



## Brant County Council Report

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**To:** To the Mayor and Members of Brant County Council  
**From:** M. Bradley, Chief Administrative Officer  
J. Zuidema, Solicitor and Corporate Counsel,  
L. Dale, Director Legal and Property Services,  
M. Connor, Supervisor of Communications and Public Relations  
**Date:** December 18, 2018  
**Subject:** COU-18-40 - Cannabis Retail- Opt in or Opt out  
**Purpose:** For information

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### Recommendation

To receive as information.

### Key Strategic Priority

To ensure our municipality is healthy safe and progressive.

### Financial Considerations

Not applicable to this information report.

### Background

At the December 10, 2018 meeting, Corporate Development Committee passed a resolution to refer consideration of Report CD-18-98 to the December 18, 2018 meeting of Council. This report provides further information to assist Council.

### Report

The following table provides a synopsis of information that may assist Council in their analysis of the pros and cons of each option.

Issue	Opt In-Allow stores	Opt out-Do not allow stores
<b>Permanency of Decision</b>	Decision is Final-cannot opt out later	Decision is not final-Can Opt in Later
<b>Economic Development</b>	Potential job creation in new sector and commercial tax revenue	Impact of cannabis retail stores on existing retail commercial unknown

Issue	Opt in-allow stores	Opt out-do not allow stores
<b>Distribution system</b>	Private sector  Age verification by profit based private sector  Increased accessibility and normalization	Ontario Cannabis Store-Agent of the Crown in Right of Ontario  Delivery and age verification by Canada Post  Report from Brant County Health Unit -research related to tobacco and alcohol use indicates increased availability results in increased consumption and related health and social harms)
<b>Provincial Funding</b>	\$71,514 (estimated minimum)	\$40,757
\$15M paid early January	1 <sup>st</sup> installment -\$35,757	1 <sup>st</sup> installment -\$35,757
\$15M paid after Jan 22, 2019	2 <sup>nd</sup> Installment - \$35,757 (estimated-balance of \$15M after payment of Opt out municipalities)	2 <sup>nd</sup> Installment -\$5,000
\$10M For unforeseen circumstances	unknown priority given to opt in municipalities	unknown
Federal Excise Tax	Unknown 50% of provincial share of federal excise tax to be distributed to opt in municipalities if exceeds 100 million in the first two years	\$0
After two years	unknown	unknown
<b>Enforcement of cannabis retail regulations</b>	By inspectors appointed by Registrar -unknown if additional resources will be allocated	Not required

Issue	Opt in-Allow stores	Opt out-Do not allow stores
<p><b>Licensing</b></p>	<p>AGCO license required - County cannot license</p> <p>15 day comment period- barrier to Council comment</p> <p>Notice by posting at proposed location. No direct notice to County. To facilitate comment, daily monitoring of AGCO website required</p> <p>Comments related to protecting public health and safety, protecting youth and restricting their access to cannabis, preventing illicit activities in relation to cannabis to be considered</p> <p>No County control over number of stores</p> <p>County cannot enact zoning bylaw restrictions specific to cannabis retail. Only statutory restriction on location is not within 150 metres of school</p> <p>Zoning compliance not a licensing requirement. AGCO to advise applicants to contact municipality. Stores could be licensed at locations contrary to zoning bylaw - trigger enforcement</p> <p>Smoking on the sidewalks adjacent to store locations may become an issue (ie. BIA) and require enactment and enforcement of a County smoking bylaw</p>	<p>AGCO will refuse to issue a license to permit the operation of cannabis retail stores in the County</p>

Issue	Opt in-allow stores	Opt out-do not allow stores
<b>Social Impacts</b>	BCHU reports availability of retail stores increase consumption/social harm  Increase access for youth 19-25 to purchase legally- Health Canada reports health concerns for consumption under age of 25	May encourage more illegal distribution

**Public consultation**

An online survey was promoted on the corporate social media channels, website and news module from Tuesday, December 11, 2018 to Monday, December 17, 2018. The survey asked one simple question: "Do you want cannabis retail stores located in the County of Brant?". The online survey is not restricted to County of Brant citizens and one submission per device is accepted. As of December 13, 2018 the County has received 946 responses. Of these responses 67% are in favour of cannabis retail stores and 33% are opposed to cannabis retail stores. Updated results will be provided at the December 18, 2018 Council meeting.

