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TO:	CHAIR AND MEMBERS PLANNING & ENVIRONMENT COMMITTEE
FROM:	JOHN M. FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER
SUBJECT:	PLANNING FOR NON-THERAPEUTIC CANNABIS RETAIL STORES DECEMBER 4, 2017

RECOMMENDATION

That, on the recommendation of the Managing Director, Planning and City Planner, with the concurrence of the City Manager, the following actions be taken with respect to non-therapeutic cannabis legalization:

- a) the report dated December 4, 2017 and entitled "Planning for Non-Therapeutic Cannabis Retails Stores BE RECEIVED;
- b) the proposed by-law attached as Appendix "A" BE INTRODUCED at the Municipal Council Meeting to be held on December 12, 2017 to establish a new Council Policy entitled "Siting of Cannabis Retail Stores in London";
- c) the Council Policy, noted in b) above, BE FORWARDED to the Province of Ontario for their consideration when determining the siting of the first cannabis retail store in the city;
- d) the Managing Director, Planning and City Planner BE DIRECTED to initiate the necessary amendments to the Official Plan and Zoning By-law, to plan for cannabis retail stores at appropriate locations, ensure adequate parking facilities and require appropriate site design (where applicable) going forward; and
- e) the Civic Administration BE DIRECTED to continue to work with the provincial and federal governments to identify the potential policing, by-law enforcement, and community services requirements associated with the legalization of non-therapeutic cannabis and to request that a portion of the revenues raised from the taxation of cannabis products be identified as a source of financing for municipalities to recover the costs incur to provide these related services;

it being noted that the Province of Ontario or its agents are not bound by municipal policies or by-laws relating to the siting of cannabis retail stores, but that Ministry of Finance and Liquor Control Board of Ontario representatives have indicated that the Province of Ontario intends to respect any such policies or by-laws established by local municipalities;

it being further noted that the Province of Ontario has indicated that it is intending to open a cannabis retail store in London by July 1 of 2018.

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PURPOSE

This report is intended to:

1. Provide background on the legalization of cannabis in Canada;
2. Identify potential planning and related issues that may stem from the introduction of cannabis retail stores;
3. Establish a Council policy that identifies key criteria for siting and designing cannabis retail stores in London, so that this policy may be forwarded to the Province immediately with a request for them to apply this policy in the siting of their first cannabis retail store in London;
4. Seek direction from Council to launch Official Plan and Zoning By-law amendments for the siting of cannabis retail stores, recognizing that these amendments are unlikely to be in effect prior to the Province’s intended timeline for securing a site to open a cannabis retail store in London by July 1, 2018.

EXECUTIVE SUMMARY

- The Federal Government’s Bill C-45, which “legalizes” the sale, possession and use of cannabis, comes into effect in July, 2018.
- The Provincial Government’s Bill 174, will enact the Cannabis Act, 2017, to deal with regulatory matters resulting from the legalization of cannabis.
- The Province proposes to control the sale of cannabis through the “Ontario Cannabis Retail Corporation” (the “Corporation”). The Corporation intends to operate in an LCBO-like manner.
- Initially, all cannabis retail activities will be through outlets operated by the Corporation; however, the Act also contemplates cannabis sales by authorized persons or “entities”.
- The Corporation “is an agent of the Crown in right of Ontario for all purposes”.
- Crown Corporations are not subject to Municipal policy or by-laws, including those which regulate land use, however, the Province has indicated a willingness to give consideration to municipal location preferences.
- The Province has expressed an intention to have the first wave of cannabis retail units in operation by July 1, 2018. London is expected to have one or two of these, based on its population and location.
- From a practical perspective, the Corporation will need to have leases in effect for existing vacant retail space by March 31, 2018, to allow for fit-up.
- Municipalities are being invited to submit locational guidance to the Corporation.
- The City’s existing planning documents do not contemplate the retail sale of cannabis and consequently, there are no existing locational criteria (specific to cannabis) to offer.

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- If no criteria are offered by a municipality, the Corporation will identify suitable retail locations on the basis of its own mandate and local land use regulations as they exist.
- Work done by Planning Staff in anticipation of the legalization of cannabis, has resulted in the identification of “constraint” areas, based on the existence of schools, recreation facilities and similar uses. Mapping showing Place Types which would potentially permit cannabis retail outlets has been generated on the basis of these constraints; however, a full planning process cannot be completed within the time available prior to the Province’s desired timeframe to secure a location for opening a store before July 1, 2018.

