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.
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
• 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**

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<thead>
<tr>
<th>Description</th>
<th>Annual Cost</th>
<th>One-Time Cost</th>
<th>FTE</th>
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<tbody>
<tr>
<td>Public Health One (1) Tobacco Enforcement Officer</td>
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<td>Public Health Health Promotion and Prevention</td>
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**Planning and Economic Development**

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<th>Description</th>
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<tr>
<td>Licensing and By-law Services Two (2) Municipal Law Enforcement (MLE) Officers</td>
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<tr>
<td>Licensing and By-law Services One (1) Vehicle for Officers</td>
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<td>$26,000</td>
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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.
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.
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<tr>
<th>Department</th>
<th>Contact Persons</th>
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<tbody>
<tr>
<td>Licensing &amp; By-law</td>
<td>Ken Leendertse / Dawn Johnson</td>
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<tr>
<td>Policing &amp; Enforcement</td>
<td>Deputy Chief Dan Kinsella</td>
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<tr>
<td>Public Health</td>
<td>Dr. Elizabeth Richardson / Kevin McDonald</td>
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<tr>
<td>Zoning</td>
<td>Joanne Hickey-Evans</td>
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<td>Economic Development</td>
<td>Glen Norton</td>
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<tr>
<td>Financial Impact</td>
<td>Brian McMullen</td>
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<tr>
<td>Legal</td>
<td>Nicole Auty / Ron Sabo</td>
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