



Survey of Municipal Officials' Perspectives on Legalization

Ontario Municipal Administrators' Association

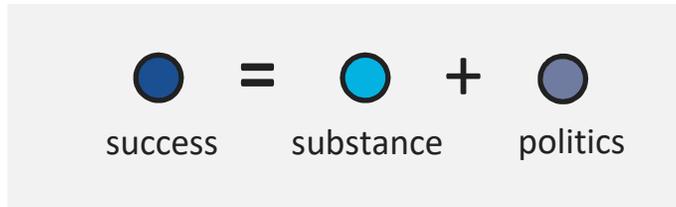
October 24th, 2018

Who is StrategyCorp?

Established in 1995, our **multi-disciplinary firm** of strategists provides strategic advisory services to private, public, broader public sector, and non-profit clients in complex political, financial, regulatory, and public process environments

What sets **StrategyCorp apart from others** is our ability to provide uniquely strategic advice through the **integration of business analytical capabilities** with a deep understanding of external **public affairs and communications environments**

We believe a deep understanding of both the **substance and politics of a matter** is essential to shaping an effective and successful strategy

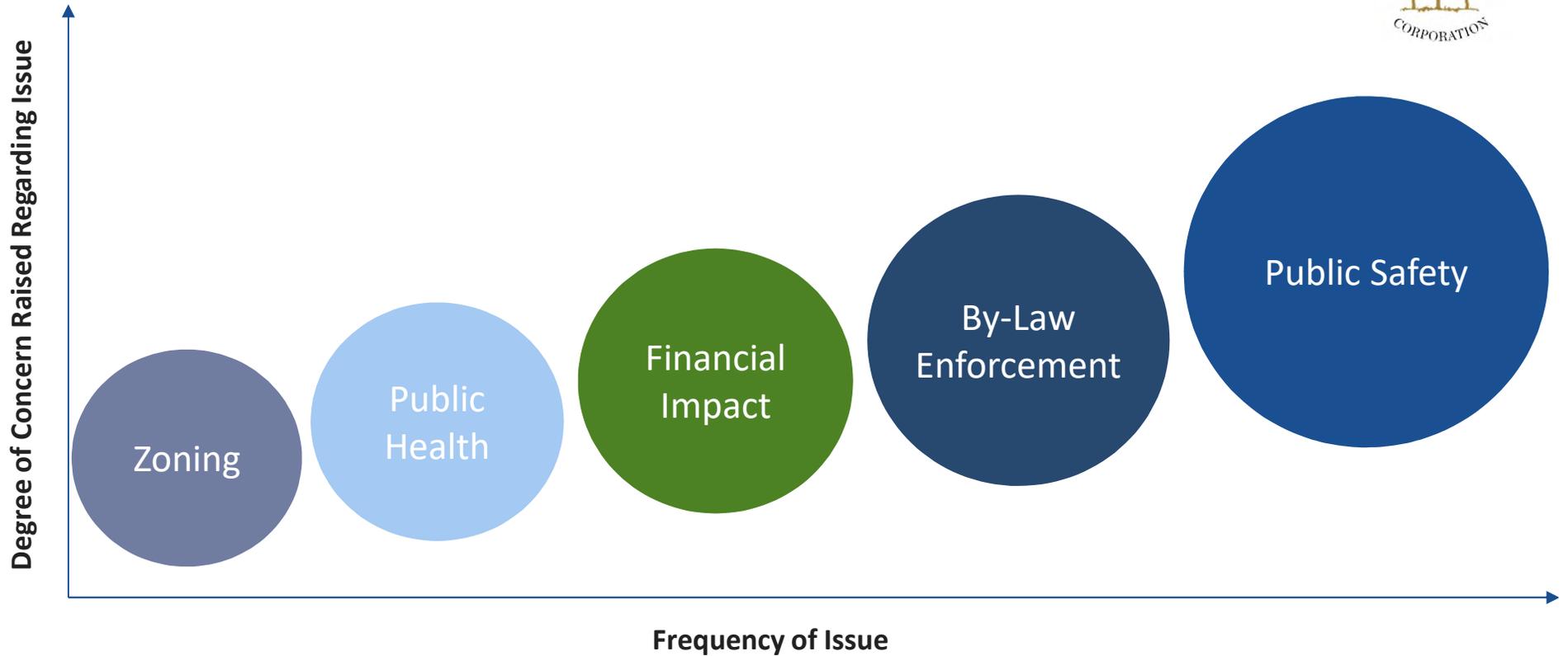




Our Methodology

- Canopy Growth contracted StrategyCorp to conduct interviews with a cross section of senior municipal officials across more than ten Ontario municipalities to better understand the concerns of policymakers regarding cannabis legalization and the expected impacts on their communities
- Interviews were conducted on a confidential basis by Michael Fenn, Shirley Hoy, and Ron Shaw of StrategyCorp's Municipal Services Practices group
- The interviews focused on understanding the perspectives of senior municipal officials towards legalization, the concerns they have identified / primary issues they expect to encounter, and their preferred solutions for addressing these issues and concerns
- The majority of the interviews were conducted between September 16th-24th and were completed in advance of the introduction of Bill 36

Key Takeaways: Public safety is “top of mind” among CAOs



What We Heard – Public Safety



“Will we see reductions in organized crime?”

**“My biggest fears are youth access and impaired driving.
I’m concerned that we’re flying blind”**

“How will we be able to support increases to an already stretched policing budget?”

What We Heard – By-Law Enforcement



“I’m not confident that we’ll be able to ensure compliance”

“Dispensaries haven’t been issued licences by the municipality in [our town]. How will we force them to close if we don’t have jurisdiction? Are police raids going to be necessary?”

“We’re looking for a [retail] model that ensures that store owners are responsible. Do you have any advice on how we can achieve this?”

What We Heard – Financial Impact



“Legalization is just another added cost”

“Legalization is going to increase the demands on our social safety net, especially public health. How are we going to fund these increases? We’re not able to raise tax rates enough to offset these costs and we’ve slashed expenses to the bone”

“All licencing fees are on a cost recovery basis. Our best case scenario is that we’re not in the red; there’s no profit here”

What We Heard – Zoning



“We don’t want a large cluster of stores in our core downtown area”

“We’ll need new land use laws to govern areas where cannabis can be produced. What are other municipalities doing?”

“What is the province thinking on setback rules? Will we be consulted?”

What We Heard – Public Health



“We expect the strain on our social safety net to be significant”

“How will these increased challenges translate into additional demands on our social services such as shelters”

“I don’t know how many cases of cannabis addiction we’ll face. There isn’t a lot of research explaining to us what’s likely to happen.”



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