

**Community Services Report to
Combined Meeting of Council
2018 June 25**

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C2018-0754
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Cannabis Legalization – Public Consumption

EXECUTIVE SUMMARY

On 2017 April 13, the Government of Canada introduced Bill C-45, *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts*, (*The Cannabis Act*). At the time of writing, Bill C-45 was before the House of Commons and is expected to be passed before Parliament rises for summer break on 2018 June 22. The federal government has indicated that non-medical cannabis will become legalized and regulated within eight to twelve weeks of Bill C-45 being passed and receiving Royal Assent.

On 2017 November 30, the Government Alberta enacted *An Act to Control and Regulate Cannabis*, S.A.2017, c.21; the Act comes into force upon proclamation, which is expected to be in alignment with the federal government's effective date for legalization. Provincial regulations broadly align cannabis consumption with the provincial *Tobacco and Smoking Reduction Act*, but include provisions allowing municipalities to further regulate cannabis consumption.

On 2018 April 05, in anticipation of the pending federal legalization of non-medical cannabis, Council passed the Cannabis Consumption Bylaw 24M2018 to restrict the consumption of cannabis in public places in Calgary. In addition, Council approved a Motion Arising directing Administration to explore amendments permitting smoking and vaping in specific designated cannabis areas. Administration has also developed proposed principles, criteria and a process for locating potential public consumption areas in an effort to balance interests among those who wish to consume cannabis in public places with concerns regarding safety and public health on these sites.

ADMINISTRATION RECOMMENDATIONS:

That Council:

1. Give three readings to the proposed bylaw 30M2018 to amend the Cannabis Consumption Bylaw 24M2018 (Attachment 1); and
2. Approve the guiding principles and potential site criteria in Attachment 2.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2018 April 05, Council approved a Motion Arising directing Administration to explore amendments permitting smoking and vaping in specific designated cannabis areas, returning directly to Council no later than 2018 June.

On 2018 April 05, Council passed Bylaw 24M2018, the Cannabis Consumption Bylaw which bans the public consumption of non-medical cannabis in all public places.

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 and the Calgary Police Service. 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

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City participation in federal and provincial engagement opportunities. Since 2017 June, Administration has been working with the Alberta Cannabis Secretariat to ensure The City's input and concerns were addressed in provincial legislation and regulations.

As part of the provincial cannabis framework, the Government of Alberta indicated it will not be addressing the potential for cannabis 'cafes' or 'lounges' until such time as the federal government allows for edible cannabis products. The federal government has maintained it will address edible cannabis products within a year of legalization.

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.

At the 2018 April 05 meeting of Council, the concern was raised that a ban on the public consumption of cannabis could effectively result in there being no places to legally consume for residents living in rental units or in condominiums where an owner or board has banned consumption in a unit or building. It was also identified that tourists staying in accommodations where the consumption of cannabis is prohibited, would not have access to places to legally consume.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Since 2018 April 05, the cross-corporate team has been working to establish criteria for the location of cannabis consumption areas as well as develop a process to exempt sites from the Cannabis Consumption Bylaw 24M2018. Found in Attachment 2, the criteria include: maximizing distance from sensitive uses such as schools, playgrounds and emergency shelters; identifying locations which are centrally located and easily accessible, and; identifying locations which do not pose obvious safety risks and are not situated in natural areas. The proposed process for identifying and designating cannabis consumption areas is outlined in Attachment 3.

Administration proposes identifying cannabis consumption areas through signage as well as easily identifiable infrastructure. Distinctive infrastructure could aid in identification for both cannabis consumers and those looking to avoid exposure to cannabis consumption areas. Installations could also serve as a method of facilitating the demarcation of cannabis consumption areas, equipped with waste receptacles and tamper-proof ashtrays, and be contained within a defined radius. Administration also recommends that areas be approved on a limited-term basis with a review being held the sooner of one year or corresponding with the introduction of legal cannabis 'cafes' in Calgary.

Finally, Administration recommends that the Chief Bylaw Officer be provided the authority to temporarily suspend a designated cannabis consumption area should there be safety or excessive nuisance concerns. The temporary suspension is intended to allow time to return to Council for a formal review.

