



GENERAL COMMITTEE

Tuesday, January 8, 2019
COUNCIL CHAMBERS - CIVIC SQUARE

Meeting Number 2019 - 1

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1. OPEN GENERAL COMMITTEE MEETING AT 7:00 P.M.
 - 1.1 CALL TO ORDER BY VICE MAYOR LEO VAN VLIET
 - 1.2 ADDITIONS/DELETIONS TO AGENDA
 - 1.3 DISCLOSURES OF INTEREST
 - 1.4 ADOPTION OF MINUTES

General Committee Meeting of December 11, 2018.
 - 1.5 ITEMS TO BE REMOVED FROM BLOCK FOR DISCUSSION IN COMMITTEE-OF-THE-WHOLE (OPEN) (See blue tab)

 2. VERBAL REPORTS AND DELEGATIONS
 - 2.1 PRESENTATIONS – Nil
 - 2.2 DELEGATIONS (MAXIMUM 5/10/5 RULE)

19-28 Roger Ali, President & CAO and Mike Grocholsky, Member of Board of Directors, Niagara Health Foundation re: Niagara Health Foundation Update
(Background information provided in Council members packages).
 - 2.3 AGENCIES, BOARDS, COMMISSIONS AND COMMITTEES REPORT(S) – Nil

 3. COMMITTEE-OF-THE-WHOLE (OPEN)
(Discuss items removed from Agenda Block)

 4. ADJOURNMENT



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AGENDA BLOCK

1. BUSINESS ARISING FROM MINUTES, PREVIOUS MEETINGS AND OTHER ITEMS REFERRED FROM COUNCIL FOR DISCUSSION - Nil

2. STAFF REPORTS

INFRASTRUCTURE & DEVELOPMENT SERVICES – L. Van Vliet, Chair

Engineering Division

1 - 4

ENG-2019-01 Gen. Mgr., Infrastructure and Development Services/City Engineer,
E. Nickel – Retail Cannabis: opt-in or opt-out decision. Ref. No.18-87

3. NEW BUSINESS - Nil

GENERAL COMMITTEE
INFRASTRUCTURE AND DEVELOPMENT SERVICES

| APPROVALS | |
|-----------------|------------|
| GENERAL MANAGER | <i>EEL</i> |
| CFO | <i>EL</i> |
| CAO | <i>EL</i> |

REPORT ENG-2019-01
 JANUARY 8, 2019

18-87

SUBJECT: RETAIL CANNABIS: OPT-IN OR OPT-OUT DECISION

**AUTHOR: ERIK NICKEL, P. ENG.,
 GENERAL MANAGER, INFRASTRUCTURE AND
 DEVELOPMENT SERVICES / CITY ENGINEER**

RECOMMENDATIONS:

THAT THE COUNCIL OF THE CITY OF WELLAND receive for information REPORT ENG-2019-01 regarding the decision to opt-in or opt-out of allowing retail cannabis stores to be located in the Municipality; and further

THAT Welland City Council select one (1) of the following two options:

Option 1: Opt-in to allow Cannabis Retail Stores in Welland;

Option 2: Opt-out of allowing Cannabis Retail Stores in Welland; and further

THAT Welland City Council direct the Clerk to advise the Alcohol and Gaming Commission of Ontario (AGCO) of Council's decision before January 22, 2019.

ORIGIN AND BACKGROUND:

On September 27, 2018, the Ontario government tabled Bill 36, the Cannabis Statute Law Amendment Act, 2018.

This Bill, which received Royal Assent on October 17, 2018, has enacted the Cannabis Licence Act, 2018 and has made amendments to the Cannabis Act, 2017, the Ontario Cannabis Retail Corporation Act, 2017 and the Smoke-Free Ontario Act, 2017, as well as consequential amendments to other legislation.

This provincial legislation has given Welland City Council a one-time opportunity to opt-out of allowing cannabis retail stores, and that decision is required by January 22, 2019.

COMMENTS AND ANALYSIS:

The implication of Bill 36 on municipalities has been summarized and communicated by a number of provincial agencies, including the Association of Municipalities of Ontario (AMO). Council has been provided with this information previously.

The following is a summary of the implications as they relate to the City of Welland.

1. Smoking Recreational Cannabis is now legal wherever tobacco consumption is also permitted under the Smoke Free Ontario Act (SFOA). In Welland, the SFOA is enforced

by the Niagara Region Public Health Unit. It remains prohibited to smoke tobacco, cannabis and use an electronic cigarette (vape) in public spaces with the exception of sidewalks, parking lots, roads, rights-of-ways, beaches and walking trails.

