



# Shaping Your City

City of Pickering Zoning By-law Review

## Discussion Paper #8: Cannabis Production Facilities & Retail Businesses

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# Revision History

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# 1 Introduction

Beginning in 2018, possession and use of cannabis for recreational purposes became legal, creating a need for municipalities to consider zoning regulations regarding cannabis-related production and retail uses. The federal and provincial governments have recently introduced comprehensive legislation and regulations addressing the production, sale, possession and other matters related to cannabis. This Discussion Paper provides an assessment of opportunities for the City of Pickering to regulate cannabis production facilities and cannabis retail businesses in the new Zoning By-law. This Discussion Paper provides a summary of relevant federal and provincial legislation and regulations about cannabis and licensing. This Discussion Paper also considers a best practice review of how other municipalities are regulating these uses. Based on these considerations, this Discussion Paper recommends a framework for regulating these uses in the new Zoning By-law.

It should be noted that Discussion Papers #1-2 provide a general overview of the City's existing Zoning By-laws, the Official Plan and other background information. These Discussion Papers should be consulted for additional context as it has not been carried forward in this Discussion Paper. Further, this Discussion Paper discusses relevant policies and uses in the City's Employment Areas and Agricultural Areas, which are addressed by Discussion Paper #4 and Discussion Paper #6, respectively. These documents should be consulted for additional context.

## 2 Existing Legislation, Policy and Zoning

The production and sale of cannabis is subject to various federal, provincial as well as local regulatory and policy context. Overall, the federal and provincial governments share responsibility for regulating cannabis, and municipalities have some specific tools and authority as permitted by the Province of Ontario. Since this legislation and legalization of cannabis is recent, the City of Pickering and many other municipalities currently do not provide existing policies or zoning requirements for cannabis retail and production uses. Zoning is a potential tool for the City to ensure that cannabis uses, like other uses, are designed and located per local contextual considerations. Any zoning regulations for cannabis production facilities and retail businesses will need to be considerate of the legislative and policy framework as summarized in this section.

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### 2.1 Federal Legislation

The federal *Cannabis Act*, 2018, sets out laws regarding possession, production, distribution, sale and possession of cannabis in Canada. Following are several key aspects of the legislation:

- The Act includes licensing requirements for cultivating and processing both medical and recreational cannabis. The Act permits limited possession of cannabis and sharing of cannabis and the Act allows persons to grow up to four cannabis plants per residence for personal use.
- The Act provides for a system of licensing with respect to cultivation, processing and selling of cannabis. A license is required from Health Canada to perform these activities. License holders can conduct activities such as possessing, transporting, storing, research/development and bulk sale of cannabis to other license holders. According to the government's website, there were about 400 such license holders in Canada at the time of completing this Discussion Paper. There are various classes of licenses, as well as subclasses, which are subject to different requirements. The main classes include:
  - License for cultivation (including sub-classes for micro-cultivation, standard cultivation and nursery);
  - License for processing (including subclasses for micro-processing and standard processing);
  - License for analytical testing;
  - License for sale;
  - License for research; and
  - Cannabis drug license.

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- The Act includes requirements for packaging, labelling as well as advertising and promotion limitations.
- Under the Act, the *Cannabis Regulations* (SOR/2018-144) establish details with respect to licensing, including various license classes, security requirements, and other detailed requirements with respect to labelling, packaging and other matters. This includes detailed requirements that relate to land use impacts. For example, Section 85 of the *Cannabis Regulations* states that a system of air filtration that prevents the escape of odours is required. Security measures are applicable to certain licenses and are intended to ensure prevention of unauthorized access, as well as monitoring equipment, physical barriers, and other requirements. There are also detailed requirements with respect to the equipment, facilities, pest control, supervision, maintenance, reporting requirements to Health Canada, and location of cannabis growing.
- The micro-activities as referenced in the license subclasses described above are generally subject to relatively reduced security requirements in the *Cannabis Regulations* compared to “standard” activities. Micro-cultivation is defined as consisting of a maximum 200 square metre surface area in which all cannabis plants must be contained (this calculation includes the sum of any stacked surfaces). Cultivation activities are considered “standard cultivation” if they exceed this threshold. Micro-processing is subject to a threshold of up to 600 kg of dried cannabis (or equivalent) that can be possessed in a calendar year. Standard processing would similarly involve processing uses that exceed this threshold. Section 62 of the *Cannabis Regulations* states that the various security requirements outlined in the section such as prevention of unauthorized access and recording devices are applicable to “standard cultivation” as defined by the various license classes, and are not interpreted to apply to micro-cultivation. Security requirements for other license types, including micro-cultivation, micro-processing and nurseries are found starting under Section 74 of the *Cannabis Regulations* and the requirements are relatively lessened, requiring ensuring that unauthorized access is prevented including a physical barrier including security with respect to storage areas.
- The Act and *Cannabis Regulations* set out specific provisions for medical cannabis. There is a framework enabling the limited production of medical cannabis by a patient with a prescription, or by a person designated by the patient. A framework for legislation for medical cannabis was created by the federal government prior to the *Cannabis Act* and its regulations, but has since been updated and replaced under the *Cannabis Act, 2018*.

