

Staff Report 2021-0073

Meeting Date: April 20, 2021

Subject: Proposed Town Initiated Official Plan Amendment (POPA 19-06) and Zoning By-law Amendment Applications (RZ 19-08) Pertaining to Cannabis, Country Inns, Building Area, Undersized Agricultural Lots and General Housekeeping Matters, Town Wide

Submitted By: Stephanie McVittie, Acting Manager, Development Review Services, Planning Department

RECOMMENDATION

That the By-law attached as Schedule “A” to Staff Report 2021-0073 be enacted to adopt Official Plan Amendment No. 263 to include policies related to cannabis and industrial hemp-related uses in the agricultural and rural area;

That, in accordance with Section 34(17) of the *Planning Act*, no further notice is required to be provided on the proposed Zoning By-law Amendment; and,

That the By-law attached as Schedule “B” to Staff Report 2021-0073 be enacted to amend Comprehensive Zoning By-law 2006-50, as amended to repeal By-law 2019-27 and to amend cannabis and industrial hemp definitions, permissions and standards within the Prestige Industrial (MP) and Serviced Industrial (MS) zones; and,

That the By-law attached as Schedule “C” to Staff Report 2021-0073 be enacted to amend Comprehensive Zoning By-law 2006-50, as amended to introduce cannabis and industrial hemp definitions, permissions and standards within the Agricultural and Rural Zones identified in Section 10 of Comprehensive Zoning By-law 2006-50, as amended; and,

That the By-law attached as Schedule “D” to Staff Report 2021-0073 be enacted to amend Comprehensive Zoning By-law 2006-50, as amended to amend and introduce permissions and standards relating to country inns, building area on agricultural lots, undersized agricultural lots and general housekeeping matters;

That applications for minor variances for all lands subject to Comprehensive Zoning By-law 2006-50, as amended, be permitted prior to the second anniversary of the passing of any implementing Zoning By-law Amendment, pursuant to Section 45(1.4) of the *Planning Act*; and,

That the By-law attached as Schedule “F” to Staff Report 2021-0073 be enacted to amend the Site Plan Control By-law 2013-086 to require Site Plan Control of indoor cannabis and industrial hemp related uses and permit Site Plan Control to be imposed through decisions of the Committee of Adjustment.

REPORT HIGHLIGHTS

- In response to a Motion by Council and further to the agricultural and rural area review of the Town’s Zoning By-law, Town staff initiated an Official Plan Amendment (File Number POPA 19-06) in 2019, to review cannabis permissions in the agricultural and rural areas.
- At the same time, as part of continuous process and to implement customer service improvements, Planning staff initiated a Zoning By-law Amendment (RZ 19-08), relating primarily to agricultural and rural land uses and zones to:
 - Amend cannabis permissions and standards within the Prestige Industrial (MP) and Serviced Industrial (MS) zones
 - Introduce cannabis permissions and standards within the Agricultural and Rural Zones in Section 10 of Zoning By-law 2006-50, as amended
 - Amend and introduce permissions and standards relating to Country Inns, Building Area on Agricultural Lots, Undersized Agricultural Lots and General Housekeeping Matters
- A statutory Public Meeting was held on December 3, 2019 in accordance with the requirements of the *Planning Act*.
- The proposed amendments are consistent with Provincial policies and conform to Provincial, Regional and local planning policy documents.
- Planning staff recommends that Council enact the draft Official Plan Amendment, draft Zoning By-law Amendments and an amendment to the Site Plan Control By-law attached as Schedule “A”, “B”, “C”, “D” and “F” to this report.