Stakeholder Engagement, Research and Communication

Administration has conducted extensive best practices research over the course of the last 18 months. A scan was conducted of all major municipalities in the United States where cannabis has been legalized as well as other Canadian jurisdictions. At the time of publishing this report,

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recreational cannabis has been legalized in ten states. Due to legalization of recreational cannabis being a relatively recent phenomenon, many of the jurisdictions examined continue to amend and adapt their regulations to respond to the evolving industry. The City of Edmonton's Community and Public Services Committee met on 2018 June 06 to discuss the public consumption of cannabis. At this committee Edmonton City Administration was instructed to draft Amendments to the City of Edmonton's Public Places bylaw to present to Edmonton City Council on 2018 July 04. A chart summarizing the best practice findings as well as an overview of the Edmonton approach can be found in Attachment 4.

In addition to the best practices research in areas where legalization has already occurred, Administration has also been coordinating with other municipalities and organizations across Alberta, and Canada. These include, the City of Edmonton, the Alberta Urban Municipalities Association, the Federation of Canadian Municipalities and multiple municipalities across the country.

Administration conducted extensive public opinion research and engagement from 2017 November to 2018 January. Research included a statistically representative telephone survey of 1,002 Calgarians as well as several focus groups and in-depth telephone interviews with stakeholders representing a variety of views on cannabis legalization. Engagement included an online feedback form which garnered more than 15,000 responses, the most of any City engagement project in 2017, as well as multiple stakeholder workshops. Reports on both the engagement and research are publicly available on www.calgary.ca/cannabis. Relevant sections of these reports, related to the proposed bylaw amendments are included in Attachment 4.

Though extensive engagement was undertaken prior to the 2018 April 05 Council date, public engagement has not been conducted on designated cannabis consumption areas. Therefore, Administration is recommending further public engagement specific to the designating of cannabis consumption areas. Administration is also recommending that areas be designated through a Public Hearing of Council to further facilitate public input.

Administration has developed a comprehensive communications plan. Throughout the legalization process, Administration has continued to communicate with stakeholders via an online stakeholder sign-up form available at the project specific website www.calgary.ca/cannabis. Communication will continue to be a primary focus for Administration as bylaws are developed and amended. Coordination with the communication plans of other orders of government will be critical to ensuring that citizens and potential businesses are fully informed of impending changes. Administration is planning extensive communication with Calgarians once bylaw amendments, and the federal date of legalization, have been finalized.

Strategic Alignment

The recommended amendments in this report align with Council's priorities of a prosperous city and a city of inspiring neighbourhoods and the specific Strategic Actions: N11 "Promotion of public safety through education, prevention and partnerships."

Social, Environmental, Economic (External)

There will be social, environmental and economic implications resulting from the allowance of the public consumption of cannabis. However, without any case studies of existing jurisdictions

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where the public consumption of cannabis is legal, it is unknown what these implications will be. Administration is recommending the installation of garbage bins and lockable smoking material receptacles at any approved designated consumption areas in order to help mitigate environmental effects. It is also recommended that designated cannabis consumption areas proceed on a trial basis so as to more easily address any potential negative externalities as well as determine what aspects are potentially successful.

Financial Capacity

Current and Future Operating Budget:

Ongoing general maintenance, including waste collection, is estimated at \$3,500 annually per designated cannabis consumption area. Costs associated with engagement will vary depending on the number of sites identified.

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:

Initial installation is estimated at \$5,000 per site for infrastructure, garbage can, ashtray and signage.

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

Potential risks regarding public consumption have been identified by working team members. These include, but are not limited to: nuisance from the odour of cannabis; health effects associated with second-hand smoke; impairment; and youth access. As was noted by Council, there is also a reputational risk to The City should there be no place for residents and tourists to consume a legal product apart from on private properties.

The criteria established for cannabis consumption areas and engagement with Calgarians are intended to mitigate some of the potential risks associated with public consumption.

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REASON(S) FOR RECOMMENDATION(S):

Designated cannabis consumption areas will allow those people who do not have the ability to consume on private property potential sites to consume a legal product in public in Calgary. Providing the potential for designated cannabis consumption areas allows for spaces which are immediately apparent both to those who wish to consume cannabis, as well as those who wish to avoid exposure to cannabis consumption.

ATTACHMENT(S)

1. Attachment 1 – Proposed Bylaw 30M2018 Wording for an Amendment to Cannabis Consumption Bylaw 24M2018
2. Attachment 2 – Guiding Principles and Criteria for Potential Cannabis Consumption Areas
3. Attachment 3 – Proposed Process for Identifying and Designating Cannabis Consumption Areas
4. Attachment 4 – Summary of Best Practices and Edmonton's Proposed Approach
5. Attachment 5 – Summary of Research and Engagement