Overall, the legislation incorporates various requirements for cannabis production facilities that relate to land use impact. However, the applicable requirements for any cannabis production facility will depend on the specific nature of the activity conducted and the scale of the operation.

## 2.2 Provincial Legislation and Policy

The federal *Cannabis Act* defers to Provinces and territories for developing and enforcing systems that address distribution and sale of cannabis. Provinces also have ability to set safety measures such as setting a higher minimum age, additional rules for growing cannabis in the home, and restricting where cannabis is consumed. Ontario's *Cannabis Control Act, 2017*, is the Province's principal legislation for setting out its regulations regarding cannabis possession and sale. While this legislation pre-dates the federal *Cannabis Act, 2018*, it is noted that the Provincial *Cannabis Control Act, 2017* has since been updated to align with the federal legislation. Following are key aspects of the Provincial legislation:

- The legal age for possessing cannabis is 19 in Ontario, which is higher than the federal minimum of 18.
- The legislation limits the sale of cannabis to persons to the Ontario Cannabis Retail Corporation, an online store, or an authorized cannabis retailer under the *Cannabis License Act, 2018*. The *Cannabis License Act* is the legislation enabling a framework where persons can apply for a retail operator license, which gives the Province significant control over the establishment of cannabis retail businesses. The Act sets out requirements for such licenses, what is permitted to be sold, inspections, and related matters. The Registrar, as defined in the Act, administers the issuance of licenses, and may establish requirements regarding store premises including surveillance/security, advertising, and administration of the business. The Alcohol and Gaming Commission of Ontario administers licencing.
- The Act includes various requirements regarding enforcement.

The Province also establishes a range of policies regarding permitted uses within agricultural areas, which are relevant to this Discussion Paper. Although the City's Official Plan is the principal vehicle to implement these Provincial policies, the new Zoning By-law will need to be consistent with any applicable Provincial policies. Note that Discussion Paper #1 includes more general context regarding the following provincial policy documents. Following is a summary of some of the key relevant policies in this regard that will need to be considered in the context of developing zoning requirements for cannabis:

- The Provincial Policy Statement, 2020 (PPS) establishes a range of policies and overall it is a key intent of the PPS to protect prime agricultural areas for agricultural purposes (Section 2.3.1). Section 2.3.3.2 intends for "all types, sizes, and intensities of agricultural uses and normal farm practices shall be promoted and protected." Agricultural uses and normal farm practices are defined in the PPS as follows:
  - "Agricultural uses: means the growing of crops, including nursery, biomass, and horticultural crops; raising of livestock; raising of other

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animals for food, fur or fibre, including poultry and fish; aquaculture; apiaries; agro-forestry; maple syrup production; and associated on-farm buildings and structures, including, but not limited to livestock facilities, manure storages, value-retaining facilities, and accommodation for full-time farm labour when the size and nature of the operation requires additional employment.”

- “Normal farm practices: means a practice, as defined in the *Farming and Food Production Protection Act*, 1998, that is conducted in a manner consistent with proper and acceptable customs and standards as established and followed by similar agricultural operations under similar circumstances; or makes use of innovative technology in a manner consistent with proper advanced farm management practices. Normal farm practices shall be consistent with the *Nutrient Management Act*, 2002 and regulations made under that Act.”
- Lot creation is also limited to certain circumstances as set out under Section 2.3.4.
- Only limited non-residential and non-agricultural uses are permitted subject to the criteria under Section 2.3.6.1 b) of the PPS.
- Permitted uses in prime agricultural areas are limited to agricultural uses, agriculture-related uses and on-farm diversified uses (Section 2.3.3.1 of the PPS). These uses are discussed further in Discussion Paper #6 (Section 4.6). Agriculture-related uses and on-farm diversified uses are defined by the PPS as follows:
  - “Agriculture-related uses means those farm-related commercial and farm-related industrial uses that are directly related to farm operations in the area, support agriculture, benefit from being in close proximity to farm operations, and provide direct products and/or services to farm operations as a primary activity.”
  - “On-farm diversified uses means uses that are secondary to the principal agricultural use of the property, and are limited in area. On-farm diversified uses include, but are not limited to, home occupations, home industries, agri-tourism uses, and uses that produce value-added agricultural products. Ground-mounted solar facilities are permitted in prime agricultural areas, including specialty crop areas, only as on-farm diversified uses.”
- The Province has also issued the Guidelines for Permitted Uses in Prime Agricultural Areas, which are summarized in Discussion Paper #6. These Provincial Guidelines provide various criteria and guidance to municipalities regarding the uses allowed in the prime agricultural areas, as summarized above.