Four Options

- Given this background, London’s submission to the Corporation concerning locational and design preferences could take any of the following forms (listed in terms of the time required to complete the option, from briefest to lengthiest):
 1. Advise the Corporation that London is content to have the Corporation use existing retail zones for cannabis retail purposes, without any further guidance from the City.
 2. Approve a Council policy containing London’s requested locational and design criteria for siting cannabis retail stores and provide the policy to the Corporation immediately.
 3. Prepare Official Plan and Zoning By-law amendments that identify locations where cannabis retail stores are “permitted”. Ask that the Province adhere to these policies and regulations.
 4. Prepare an Official Plan Amendment which establishes policy guidance for subsequent site specific zoning by-law amendments and site plan requirements for any newly proposed cannabis retail stores. Ask that the Province adhere to these policies and regulations.

Summary of Recommended Approach

1. Council approve a policy and forward it immediately to the Province to guide the siting of cannabis retail stores. This allows the Crown Corporation to meet the July 1, 2018 deadline for establishing its first cannabis retail store in London.
2. Council direct staff to initiate an Official Plan amendment and Zoning By-law amendment to plan for cannabis retail stores going forward. This will allow for an appropriate public process relating to these policies and also the incorporation of any lessons learned over the coming months into these new policies and zoning regulations. This Official Plan policy and associated regulations will be important should these retail operations become privatized at any point in the future.
3. The Federal and Provincial Governments should be encouraged to provide a share of any tax revenues from cannabis sales with Municipalities to assist with the

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mitigation of any social or enforcement costs that may ensue as a result of introducing cannabis retail stores.

BILL C-45 – CANNABIS ACT

Bill C-45 (Short Title: Cannabis Act) amends sections of the Controlled Drugs and Substances Act, the Criminal Code and other affected statutes to provide for the legal access to cannabis and, to allow for the control and regulation of its production, distribution and sale. On April 13, 2017 The Federal Government introduced the aforementioned legislation with an announced implementation date of July 2018. At the time of the writing of this report, Bill C-45 is under review in the House of Commons at the Committee Stage having passed its 2nd reading on June 8, 2017.

In response to the significant change in policy direction at the Federal Level, and in anticipation of the subsequent need for Provincial and Municipal level responses, Municipal Council passed the following resolution at its meeting held on August 22, 2017 requesting Civic Administration **BE DIRECTED** to:

- a) review international best practices in relation to municipal zoning for cannabis sellers/dispensaries as well as other regulatory policies; and,
- b) consult with provincial officials about the Province of Ontario’s approach to regulation of cannabis, and with the Middlesex-London Health Unit and the London Police Service about their respective approaches to regulation of cannabis once it is legalized; and,
- c) report back to council in early 2018 with options to be put in place once legalization is approved by the Federal Government.

Overview

Cannabis is the more encompassing term for a type of hemp plant that can be harvested and processed for a number of industrial, medicinal or recreational purposes. Although cannabis is legally sanctioned in Canada under certain circumstances to produce a variety of derivative products, or for certain prescribed medical purposes, the non-therapeutic or recreational use of cannabis remains prohibited as the proposed legalization bill moves through the Federal Government’s legislative process. While the Government of Canada has announced its intention toward the legalization of non-therapeutic cannabis use, final implementation details along with municipal roles and regulatory options remain undetermined, particularly as they may relate to addressing matters of local concern.

Current Policy Framework & Proposed Regulatory Changes

The use of criminal law, along with the outright prohibition of cannabis, has been the status-quo in the Canadian legal system for approximately 100 years.

In more recent years, the de-criminalization and regulation of cannabis has been debated with some change to the prohibited status of marijuana to ensue for medical purposes, a development which was intended to target Canadians with prior authorization from an accredited physician. Since 2001, the Marihuana Medical Access Regulations (MMAR) facilitated conditions for the development of a commercial sector

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responsible to supply the medical marijuana market in Canada. Access to medical marijuana is only permitted under the terms and conditions detailed in the legislation, however, in the last number of years a number of storefront operations selling ‘medical marijuana’, often branding themselves as ‘dispensaries’ or ‘compassion clubs’, have attempted to establish retailing operations prior to the formal legalization of non-therapeutic cannabis.

It is worth highlighting that until the final passing of the Cannabis Act, the lawful commercial retailing and recreational consumption of marijuana remains illegal throughout Canada. Cannabis dispensaries or compassion clubs that retail cannabis for non-therapeutic purposes continue to be, and will remain illegal throughout the Province of Ontario even after the passing of Bill C-45. Nevertheless, as a response to the proliferation of illegal store-fronts citywide, London Police Services and Municipal Law Enforcement officials have been very active ensuring compliance to existing law.

Following the Federal election in 2015, the current government made an expressed policy commitment to “legalize, regulate, and restrict access to marijuana” beyond the parameters set-out in the current medical model. The current proposed Cannabis Act (Bill C-45) will create a new legal framework for controlling the production, distribution, sale and possession of cannabis across Canada. Notwithstanding the new legislation, the previously established program for accessing medical marijuana will remain ‘as is’ under the new Act. Canada is poised to be only the second national government in the world to legalize non-therapeutic cannabis after Uruguay.