DISCUSSION

The purpose of this Report is to recommend that Council consider a number of items. One pertaining to an Official Plan Amendment regarding cannabis policies and the other to consider multiple amendments to the Zoning By-law regarding cannabis, country inns, building area on agricultural lots, undersized agricultural lots and general housekeeping matters. Further details are outlined below:

1. The proposed Official Plan Amendment to create new policies and amend existing policies to permit cannabis in agricultural and rural areas; and,
2. The proposed Zoning By-law Amendments to:
 - a. Amend cannabis and industrial hemp definitions, permissions and standards within the Prestige Industrial (MP) and Serviced Industrial (MS) zones;
 - b. Introduce cannabis and industrial hemp definitions, permissions and standards within the Agricultural and Rural Zones in Section 10 of Zoning By-law 2006-50, as amended; and,
 - c. Amend and introduce permissions and standards relating to country inns, building area on agricultural lots, undersized agricultural lots and general housekeeping matters.

3. An amendment to the Site Plan Control By-law to require Site Plan Control of indoor cannabis and industrial hemp related uses and permit Site Plan Control to be imposed through decisions of the Committee of Adjustment

Proposed Official Plan Amendment (POPA 19-06)

In April 30, 2019, Council considered Staff Report 2019-36 and passed By-law 2019-27 to amend Comprehensive Zoning By-law 2006-50, as amended to permit and regulate cannabis production facilities in Prestige Industrial (MP) and Service Industrial (MS) zones within the Town of Caledon, by essentially replacing all medical marihuana terms with cannabis terms to reflect the Cannabis Act.

The By-law was subsequently appealed by one landowner and is therefore not in effect. A hearing date has not been scheduled and the matter has been held in abeyance pending Council's consideration and decision of policies and standards relating to cannabis as contemplated in this report.

At the same April 30, 2019 Council Meeting, the Staff Report recommendation was amended by Council to add the following paragraphs:

- That the growing, producing, processing, etc. of cannabis on lands designated Prime Agricultural Area, General Agricultural and Rural Lands be reviewed as part of the Agriculture Policy review of the Official Plan; and,
- That the growing of cannabis on lands zoned Agricultural (A1 and A1-ORM), Rural (A2 and A2-ORM) and Small Agricultural Holdings (A3 and A3-ORM) be considered as part of the current 2019 review of the Zoning By-law.

In response to the amendment and further to the agricultural and rural area review of the Town's Zoning By-law, Town staff requested that Meridian Planning Consultants Inc. (Meridian), review this topic and make recommendations to the Town. Although this topic will be part of the comprehensive agriculture policy review of the Official Plan conformity exercise, Town staff has initiated an Official Plan Amendment (File Number POPA 19-06), within the permissions of the Cannabis Act and the existing planning policy framework.

The draft Technical Report (dated October 28, 2019) prepared by Meridian in response to the request and recommends that an Official Plan Amendment is required to:

- Ensure that the growing, producing, processing, etc. of cannabis is permitted appropriately; and,
- Identify specific considerations and requirements that must be achieved to permit cannabis-related operations (including indoor and outdoor cultivation) within the agricultural and rural land use designations.

In the same Report, Meridian initially suggested that the Town consider cannabis-related activities within the existing definitions of agricultural use and agriculture-related

commercial or industrial use; however, as these definitions permit the retail sale of products, an amendment is required to both include cannabis operations and to exclude the retail sale of cannabis products, in line with the Town's decision to prohibit the retail sale of cannabis. It is important to note that agriculture-related commercial or industrial uses are not permitted within the Natural Core and Natural Linkage designations of the Oak Ridges Moraine Conservation Plan. At that time, the draft Official Plan Amendment amended various policies to recognize the cultivation of cannabis as an agricultural use and to recognize all other cannabis-related activities such as producing, processing, testing and research as agricultural-related industrial uses. The draft amendment also introduced policies which require that cannabis uses in agricultural and rural areas be required to obtain approval of a site-specific Zoning By-law Amendment application and approval of a Site Plan application, satisfying specific policies noted in the Official Plan. This aligns with similar policy direction provided to breweries and cideries within the Town. This was the proposed policy framework presented at the Public Meeting on December 3, 2019.

At the Public Meeting there were numerous questions and comments posed to Town staff surrounding the concept of "fit" and "suitability". Town staff brought those comments back, and with support of Meridian, began further research of how this matter is managed in other municipalities, emerging trends and issues.

