



The Corporation of the Town of Tecumseh

Corporate Services & Clerk

To: Mayor and Members of Council

From: Laura Moy, Director Corporate Services & Clerk

Date to Council: June 8, 2021

Report Number: CS- 2021-09

Subject: Retail Cannabis Stores

Recommendations

It is recommended:

That CS-2021-09 entitled “Retail Cannabis Stores”, **be received;**

And that opting in to retail cannabis sales in the Town of Tecumseh **be given** consideration by Council.

Background

In 2018, the Cannabis Licence Act, 2018 (Act) came into effect and gave municipalities a one-time option to “opt out” of allowing privately licensed cannabis retail stores within their communities and to retain the ability to “opt in” at a later date. Under the Act, a decision by a municipality to opt out had to be made by January 22, 2019. Once a municipality decides to opt in and allow cannabis retail stores it is final and may not be subsequently reversed.

At the December 11, 2018 meeting of Council, the members received [CS-2018-47](#) entitled “Legalization of Cannabis Use and Retail Sales” to assist in deciding whether or not to opt out of retail cannabis sales in the Town of Tecumseh. At the meeting, Council passed Resolution RCM-344/18 opting out of hosting retail cannabis sales and authorizing the Clerk to send a letter to the Alcohol and Gaming Commission of Ontario advising that the Town of Tecumseh passed a resolution to opt out of retail cannabis sales.

At the [April 13, 2021 Regular Meeting of Council](#), two Delegations presented on retail cannabis sales and asked that reconsideration be given to allowing retail cannabis stores in the Town of Tecumseh. At the meeting, Council passed Resolution RCM-109/21 to reconsider the RCM-344/18 and further passed Resolution RCM-110/21 directing Administration to review and

report back on the request to allow for retail cannabis sales in the Town of Tecumseh, including an update from the Windsor Essex County Health Unit, an update on the prior administrative report on retail cannabis sales, as well as resident input.

In accordance with Council's direction at their April 13, 2021 meeting, this report is provided to assist the members in considering whether to allow retail cannabis sales in the Town.

Comments

Legislative Framework

The Federal and Provincial framework for the production, sale, use and consumption of Cannabis is described in [CS-2018-47](#).

Attachment 1 of this report provides a Flow Chart summarizing how cannabis is regulated by the Government of Canada through strict safety and quality regulations for producers, and the authority to license, regulate and enforce the sale of recreational cannabis in privately operated stores is given to the Province of Ontario.

The Province of Ontario has assigned the AGCO (Alcohol and Gaming Commission of Ontario) the responsibility for regulating Ontario's cannabis retail stores under the Act and Regulation 468/18. As the provincial regulator for privately run recreational cannabis stores, the AGCO licenses eligible retail store operators, authorizes cannabis retail store locations, and regulates the sale of cannabis in the approved retail stores. A key focus of this regulatory framework is to ensure that the public has legal access to cannabis as a means to reducing product sold on the "black market".

The Ontario Cannabis Store (OCS) is the sole entity in Ontario allowed to purchase cannabis from licensed producers of cannabis. All cannabis products sold by the OCS must meet all requirements (i.e. plain packaging, labeling, child proofing) specified under federal law, regulated by Health Canada. This includes product names, packaging, and branding not being appealing to youth. The OCS' operations alongside the Federal and Provincial Government is summarized in **Attachment 2**.

Area and Other Municipalities' Decision to Allow Retail Cannabis Sales

The Town of Tecumseh is currently the only municipality in the County of Essex that does not permit cannabis retail stores to open within its community. **Attachment 3** summarizes when the area municipalities opted in to retail cannabis sales, along with the number of stores licensed currently by the AGCO, by community, and number of stores that are in progress of being opened.

There are 70 municipalities that the AGCO currently lists as having opted out of retail cannabis sales in the province. There are a total of 444 lower, single and upper tier municipalities in Ontario.

