



**CITY OF GRANDE PRAIRIE**  
**INFRASTRUCTURE & ECONOMIC DEVELOPMENT**  
**COMMITTEE AGENDA**

**MAY 26, 2020 AT 9:00 AM**  
**VIA TELECOM**

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**ATTENDEES**

**Councillor D. Bressey, Chair**  
**Councillor C. Thiessen**

**Councillor J. Clayton**  
**Mayor B. Given**

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**1. REPORTS**

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| 1.1. Director's Service Area Update - Verbal | Brian Glavin |
| 1.2. Cannabis Reporting Requirements         | Joe Johnson  |
| 1.3. Home Based Business Signs - Verbal      | Joe Johnson  |
| 1.4. Rural Industrial Zoning - Verbal        | Joe Johnson  |

**2. OTHER BUSINESS**

**3. OUTSTANDING ITEMS LIST**

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*Due to COVID-19, the City of Grande Prairie has moved all public meetings of Council to an online, livestream platform. They can be viewed publicly by visiting: <https://www.cityofgp.com/city-government/council-meetings/meeting-webcast>*

*Anyone wishing to attend to speak as a delegate, must contact Legislative Services at [AgendaAdmin@cityofgp.com](mailto:AgendaAdmin@cityofgp.com) to submit their presentations via email, or receive access to attend remotely via Zoom.*

## ADMINISTRATIVE REPORT

<b>TO:</b> Horacio Galanti, City Manager	<b>DATE:</b> May 26, 2020
<b>FROM:</b> Joe Johnson, Manager of Planning and Development	<b>MEETING:</b> Infrastructure & Economic Development Committee
<b>SUBJECT:</b> Cannabis Reporting Requirements	

### RECOMMENDATIONS

That the Infrastructure and Economic Development Committee direct Administration to:

- 1) Discontinue requesting sales information from cannabis retailers, and
- 2) Amend the Business License Bylaw to remove requirement for cannabis sales reporting.

### PREVIOUS COUNCIL / COMMITTEE DIRECTIONS

At the December 12, 2019 City Council meeting the following motion was passed:

Council direct Administration to report to the appropriate Standing Committee: the overall weight of legal cannabis sold in the City of Grande Prairie in 2019; and an estimated range of taxes this generated for senior levels of government.

### BACKGROUND

April through August of 2018, the Infrastructure and Protective Services Committee and Council made a number of motions that resulted in amendments to the Land Use Bylaw (C-1260), the Business License Bylaw (C-1064), and the Smoke Free Public Places Bylaw (C-1278). The bylaw amendments were all related to the regulation of cannabis production, retail sale of cannabis, and consumption of cannabis in public places. During that time, Council requested that the Business License Bylaw include a provision that required cannabis retailers to provide a report to the City on the total volume of sales of cannabis.

It is Administration's understanding that Council's request to attain this information was based on the idea that the information could be used to lobby the province for a portion of the revenue that will be generated through taxation of cannabis sales.

## ANALYSIS

Over the past two months, Administration has been in contact with all of the cannabis retailers in the City requesting the sales information for 2019. Based on those discussions, a number of issues have emerged. Those issues include:

- 1) Determining a meaningful metric for reporting (ie: total weight, wholesale cost, retail cost, etc)
- 2) Effort required by the retailer to create a report with a meaningful metric
- 3) Hesitation of retailers to disclose sensitive information
- 4) Retailers challenging need for this information

### Determining a Meaningful Metric for Reporting

The Business License Bylaw states that retailers shall provide "...a report on the gross volume of cannabis sold...". It further leaves it up to the Chief License Inspector to determine the nature of the report. In discussions amongst Administration as well as with stakeholders, the wholesale cost of cannabis emerged as the most meaningful metric for reporting as all other metrics included variables that would make the final report of little to no value. Other metrics that Administration and stakeholders considered were total weight, number of units, retail sales, and "dry cannabis volume equivalent".

### Effort Required by Retailers to Create Report

Cannabis retailers are required to submit a monthly report to Alberta Gaming Liquor and Cannabis (AGLC). This report is an itemized list of all product SKU's indicating the stock ordered and sold. The report contains a lot of information (opening inventory, closing inventory, unit returns, etc) but it does not include the wholesale cost. It doesn't include wholesale cost because that is information that AGLC already has as all cannabis retailers are supplied by AGLC. Some retailers have Point of Sale (POS) systems that include stock and sales control systems which allow them to create numerous custom reports which may include wholesale cost of the cannabis products sold in a select period. However, feedback received from some stakeholders is that creation of the reports would require a significant amount of time and effort.

Administration contacted AGLC to request retail data for retailers located in the City. The request was declined.

### Hesitation to Disclose Sensitive Information

Administration has encountered a number of retailers that have expressed hesitation, concern, and ultimately resistance over the requirement to submit sensitive information that would have some indication of sales volume. Their concerns are primarily about how the information will be held secure and confidential as well as how it will ultimately be reported to committee. They worry that this information may be accessed by competitors and/or speculators. In a few instances, retailers have noted concerns with providing sales information while City staff as well as some members of Council have a personal interest in the cannabis retail industry.