In a supplemental memo prepared by Meridian (dated April 2020), Meridian explained that in completing additional research and in working with other municipalities on the same matter, it became clear that there are known adverse effects, such as odour that are exasperated at certain times of the year and at certain times during the cannabis growing process. The only way to mitigate known adverse effects, such as odour, is through separation. However, the adverse effects from odour can be minimized to a great degree by ensuring that greenhouse buildings are purpose built for this type of crop and with the installation of top of the line filtration systems - however, these are decisions made by the industry and hard to mandate - meaning that the establishment of appropriate setbacks is the first line of defense against adverse effects.

As a result of this additional information, staff are recommending that Council adopt proposed Official Plan Amendment No. 236 (attached as Schedule "A") which proposes to:

- Identify the outdoor cultivation of cannabis or industrial hemp as an agricultural use
- Consider indoor cannabis-related uses and hemp-related uses associated with outdoor cultivation of cannabis or industrial hemp as agricultural-related industrial or commercial uses where those policies can be achieved, and be subject to Site Plan Approval, addressing and mitigating concerns and impacts to surrounding properties and uses

- Define all other cannabis-related uses and industrial hemp-related uses as High Impact Agricultural Uses and require a site-specific Zoning By-law Amendment and Site Plan Approval for cannabis-related uses and industrial hemp-related uses, with supporting studies to mitigate concerns (i.e. odour, noise, light, traffic, environmental) to support the requested site specific zone standards (i.e. setbacks); and,
- Outline suitability criteria, study requirements and objectives, as well as establish general separation distances from these uses to sensitive land uses.

Proposed Zoning By-law Amendment (RZ 19-08)

As part of continuous process and to implement customer service improvements, Planning staff identified a number of suggested updates to the Town's Comprehensive Zoning By-law 2006-50, as amended, relating primarily to agricultural and rural land uses and zones.

In response to these updates, the Town has initiated a Zoning By-law Amendment to amend the Zoning By-law to address the following key topics:

- To define and establish general provisions and identify permissions for cannabis-related and industrial-hemp related operations consistent with the above-noted proposed Official Plan Amendment changes;
- To define and establish general provisions for country inns, requiring a site-specific Zoning By-law Amendment to permit the use (as per Official Plan policies). In reviewing this use, amendments are also proposed to clarify differences between other lodging types and bed and breakfast establishment permissions;
- To increase the maximum building area for agricultural uses, by exempting livestock facilities from the calculation for building area;
- To amend standards related to undersized agricultural lots to clarify permitted uses and interpretations relating to this; and,
- To amend the By-law to address housekeeping items such as streamlining definitions and permitted uses for ease of reference, updating text, mapping (zone labels), footnotes, etc. for clarification purposes.

The by-law does not propose any regulations relating to cannabis retail stores.

Process and Limitations

To assist in the review of these topics, Meridian provided recommendations on these topics with the exception of the housekeeping items. They also provided a Technical Report which contained a review of the topics and provided recommendations and options for the Town to implement appropriate zoning solutions. These recommendations and options have been reviewed by Town staff to prepare a draft by-law with proposed updates.

It is important to note, that a complete review of the Zoning By-law to conform to provincial policies cannot occur until the Town's Official Plan conformity exercise is completed. The items that have been identified for review at this time can be considered independent of the conformity review. A comprehensive and complete review of the Zoning By-law will be initiated towards completion of the Official Plan conformity exercise.

Cannabis-Related and Industrial Hemp-Related Uses

As described in detail above, staff are looking to amend the By-law to:

- Continue to permit and regulate cannabis-related uses and introduce permissions for industrial hemp-related uses in the Prestige Industrial (MP) and Serviced Industrial (MS) zones;
- Increase the setback from these uses to sensitive land uses within industrial areas
- Look to update the by-law to reflect new definitions in accordance with the appropriate Acts;
- Establish a minimum parking requirement of 1/100 m² of gross floor area for indoor facilities;
- Recognize existing permissions granted through minor variance and Zoning By-law Amendment applications; and,
- Provide a framework for permitting these uses, as explained above.