Should the Cannabis Act become law, adults 18 years old or over would be able to legally:

- possess up to 30 grams of dehydrated cannabis, or its non-dried equivalent
- share up to 30 grams of legal cannabis with other adults
- purchase dried or fresh cannabis or its extract oil from a provincially-licensed retailer

Presently, cannabis is controlled under the Controlled Drugs and Substances Act (CDSA) and is classified as a Schedule II substance. The Safe Streets and Communities Act (2012) sets out criminal sanctions and mandatory minimum sentences for the illegal production, possession and trafficking of marijuana. Lastly, cannabis is also regulated under a number of international treaties and conventions related to the control and distribution of marijuana across national boundaries where Canada is a signatory. The policy shift to legalize non-therapeutic cannabis will further normalize the production, distribution and consumption of cannabis and eliminate criminal sanctions as set out in the proposed legislation. The evolving status and enforcement of cannabis laws will undoubtedly have a significant impact on the allocation of resources within Canada’s enforcement and criminal justice system, as well as impact federal, provincial and municipal level jurisdictions in complex ways that are difficult to anticipate in entirety.

Canada is poised to be only the second national level government to legalize and regulate the non-therapeutic use of cannabis. In this respect, Canada will be a policy leader and precedent setting jurisdiction along with Uruguay for other countries considering similar reforms. Introducing a new regulatory framework for cannabis will be a complex undertaking and involve many different levels of government and stakeholder groups. Regardless of the final policy framework chosen at the federal

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level, implications will inevitably follow for provinces, territories, municipalities, law enforcement agencies and local public health authorities to fulfill their jurisdictional and mandated responsibilities.

Federal Role

At the Federal level the proposed changes to the Cannabis Act would create a new legal framework for controlling the production, distribution, sale, possession and consumption of cannabis across Canada. For the time being, the federal government has not proposed to allow for the retailing of edible cannabis products. Should the legislation become law these changes are likely to include:

- Allow for the controlled possession of up to 30 grams of legal dried cannabis or the equivalent in its non-fried form.
- Allow for the free exchange of up to 30 grams of legal cannabis among adults.
- Sanctioning the sale/purchase of dried or fresh cannabis, along with derivatives from a provincially-licensed retailer.
- Permit adult individuals to grow up to 4 cannabis plants per residence for personal use
- Where provinces do not put in place a regulated retail framework, individuals will be able to directly purchase cannabis online from a federally licensed producer.

Under the new proposed regulatory regime, the Federal, Provincial/Territorial and municipal level governments would each have their unique role to fulfill. As currently formulated, the federal government’s role is focused predominately on legislating the overarching rules and principles delineating access to cannabis, establishing the specific quality control measures for producers to grow and manufacture cannabis and, other supply-side considerations related to product safety. Provinces and territories will oversee the general distribution and sale of cannabis, subject to federal conditions. Depending on the licensing regime adopted by a provincial government or territorial government, municipalities will have a range of options to pursue to address matters of local interest, including: identifying appropriate land-use zones, local enforcement of new cannabis restrictions and other matters related to community health.

Since the initial introduction of Bill C-45, the Government of Canada has further clarified aspects of the regulation that will be the responsibility of the provinces. Provinces will have decision-making options to exercise in terms of establishing the type of retail regime to manage the distribution and sale of legalized cannabis. In the absence of provincial implementation, individuals will be permitted to procure cannabis from a federally licensed supplier via online sales.

Provincial Role

More recently, the Ontario government became the first provincial jurisdiction to announce a framework to manage the sale and use of marijuana, which will in effect largely determine the *modus operandi* for legalization should the legislation be made law at the federal level. Further details of the Province’s cannabis retail distribution model along with a discussion of municipal impacts will be discussed in greater detail below.

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Through the Summer of 2017, the Government of Ontario had been conducting public consultations and encouraging public feedback to inform the future cannabis framework and retail model to be adopted in the Province. Then, on September 8, 2017, the Ontario government made a public policy announcement indicating further details of the Province's approach to the legalization of recreational cannabis. As stated in their release, the Province plans to:

- Establish a provincially controlled retail system modelled after the LCBO, with subsidiary storefronts selling cannabis in standalone establishments.
- Open eighty stand-alone stores by July 1, 2019, with roughly 150 total storefronts to be in operation by 2020.
- Opt to set the minimum age to purchase cannabis at 19 years of age.
- Stipulate that the use of recreational cannabis will be prohibited in public spaces, cars, and presumably other types of commercial establishments with authorized consumption permitted only in private residences.
- Consult closely with municipalities and other key stakeholders to determine final implementation details in the coming months.

