;
- (c) That the estimated first phase of funding, in the amount of \$574,493, to be funded from the Ontario Cannabis Legalization Implementation Fund for costs that directly relate to the legalization of recreational cannabis be allocated as outlined in Appendix “B” to Report PED18249.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial - First payment of \$574,493 will be distributed to the City in January 2019. The payment is the City’s share of the first \$15M which is based on 2018 MPAC household numbers, 225,291 (see Appendix “C”);

Second payment is a maximum of \$5,000; and,

The Provincial share of the Federal Excise Tax surplus payment will not be applicable to municipalities who have opted out.

Staffing - The legalization of cannabis as outlined in the Financial Implications Section includes three additional full-time equivalents. By opting in or out, the requirement for additional enforcement staff is required during the two-year transition period as funding by the Province.

Legal - N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Healthy and Safe Communities

Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” City of Hamilton Cannabis Policy Statement

Appendix “B”: Estimated Implementation Costs

Appendix “C”: Minister of Finance, Ontario Cannabis Legalization Implementation Funding Package

Appendix “D”: 150 m Radial Separation from Schools Map

KL:st