Through the review of the associated cannabis permissions and best practices of other municipalities, a 300 m setback is proposed from sensitive land uses in the agricultural and rural areas. While the current By-law establishes a 150 m setback for medical marihuana uses from sensitive land uses in the Prestige Industrial (MP) and Serviced Industrial (MS) zones, staff are looking to increase this setback to 300 m to align with the research and review completed and the new provisions proposed in agricultural and rural areas. Those legally established medical marihuana uses existing in the MP and MS zones would be permitted to continue as legal non-conforming uses.

Refer to Schedule "B", attached for those amendments required to continue to permit these facilities within the Prestige Industrial (MP) and Serviced Industrial (MS) zones, and Schedule "C", attached for those amendments required to provide the framework to permit these uses in the agricultural and rural area zones (A1, A1-ORM, A2, A2-ORM, A3 and A3-ORM), with indoor uses being subject to a site specific Zoning By-law Amendment and Site Plan Approval.

Country Inns

Through Official Plan Amendment No. 179, policies were introduced which permitted country inns within a Rural Economic Development Area, subject to an Official Plan Amendment and Zoning By-law Amendment. A definition of a country inn was never introduced within the Town's Zoning By-law, and of recent, there has been more interest in establishing this use in Caledon. As such, staff felt that it was necessary to have Meridian complete a review and provide recommendations on the definition, parking

requirements and general provisions associated with a country inn. The review also included a review of other similar “lodging” type uses to ensure that definitions are distinct, assisting with interpretation matters and ensuring clarity and consistency.

It is important to note that country inns, although defined and established within the By-law, will not be permitted as-of-right within any zone as the Official Plan policies require both an Official Plan Amendment and Zoning By-law Amendment to establish the use.

The amendment includes a new definition and land use permissions which clarifies that:

- A bed and breakfast establishment has up to 3 rooms in a dwelling, and the use may be permitted the use as-of-right in the Agricultural (A1), Rural (A2), Small Agricultural Holdings (A3) and Rural Residential (RR) zones;
- A country inn has 4 to 6 rooms in a dwelling;
- A hotel has a minimum of 6 rooms with interior access;
- A motel has direct access from the exterior;
- The proposed general provisions require that:
 - The country inn complies with Minimum Distance Separation (MDS) and all zone standards;
 - The operator of the inn must reside in the same dwelling as the inn;
 - A Zoning By-law Amendment is required to establish a country inn; and,
 - Site Plan Approval is required (within the Oak Ridges Moraine Conservation Plan Area); and,
- Establishes a parking ratio of 1 space/guest room in addition to the 2 parking spaces required for the dwelling.

Refer to Schedule “D”, attached for further information.

Maximum Building Area

Town staff have heard from residents that some believe the maximum building area for agricultural uses is too restrictive, staff requested that Meridian review the current maximum building area for agricultural and rural zones to determine if it is in keeping with surrounding areas.

Meridian surveyed various municipalities and determined that the Town’s current standards allow for less building area than other municipalities. The Town’s current standard is:

- For Agricultural (A1) and Rural (A2) zones: the lesser of 5% of the lot area or 1 ha.
- For Small Agricultural Holdings (A3) zones: 5% of the lot area.

The proposed amendment will not change the standards above and will exempt livestock facilities from being included in the calculation towards maximum building area, which in effect will increase the building area for these types of uses. Livestock facility sizes can

be managed by Minimum Distance Separation requirements, which they must comply with.

Refer to Schedule “D”, attached for further information.

Undersized Agricultural Lots

One of the most common occurrences in agricultural and rural zones creates interpretation difficulties because of the language included in the zoning by-law. The Town’s current provisions create difficulties for staff in two ways:

- Determining whether a landowner wishes to use the property for residential uses only, or, if in the future they may choose to use the property for agricultural uses, in that sometimes landowners want to change their mind or find it difficult to predict the future; and,
- Setbacks for an accessory building for residential uses in agricultural zones, in that the setbacks are substantially larger.