The Provincial government recently announced that it would be engaging with municipalities on a number of fronts to garner municipal concerns, hear their ideas, and incorporate input into their approach and processes for implementing the new law in Ontario. Various representatives from the City recently met with the Province to discuss this matter in detail.

<p style="text-align: center;">NON-THERAPEUTIC CANNABIS RETAIL SALES EXAMPLES FROM OTHER COUNTRIES</p>

Uruguay

From an international perspective, the dominant legal framework for cannabis is for outright prohibition and criminalization. The sole exception to this is that of Uruguay. As of December 20, 2013, the country of Uruguay became the first national level jurisdiction to establish a national market for the cultivation, sale and use of cannabis and its derivatives.

Under Uruguayan law, the cannabis market is regulated by a national level agency and subject to certain conditions. There are three main restrictions to acquiring non-therapeutic cannabis in Uruguay:

1. Adult individuals are permitted up to 6 plants at home
2. Adult individuals are permitted to purchase cannabis from a registered 'cannabis club', which can grow up to 99 plants
3. Adult individuals are permitted to purchase up to 40 grams of cannabis per month at a government licensed pharmacy.

Pricing and customer registration is required through the national level control agency. Under this centrally administered system, cannabis marketing is prohibited and cannabis-impaired driving offenses have been established. Revenue generation related

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to the sale of cannabis is used to fund the state agency overseeing cannabis regulation and to fund certain public health initiatives.

Europe

A number of European jurisdictions have sought to decriminalize possession of marijuana; however, the unauthorized trafficking/retailing of marijuana remains a criminal offence. Portugal, Spain, and the Netherlands are well-known examples of *de facto* decriminalization of minor marijuana offenses within an overall framework of *de jure* prohibition. Under this model, a public health approach is generally taken where minor drug consumption is seen to be a health issue to be addressed rather than as a criminal matter. In the Netherlands, a coffee-shop model was introduced as early as 1976 allowing for permitted establishments to sell small amounts of marijuana for personal consumption (<5 grams). However, since 2008, the Dutch government has sought to further restrict marijuana use by no longer allowing such coffee shops to be located within close proximity to schools along with banning tourists from partaking.

United States

At the sub-national level, the states of Colorado and Washington introduced legislation regulating the sale of marijuana for non-therapeutic purposes in 2012. More recently in 2016, Alaska, Oregon and the District of Columbia approved ballot-box initiatives on the legalization of cannabis within their respective state jurisdictions. While implementation details and data related to cannabis take-up in Alaska, Oregon and Washington is relatively scarce, the city of Denver (Colorado) and Washington State offer the best precedent examples when it comes to looking at the impact of legalizing the recreational sale and use of cannabis. Elsewhere under U.S. federal legislation cannabis remains a prohibited substance.

Colorado

The first legal sales of recreational cannabis/marijuana in the United States took place in Denver, Colorado on January 1st, 2014. Spearheaded as a locally driven process and democratic initiative, the City of Denver is considered to be a global policy leader in the arena of cannabis legalization, and now, a major destination for recreational marijuana consumption. Denver is considered to have effectively implemented a voter approved and dispersed model of regulating the retail sale of cannabis/marijuana, along with establishing an Office of Marijuana Policy, introducing a local sales tax and adoption of several zoning ordinances guiding the location of cannabis retail and production facilities. According the Denver City figures, there are now over 1,000 cannabis/marijuana business issued licenses and in operation. With the recent policy announcement by the government of Ontario, this decentralized approach to the independent retailing of cannabis is rendered off-the-table for municipalities within the Province.

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Washington

Washington State began retail sales of cannabis under the purview of the Washington State Liquor and Cannabis Board (WSLCB) on July 8, 2014, a model that more closely resembles the role to be played by Ontario’s LCBO, or a subsidiary thereof. In order to lawfully sell cannabis in Washington State, it is required to obtain a license from the WSLCB. The application fee is \$250, and if accepted, an additional license fee of \$1,000.00 must be paid along with a yearly renewal charge of \$1,000.00. Under the Washington state model, the retailing of cannabis is centrally managed at the state level, which functions as the overseeing licensing body, while retail operators function as independent businesses.

Within the state, all retail dispensaries are required to be licensed. An excise tax of 25 percent is levied on each level of the system as the cannabis product moves along from producer to processor, processor to retailer, and finally from the retailer to the consumer. The WSLCB also establishes additional criteria for those considering opening a cannabis retail shop. The state authority restricts the location of ‘pot shops’ to anywhere except within 1,000 feet of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, library, or game arcade that allows minors to enter. Lastly, local authorities are notified prior to a license being issued and have an opportunity to object or provide feedback. While Washington State did not initially place a cap on the number of retail permits issued, the WSLCB has since done so and is no longer accepting new applications.

