

**Community Services Report to
SPC on Community and Protective Services
2017 June 06**

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CPS2018-0718
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Cannabis Legalization – Festivals and Events

EXECUTIVE SUMMARY

As part of the comprehensive set of bylaw amendments which were presented to Council on 2018 April 05, Administration recommended providing an exemption from the ban on public consumption of cannabis for festivals and events. Council approved a motion requesting Administration to consult with the Government of Alberta about the proposed exemption, and report back to Council through the SPC on Community and Protective Services. Administration has conducted additional consultation with representatives from three provincial agencies: the Alberta Cannabis Secretariat (ACS), the Alberta Gaming and Liquor Commission (AGLC), and Alberta Health Services (AHS). While there has been no change in the position of these agencies on cannabis consumption at festivals and events, Administration continues to recommend proceeding with an exemption from the restrictions on public consumption contained in the Cannabis Consumption Bylaw for festivals and events which have undergone a review by The City's Interdepartmental Events Team.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Community and Protective Services recommend that:

1. That Council give three readings to the proposed bylaw to amend the Cannabis Consumption Bylaw 24M2018 contained in Attachment 1; and
2. Administration work with stakeholders to monitor cannabis consumption areas at festivals and events and report back to Council through the SPC on CPS in 2019 Q4.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 May 02, the Standing Policy Committee on Community and Protective Services (CPS) recommended to Council to defer the report on an exemption from the Cannabis Consumption Bylaw for festivals and events to Council through the Community and Protective Services Committee no later than 2018 June. On 2018 May 28, Council deferred Administration's report on cannabis consumption at festivals and events to no later than 2018 June.

On 2018 April 05, Council adopted, moved by Councillor Colley-Urquhart, seconded by Councillor Carra that Council Amend the Proposed Cannabis Consumption Bylaw 24M2018, by deleting Section 4, Events, in its entirety, and directing Administration to conduct further consultation with the Province to return to Council, through the SPC on Community and Protective Services, no later than 2018 May. Additionally, Council adopted a Motion Arising, moved by Mayor Nenshi, seconded by Councillor Farkas that Council direct Administration to explore amendments permitting cannabis smoking and vaping in specific designated areas, returning directly to Council no later than 2018 June.

BACKGROUND

In 2016, anticipating impacts of the federal legalization of cannabis on The City of Calgary, Administration established a working team of subject matter experts (SMEs) from across the Corporation. This group identified issues of concern and potential impacts of legalizing cannabis to The City of Calgary. This work formed the basis of The City's participation in the Federal Task Force engagement and advocacy positions that were approved by the Intergovernmental Affairs Committee in 2016 November and have guided City participation in federal and provincial engagement opportunities. Since 2017 June, Administration has been working with

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the Alberta Cannabis Secretariat to ensure The City's input and concerns were addressed in provincial legislation and regulations.

On 2018 April 05 Council approved a comprehensive suite of bylaw amendments and a new Cannabis Consumption Bylaw. These amendments were intended to address all necessary aspects of cannabis regulation in Calgary in advance of the federal legalization of non-medical cannabis. The Cannabis Consumption Bylaw includes a ban of consumption of non-medical cannabis in all public places in the city. As part of the Cannabis Consumption Bylaw, Administration initially included an exemption which would allow for the consumption of cannabis at festivals and events. To qualify for the exemption, festival and event organizers would be required to submit an application, and be subject to an extensive review and approval process through The City's Interdepartmental Events Team.

At the 2018 April 05 meeting of Council, a motion passed which removed the exemption for festivals and events from the Cannabis Consumption Bylaw and directed Administration to further consult with the Government of Alberta before reporting back to Council through the SPC on Community and Protective Services.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Since 2018 April 05, Administration has met with provincial government representatives regarding cannabis consumption at festivals and events. This has included meetings with representatives from the ACS, the AGLC, and AHS. Administration has also engaged with existing internal resources, including the Interdepartmental Events Team to determine the impact to City departments of allowing for cannabis consumption at festivals and events. Administration has also met with representatives from Calgary's festival and event community.

The AGLC and the ACS re-iterated their position that they would not be licensing festival and events for temporary cannabis sales. The provincial licensing of cannabis sales will only be available for retailers at permanent bricks and mortar locations, and consumption of cannabis will not be permitted on these sites. Further, provincial representatives indicated that partly due to the established provincial position on cannabis consumption, which generally aligns with the provincial Tobacco and Smoking Reduction Act, they would not be assuming any responsibility for the designation of cannabis consumption areas at festivals and events; this is consistent with the provincial approach to tobacco. The provincial government indicated it may reconsider licensing premises for consumption once the federal government allows for commercially available cannabis edibles, which is anticipated within one year of legalization.

Administration also consulted representatives from AHS, who maintained their previous position of not endorsing cannabis consumption areas at festivals and events. Concerns were raised about modelling behaviour for children as well as the potential impacts on event staff, and suggestions were made for promoting less harmful methods of consumption, such as consuming oils, as opposed to providing spaces for smoking and vaping. Nonetheless, AHS representatives indicated that if an exemption to the cannabis consumption bylaw were to pass, they would be willing to work with Administration in monitoring sites at festivals and events. This would include determining whether sites serve their intended purpose and whether regulations would need to be adjusted or reconsidered.