The proposed amendment seeks to clarify the language in Section 10.4.1 to require that where a lot is undersized, the landowner shall use the lot for residential uses in accordance with the Rural Residential zone; unless, they receive approval for a reduce lot area and/or lot frontage, in which they can use the Agricultural zone provisions.

The amendment also seeks to amend Section 4.2 (general provisions) to create consistency among all accessory buildings for residential uses, which will also allow reduced setbacks for residential accessory buildings in an agricultural lot.

Refer to Schedule “D”, attached for further information.

Housekeeping Items

Finally, the by-law proposes a number of housekeeping items such as:

- Streamlining definitions and permitted uses for ease of reference. For instance, removing duplicate permitted uses from the Agricultural and Rural Zones (i.e. agricultural uses, agricultural use (ORM), livestock facility, farm, animal agriculture (ORM));
- Permitting on-farm diversified uses in the Oak Ridges Moraine subject to provisions requiring compliance with the Oak Ridges Moraine Conservation Plan; and,
- Relocating parking standards from general provisions to the parking standard section; and,
- Updating text and mapping (zone labels) to remove zones which are no longer in effect.

Refer to Schedule “D”, attached for further information.

Planning Review

Documents that have been considered by the Town in its initiation of the proposed Zoning By-law Amendment include the Provincial Policy Statement 2020, the Growth Plan for the Greater Golden Horseshoe 2020, the Greenbelt Plan 2017, the Oak Ridges Moraine Conservation Plan 2017, the Niagara Escarpment Plan, the Region of Peel Official Plan, the Town of Caledon Official Plan and Zoning By-law 2006-50, as amended.

Provincial Policy Statement, 2020 (PPS, 2020)

The PPS, 2020 contains policy direction to the efficient use of land to support sustainable, strong, livable, healthy and resilient communities while protecting the environment, public health and safety and facilitating growth.

The properties subject to the proposed amendments are located in settlement areas and rural areas. Although the PPS, 2020 directs growth to settlement areas (Section 1.1.3.1), Sections 1.1.5.3 and 1.1.5.4 also provides for recreational, tourism and other economic development opportunities within the rural area provided that the development is compatible with the rural landscape. Within settlement areas, the PPS, 2020 states that healthy, liveable and safe communities are sustained by avoiding development and land use patterns which may cause environmental or public health and safety concerns (Section 1.1.1.c). Similarly, rural areas are supported by building upon rural character, and leveraging rural amenities and assets, and conserving biodiversity and considering the ecological benefits provided by nature (Section 1.1.4.1.a and h). The amendments pertaining to cannabis-related and industrial-hemp related uses and the agricultural-related amendments align with the policy direction of the PPS, 2020.

While it is recognized that cannabis and industrial hemp cultivation is an agricultural use, this does not mean that it cannot also be a major facility, particularly if there are known and well-documented adverse effects. The PPS, 2020 states that major facilities and sensitive land uses shall be planned and developed to avoid, or if avoidance is not possible, minimize and mitigate any potential adverse effects from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term operational and economic viability of major facilities in accordance with provincial guidelines, standards and procedures. Based on the definitions for sensitive land uses and adverse effects in the PPS, 2020, a cannabis-related use or industrial hemp-related use would be considered a 'major facility'; since any 'facility' that may require separation from sensitive land uses would be considered a 'major facility' according to the definition of such. In addition, the definition of a major facility in the PPS, 2020 does not limit what a major facility is to the examples provided in the definition. Lastly, the definition does contemplate the inclusion of land uses and activities that are not carried out in a building, by including such examples as marine facilities and resource extraction activities. By virtue of the use of the word 'shall' in Section 1.2.6.1 of the PPS, 2020, this requirement to avoid

any potential adverse effects is mandatory. A cannabis-related use or an industrial hemp-related use is considered to be a major facility as defined by the PPS, 2020 since any use, including a use that is carried out outdoors, which may require separation from sensitive land uses is considered to be a major facility.

