



**City of Kingston  
Information Report to Council  
Report Number 18-025**

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**To:** Mayor and Members of Council  
**From:** Lanie Hurdle, Commissioner, Community Services  
**Resource Staff:** Same  
**Date of Meeting:** December 19, 2017  
**Subject:** Siting of Cannabis Retail Operation in Kingston

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**Executive Summary:**

The purpose of this report is to provide Council with information on Canada's Cannabis Act, the Provincial Cannabis Act and Ontario's Framework for Cannabis Retail and Distribution as well as the process for selecting a site for a future cannabis retail operation in Kingston.

The Province of Ontario recently announced that it will be distributing cannabis online and opening 40 stand-alone cannabis stores by July 1, 2018. The City of Kingston is one of the locations that has been selected to have a cannabis store operational by July 1, 2018. The city's authority in the establishment of a cannabis store is limited to providing the province with guidance on siting criteria. The Options/Discussion section of this report provides additional information on legislation as well as siting criteria.

This report provides Council with some initial information regarding the siting of a cannabis retail operation in Kingston. No action by Council is required as decisions related to the implementation of this legislation are under provincial authority. The province will continue to engage with staff in those municipalities identified for cannabis stores, including municipalities that have expressed concerns and that may have been deferred for phase one of the implementation process.

It is important to note that based on the Federal Cannabis Act, the province does intend to move forward with the implementation of cannabis stores in centres that have been identified as key locations to ensure service distribution across the province. The City of Kingston was selected due to its population concentration in eastern Ontario and in order to ensure service distribution it is very likely that province would establish such a store over the next year, even with a request to defer the July 1, 2018 opening.

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**Recommendation:**

This report is for information purposes only.

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**Authorizing Signatures:**

ORIGINAL SIGNED BY COMMISSIONER

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**Lanie Hurdle, Commissioner, Community Services**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

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**Gerard Hunt, Chief Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Desirée Kennedy, Chief Financial Officer & City Treasurer	Not required
Denis Leger, Commissioner, Corporate & Emergency Services	Not required
Mark Van Buren, Acting Commissioner, Transportation & Infrastructure Services	Not required

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**Options/Discussion:**

**Canada’s Cannabis Act**

The federal government’s Cannabis Act sets out federal areas of responsibility and delegates some to provinces. The federal jurisdiction includes the oversight of cannabis production (licensing and oversight of commercial producers for recreation and medical markets) as well as continued oversight of medical cannabis which means that federally Licensed Producers (LPs) will continue to sell medical cannabis directly to authorized medical users through LP websites and over the phone, with secure home delivery by mail.

Provinces have jurisdiction over retail and distribution of recreational cannabis. The federal government has also created a number of restrictions that apply to the retail and distribution model in all provinces.

**Ontario’s Framework for Cannabis Retail and Distribution**

The province has introduced legislation that would, if passed, safely regulate the use and distribution of recreational cannabis when it is legalized by the federal government in July 2018. The proposed legislation would create a new provincial retailer, overseen by the Liquor Control Board of Ontario (LCBO), to ensure safe and socially responsible distribution of recreational cannabis through stand-alone stores and an online order service.

Under the proposed approach, approximately 150 standalone stores will be opened by the end of 2020, including 40 stores by July 2018 and rising to 80 by July 2019. Stores would sell cannabis and related products, not alcohol. Stores would be complemented by an online retail channel to service all regions of the province. At a minimum, the same safeguards that exist now for online LCBO alcohol sales would apply to cannabis, including ID checks and signatures required on delivery.

Trained and knowledgeable staff would sell products in stores in a safe and socially responsible manner, including strict requirements for age verification, so youth access to the product is restricted and consumers have the information they need. The proposed new retailer would be a crown corporation with a subsidiary relationship to the LCBO. The new crown corporation would be the sole legal retailer of cannabis, ensuring careful control of retailing and giving Ontarians safe access to quality products.

The table below provides more details on both federal and provincial roles and responsibilities.

Federal Government	Provincial Government
<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Restrict youth access</li> <li>• Protect public health and safety</li> <li>• Strict product safety/quality requirements</li> </ul>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Prevent youth access</li> <li>• Promote responsible use</li> <li>• Limit commercialization</li> <li>• Reduce the illicit market</li> </ul>

