

Report to Budget Committee

To: Chair and Members
Budget Committee

From: Cheryl Smith, Deputy City Manager, Neighbourhood and
Community-Wide Services

Subject: Alcohol in City Facilities

Date: March 19, 2025

Recommendation

That, on the recommendation of the Deputy City Manager of Neighbourhood and Community-Wide Services, the Alcohol in City Facilities report **BE RECEIVED** for information.

Executive Summary

This report provides a review of the potential to license City facilities for the sale of alcohol as a revenue stream as per City Council's direction to report back in Q1 of 2025. This report presents the historical context and the current state of alcohol provision in City of London facilities and property.

Linkage to the Corporate Strategic Plan

The Alcohol in City Facilities report is aligned with the following Strategic Area of Focus and outcome in the [City of London Strategic Plan 2023-2027](#):

Well-Run City

- The City of London has effective facilities and infrastructure management.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

- Food and Beverage Concessions in Arenas (CPSC, March 17, 2025)
- [Special Events Policy Update](#) (CPSC, December 2, 2024)
- Policy Regarding Alcoholic Beverages at Private Rentals of Recreation and Community Centres (CPSC, May 11, 2009)
- Alcohol Risk Management Policy Manual (January 13, 2004)

1.2 Council Resolution – July 24, 2024

On July 24, 2024, City Council resolved the following:

“The Civic Administration BE DIRECTED to report back on the potential to license City facilities for the sale of alcohol as a revenue stream, including a list of potential facilities”.

2.0 Discussion and Considerations

2.1 Background and Purpose

By-law A-6367-184 was passed by City Council in May 2009. The following policy regarding alcoholic beverages at City-owned recreation and sport facilities was adopted from this By-law:

1. No alcoholic beverages are allowed for private rentals of City-owned recreation centres and community centres, with the following exceptions:
 - a. If a Special Occasion Permit (SOP) is obtained, alcoholic beverages may be allowed if the event is a celebration of, or a fundraiser for: a local sport, recreation, culture or community development;

- b. If a Special Occasion Permit is obtained, alcoholic beverages may be allowed if the event is held at Civic Garden Complex or Springbank Gardens; and,
- c. If a Special Occasion Permit is obtained, alcoholic beverages may be allowed if the event is a Special Event under the City of London Special Events Policies and Procedures Manual.

2.2 Previous Discussion

The 2009 City Council resolution passing By-law A-6367-184 also outlined previous information on the topic of alcohol provision in City of London facilities and property:

- In May 2008, Community Services, with the knowledge of Council, stopped accepting bookings for stag and does, weddings, and wedding receptions at all recreation and sport facilities except Civic Gardens Complex and Springbank Gardens.
- In October 2008, the General Manager of Community Services reported back to Council on the impact of the moratorium, the impact of the City-hired security on event management, review of other municipality's practices and provided options for the future of these types of events.
- On November 24, 2008, a public participation meeting was held to hear submissions on the potential of not allowing private alcohol events at recreation and community centres. There were no submissions made at the public participation meeting.
- Council directed Community Services to implement (on January 1, 2009) provisions for the collection of damage deposits, requirement of security including recovery of costs, and supervision requirements.

2.3 Review of Previous Issues

Civic Administration reviewed issues arising from private rentals of City-owned recreation and community centres. It was determined that a majority of the events where issues arose were private functions that went beyond 11:00 p.m. and included events like stag and does, wedding receptions, teen parties/dances and other private parties, and that the presence of alcohol increased the likelihood of problems occurring.

General problems encountered were:

- excessive vandalism and damages to facilities and equipment;
- increased risk to staff assigned to events;
- increased costs of cleanup and impacts on concurrent and following events;
- repeated violations of codes and by-laws by participants such as noise complaints;
- violations of gaming regulations and liquor license conditions by participants;
- increased liability risks to the City; and,
- overall management of attendees at private rentals – not vacating the building or parking lot at the assigned time.

2.4 Current Status of Provision of Alcohol on City Property

While the City of London does have a license for several facilities, a SOP is a tool that allows event organizers to provide the sale of alcohol, as well as assume the risk and responsibility for the event such as properly trained staff, security, and adherence to all provincial regulations as outlined by the Alcohol and Gaming Commission of Ontario (AGCO).

The chart below describes the different locations and permissions the City of London uses for events involving the sale and provision of alcohol:

License/Permitted Type	Location	Notes
City Liquor Sales License	Thames Valley Golf Course, Fanshawe Golf Course	Sale by City of London employees, permitted to the clubhouse and grounds of the golf course.