The proposed amendment is consistent with the PPS, 2020.

Provincial Plans

The Growth Plan for the Greater Golden Horseshoe, 2020, the Greenbelt Plan, 2017, the Oak Ridges Moraine Conservation Plan, 2017 and the Niagara Escarpment Plan 2017, in conforming to the PPS, 2020, contains similar although refined policy direction to the PPS, 2020. The plans continue to direct growth and the majority of industrial and commercial uses to settlement areas, preserving natural features and rural lands for smaller-scale development appropriate for those areas. The proposed by-laws respect these policies, directing growth to settlement areas, encouraging appropriate agricultural uses within the rural areas, and preserving natural features. Within the Oak Ridges Moraine Conservation Plan, there are specific policies which restrict where agricultural-related industrial or commercial uses may be located and which establishes specific definitions related to various agricultural uses. The proposed by-law amendments provide clarity to definitions and permitted uses, but also respects these policies. The Conservation Authorities and Niagara Escarpment Commission have reviewed the documents and has no concerns with them. The proposed housekeeping and enforcement amendments are general in nature and will apply to the entirety of the Town. The amendments conform to the Growth Plan, Greenbelt Plan and Oak Ridges Moraine Conservation Plan.

Region of Peel Official Plan

The Region of Peel Official Plan designates the properties as any one of Rural Service Centre, Rural System (Area with Special Policies), or Estate Residential Community on Schedule “D”, Regional Structure. The Region’s Official Plan provides for specific policies directing area municipalities to include more detailed objectives and policies for these designations in the local municipal official plans. The policies look to direct growth to the Rural Service Centres and Estate Residential Community, but also reflect a range of uses permitted within the Rural System. The Region’s Official Plan reflects the provincial policies and plans to protect, improve or restore the ecological integrity of natural features and permit uses as identified by provincial policies and plans. There is no development proposed through this application. The Region of Peel has advised that there are no concerns with the proposed amendment. The amendments conform to the Regional Official Plan.

Town of Caledon Official Plan

While focusing on lands within the rural areas of Caledon, the amendments will apply to all lands within the limits of the Town of Caledon.

The Official Plan Amendment proposes to create new policies and amend existing policies to permit cannabis in agricultural and rural areas. The amendment, recognizing the adverse effects of cannabis-related and industrial-related hemp uses, identifies the uses as follows:

- a) The outdoor cultivation of cannabis or industrial hemp be considered an agricultural use with a setback of 300 m to neighbouring sensitive land uses (i.e. residential, institutional);
- b) That indoor cannabis-related uses and hemp-related uses associated with outdoor cultivation of cannabis or industrial hemp be considered an agricultural-related industrial or commercial use where those policies can be achieved, with a setback of 300 m to neighbouring sensitive land uses (i.e. residential, institutional) and be subject to Site Plan Approval, addressing and mitigating concerns and impacts to surrounding properties and uses; and,
- c) That indoor cannabis-related uses and industrial hemp-related uses be considered a high-impact agricultural use and be subject to a site-specific Zoning By-law Amendment and Site Plan Approval, addressing and mitigating concerns and impacts to surrounding properties and uses.

The proposed Zoning By-law Amendments related to cannabis-related and industrial hemp-related uses, establish new definitions to reflect changes to the Act, continue to permit these uses in Prestige Industrial and General Industrial designations and provide a framework for these uses in agricultural and rural zones, implementing the Official Plan policies.

The other Zoning By-law Amendments respect existing permissions contained in the Official Plan by:

- Establishing a framework to permit Country Inns, subject to a site specific Zoning By-law Amendment as required by the Rural Economic Development Area, as well as clarifying the other tourist-accommodation related uses; and,
- Amending and introducing definitions, standards relating to building area on agricultural lots, applying zone standards to undersized lots and general housekeeping matters, all aligning with the existing use permissions of the Official Plan.