If Council is interested in obtaining a random, representative sample, a third party research company may also be hired to call a sample of residents to ask the question(s). This would provide a more valid result. A research company has been contacted and they indicated they are able to complete the work within a one-week timeframe prior to January 22, 2018.

The chart below summarizes the results of the public consultation process in few other municipalities.

Municipality	Online survey results	Telephone survey results
Guelph	Not applicable	65% support stores
Sudbury	10,000 responses (6,500 unique responses) 88% support stores	Results were to be presented to Council Dec 11th, minutes not yet posted
Ottawa	24,000 responses (only 15,888 were Ottawa residents)  78 % support stores 20 % oppose stores	48% support stores 43% oppose stores

## Status of Other Municipalities in Decision Process

A list of Opt in- Opt out municipalities as posted on the AGCO website as of December 13, 2018 is appended at the end of this report.

Following is a list of the status with respect to several area municipalities.

<b>Municipality</b>	<b>Status of Decision</b>	<b>Public Consultation</b>
Brantford	Council – January 8, 2019	On line survey – Dec 14-31 Public meeting Jan 3, 2019
Norfolk	Opted in	unknown
Haldimand	Public input January Council	undecided
Oakville	Report Dec 17, 2018 Council January 14, 2019	Not planned
Burlington	Council -December 17, 2018	unknown
Hamilton	Council-December 18, 2018	Not planned
Brampton	Opted Out	unknown
Mississauga	Opted Out	unknown
Markham	Opted Out	unknown
Kitchener	Council-January 14, 2018	unknown
Toronto	Debating Dec 13, 2018	unknown

## Pros and Cons of permitting cannabis retail stores

Below is a table of pros and cons regarding allowing cannabis retail stores in the County. It should be acknowledge that some of this information is subjective and has not be substantiated by data.

<b>Pros-permitting cannabis retail stores</b>	<b>Cons-permitting cannabis retail stores</b>
Economic development opportunity	Impact on municipal service costs unknown
Reduction of illegal market	BCHU studies indicate the existence of a significant illegal cigarette market despite ability to purchase legally

<b>Pros-permitting cannabis retail stores</b>	<b>Cons-permitting cannabis retail stores</b>
Access to federally regulated product to reduce harm	BCHU reports studies indicate greater access increases consumption/social harm
Licensed by AGCO	No municipal control over location, number of stores or concentration
Regulated to prevent youth access	Profit based private sector distribution system-level of compliance and regulatory oversight unknown  Health Canada reports consumption of THC below age 25 affects brain development and is associated with increased risk of suicide, depression, anxiety disorders, addiction, schizophrenia, psychosis- often irreversible
<u>Additional</u> funding of \$35,757 (minimum)	Increased administrative costs to comment on applications and potential increase in enforcement, paramedic and social service costs with increased access
	Decision is not reversible

### **Interdepartmental Considerations**

Not applicable to this information report.

### **Attachments**

1. AGCO- List of Ontario municipalities prohibiting or allowing cannabis retail stores

### **Copy to**

1. Robin Hewitt, General Manager of Corporate Services
2. Heather Mifflin, Director of Finance /Treasurer

### **File # COU-18-40**

### **In adopting this report, is a bylaw or agreement required?**

If so, it should be referenced in the recommendation section.

By-law required (No)

Agreement(s) or other documents to be signed by Mayor and /or Clerk (No)

Is the necessary by-law or being sent concurrently to Council? (No)