ANTICIPATED CANNABIS RETAIL STORES IN LONDON

It is currently unclear as to how many total retail establishments will be opened in the City of London.

On October 27, 2017, The Government of Ontario announced that the City of London will be among the first cities in the Province to have a provincially run cannabis store established once the Federal government finalizes the legalization of cannabis on July 1, 2018

While an overall cap of 150 storefronts has been announced, it is not known how the final allotment will be distributed between urban and rural communities within the Province. If the Province of Ontario decides to allocate future retail outlets on the basis of a proportionate population allocation, the City of London could potentially accommodate up to 4 or 5 stores based on its relative market size; however, no final decision has been made to date.

In early November, 2017, the City Manager, City Planner, City Solicitor and Chief Building Official met with representatives from the Province, including the Cannabis Retail and Distribution Policy Unit, the LCBO, and the Ministry of Municipal Affairs. At that meeting, these representatives shared the following information:

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- Cannabis retail stores will be operated by the “Ontario Cannabis Retail Corporation” (the “Corporation”). This Corporation intends to operate in an LCBO-like manner.
- The Province intends to open 40 cannabis retail stores in Ontario by July 1, 2018
- The Province would like to open cannabis retail stores in London by July 1, 2018
- The Province intends to open 40 more cannabis retail stores in Ontario by July of 2019.
- At this time, it is unknown whether they will open a second facility in London.
- Cannabis retail stores will have strict internal design and operating standards to ensure that minors cannot see the product through storefront windows or from the front portion of the store. Minors will not be able to enter into, or see into, the main store room.
- Display cases within the main store room will allow patrons to review and select the cannabis product they wish to purchase.
- Highly trained sales employees will take orders from patrons and retrieve the product for them.
- Cannabis accessories will also be sold within cannabis retail stores.
- The Province intends to adhere to municipal policies and regulations in siting cannabis retail stores, although they are not bound by them

<p>POTENTIAL PLANNING ISSUES</p> <p>ASSOCIATED WITH CANNABIS RETAIL STORES</p>
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There are several potential planning issues that should be addressed through the siting of cannabis retail stores to protect the public interest and successfully plan for such stores in London:

Issue #1 – Locations near vulnerable populations

From a planning perspective, it can be considered a land use conflict to locate cannabis retail stores near other lands uses that are frequented by vulnerable populations. Such locations may include those that attract minors, including schools, libraries, community centres, arenas, the Western Fair District, etc. It is possible that cannabis retail stores may attract drug trafficking. Cannabis retail stores in locations close to vulnerable populations may facilitate the illegal re-distribution of cannabis from adults who purchase the product to minors in nearby facilities. Furthermore, locating stores near these facilities may make the product more attractive and accessible to a large population of minors.

Issue #2 – Locations within main street environments

As cannabis retail stores will serve as a destination for those wanting to purchase cannabis, they may also attract those that illegally sell “black market” cannabis and other “black market” drugs. Loitering is common and “normalized” within main street environments and, as such, drug trafficking is more difficult to identify and police within such environments; loitering is much less common and more evident in auto-oriented environments, typically making drug trafficking more obvious and more difficult. Furthermore, there is a prevalence of drug trafficking in several of London’s main street areas, and allowing for cannabis retail stores in these environments can only worsen these problems.

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Issue #3 – Cannabis retail stores will need to have substantial amounts of parking

As noted, there will initially be only one cannabis retail store in London. Over time, there will likely be more, but it is anticipated that they will be limited in number, relative to other commercial uses such as liquor stores. It is anticipated that traffic volumes will be high for these facilities and it will be important to have sufficient parking to accommodate these uses. If there is inadequate parking, there is a high potential for negative impacts on adjacent neighbourhoods and nearby businesses, who will incur overflow parking.

Issue #4 – Some may illegally consume or re-distribute cannabis on or near the site of a cannabis retail store.

The new legislation will not allow for the consumption of cannabis in public, in a car, or in a place of work. Similarly, it will not be legal to redistribute it to minors, after buying it legally. However, some may choose to either consume it on site, or nearby. It will be important to ensure that sites are designed to minimize obstructed views that make casual surveillance, enforcement and policing difficult. Larger sites will be preferable to smaller sites, to maximize the area that is under control, and applicable to the security, of the property owner and cannabis stores.

Issue #5 – Public engagement

With cannabis becoming newly legalized, and the public uncertain about what to expect from cannabis retail stores, it will be important to engage the public in meaningful processes leading to the siting of new facilities. Similarly, it will be important to include them in the design of sites, so that they address community concerns, mitigate potential impacts and integrate well into surrounding neighbourhoods and business areas. On an ongoing basis, cannabis retail stores should work with representatives of the surrounding neighbourhood to identify issues and provide suggestions for how such issues may be addressed.