- Other Provincial plans build upon the framework set out in the PPS. This includes:
  - The Greenbelt Plan, 2017 incorporates policies for an Agricultural System (Section 3.1) as well as additional criteria for non-agricultural uses, infrastructure and other matters within the Protected Countryside, as designated in the Plan (Section 4).
  - The Growth Plan for the Greater Golden Horseshoe, 2019, includes policies for an Agricultural System, which has been mapped by the Province, along with specific policies. This Plan does not provide more specific detail with respect to permitted uses in Prime Agricultural Areas.
  - The Oak Ridges Moraine Conservation Plan, 2017, establishes a range of land use designations and includes a range of permitted uses (Sections 10 - 18). Generally, agricultural uses are permitted in all designations. However, within the designated Natural Core Areas and Natural Linkage Areas, on-farm diversified uses are only permitted where the uses are located in prime agricultural areas. Some non-agricultural uses may be permitted in the Countryside Areas, subject to meeting criteria set out in the Plan.

Overall, the Province’s legislative framework focuses on the licensing system for cannabis retail businesses. The Province’s policy framework identifies requirements regarding permitted uses in prime agricultural areas, which the zoning framework for cannabis production and other uses will need to comply with.

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## 2.3 Other Guidance

Other guidance documents have been prepared by various organizations, and these are reviewed in this Section.

### 2.3.1 Municipal Guide to Cannabis Legalization

The Federation of Canadian Municipalities issued the Municipal Guide to Cannabis Legalization in spring 2018. However, this document predates the enactment of the federal legislation and was intended to assist municipalities in reacting to the new legislation. The Guide provides a review of the federal framework and discusses a very broad range of issues. The Guide clarifies the use of the term marijuana/marihuana versus cannabis. Marijuana is a common term to refer to parts of a cannabis plant and is not a term used in the legislation. Rather, the term cannabis is preferred as it is broader.

Section 2 of the Guide addresses land use management, acknowledging that cannabis cultivation and retail facilities may be associated with various impacts and implications on municipalities, such as odours and water usage. Residents may have concerns about retail facilities from a socio-economic perspective. As such, the Guide

acknowledges that municipalities may be able to utilize tools such as zoning to help address these concerns. However, since the Guide predated the legislation, its contents are not reflective of the legislation or framework put into effect.

Generally, the Guide notes that cannabis production has some similarities to other agricultural activities but it may depend on the scale of the operation. Some such activities carried out in buildings and greenhouses may be more suitably located in business parks or industrial areas. The Guide considers various policy or zoning options such as permitting the use in conjunction with agriculture, or addressing cannabis production/cultivation as a distinctive use. The Guide notes the potential for separation distances to prevent clustering of uses where the accumulation of impacts is a concern.

Similarly, the Guide addresses retail sales, although the Ontario legislation was not in force when the Guide was prepared. The Guide similarly identifies potential regulatory options such as permitting the use in any commercial district or treating it distinctively and limiting its permission or prohibiting the use.

### 2.3.2 Cannabis Retail Regulation Guide

The Alcohol and Gaming Commission of Ontario published the Cannabis Retail Regulation Guide. The Guide includes an overview of applicable legislation and licensing for retail stores in Ontario. Of note, the retail stores are subject to physical store requirements including a high resolution surveillance system in place at all times covering the interior and immediate exterior of the premises including specific locations. Access must also be secured as set out in the guide. The Guide also addresses a wide range of other matters related to retail, including operational requirements, retailer reporting procedures and detailing the licensing process for retailers.

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## 2.4 City of Pickering Context

The purpose of this section is to identify and review any applicable local requirements and regulations administered by the City of Pickering.

### 2.4.1 Region of Durham

The Region of Durham's Official Plan does not include any policies regarding cannabis uses. The Region of Durham's Official Plan is generally described in Discussion Paper #1. It is the role of the Region of Durham's Official Plan to establish relatively high level policy guidance in accordance with Provincial policy, which is in turn implemented in the City of Pickering Official Plan.