City Liquor Sales License	City Hall 'Top of the Hall'	All beverages must be pre-purchased as part of a rental, service by City of London employees.
Licensed by third-party	Western Fair, Labatt Park, Centennial Hall	Sale of alcoholic beverages available, managed by the third-party.
Permitted with Special Occasion Permit (SOP)	Civic Gardens Complex, Springbank Gardens	As per the May 25, 2009, Council Resolution, the only two recreation and sport facilities that are permitted for events with alcoholic beverages.
Special Events with Special Occasion Permit (SOP)	City of London property e.g. Dundas Place, Victoria Park, Harris Park	Event organizers obtain a SOP and assume all responsibility for service of alcohol. An additional fee of \$375 is charged for cost recovery of events that provide alcoholic beverages.

2.5 Differences between a Special Occasion Permit and Liquor License

It is important to note some key differences between a Special Occasion Permit and a Liquor License.

	Special Occasion Permit (SOP)	Liquor License
Purpose	Allows the sale/service of alcohol at a private or public event	Allows a business or establishment to sell/serve alcohol regularly
Issued By	Alcohol and Gaming Commission of Ontario (AGCO)	Alcohol and Gaming Commission of Ontario (AGCO)
Duration	Temporary, for a single event or series of events	Ongoing, as long as the license is valid
Who Can Apply	Individuals, businesses, or organizations hosting an event	Businesses (e.g., bars, restaurants, hotels, venues)
Where It's Used	Weddings, charity fundraisers, public festivals, corporate events, etc.	Restaurants, bars, banquet halls, nightclubs, golf courses, etc.
Alcohol Purchase	Must be purchased from the LCBO, The Beer Store, or licensed manufacturers	Can be purchased from approved wholesale suppliers
Consumption Rules	Alcohol must be consumed within the designated event area	Alcohol must be consumed within the licensed premises
Security and Oversight	May require security measures, police notification, and event controls	Subject to inspections, compliance rules, and ongoing operational requirements
Cost	Varies based on event type, size, and location	Application fees plus ongoing renewal fees
Liability	Organizer assumes full liability for alcohol service	Business owner/operator is liable for compliance with laws
Renewal	Not renewable; must apply for each event separately	Renewable, usually annually

2.6 Review of Other Municipalities

The City of London contacted six (6) Ontario municipalities with similar size and operational models as the City of London. To summarize, it was found that comparable municipalities have greater restrictions than the City of London. Other municipalities manage events by utilizing one, or a combination of the following strategies:

- enforce an outright ban on alcohol events at all public facilities;
- prohibit stag and does in any public facilities;
- limit events which include alcoholic beverages to specific facilities that are expressly set up to accommodate the service of alcohol; and/or,
- prohibit alcohol in facilities when there is the potential for children and youth to be present.

Additionally, municipally operated food and beverage concessions at municipally owned recreation and sport facilities are often limited and typically offered in larger, high-traffic facilities such as multi-pad arenas and multi-use centres.

Most municipalities have restricted alcohol sales to special events or specific larger facilities. Municipalities have identified no interest in expanding these services due to: low demand, spectator behavior concerns, increased operating costs, risk to the municipality, and regulatory barriers.

2.7 Operational Requirements to Serve Alcohol

The City of London's Alcohol Risk Management Policy outlines several requirements that must be met by the City, a third-party, or a Special Occasion Permit (SOP) holder to adhere to for alcoholic beverages sale and provision:

Conditions for the Use of Alcohol in City Facilities

- Anyone serving alcohol at designated sites must obtain a Special Occasion Permit from the Alcohol and Gaming Commission of Ontario (AGCO). The permit holder must comply with all applicable laws and the City of London's Alcohol Risk Management Policy.

Renting Municipal Premises

- Events with alcohol require a rental agreement at least 45 days in advance to allow for risk assessment, staffing, and compliance checks. Late applications may result in event cancellation.

Insurance Requirements

- Event organizers must provide a Certificate of Insurance at least 30 days before the event, meeting the City's coverage requirements. Failure to provide proof of insurance will void the rental, and coverage amounts vary based on event size.

Personnel

- A designated municipal representative will work with event organizers to ensure compliance with policies.

Entry and Control Policies

- Only government-issued photo ID is accepted for alcohol purchase and intoxicated, or unruly individuals must be denied entry. Servers must not sell alcohol to underage, intoxicated, or disruptive patrons, and the permit holder is responsible for event safety.

Sale of Alcohol and Serving Practices

- No discounts for bulk alcohol purchases, no "last call" announcements, and unused drink tickets must be redeemable. High-risk drinks (e.g., double shots, energy drinks) are prohibited, and sufficient food must be available.

Low Alcohol and Non-Alcoholic Options

- At least 30% of alcoholic beverages must be low-alcohol options, and non-alcoholic drinks must be readily available and priced lower than alcoholic beverages. Clear signage must indicate available non-alcoholic options.

