

# Retail Cannabis Workshop

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# Overview



## Introduction



## Legal context

- Federal & Provincial law
- Places of consumption
- Responsibilities



## Planning context

- Retail process
- Retail locations
- Retail considerations



## Economic development & Finance



## Next Steps

# Introduction



What this presentation **will**  
address

- ✓ General overview of new legislation
- ✓ How private retail works
- ✓ Anticipated effects of private retail

What this presentation will  
**not** address

- Industrial or individual cultivation
- Health and social effects of legalization
- Matters outside of Town jurisdiction (e.g. medical cannabis, criminal law)



# Legal:

## Federal law

- The federal *Cannabis Act* came into force on October 17, 2018.
- The Act creates the legislative framework for Cannabis in Canada, including:

Supply Chain Oversight and Regulation
<ul style="list-style-type: none"><li>• <b>Federal licensing</b> for the production, cultivation and processing of cannabis</li><li>• <b>Provinces and territories authorized to distribute and sell cannabis</b>, subject to federal conditions</li><li>• <b>Federal regulation of cannabis for medical purposes</b> would continue</li></ul>

Youth Access Restrictions
<ul style="list-style-type: none"><li>• <b>Minimum age of 18</b></li><li>• Not an offence for youth to possess five grams or less of cannabis</li></ul>

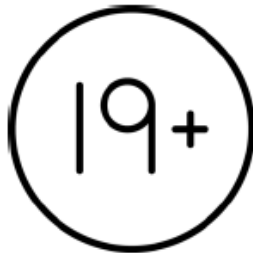
Adult Access
<ul style="list-style-type: none"><li>• <b>30 gram adult public possession limit</b> of legal dried cannabis</li><li>• <b>Adults could grow up to 4 cannabis plants</b> per residence for personal use</li></ul>

- Provinces and territories then enact their own legislation to address the fine details of implementation in each province and territory.



# Legal: Provincial law

- The provincial *Ontario Cannabis Retail Corporation Act*, *Cannabis Control Act* and the *Cannabis Licensing Act* are also in force.
- This sets the rules for recreational cannabis in Ontario and further restricts access. These rules include:



Prohibiting the sale of recreational cannabis to anyone under the **age of 19**



Prohibiting **youth (under 19)** from **possessing, cultivating, consuming and sharing** cannabis



Addressing **illegal selling**, including storefront dispensaries\*

- Recent legislation following the provincial election caused changes in the retail model and limits on public consumption.

# Legal: Responsibilities

Areas of Activity:	Who is responsible?
<b>Medical</b> cannabis use and distribution	→ Health Canada
Recreational cannabis <b>production licence</b>	→ Health Canada
Recreational cannabis <b>cultivation &amp; processing</b>	→ Health Canada & Licenced Producers
Recreational cannabis <b>wholesale</b>	→ Ontario Cannabis Store
Recreational cannabis <b>online retail sales</b>	→ Ontario Cannabis Store
Recreational cannabis <b>consumption</b>	→ Municipal by-law powers under the Smoke Free Ontario Act
<b>Investigations</b> of criminal activity related to cannabis and illegal dispensaries	→ Police

# Legal: Places of consumption

## Where you can use controlled substances

\*Recreational cannabis

\*\*Current as of October 25, 2018

\*\*\*Some parks are smoke free. Check your municipality's website for more information.

\*\*\*\*Smoking is not permitted in vehicles that carry minors 16 years of age or under

Where	tobacco	cannabis*	alcohol
Your home	✓	✓	✓
Parks***	✓	✓	✗
Sidewalks	✓	✓	✗
Playgrounds and sports fields	✗	✗	✗
Licensed restaurant patios	✗	✗	✓
Vehicle****	✓	✗	✗
Boat	✓	✗	✗

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# Planning Context: Retail process



- Municipalities in Ontario cannot use zoning or licencing to limit, prohibit, or regulated retail cannabis locations.
- One opportunity to “opt out” by January 22, 2019

AGCO



# Planning Context: Retail process



- The AGCO will licence private retailers after a required investigation/due diligence process, including:
  - Local public notice process (administered by AGCO)
  - Review of regulated requirements
  - Background checks on key individuals
  - Conducting compliance inspections
- The AGCO will license store owners, retail store locations and store managers
- Will accept applications beginning December 17
- First private retail stores to open April 1, 2019



# Planning Context: Retail locations



- Provincial limits on cannabis stores include:
  - No closer than 150 metres from any school
  - Is a 'stand-alone' store
  - Can only sell cannabis and federally-defined cannabis accessories
  - Cannot be open for business between 11:00 PM and 9:00 AM
  - Can only sell cannabis and federally-defined cannabis accessories



# The Town of Newmarket



# Planning Context: Retail considerations



- Cannabis retail outlets and public concern
- Planning review of impacts and effects



# Planning Context: Retail considerations



- Key question: Should Newmarket allow retail cannabis stores or opt out of hosting them?
- Considerations related to legalization
  - Private consumption
  - Growing cannabis at home
  - Driving while impaired
  - Education of first-time users
  - Excessive use
  - Restricting access to cannabis by youth



# Planning Context: Retail considerations



- Key question: Should Newmarket allow retail cannabis stores or opt out of hosting them?
- Perceived impact of stores
  - Property Values
  - Traffic
  - Crime & disruptive behaviour