The proposed Zoning By-law Amendment conforms to the Town's Official Plan.

It should be noted, that the Town of Caledon is currently undertaking a comprehensive update of its Official Plan (Future Caledon - Our Official Plan) in conjunction with the provincial conformity review being undertaken by the Region of Peel. Upon approval of these documents the Town will be undertaking a comprehensive review of the Zoning Bylaw 2006-50. Should there be additional land use changes identified during that official plan reviews the implementing zoning bylaw will be updated to reflect that direction.

By-law to Amend the Site Plan Control By-law

When drafting the proposed Zoning By-law Amendment to include site plan control for indoor cannabis or industrial hemp related uses, staff noted that an amendment was required to the Site Plan Control By-law (By-law 2013-086) to align with the proposed language for the By-law. In addition, recognizing that a minor variance was received and approved to reduce a setback for an indoor cannabis-related use, staff are seeking an amendment to the Site Plan Control By-law to allow for Site Plan Control where the Committee of Adjustment has imposed such a condition. See attached Schedule “F” to this report.

Consultation

Notice of Application and Public Meeting

In accordance with the *Planning Act*, a combined Notice of Application and Public Meeting was posted on the Town’s website and placed in the Caledon Enterprise, Brampton Guardian, Erin Advocate, Georgetown Independent and Orangeville Banner on or before November 7, 2019.

Public Meeting

A statutory Public Meeting was held on December 3, 2019 in accordance with the requirements of the *Planning Act*. In addition to many competing comments that cannabis should be or should not be considered a crop (agricultural use), the following questions and comments were raised through the processing of these applications:

| Question/Comment | Response |
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| Council has requested clarification as to whether hemp or hemp/cannabis hybrid products would be permitted and how. | There are 2 main sets of regulations that support Cannabis Act and these include: Cannabis Regulations and Industrial Hemp Regulations. The Industrial Hemp Regulations under the Cannabis Act set out the requirements for cultivators of industrial hemp. Industrial hemp means a cannabis plant – or any part of that plant – in which the concentration of THC is 0.3% or less in the flowering heads and leaves. Industrial hemp license appears to be issued under the Cannabis Act in the same manner as cannabis products, but it is not the same as the 6 cannabis licences as established under the Cannabis Regulations. |

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| | <p>The amendments provide for the inclusion of industrial hemp.</p> |
| <p>There is discussion from Council, agencies/departments and the public that the proposed setbacks are insufficient. There are instances in Caledon where cannabis uses exist and their odour is noticed on neighbouring properties, some of which are greater than 50 m/150m. A comment was made about looking at industrial classifications and setbacks related to various classes.</p> <p>Should there be a minimum lot size required for any of the cannabis uses? This has been raised by Council, agencies/departments and the public. There are concerns from both a small property (smaller distance/setback with neighbours) and a large property (larger area to grow) perspective.</p> | <p>See the discussion on Cannabis above. While the setback remains unchanged for cannabis-related uses and industrial hemp-related uses in the Prestige Industrial (MP) and Serviced Industrial (MS) zones, the proposed amendments will require a 300 m setback for outdoor cultivation uses, and will require Zoning By-law Amendments for other cannabis and industrial hemp-related indoor uses.</p> |
| <p>It is understood that cannabis requires high temperatures for indoor operations, strong light, high fertility soil and large volumes of water. As a result, cannabis production has “potentially significant environmental impacts” due to these excessive water and energy demands and also through potential contamination of local water, air, and soil with waste products. One of the most popular complaints about cannabis is the smell. Another important matter is security (physical security measures). Can these operations be located in close proximity to each other? How does the amendments plan to address these matters?</p> | <p>The draft Official Plan Amendment lists a number of criteria that Council needs to be satisfied with prior to considering a Zoning By-law Amendment to establish a cannabis use. A number of studies would be required to support any requested Zoning By-law Amendment and some of these studies may require a peer review at the applicants’ cost (i.e. air quality). These studies are to assist in determining the appropriateness of the use and any applicable setbacks or zone standards. Indoor cannabis operations will be subject to Site Plan Control. Security measures are required by and reviewed by the Federal Government as part of the licensing requirements.</p> |