### 2.4.2 City of Pickering Official Plan

The City's Official Plan does not address cannabis specifically. However, a key purpose of the Official Plan is to set out permitted land uses in various areas of the City. Schedule I of the Official Plan identifies various land use designations, which are

associated with permitted uses as set out in the Plan. Permitted uses in various areas of the City are summarized in previous Discussion Papers. For example, permitted uses in the City's various employment areas are summarized in Discussion Paper #4. Overall, the Official Plan contemplates agricultural uses as well as on-farm diversified uses and agriculture-related uses in applicable designations within the City. The land use permissions generally reflect and align with upper-tier policies; however, updates may be required to align the policies with the latest Provincial Policy Statement and newer Provincial Plans.

### 2.4.3 Council By-laws and Resolutions

This section provides a summary of any City By-laws and resolutions passed in relation to cannabis regulation.

The Government of Canada, in 2013, introduced the *Marihuana for Medical Purposes Regulations* to establish a system whereby individuals would access marihuana for medical purposes from licensed producers. These Regulations have since been repealed and replaced in accordance with the new *Cannabis Act*. This previous Regulation provided authority for Health Canada to issue licenses to producers of marihuana according to criteria in the Regulations. On May 20, 2014, City of Pickering Council passed Resolution #235/14 that requested the Ministry of Health to implement a formal process to consult with the local police authorities prior to granting or extending a license to produce marihuana under the *Marihuana for Medical Purposes Regulations*. The Resolution also requested that the police authorities be advised that a license has been issued in its jurisdiction.

The Province of Ontario gave municipalities a January 22, 2019, deadline to either opt in or out of allowing cannabis retail stores within their boundaries. On December 10, 2018, the City of Pickering Council passed Resolution #19/18 to opt out of having cannabis retail stores located in Pickering. The City chose to opt out, knowing that it could potentially opt in later after it completes its community consultations and undertakes a broad-based review of the issue.

### 2.4.4 Zoning By-law

The existing parent Zoning By-laws do not include any references to cannabis or specific regulations regarding cannabis growing, processing or retail sales. Rather, since the uses are not explicitly referenced, the City would be required to make interpretative decisions as to whether any proposed cannabis related uses are permitted in the context of existing zones and definitions. The City has noted the following in this regard:

- On September 19, 2019, the Region of Durham adopted a by-law that prohibits smoking and vaping in public places and workplaces. Prior to this, the City interpreted that these activities were permitted in commercial zones where restaurant uses were permitted. Based on this, the City may consider prohibiting

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hookah/shisha and vape lounge uses in all zones. However, this would not affect retail uses.

- The City has up to four operating licensed cannabis growing facilities in its Employment Areas. These uses are located in various industrial (M) zones. The City has interpreted the use as a pharmaceutical use permitted in the applicable zones.
- The City generally permits cannabis cultivation, harvesting, drying, storing, packaging and shipping in the rural area in accordance with provincial policies and guidelines, recognizing that cannabis is considered a crop by the Ontario Ministry of Food, Agriculture and Rural Affairs (OMAFRA). The City currently does not have any operating production facilities in the rural area and as such has not made specific interpretive decisions regarding zoning in the rural area.

## 3 Best Practice Review and Analysis of Options

The main purpose of this Discussion Paper is to assess the role of the new Zoning By-law in regulating cannabis production, processing and retail uses. This includes the following two key questions:

- Should cannabis production (growing) and processing facilities or retail operations be regulated in terms of location (should the facilities be limited to certain zones)?
- Should the city introduce any performance standards for cannabis production, processing or retail stores (e.g., special setbacks, separation distances)?

To inform potential options, this section includes a review of approaches considered by other Ontario municipalities. In consideration of the legislation and policy framework (Section 2) and the best practices (Section 3), this section assesses the options and identifies a recommended framework for regulating cannabis uses in the City.

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### 3.1 Best Practice Review

The following is a review of approaches used in other municipalities regarding cannabis regulation. The following subsections provide an assessment of the various approaches that other municipalities have taken to regulate cannabis cultivation and processing. The approaches are summarized in Section 3.1.7.

#### 3.1.1 Town of Lincoln

On January 7, 2019, the Town of Lincoln Council approved a resolution to opt in to allowing cannabis retail stores in Lincoln and approved an Interim Control By-law that temporarily prohibits all development pertaining to cannabis cultivation and production operations during the review of the Town's Comprehensive Zoning By-law. An interim Control By-law is a by-law passed under Section 38 of the *Planning Act* for a municipality to temporarily prohibit certain uses and development until a study can be completed. The Interim Control By-law was proposed in order to provide staff with the opportunity to undertake a review of the Zoning By-law and address options to regulate cannabis related uses.