Accountability

- A sign must be posted displaying the permit holder's name and contact information for City staff and the Alcohol and Gaming Commission of Ontario (AGCO). This ensures transparency and facilitates reporting of concerns or violations.

Procedures for Dealing with Problem Patrons

- Staff must monitor for intoxicated individuals, assist in arranging safe transportation, and intervene if an intoxicated person attempts to drive. All incidents, including injuries or police involvement, must be reported within 48 hours.

Safe Transportation

- Event organizers must implement a Safe Transportation Strategy, such as promoting designated drivers, offering non-alcoholic drinks, and providing taxi information. Police may be called if an intoxicated individual insists on driving.

Other

- Special events with alcohol require pay-duty police officers for security, with staffing levels determined by event size and risk assessment.

Signage

- The City provides mandatory signage for alcohol-related events, including responsible drinking messages, emergency contacts, legal warnings, and low-risk drinking guidelines. Event organizers must ensure signs remain posted throughout the event.

2.8 Additional Factors to Consider

Some factors need to be considered to proceed to next steps of determining the feasibility of licensing additional City of London facilities for the sale and distribution of alcohol:

- There will need to be up-front, one-time investment in terms of proper infrastructure in a concession space. This may include additional refrigeration, shelving, security features, furniture, signage and point of sale upgrades.
- There will be on-going costs, such as permits, inspections, staff training, and participant education.
- There will need to be changes to our current staffing and operational model, such as changes to job descriptions, job evaluations, and increased security on site.
- There is currently a strong private recreation system of licensed facilities for the public to access such as: Smash Pickleball, London Ice Park, The Beach Hanger, BMO Centre London, the Western Fair Sports Centre, as well as other establishments.
- Discussions would need to occur with the City of London's current concession provider at City of London arenas.
- Risk assessments would need to occur to determine change in insurance policies.
- User Fee Detail Report and current rental fees would need to be reviewed to determine cost recovery options.

2.9 City Facility Scan and Required Investment

In accordance with the review previously noted in this report, the following rationale is used to provide the facilities best aligned for investment and the future potential service of alcoholic beverages.

Aquatic facilities, community centres, and senior centres do not have the appropriate concessions as per their design.

Startech.ca Community Centre, YMCA and Library and Stoneycreek Community Centre, YMCA and Library are not being considered as they are under the operation of the YMCA of Southwestern Ontario.

It should be noted that the majority of City of London arenas have peak seasons of September to April.

The below table showcases facilities that have existing concessions infrastructure. A high level of investment indicates that the concession is not currently in operation due to low traffic, lack of suitable equipment, or program mix.

A medium investment indicates that the concession is currently in operation and would require upgrades to serve alcohol. In either medium or high, investments to address the criteria in Section 2.7 and 2.8 would need to occur.

Facility	Low, Medium, or High Investment
Earl Nichols Recreation Centre	Medium
Argyle Arena	Medium
Kinsmen Recreation Centre	Medium
Stronach Arena	Medium
Carling Recreation Centre	High
Farquharson Arena	High
Lambeth Community Centre	High
Medway Community Centre	High
Oakridge Arena	High

It should be noted, that even with required investment, Civic Administration would continue to prioritize scheduling large tournaments at the Western Fair Sports Centre, as the most suitable facility.

3.0 Financial Impact

Should City Council direct Civic Administration to move forward with the detailed analysis of specific facilities, there will be initial investments as well as on-going operational costs to consider. Civic Administration would need to conduct a cost benefit and pay-back analysis in the context of additional risks to determine whether there will be a significant enough financial return on any potential investment required for a facility. If the return on investment is significant enough to support proceeding, then Civic Administration could be directed to submit a business case through a future budget process to support implementation including all one-time and ongoing operational costs.

4.0 Next Steps

If City Council chooses for Civic Administration to proceed with the implementation of licensing additional City of London facilities for the sale of alcoholic beverages, Civic Administration will require direction of which facilities should be targeted, and to return with the detailed financial cost benefit analysis to determine if the return on investment is sufficient in light of the additional risk to be referred to a future budget process.

Conclusion

For the City of London to proceed with licensing additional venues for alcoholic beverages, key operational and financial obstacles will need to be addressed as outlined in the report.

Prepared by: Chris Green, Manager, Community and Senior Centres

Submitted by: Jon-Paul McGonigle, Director, Recreation and Sport

Recommended by: Cheryl Smith, Deputy City Manager, Neighbourhood and Community-Wide Services

- c. Anna Lisa Barbon, Deputy City Manager and City Treasurer, Finance Supports
- Tara Pollitt, Deputy City Manager and City Solicitor, Legal Services
- Kristen Pawelec, Director, Community Development and Grants
- Jason Wills, Manager III, Risk Management, Legal Services
- Linzi Lavery, Specialist I, Risk Management, Legal Services