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| <p>How will these sites be enforced?</p> | <p>The Town has the authority to enforce the provisions of the Zoning By-law as it relates to cannabis-related uses, once these uses are in effect in the Zoning By-law.</p> |
| <p>What is the economic impact and benefits of permitting cannabis-related uses in the agricultural area?</p> | <p>The Federal government passed legislation making the growing, processing, consumption of cannabis legal, subject to a license being issued for growing and processing. An economic analysis is not a study required to support an application for a Federal cannabis license.</p> |

During the processing of the applications, staff also received numerous letters of both support and opposition related to permitting cannabis uses in agricultural and rural areas, restricting the locations of transportation depots, contractors facilities and accessory open storage areas to settlement areas, and identifying a stand along open storage use as a prohibited use. There were also clarifications sought on all aspects of the by-law which were provided.

Agency and Department Review

The proposed amendments were circulated to external agencies and internal departments for review and comment. Comments are attached to this report as Appendix “E” – Agency and Department Comment Sheet. No objections to the proposed Official Plan Amendment and Zoning By-law Amendment were received.

Minor Variances

Section 45 (1.3) of the *Planning Act* prohibits any owner or applicant to apply for a Minor Variance application within two years of the approval of a Zoning By-law Amendment. Normally, variances would proceed to the Committee of Adjustment, however prior to the expiration of that two year period, any request for a variance would need to appear before Council to allow a land owner to make an application to the Committee. This step may cause significant delay in processing of related Site Plan and Building Permit applications if a Minor Variance is required.

Section 45 (1.4) of the *Planning Act* allows Council to declare by resolution that such application is permitted within the two years. Staff is therefore recommending that Council, pursuant to the above *Planning Act* reference, permit Minor Variance applications to be applied as a precautionary measure to ensure development can proceed in a timely manner. Any variance application submitted would still require consideration and approval by the Committee of Adjustment.

No Further Notice (Section 34(17) of the *Planning Act*)

Since the Public Meeting, through the processing of both the Official Plan Amendment and Zoning By-law Amendment, minor refinements to both by-laws have occurred as follows:

- Requiring a site specific Zoning By-law Amendment for all cannabis-related uses and industrial-hemp related uses;
- Increasing the setback to sensitive land uses from cannabis-related uses in the Prestige Industrial (MP) and Serviced Industrial (MS) zones
- Capturing industrial-hemp related uses along with cannabis-related uses;
- Including stormwater management ponds and infrastructure as public uses; and,
- Refining the language of the amendments.

Staff is of the opinion that the clarifications are minor and maintain the intent of the application and therefore request that Council confirm that no further notice or a Public Meeting is required as per Section 34(17) of the *Planning Act*.

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with this report. The amended policies and standards may result in development applications being received by the Town; however, it is not anticipated that these applications will create a noticeable change in revenue.

COUNCIL WORK PLAN

Connected Community: Discourage non-agricultural storage on rural land

Improved Service Delivery: Plan for improved stormwater management to reduce drainage issues; Update and standardize by-laws, including implementation, to meet the best practices of other municipalities

ATTACHMENTS

- Schedule A: Proposed Official Plan Amendment No. 263
- Schedule B: Proposed Zoning By-law Amendment Related to Cannabis Uses in Industrial Zones
- Schedule C: Proposed Zoning By-law Amendment Related to Cannabis Uses in Agricultural and Rural Zones
- Schedule D: Proposed Zoning By-law Amendment Related to Country Inns, Building Area on Agricultural Lots, Undersized Agricultural Lots and General Housekeeping Matters
- Schedule E: Agency and Department Comment Sheet
- Schedule F: Proposed Amendment to the Site Plan Control By-law