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Federal Government	Provincial Government
<ul style="list-style-type: none"> <li>Deter criminal activity through penalties</li> </ul>	
<p><b>Proposed Retail Requirements:</b></p> <ul style="list-style-type: none"> <li>Products – limited to fresh and dried cannabis, oils, seeds and seedlings (edibles to be permitted 1 year after legislation)</li> <li>Products sourced – from federally regulated licensed producers</li> <li>Prohibited products – no products with alcohol, nicotine and caffeine</li> <li>Packaging restrictions – to be detailed in upcoming regulations</li> <li>Retailing experience – no visibility to youth, behind-counter-service, no vending machines</li> <li>Restricted activities – branding, advertising (consistent with federal <i>Tobacco Act</i>)</li> <li>Promotion restrictions – promotions limited to factual information (ingredients, THC and CBD level, production methods, etc.)</li> <li>Prohibited activities – sponsorships, testimonials, endorsements, lifestyle elements, facility naming and other promotions that would entice youth</li> <li>Public possession – limit of 30 grams for adults</li> </ul>	<p><b>Proposed Retail Requirements:</b></p> <ul style="list-style-type: none"> <li>Age requirement – illegal for those under 19 to buy (consistent with approach to sale of tobacco and alcohol)</li> <li>Online sales channel – includes ID checks, signature upon delivery and no packages left unattended at the door.</li> </ul>

**Engaging Municipalities & Siting Process**

In the last months, the province has engaged with municipal representatives through the Association of Municipalities of Ontario (AMO). Engagement now focuses on partnering with individually selected municipalities to discuss the siting of the initial 40 stores.

Two primary considerations were used to identify municipalities for initial stores: first, to achieve geographic distribution across the four regions of the province; and second, to reduce the number of illegal stores currently operating in Ontario. As a large population centre in eastern Ontario, Kingston has been selected for at least one initial store.

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Staff from the Ministry of Finance and the LCBO have been meeting with staff of the municipalities identified for cannabis retail stores for July 2018 to discuss the proposed guidelines and a process for siting stores, including local interests.

In meeting with each municipality, the Ministry and LCBO seek feedback from municipal staff on the proposed guidelines for siting stores and to gather additional information the municipality may provide. The proposed guidelines include the following:

- Adhering to municipal zoning by-laws;
- Minimizing proximity to schools and other places of sensitive use;
- Equitable access for consumers within municipalities; and
- Addressing, where present, illegal storefront activity.

City staff, Kingston, Frontenac, Lennox & Addington (KFL&A) Public Health and Kingston Police representatives met to discuss and to provide feedback to the Ministry of Finance and LCBO representatives.

### **Siting Feedback**

#### 1. Adhering to municipal zoning by-laws:

- As with current LCBO beverage alcohol stores, siting for cannabis retail stores will adhere to all municipal zoning by-laws. A cannabis store would be allowed within a commercial zone only. It is city staff's understanding that the Ministry and LCBO intend to select a location that is already appropriately zoned as there is not sufficient time to go through a zoning amendment prior to the operational date of July 1, 2018.

#### 2. Proximity to sensitive uses:

- Although not regulated under the zoning by-law, staff have suggested that the cannabis store would ideally be located at least 300 metres from sensitive uses which are defined as schools, places of worship, youth activity centres, playgrounds, parks and childcare facilities. The 300 metres buffer is equivalent to the distance the city utilizes to license adult entertainment operations.
- Staff have also suggested that it would be best for the cannabis store to be located within a commercial centre so that it is a destination that provides appropriate traffic circulation and parking on site.

Although staff have suggested guidelines in addition to the commercial zoning requirements, it is important to note that they are only guidelines and not requirements. There is no provision in the zoning by-laws requiring a 300 metre buffer or that the retail location be located within a commercial centre.

Through initial meetings and ongoing communication, the Ministry and LCBO will keep municipal staff engaged and informed throughout the siting process, including sharing the prospective site before it is confirmed.

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As part of the engagement with municipalities, when a specific store is identified, a public notice will be posted online at the LCBO's website ([lcbocannabisupdates.com](http://lcbocannabisupdates.com)) and, where possible, at the physical site. The public will have the opportunity to submit questions and comments on the intended site before it is confirmed. This notification process will also provide an opportunity for the LCBO to provide information to the public that outlines the store's operations and how local impacts would be mitigated. It is anticipated that the LCBO will make a final decision on a location in the winter of 2018.

Staff will bring additional information to Council once it is available.

**Existing Policy/By-Law:**

Zoning By-Laws

**Notice Provisions:**

Not applicable

**Accessibility Considerations:**

Not applicable

**Financial Considerations:**

Not applicable

**Contacts:**

Lanie Hurdle, Commissioner, Community Services 613-546-4291 extension 1231

**Other City of Kingston Staff Consulted:**

Paige Agnew, Director, Planning, Building & Licensing Services

**Others External Individuals Consulted:**

Susan Stewart, Kingston, Frontenac, Lennox & Addington Public Health

Antje McNeely, Kingston Police

Jake Gregory, Ministry of Finance

**Exhibits Attached:**

Not applicable