## High on Crime? Exploring the Effects of Marijuana Dispensary Laws on Crime in California Counties\*

Regulated marijuana markets are more common today than outright prohibitions across the U.S. states. Advocates for policies that would legalize marijuana recreational markets frequently argue that such laws will eliminate crime associated with the black markets, which many argue is the only link between marijuana use and crime. Law enforcement, however, has consistently argued that marijuana medical dispensaries (regulated retail sale and a common method of medical marijuana distribution), create crime in neighborhoods with these store-fronts. This study offers new insight into the question by exploiting newly collected longitudinal data on local marijuana ordinances within California and thoroughly examining the extent to which counties that permit dispensaries experience changes in violent, property and marijuana use crimes using difference-in-difference methods. The results suggest no relationship between county laws that legally permit dispensaries and reported violent crime. We find a negative and significant relationship between dispensary allowances and property crime rates, although event studies indicate these effects may be a result of pre-existing trends. These results are consistent with some recent studies suggesting that dispensaries help reduce crime by reducing vacant buildings and putting more security in these areas. We also find a positive association between dispensary allowances and DUI arrests, suggesting marijuana use increases in conjunction with impaired driving in counties that adopt these ordinances, but these results are also not corroborated by an event study analysis.

*Institute of Labour Economics, research institute study  
California State University & University of Georgia Study  
funded by the RAND Corporation*



# Planning Context: Retail considerations



- Town response to licence notifications from AGCO
- Determination of “the public interest”
  1. Protecting public health and safety.
  2. Protecting youth and restricting their access to cannabis.
  3. Preventing illicit activities in relation to cannabis.
- Town role in commenting on licence applications
  - Concerns for ‘sensitive land uses’
  - Approaches to determining comment responses





# Economic Development & Finance:

## Financial considerations



- Town costs related to the legalization of cannabis include:
  - Enforcement of any by-laws related to consuming cannabis in public places subject to the Town's by-laws (e.g. parks)
- Costs borne by other levels of government include:
  - York Region Police
    - Unlicensed growing operations
    - Unlicensed retail operations
    - Unlicensed production
    - Intoxication while driving
  - AGCO
    - Licensed retail operations
  - Regional Tobacco Enforcement Officers
    - Smoking where prohibited by the Smoke-Free Ontario Act



# Economic Development & Finance: Financial considerations



- The Town will be eligible for certain revenues related to cannabis
- The Province will convey to the Town funds restricted to the reimbursement of costs related to cannabis:
  - \$37,608
  - An additional \$37,608 if the Town does not opt out of private retail sales
  - 50% of all revenues from federal excise tax in excess of \$100 million in the first two years
  - Opting out of retail sales will mean the Town is not entitled to any excise revenues
- Potential property tax revenues and economic development



# Economic Development & Finance: Financial considerations

## Household consumption expenditure 2017

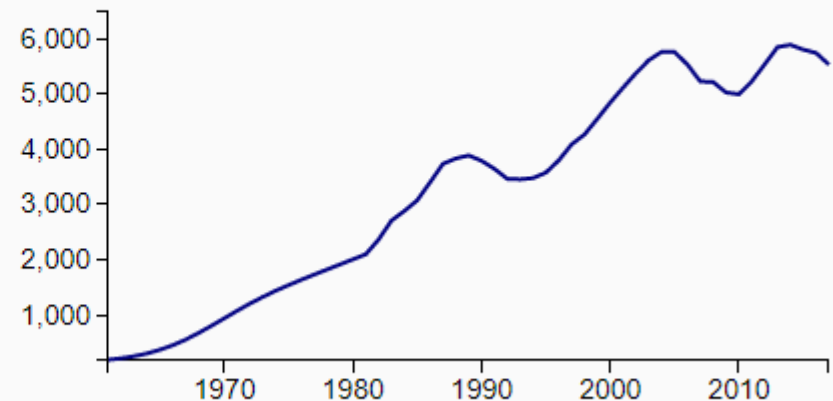
Total, 15 years and over ▼

<b>Expenditure</b>	<b>\$5,526.6 million</b>
<b>Quantity</b>	<b>773.4 t</b>
<b>Price per gram</b>	<b>\$7.15</b>

*(click on indicators to update the chart on this page)*

## Expenditure — Total, 15 years and over 2017

\$ millions



Cannabis Stats Hub, Statistics Canada



# Next Steps: By-laws



## Current Parks By-law:

- Prohibits smoking
  - Sunnyhill Park.
  - Within a 20 metre of municipal sports surfaces, play areas, or municipal facilities
- Town can add cannabis to these existing restrictions with a by-law amendment.
- Q1-Q2 2019 – Staff to begin work to amend the Parks By-law to address cannabis smoking in the same manner as tobacco



# Next Steps: Engagement



- Survey online: [surveymonkey.com/r/cannabisinfo](https://surveymonkey.com/r/cannabisinfo) and by phone.
- Communicated through the following channels:
  - Media Release
  - Town Page
  - Newmarket Now
  - Website – [newmarket.ca/cannabis](https://newmarket.ca/cannabis)
  - Social Media (Twitter and Facebook)



# Next Steps



- December 12<sup>th</sup>, 2018 – Public Information Centre
- January 14<sup>th</sup>, 2019 – Report to Committee of the Whole
- January 21<sup>st</sup>, 2019 – Council to receive report
- January 22<sup>nd</sup>, 2019 – Deadline to provide notice to AGCO
- Q1-Q2 2019 – Staff to begin work to amend Parks By-law to address cannabis smoking
- April 1<sup>st</sup>, 2019 – Retail cannabis is permitted in Ontario
- Ongoing – Continue collaboration with Region, Province, York Region Police, AGCO and others on evolving matters



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## Next Steps



Questions?

modern  
green  
forward-thinking  
inclusive  
community  
progressive  
creative  
smart  
urban  
innovative