As a result of the conversations with provincial representatives and other stakeholders, Administration is recommending reporting back to Council in 2019 Q4. At the time of writing, the federal government has indicated that the date of non-medical cannabis legalization will be

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at least eight to 12 weeks after the Senate votes on Bill C-45 on 2018 June 07. Reporting back to Council through the SPC on Community and Protective Services in 2019 Q4 would allow Administration and stakeholders to review the impact of the proposed bylaw amendment over the course of a full festival season and return to Council with a monitoring report and further amendments should they be necessary.

Despite the fact that there has been no change to the provincial position since the 2018 April 05 Council meeting, Administration maintains its original recommendation that the Cannabis Consumption Bylaw include the potential for an exemption from the public consumption ban for festivals and events. Festival and event organizers have made it clear that cannabis consumption is, and has been, a reality at several events despite its consumption currently being a criminal offence. The potential for an exemption from the consumption ban for festivals and events allows those organizers who wish to pursue it, the ability to create a space which is reviewed and approved by the City's multi-disciplinary Interdepartmental Events Team. This would allow for a space separate from the larger assembly areas, which is monitored, and which has the potential to reduce the impact of cannabis consumption on festival attendees who choose not to consume cannabis.

Administration has developed principles which are intended to guide and inform all decisions by the Interdepartmental Events Team when reviewing applications for cannabis consumption areas at festivals and events. These principles are found in Attachment 2. In addition to the principles, Administration has developed internal guidelines to inform the Interdepartmental Events Team's review of designated cannabis consumption areas. The guidelines are not intended to be comprehensive, as each event will require a review based on its own unique circumstances, however they are intended to demonstrate requirements which will be mandatory for all organizers intending to host a cannabis consumption area. They are also intended to be flexible and responsive to the evolution of cannabis consumption in Calgary.

Stakeholder Engagement, Research and Communication

As described throughout this report, Administration has engaged with provincial representatives from the ACS, AGLC and AHS. The recommendations included in this report also take into account results from the research conducted between 2017 November and 2018 January which included a 1,002 person, statistically representative telephone survey, as well as the online engagement and stakeholder workshops. A summary of the results from engagement and research referencing cannabis consumption at festivals and events is included in Attachment 3.

Strategic Alignment

The recommendations in this report align with the previously established City of Calgary advocacy positions, primarily:

Engagement and role clarity

Continue to engage municipalities throughout the legalization process to ensure clear delineation of roles and expectations between federal, provincial and municipal governments

Social, Environmental, Economic (External)

Legalizing, regulating and restricting access to cannabis has social, environmental and economic implications. Permitting and regulating the consumption of cannabis at festivals and

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events will allow greater oversight of some of the social and environmental issues that are already being experienced at festival and event venues. The provincial government is not allowing for cannabis sales at festivals or events and therefore cannabis consumption areas at these venues will not provide the same economic incentive for the organizers as licensed alcohol sales.

Financial Capacity

Current and Future Operating Budget:

Administration has been working to have a comprehensive estimate of the financial implications of legalization to The City. The current estimate of the ongoing annual operating budget impact to The City ranges from \$8.2M-\$12.9M. A range of estimates is provided to account for the ongoing development of federal, provincial and municipal rules in the regulations of cannabis. These estimates continue to be refined as decisions are made and more information becomes available. In 2017 December, the Government of Canada announced an excise tax that roughly equates to 10 per cent on the sale of cannabis. The Government of Canada will retain 25 per cent of the excise tax, up to a maximum of \$100 million, and the remainder will be distributed to the provinces and territories. In 2018 February, the federal government's Budget 2018 indicated that "it is the federal government's expectation that a substantial portion of the revenues from this tax room provided to provinces and territories will be transferred to municipalities and local communities, who are on the front lines of legalization." Administration continues to advocate to the Government of Alberta for a share of the cannabis excise tax revenue sufficient to offset the anticipated operating budget impact associated with cannabis legalization.

Current and Future Capital Budget:

Administration continues to advocate to the Government of Alberta for a share of the cannabis excise tax revenue sufficient to offset the anticipated municipal costs associated with cannabis legalization.

Risk Assessment

Risks regarding public consumption at festivals and events have been identified by working team members as well as provincial stakeholders. These include, but are not limited to: nuisance from the odour of cannabis; health effects associated with second-hand smoke; impairment of attendees; and youth gaining access. Administration recommends permitting cannabis consumption at festivals and events subject to extensive controls. Each application for a cannabis consumption area will be reviewed on a case-by-case basis by The City's Interdepartmental Events Team which will be responsible for developing strategies to mitigate the risks associated with permitting consumption for each event.

Risks associated with not permitting consumption include less opportunity for cannabis consumption oversight by event organizers, as well as the potential for an increased prevalence of cannabis consumption amongst the general population of events. Without a specified area to consume, the potential for an increased level of consumption includes a greater risk of nuisance and second-hand smoke to all attendees.

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REASON(S) FOR RECOMMENDATION(S):

Providing an exemption for cannabis consumption areas at festivals and events, subject to review and approval by the Interdepartmental Events Team, will allow for greater oversight of consumption at festivals and events in Calgary. It will provide the potential for spaces which are removed from those attendees who do not wish to consume and will respond to the current realities of cannabis consumption at festivals and events. Returning to Council in 2019 Q4 will allow Administration to monitor the impact of the proposed amendments over the course of a festival season and amend the regulation as necessary.

ATTACHMENT(S)

1. Attachment 1 – Proposed Wording for an Amendment to Cannabis Consumption Bylaw 24M2018
2. Attachment 2 – Guiding Principles
3. Attachment 3 – Summary of Research and Engagement