Middlesex London Health Unit Concerns

On November 21, 2017 the Middlesex London Health Unit submitted a letter to City of London Staff outlining their concerns relating to cannabis retail stores:

Best practice evidence from tobacco control literature provides insight regarding product accessibility and its impact on tobacco use initiation. Greater availability of retail outlets and density of retail outlets increases consumption, increases the normalization of use, decreases ability to succeed in quit attempts and undermines health warnings. Consideration needs to be given to vulnerable populations (e.g., children and youth, those with co-addictions, etc.) and the inequitable impact that chosen site locations may have on particular populations within a community. Similarly, we see alcohol availability as a contributor to alcohol normalization, alcohol use and resulting alcohol harm. We have less evidence to draw upon for cannabis; however, it is fair to assume that the same precautionary approach should apply.

Although we understand that only one cannabis store has been identified for the City of London currently, it is quite feasible that there will be others in the future. Proactive planning, including comprehensive by-laws, will help to ensure that the risks are minimized for our community throughout the Ontario government's safe and sensible approach to cannabis legalization. We hope that we are able to share our public health knowledge and past experiences as we forge into this new future.

The full letter from the MLHU is in Appendix 2 of this report.

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FOUR OPTIONS

The Province and its agencies are not bound by municipal policies, zoning by-laws or other local regulations. However, the Province has indicated that they intend to respect municipal policies and regulations. Accordingly, there are four options for London City Council to consider:

Option #1 – Do nothing. Allow the Province to locate cannabis retail stores where they determine it is best to do so.

Option #2 – Establish a Council policy that identifies site location, design and public engagement criteria relating to the siting of cannabis retail stores. Ask the Province to implement this policy in their processes of siting all new cannabis retail stores in London.

Option #3 – Prepare Official Plan policies, zoning regulations, and site plan regulations that plan for the location and design of cannabis retail stores. Under this option, cannabis retail stores would be pre-zoned within specific zones that are consistent with the policies created for the Official Plan.

Option #4 - Prepare an Official Plan policy that establishes location and design requirements by which site-specific zoning amendment applications for cannabis retail stores are evaluated. Under this option, such uses would not be pre-zoned and each new facility would require a zoning amendment and the public process that goes along with such an amendment.

RECOMMENDED APPROACH

Representatives from the Province have indicated that they intend to open the first cannabis retail store in London by July 1 of 2018. To do so, they will need to secure a location in early Spring, 2018 and begin their leasehold improvements immediately thereafter.

Over the longer term, Staff believe that it is prudent to establish an Official Plan policy and associated zoning and site plan regulations to plan for cannabis retail stores. While the Province will not be bound by such provisions, they have indicated that they will respect such policies and regulations when siting and designing their facilities.

In practical terms, Options #3 and #4, above, that involve Official Plan and Zoning amendment process are not reasonable to be completed within the timeframe by which the first cannabis retail store location will need to be secured by the Province. Accordingly, to guide the Province in establishing its first cannabis retail store in London, Staff believe it is appropriate to establish a Council policy that can identify key location and design criteria for siting such facilities and to ask the Province to adhere to this policy. The Province has invited such guidance.

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Thereafter, if directed by Council to do so, Staff can move forward with an Official Plan policy and associated regulations that can be put in place for the longer term planning of cannabis retail stores in London. This will be important to provide guidance to the Province, but will also be important if such facilities are privatized at any point in the future.

<p>PROPOSED APPROACH FOR OFFICIAL PLAN AND ASSOCIATED REGULATIONS</p>
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Crown agencies are not bound by municipal laws, including zoning. However, Planning Staff’s discussions with provincial staff to date indicate that the Province intends to respect local zoning by-laws, and their regulations, when siting cannabis retail stores, regardless of the Crown’s right to ignore them. This is a very positive approach that will allow for these uses to fit well within Municipal Council’s approach to planning for such uses.

Recognizing this, Staff recommend that the best way to plan for cannabis retail stores over the long term is to establish Official Plan policy and zoning regulations. These policies and regulations would be designed to address the potential planning issues that such uses could impose, as noted above in this report.

Official Plan Policies

The Official Plan policy approach would be as follows:

Policy	Purpose
Direct cannabis retail stores to the following Place Types: <ul style="list-style-type: none"> • Shopping Areas • Rapid Transit – Transitional • Urban Corridor - Transitional 	Avoid pedestrian-oriented areas and streetscapes that can be more conducive to drug trafficking Avoid areas where drug trafficking is already identified as a problem
Require separation distance of 500m from: <ul style="list-style-type: none"> • Municipal library • Municipal pool • Municipal arena • Community centres • Western fairgrounds 	Avoid youth populations
Require separation distance of 500m from: <ul style="list-style-type: none"> • Elementary school • Secondary school 	Avoid youth populations
Require adequate parking and sites that are large enough to accommodate required parking	Ensure parking does not overflow onto adjacent neighbourhood streets or nearby commercial sites
Require that CPTED (crime prevention through environmental design) principles be incorporated into site plan review	Ensure site lines allow for easy surveillance and enforcement