Niagara Region has provided additional information on this topic on their website:

<https://www.niagararegion.ca/health/substances/tobacco/smoke-free-outdoor-spaces.aspx>

2. Retail Cannabis Stores will be permitted to be operational in the province no earlier than April 1, 2019. The Alcohol and Gaming Commission of Ontario (AGCO), the Province's cannabis regulator, will only award 25 store licenses in the initial phase of private recreational cannabis retail starting April 1, 2019. They will be taking applications from potential store operators from January 7-9, 2019. AGCO operator licenses will be decided by lottery that will be overseen by a third-party fairness monitor.
3. All Municipalities have a one-time opportunity to opt out of cannabis retail stores in their community, and this decision is required by a resolution of council by January 22, 2019. If Welland opts-out before January 22, 2019, this decision may be reversed via resolution (with no current time limitation). However the decision to opt-in, i.e. to allow retail cannabis stores in the City, would be final and cannot be reversed by Council.
4. The decision to opt-out must be provided to the Registrar before midnight January 22, 2019. No decision, or failing to notify the registrar by midnight January 22, 2019, is considered opting-in by default.
5. The AGCO will license all operators, approved store sites, and license cannabis retail managers to work in retail stores.
6. Municipal official plans, zoning approvals, and licensing by-laws will not apply to store licensing; however, the provincial licensing process does not remove the requirement for store locations to comply with the zoning by-law and other municipal planning documents. The definitions within the municipality's Official Plan and Zoning By-law are applicable to all retail, including cannabis retail stores. Retail sale of cannabis from a provincially licensed store is legal and is a permitted use in the retail zones.
7. The AGCO will establish processes for Retail Operator Licensing and Retail Store Authorization for retail stores in communities where municipal governments have not opted out. The AGCO will be responsible for licensing/inspections of stores and the Region of Niagara will be carrying out enforcement of the Smoke Free Ontario Act.
8. Provincial regulations (O.Reg. 468/18) include a 150-meter buffer area for cannabis stores to keep them separated from schools. No buffers from any other use have been specified by the regulations.
9. The AGCO will provide municipal governments and the public with a 15-day notification period of a proposed store site to receive public input and hear concerns from the local community. Comments will be applicable both from lower and upper tier municipalities. Public notification will be posted on the proposed building and on the AGCO's website. Due to the short time period for responding back to AGCO, staff would recommend that Council delegate powers to Staff (City Clerk, CAO, or designate) to forward comments to AGCO.
10. Niagara Regional Police will enforce the law with respect to Illegal activities relating to cannabis, including but not limited to: unlawful selling, unlawful consumption,

consumption in the workplace, unlawful growing of plants (more than 4 per residence), and unauthorized possession.

A public outreach campaign began on December 3rd, 2018 consisting of a news release, 610 CKTB radio interview, and launch of the YourChannel module.

The YourChannel module included a public opinion survey and Q & A section. Council will be provided with the results of the YourChannel module in a separate hand-out to this report due to the fact that the commenting period closed on January 5, 2019 and could not therefore be summarized in time for finalization of this report.

FINANCIAL CONSIDERATION:

Through the Ontario Cannabis Legalization Implementation Fund (OCLIF), the province is providing municipalities with \$40 million over two years to help with the implementation costs of recreational cannabis legalization. OCLIF is distributed as follows:

Ontario is providing a first-round allocation of \$15 million to all municipalities on a per-household basis, adjusted so that at least \$5,000 is provided to each municipality. This will enable all municipalities to proceed with planned legalization activities. Welland's first-round allocation has been calculated by the Province to be \$29,529.

After the deadline for municipalities to opt-out under the Cannabis Licence Act, which is January 22, 2019, Ontario will provide an additional \$15 million. Municipalities that have not opted-out as of January 22, 2019 will receive funding on a per-household basis, adjusted so that at least \$5,000 is provided to each municipality. This funding will support initial costs related to hosting retail storefronts.

The second allocation available to Welland if Council chooses to opt-in will be greater than the first allocation of \$29,529 but is otherwise unknown as it depends highly on the decisions made in all other municipalities.

Municipalities that have opted-out will receive a second allocation of only \$5,000 each.

Additionally, use of the funds has now been clarified by the Province as follows:

Municipalities must use their OCLIF funding to address the implementation costs that directly relate to the legalization of recreational cannabis. Examples of permitted costs include:

- increased enforcement (e.g. police, public health and by-law enforcement, court administration, litigation)
- increased response to public inquiries (e.g. 311 calls, correspondence)
- increased paramedic services
- increased fire services
- by-law / policy development (e.g. police, public health, workplace safety policy)

Ontario is setting aside \$10 million of the OCLIF to address costs from unforeseen circumstances related to the legalization of recreational cannabis. Priority for this funding will be given to municipalities that have not opted-out. Further details will be provided by the Province at a later date.

OTHER DEPARTMENT IMPLICATIONS:

Enforcement of the Smoke Free Ontario Act, the illegal sale of cannabis, and the illegal growing of plants remain the responsibility of the Niagara Regional Police.

The implications as a result of legalization that occurred on October 17th, 2018 have been successfully managed thus far by respective departments. It is not expected that the placement of cannabis retail stores in the City will cause significant implications to other departments.

SUMMARY AND CONCLUSION:

Welland City Council will have a one-time opportunity to opt out of cannabis retail in the City, and this decision is required by January 22, 2019.

There is no current time expiry for a local municipality to opt back in, via Council resolution; however, any decision to opt-in is final.

The AGCO will be empowered to govern the licensing, approval, and staffing of retail store sites, which will include a 15-day notification period to receive public input.

The province is committing funding to assist municipalities with recreational cannabis impacts. More dollars will be made available to municipalities that choose to host retail cannabis stores and declare this choice by January 22, 2019.

ATTACHMENTS:

Survey Results Handouts (to be provided on January 8, 2019)