



Cannabis Retail Stores in Hamilton

(PED18249)

Presentation to General Issues Committee

December 18, 2018

OPT-IN / OPT-OUT

- City has until January 22 to inform the Province if it wishes to “opt-out” of allowing cannabis retail stores. If no decision is made by that date, the City will be deemed to have opted-in by default.
- If the City opts-in, it cannot opt-out later.
- If the City opts-out, it can opt-in at a later date.
- City staff are recommending that Council opt-in.
- Today’s GIC report will go to a special Council meeting that has been set for January 14.

PROVINCIAL FRAMEWORK

- On September 12, 2018, Council approved a motion that the Province's approach must ensure municipalities can 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

PROVINCIAL FRAMEWORK

- Cont'd:
 - (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
- On October 17, the Province's *Cannabis Licence Act* received Royal Assent and *O. Reg. 468/18* was passed on November 14.

REGULATING LOCATIONS

- Municipalities cannot locally license cannabis retail stores and they cannot create a special zoning category for cannabis retail stores.
- Therefore, municipalities cannot:
 - allow them in some retail areas but not others
 - establish a cap on the number of stores
 - limit the concentration of stores
 - establish separation distances
- Provincial regs establish 150 metre separation distance for schools.
- Cannabis producers are also allowed to have on-site retail stores.
- On Dec. 13, Province announced only 25 licences will be issued province-wide for “initial phase” of openings on April 1, 2019.

COMMENTING ON LICENCE APPLICATIONS

- Public and municipalities have 15 days to provide comments.
- Staff are recommending delegating commenting authority to the Director of Licensing and By-law Services or their designate.
- Staff are recommending that Council adopt a “Municipal Cannabis Retail Policy Statement” that states that cannabis stores should generally not be located:
 - within 300 metres of schools, parks/open spaces, alcohol and detox centres, day nurseries/child care centres, libraries, community centres and mental health/addiction centres
 - in areas that already have a high concentration of stores
 - in locations that have insufficient parking or transit access
 - in locations that are in predominantly residential areas

FINANCIAL CONSIDERATIONS

- Ontario Cannabis Legalization Implementation Fund will provide \$40M over two years to help municipalities with implementation costs.
 - \$15M proportionally to all municipalities (\$574,493 for Hamilton)
 - \$15M proportionally only to municipalities that opt-in
 - \$10M to address costs for “unforeseen circumstances”
- 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 that opt-in.
- There is no commitment to fund beyond the initial two years.

FINANCIAL CONSIDERATIONS

- Staff recommended allocation for first phase of provincial funding (\$574,493 available):

Healthy and Safe Communities

	Description	Annual Cost	One-Time Cost	FTE
Public Health	One (1) Tobacco Enforcement Officer	\$93,000	\$0	1
Public Health	Health Promotion and Prevention	\$20,000	\$0	0

Planning and Economic Development

	Description	Annual Cost	One-Time Cost	FTE
Licensing and By-law Services	Two (2) Municipal Law Enforcement (MLE) Officers	\$220,000	\$0	2
Licensing and By-law Services	One (1) Vehicle for Officers	\$0	\$26,000	0

ENFORCEMENT

- Number of illegal operators in Hamilton peaked at approx. 80 stores. Current estimate is just over 30 stores operating.
- Over 2 years, City by-law officers charged 57 businesses/landlords.
- With enactment of the Cannabis Licence Act, dispensaries are no longer in violation of City by-laws.
- Cannabis Licence Act includes new powers for closure orders and significant fines for those convicted:
 - individuals face fines up to \$250,000 and/or imprisonment for a term of two years less a day for first offence.
 - corporations face fines up to \$1M for first offence.
 - subsequent offences can include fines ranging from \$10,000 to \$500,000 for each day the offence occurs or continues.

OTHER JURISDICTIONS

Municipalities that have opted-in:

- Toronto
- Ottawa
- Guelph (recommended)
- London (recommended)

Municipalities that have opted-out:

- Brampton
- Burlington
- Lincoln
- Mississauga
- Markham
- Pickering
- Richmond Hill
- Oakville

SUMMARY OF STAFF RECOMMENDATIONS

- Cannabis Retail Stores be permitted to operate in Hamilton.
- City adopt a Cannabis Retail Policy Statement (see Appendix A) and request that it be used to guide the Province in making decisions on the approval of cannabis licenses in Hamilton.
- The Director of Licensing and By-law Services or their designate be delegated the authority to comment on the issuance of retail store authorizations based on the Cannabis Retail Policy Statement.
- The first phase of provincial funding of \$574,493 be allocated as outlined in Appendix B.
- Staff report back to GIC once the second phase of funding is announced with recommendations on how the funds should be allocated.

QUESTIONS

Licensing & By-law

Ken Leendertse / Dawn Johnson

Policing & Enforcement

Deputy Chief Dan Kinsella

Public Health

Dr. Elizabeth Richardson / Kevin McDonald

Zoning

Joanne Hickey-Evans

Economic Development

Glen Norton

Financial Impact

Brian McMullen

Legal

Nicole Auty / Ron Sabo