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Zoning Regulations

Regulation	Purpose
Define Cannabis Retail Store	Define as specific use, so that such uses can only be permitted where they are identified in the zoning by-law
Require separation distance of 500m from: <ul style="list-style-type: none"> • Municipal library • Municipal pool • Municipal arena • Community centres • Western fairgrounds 	Avoid youth populations
Require separation distance of 500m from: <ul style="list-style-type: none"> • Elementary school • Secondary school 	Avoid youth populations
Establish parking regulations at 1space/15m2	Ensure adequate parking on-site

PROPOSED COUNCIL POLICY

Building upon the above policy approach, Staff recommend the following Council policy to be forwarded to the Province immediately such that they can use it to guide their siting of London’s first cannabis retail store.

It is a policy of the City of London to ask that the Province and its agents implement the following location, design and engagement measures when siting a new cannabis retail store in London:

1. The property line of any cannabis retail store site be a minimum of 500m away from the property line of any elementary school or secondary school;
2. The property line of any cannabis retail store be a minimum of 500m away from the property line of any municipal library, pool, arena, community centre or the Western Fairgrounds;
3. A cannabis retail store be located within the following Place Types in the Council-approved London Plan:
 - a. Shopping Areas
 - b. Rapid Transit – Transitional
 - c. Urban Corridor - Transitional
4. A cannabis retail store site be designed to accommodate significant volumes of automobile parking - 1 space per 15m2 of floor area - and incorporate CPTED (Crime Prevention Through Environmental Design) principles into the site design of the facility and the entire site on which it is located;

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5. The Province be encouraged to undertake appropriate public engagement process when siting a cannabis retail store and to continue this engagement with representatives from the community thereafter to identify and address concerns.

OTHER POTENTIAL ISSUES

As noted above, Staff are continuing to work with the Province and, where applicable, the federal government through the engagement process. Below are potential issues under discussion.

Enforcement and Policing Issues

Many enforcement and policing issues have been identified. This report is not intended to identify, nor address, them in detail. However, below are some of the issues that have been identified by City of London By-law Enforcement and through discussions of the cross-service area team that has been considering all of the issues that may come with legalized cannabis in Canada:

- drug trafficking
- consumption in public spaces
- illegal dispensaries
- impaired driving
- illegal grow operations (of different scales)
- processing of cannabis into edibles and other more potent substances
- smoking by-law enforcement
- parking enforcement
- coordination of roles between different levels of government
- regulations around home cultivation
- public education on what is allowed and what is not
- ongoing monitoring of enforcement implications

Potential Financial Issues

With the legalization of cannabis, municipalities may bear significant new expenses relating to implementation and enforcement. It is recommended that City Council request that the Government of Canada and the Province of Ontario identify a portion of the tax revenues derived from the sale of cannabis as a source of financing for municipalities to recover the costs they incur to implement, enforce and support legalized cannabis.

Acknowledgements:

Members of the cross-departmental team: J. Ordronneau (London Police Service), D. Ellyatt (London Police Services), L. Stobo (Middlesex London Heath Unit), S. Stafford (City of London), A. Salton (City of London), J. Kobarda (Fire Services), G. Barrett (City of London), Orest Katolyk (City of London), George Kotsifas (City of London).

A further note of appreciation is expressed for Orest Katolyk, Chief Municipal Law Enforcement Officer at the City of London for his involvement in the development of this report.

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File No.: OZ-8845

RESEARCH PREPARED BY:	SUBMITTED BY:
JOHN-PAUL SOUSA, PHD RESEARCH ANALYST, LONG RANGE PLANNING AND RESEARCH	GREGG BARRETT, AICP MANAGER, LONG RANGE PLANNING AND RESEARCH
CONCURRED WITH BY:	RECOMMENDED BY:
MARTIN HAYWARD CITY MANAGER	JOHN M. FLEMING, MCIP, RPP MANAGING DIRECTOR, PLANNING AND CITY PLANNER

Nov 23, 2017
JPS/GB/JMF/MH

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File No.: OZ-8845

Appendix A

**Council Policy
Siting of Cannabis Retail Stores in London**

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File No.: OZ-8845

Appendix "A"

Bill No.
2018

By-law No. CPOL.

A by-law to establish a new Council policy entitled
"Siting of Cannabis Retail Stores in London".

WHEREAS section 5(3) of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS the Council of The Corporation of the City of London wishes to establish a new Council policy entitled "Siting of Cannabis Retail Stores in London";

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The policy entitled "Siting of Cannabis Retail Stores in London", attached hereto is hereby adopted.
2. This by-law shall come into force and effect on the date it is passed.