Administration has established a process to protect information provided by an individual retailer so that it cannot be accessed by any individuals outside of the authorized individuals that have a direct need for the information pertaining to the licensing process. Furthermore, Administration

would only produce a report with consolidated data from all cannabis retailers in the City as opposed to an individual retailer report.

### Retailers Challenging Need for Information

In communications with retailers, Administration was challenged as to why the City requires this information. They asked if the City requires sales information from any other retailers or industries in the City. And finally, they don't believe that the information will be useful for the City.

### Relationship to City Council's Focus Areas / Strategic Directions

This issue can be discussed in the context of the following result definitions:

*Develops creative strategies to respond to provincial and federal initiatives and seeks out opportunities to access grants and business partnerships to further these strategies.*

*Foster relationships and work to maintain influence with provincial and federal governments and elected officials.*

### Environmental Impact

There are no environmental impacts.

### Economic Impact

There are no economic impacts.

### Social Impact

If the City were to be successful in attaining additional provincial funding, there could be some positive social impacts.

### Relevant Statutes / Master Plans / City Documents

Section 16.2 (3) of the Business License Bylaw states:

*A cannabis retail store shall deliver, within 30 days of the previous quarterly period to the Chief License Inspector, in the manner specified by the Chief License Inspector, a report on the gross volume of cannabis sold during the previous quarterly period for each cannabis retail store the licensee operates in the City.*

### Risk

None at this time.

## **STAKEHOLDER ENGAGEMENT**

In addition to the initial request for information, Administration has had discussions with retailers to try and identify the easiest and most useful metric for reporting. Administration has also kept the stakeholders informed of our intentions to report to Committee as well as the date, time, location, and ability to participate in the meeting.

## **BUDGET / FINANCIAL IMPLICATIONS**

There are no budget or financial implications at this point.

## **SUMMARY / CONCLUSION**

The business license bylaw requires retailers of cannabis to submit reports on the volumes of cannabis sold. Administration has received concerns from retailers regarding the requirement.

## **ATTACHMENTS**

None.

## INFRASTRUCTURE & ECONOMIC DEVELOPMENT COMMITTEE - OUTSTANDING ITEMS LIST - MAY 26, 2020

ID	Title	Requested on	People Responsible	Item Notes	Expected Report Date
1092	Rural Industrial Zoning	5/19/2020	Joe Johnson	Council direct Administration to provide a verbal report on other uses for Rural Industrial zoning in the City and report back to the appropriate Standing Committee.	5/26/2020
1063	Cannabis 2019 Information	12/2/2019	Joe Johnson	Council direct Administration to report to the appropriate Standing Committee: the overall weight of legal cannabis sold in the City of Grande Prairie in 2019; and an estimated range of taxes this generated for senior levels of government.	5/26/2020
1089	Management of Council's Economic Recovery Fund	5/14/2020	Rebecca Leigh	Committee direct Administration bring back a report to the appropriate Standing Committee identifying options to allow the Economic Development Strategic Advisory Committee to manage Council's Economic Recovery Fund.	6/23/2020
1090	Construction Work in Smith Subdivision	5/14/2020	Matt Hinton	Committee direct Administration to report back to the appropriate Standing Committee with current plans for the Smith Subdivision prior to commencing construction work not on or directly adjacent to Park Road and 92 Avenue.	7/7/2020
1085	Pedestrian Safety at 110 Avenue and 102 Street	5/12/2020	Robin Hutchinson	Committee direct Administration to follow up with Avondale school administration and the concerned parent group to discuss the intersection of 110 Avenue and 102 Street and report back to Committee.	6/9/2020
1086	Secondary Suites	5/12/2020	Joe Johnson	Committee direct Administration to schedule a workshop, including Administration, Industry and Council, to discuss the effectiveness of the current Land Use Bylaw regarding the regulation of Secondary Suites, and report back to Committee.	TBD
1087	Home Based Business Signs	5/12/2020	Joe Johnson	Committee direct Administration to report back at the next Committee meeting with options to temporarily relax sign options for home based businesses.	5/26/2020

1027	Stormwater Utility Model	7/9/2019	Richard Sali	<p>Committee direct Administration to bring back information on the financial impacts of moving to a Stormwater Utility Model, including changes to property tax rates and conceptual utility rates representative of a cross section of properties in Grande Prairie.</p> <p>Update April 2020 - Several City Departments, including Engineering and Finance, are developing a Stormwater asset inventory and valuation methods in coordination with Aquatera teams to explore a Stormwater Utility Model. Council feedback will be sought during the process, at various milestones.</p>	12/8/2020
1020	Review of Small Lot Residential Development	5/14/2019	Joe Johnson	<p>Committee direct Administration to review these bylaw amendments in the second quarter of 2020 and report back to Committee. (Amendments to the MDP and LUB to temporarily relax the limit of RS housing)</p>	6/23/2020
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