Cannabis Retailer Requirements

All cannabis retailers in Ontario must obtain a Retail Operator License, and a Retail Store Authorization from the AGCO. In order to successfully obtain a Retail Store Authorization, the following qualifications must be met:

- Distance based measures mandate that stores are 150 metres from schools;
- The store must be enclosed by walls separating it from any other commercial establishment;
- A secure, high-resolution surveillance system must be in place at all times;
- Employees must be CannSell certified which is a training program which educates cannabis retail employees on the responsible sale of cannabis and their legal and regulatory obligation;
- Cannabis must not be visible from the people passing by the street, as youth cannot be able to see into cannabis retail stores, and only those 19+ are allowed to enter;
- As part of the licensing process, a mandatory 15-day public notice period is required for each prospective retailer, which allows municipalities and individuals to post concerns about a proposed retail site.

A cannabis retail store authorization may be issued by the AGCO, unless they find that it is not in the public interest to do so. Under subsection 10 of Ontario Regulation 468/18, the following matters are considered to be of public interest:

- protecting public health and safety;
- protecting youth and restricting their access to cannabis; and
- preventing illicit activities in relation to cannabis.

The AGCO regularly monitors that cannabis retailers are compliant with all regulations. Any actions that are not compliant with Ontario's regulations can result in the loss of licensing.

Municipal Authority

Provincial legislation prohibits municipalities from adopting any locational restrictions under the Planning Act. A cannabis retail store is to be treated in the same way as any other retail store and would be allowed to locate wherever a retail store is permitted, save and except that it cannot be located within 150 metres of a school.

Municipalities may not create a licensing system respecting the sale of cannabis.

Municipalities may:

- Determine whether they want to have cannabis stores operating in their local community.
- Choose to implement additional restrictions on smoking and vaping through the use of municipal bylaws.

By-law No. 2014-60 was adopted July 8, 2014, and restricts smoking in outdoor public spaces including smoking equipment used to smoke or vaporize any tobacco or non-tobacco substance.

Experience of Other Area Municipalities and the OPP

Based on a consultation undertaken earlier this year by the Town of LaSalle of various municipalities in our region, it was found that they were “satisfied that the existing rules, standards and approval processes enacted by the AGCO has resulted in store locations that are appropriate and in keeping with the legislation as adopted by the Province of Ontario”. In addition, we consulted with the OPP who advised that they have not seen issues of a criminal nature that could be associated with the introduction of cannabis retail stores.

Public Input

A 30-day consultation on whether to allow retail cannabis stores in the Town was launched April 26, 2021. Anyone wishing to provide comments and engage in the consultation on the prospect of permitting retail cannabis in Tecumseh could do so via the Town’s [PlaceSpeak](#) platform. At the close of the consultation period at the end of day May 26, 2021, there were 36 comments provided and 421 views. Members of Council had access to the PlaceSpeak conversation during this period.

Consultations

Planning & Building Services
Alcohol and Gaming Commission of Ontario
Ontario Provincial Police
Windsor Essex County Health Unit

Financial Implications

There are no financial implications to municipal operations with opting in to retail cannabis sales. Additional property tax revenue would be realized from any new retail stores.

In 2018, funding was provided by the Province for all municipalities through the Ontario Cannabis Legalization Implementation Fund (Fund). A first payment was made in January 2019 to municipalities to distribute \$15 million of the Fund between all municipalities. According to the 2018-2019 Allocation Notice, the Town received an initial funding allocation of \$11,635. Having opted out of retail cannabis sales, the Town was only eligible to receive a

maximum of \$5,000 in the second payment. Municipalities that opted out before January 22, 2019, and that opted in at a later date, were not be eligible for additional funding.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input checked="" type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input checked="" type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Table 1: Link to Strategic Priorities

Communications

Not applicable ☒

Website ☐ Social Media ☐ News Release ☐ Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Laura Moy, Dipl. M.M., CMMIII HR Professional
Director Corporate Services & Clerk

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Planning & Building Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Federal and Provincial Multi-Level Regulated System
2	Federal and Provincial Multi-Level Regulated Ecosystem: Key Players
3	Area Municipalities – AGCO Retail Cannabis Stores

Table 2: Appendices