PASSED in Open Council on December 12, 2017.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – December 12, 2017
Second Reading – December 12, 2017
Third Reading – December 12, 2017

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Siting of Cannabis Retail Stores in London

It is recognized that the Province and its agents are not bound by policies and by-laws of any municipality. However, it is a policy of the City of London to ask that the Province and its agents implement the following location, design and engagement measures when siting a new cannabis retail store in London:

1. The property line of any cannabis retail store site be a minimum of 500m away from the property line of any elementary school or secondary school;
2. The property line of any cannabis retail store be a minimum of 500m away from the property line of any municipal library, pool, arena, community centre or the Western Fairgrounds;
3. A cannabis retail store be located within the following Place Types in the Council-approved London Plan:
 - a. Shopping Areas
 - b. Rapid Transit – Transitional
 - c. Urban Corridor - Transitional
4. A cannabis retail store's site be designed to accommodate significant volumes of automobile parking - 1 space per 15m² of floor area - and incorporate CPTED (Crime Prevention Through Environmental Design) principles into the site design of the facility and the entire site on which it is located;
5. The Province be encouraged to undertake appropriate public engagement process when siting a cannabis retail store and to continue this engagement with representatives from the community thereafter to identify and address concerns.

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Appendix B

**Middlesex London Health Unit Letter
November 21, 2017**

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November 21, 2017

Orest Katolyk
 Chief Municipal Law Enforcement Officer
 London City Hall
 300 Dufferin Avenue
 London, ON
 N6A 4L9

Re: City of London identified as site for stand-alone cannabis store by July 2018

Dear Orest,

The City of London was identified in the Ministry of Finance's November 3rd, 2017 announcement as one of the initial 14 Ontario municipalities scheduled for a stand-alone cannabis store by July 2018. It is the Middlesex-London Health Unit's understanding from that announcement that staff from the Ministry of Finance and the LCBO will meet with City of London staff to discuss the guidelines and process for siting stores and consideration of local interests. We would like to offer our public health perspective as it pertains to establishing cannabis retail locations and the potential community impact that locations may have, and future considerations as the retail market expands over the next few years.

Best practice evidence from tobacco control literature provides insight regarding product accessibility and its impact on tobacco use initiation. Greater availability of retail outlets and density of retail outlets increases consumption, increases the normalization of use, decreases ability to succeed in quit attempts and undermines health warnings. Consideration needs to be given to vulnerable populations (e.g., children and youth, those with co-addictions, etc.) and the inequitable impact that chosen site locations may have on particular populations within a community. Similarly, we see alcohol availability as a contributor to alcohol normalization, alcohol use and resulting alcohol harm. We have less evidence to draw upon for cannabis; however, it is fair to assume that the same precautionary approach should apply.

Although we understand that only one cannabis store has been identified for the City of London currently, it is quite feasible that there will be others in the future. Proactive planning, including comprehensive by-laws, will help to ensure that the risks are minimized for our community throughout the Ontario government's safe and sensible approach to cannabis legalization. We hope that we are able to share our public health knowledge and past experiences as we forge into this new future.

Utilizing our past history with other substances, the following are some recommendations to consider when siting the City of London's first cannabis store location:

- require retail cannabis locations to be at a **minimum of 500m away** from any **youth-oriented services** including elementary schools, secondary schools, municipal libraries, community centers, playgrounds and sporting fields, the Boys and Girls Club, and other family-oriented centres;
- require retail cannabis locations to be at a **minimum of 500m away** from any other **vulnerable population site** (e.g., addiction services, mental health services, methadone clinics, hospitals and healthcare centres, and payday loan stores); and,
- require retail cannabis locations to be at a **minimum of 500m away** from any **alcohol, tobacco or cannabis-related businesses**.

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We look forward to the opportunity to sit down with you and our City partners to work together as we prepare for the legalization of cannabis. There are challenges and opportunities at the local level and we are happy to assist, as we can, to share resources and to minimize harm and negative health impacts, now and into the future.

As we have mentioned, plans are underway to host a municipal knowledge exchange day in the new year, to bring together municipal staff and elected officials from across Middlesex County and the City of the London, local police services, the Health Unit, and the Association of Municipalities of Ontario to facilitate dialogue. We are also extending invitations to the Cannabis Secretariat at the Ministry of Health and Long-Term Care with hopes to get the most up to date information to contribute to our discussions and to identify potential local implications. We are happy to receive input from you directly to inform the agenda and timing.

If you have any further questions or wish to discuss the recommendations cited above, please don't hesitate to contact us.

Sincerely,



Linda Stobo
Program Manager
Chronic Disease Prevention and Tobacco Control
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David Pavletic
Program Manager
Food Safety and Healthy Environments
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