



SUBJECT: Cannabis Legislation and Retail Cannabis Sales Update

TO: Committee of the Whole

FROM: City Manager's Office

Report Number: CM-3-19

Wards Affected: All

File Numbers: 110-02

Date to Committee: January 14, 2019

Date to Council: January 14, 2019

Recommendation:

Direct the City Manager to send confirmation of the City of Burlington's decision to not "opt out" of retail cannabis stores.

Purpose:

A City that Grows

- Promoting Economic Growth

An Engaging City

- Good Governance

Background and Discussion:

Report CM-3-19 provides an update since report CM-20-18 regarding the province's cannabis legislation and the implications for the City of Burlington that went to the Committee of the Whole for discussion on December 10, 2018.

AGCO Update

The retail license lottery announcement on December 13, 2018 by the Alcohol and Gaming Commission of Ontario (AGCO) confirmed 25 retail licenses will be available for retail cannabis stores in Ontario. The GTA (Halton, Peel, Durham and York) will have 6 of these licenses. The AGCO also announced that KPMG would be the firm that would

be monitoring and assuring the lottery for those licenses. Expressions of interest were received by the AGCO January 7-9, 2019. The lottery is to be held January 11, 2019 and the AGCO has committed to putting up the names of those successful expressions on their website within 24 hours. Staff will be monitoring the AGCO website.

Once an expression of interest is awarded for a Region, the applicant may choose where within that region they wish to apply for a license. It is important to know that those who are successful will then be able to apply for a retail license but will still need to qualify and are subject to all requirements before they are granted an operators license. Part of the license granting procedure includes the previously announced AGCO 15 day public comment period. It is interesting to note that the AGCO has also included a \$50,000 line of credit that the AGCO will draw upon if the retail store is not operational on April 1, 2019.

Engagement Results:

Get Involved Burlington Online Survey

New Results: December 18, 2018 – January 10, 2019 (Appendix A – detailed report)

- 784 surveys were completed
- 56.8% support having cannabis retail stores in Burlington
- 34.9% would prefer to have the option to purchase cannabis both in retail stores and online
- 44.4% do not intend to buy cannabis

Comprehensive Results: December 4, 2018 – January 10, 2019 (Appendix B – detailed report)

- 2718 surveys were completed
- 62.8% support having cannabis retail stores in Burlington
- 39.1% would prefer to have the option to purchase cannabis both in retail stores and online
- 38.0% do not intend to buy cannabis

Comprehensive Ward Results:

WARD	OPPOSE	SUPPORT	UNDECIDED
1	28.99%	66.66%	4.3%
2	24.23%	71.18%	4.58%
3	28.26%	70.13%	1.6%
4	30.78%	67.64%	1.57%
5	44.32%	53.71%	1.96%
6	50.94%	47.58%	1.46%

The majority of Burlington respondents to the survey support cannabis retail in the City of Burlington.

Financial Matters:

The only funding known at this time is the first payment of \$93,063 provided to the City of Burlington to assist with issues related to the legalization of recreational cannabis. The amount of the second payment is unknown at this time but will be announced after the January 22, 2019 opt-out deadline.

Other Resource Impacts

Unknown at this time.

Connections:

This report outlines federal and provincial legislation that has an impact on the City of Burlington.

Public Engagement Matters:

A memo was sent to council on December 14, 2018 for discussion at the December 17, 2018 Council meeting that contained all the public engagement results from the Get Involved survey that was open December 4-13, 2018 and any correspondence received by the city in reference to retail cannabis stores.

The Mayor also hosted a Town Hall meeting on December 12, 2018 to receive resident input on this issue. The results from that evening's survey were in the December 14, 2018 memo to council.

The Get Involved Burlington survey was reopened for further resident input from December 18, 2018 – January 10, 2019 as provided above.

Conclusion:

Staff have been working diligently to keep up with the changing legislation and regulations related to recreational cannabis. Staff recommend that we proceed with the recommendations as outlined in report CM-3-19.

Respectfully submitted,

Leah Bisutti
Manager of Corporate Policy Initiatives

Mary Lou Tanner
Deputy City Manager

Appendices:

- A. Get Involved Burlington Survey Results Dec 18, 2018 – January 10, 2019
- B. Combined Survey Results December 4, 2018 – Jan 10, 2019
- C. Public Feedback by Email December 14, 2018 – Jan 10, 2019

Notifications:

Distribution to City Clerks of Halton Region, Oakville, Milton and Halton Hills
MP – Karina Gould, Pam Damoff
MPP – Jane McKenna, Effie Triantafilopoulos

Report Approval:

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.