On November 20, 2019, the Town Planning Committee presented Council for review draft Official Plan policies and draft Zoning By-law provisions to regulate development associated with cannabis cultivation and production. A definition and various policies were recommended for inclusion in the Town Official Plan. The definition was to address Cannabis Production facility, defined as "*any building or structure licensed and/or authorized to grow, possess, sell, provide, ship, deliver, transport, destroy,*

*produce, export and/or import cannabis for medical or non-medical purposes, including related research as defined in applicable Federal Regulations as amended from time to time.*” Other policies introduced include requiring mitigation measures and separation distances; requiring buffering and screening on a case by case basis; ensuring required infrastructure be installed; requiring a waste management plan; introducing a policy requiring a licensing framework to regulate the facilities further; and requiring site plan control.

- The Zoning By-law proposed the following draft provisions: Add definition of cannabis production facility as above;
- Permit a cannabis production facility in an Agricultural zone on a site-specific basis;
- Require minimum setbacks between 150 metres to 300 metres from other zones, uses and settlement areas depending on size, including those with and without air treatment control systems;
- Require a minimum setback of 30 metres for any structures associated with a cannabis production facility;
- Require minimum separation distance of 1,000 metres between cannabis production facilities in an Agricultural zone;
- Require 1 parking space per 100 square metres of gross floor area;
- Prohibition on outdoor storage;
- Require uses to be enclosed in buildings; and
- Require a minimum lot area of 8.0 hectares.

The Interim Control By-law, set to originally expire January 7, 2020, was approved by Council to be extended to December 16, 2019 and again to October 11, 2020. The Official Plan Amendment and Zoning By-law Amendments were adopted at the Committee of the Whole meeting on September 8, 2020.

### 3.1.2 Township of King

The Township of King’s work on regulating cannabis uses began in about 2015, beginning with a staff report to council. The recommendations of Planning Report (P-2015-46) directed staff to prepare a zoning by-law amendment to address provisions for medical marihuana operations in the Rural General zone. Next, on June 11, 2018, Council received a report including the draft zoning requirements. Further to that, Council directed staff to finalize the Zoning By-law and update the Site Plan Control By-law to include cannabis uses. On June 25, 2018, Council passed the Zoning By-laws, including By-laws 2018-62 (Rural Area), 2018-63 (Nobleton) and 2018-64 (Schomberg and King City) to address and regulate cannabis production facilities in the Township. It is noted that the Township’s work pre-dates the Provincial and Federal legislative updates, and may require further review and update by Township staff in the future.

However, in the Township's urban areas, only the Employment General zones were updated. In the rural area, the by-law amended the Rural General zone and the Industrial General zones. The By-laws also added the following definitions to the Zoning By-laws: "Industrial Cannabis Processing Facility", "Agricultural Cannabis Production Facility", "Medical Cannabis Production Site", "Sensitive Land Use", and "Air Treatment Control".

The Rural designation in the Official Plan permits agriculture. The By-laws permit Agricultural Cannabis Production Facilities and Medical Cannabis Production Facilities as-of-right within the Rural General zone, as an agricultural use, consistent with the policies of the Official Plan. The By-laws also amended the Industrial General zone, to permit Industrial Cannabis Production Facilities and Medical Cannabis Production Facilities as-of-right on lands that currently permit industrial uses.

The Zoning By-law also established the following provisions for the Rural General and Industrial General zones:

- Minimum lot area of 10 hectares (applicable only in the Rural General zone);
- Requirement for air treatment controls;
- Minimum setback of 150 metres applies from any sensitive land uses and zones;
- Outdoor medical cannabis facilities are required to be setback a minimum of 500 metres from a sensitive land use and zone (applicable only in the Rural General zone, where outdoor facilities are permitted);
- Outdoor storage is prohibited;
- Site Plan control applies; and,
- A minimum parking requirement is required at a rate of 1 space per 37 square metres of gross floor area.

It is noted that the Township opted out of having cannabis retail stores.

### 3.1.3 Town of Halton Hills

The Town of Halton Hills took various approaches to regulating cannabis cultivation and production, including passing an Interim Control By-law and completing a Town-initiated study. The Town has recently enacted an amendment to their Official Plan and Zoning By-law. It is noted that the Town's work appears to have been completed in conjunction with more recent federal and Provincial legislative changes, so further updates are not anticipated to be required to align with the recent upper tier cannabis legislation.

On September 24, 2018, the Town of Halton Hills passed an Interim Control By-law (2018-0062) which prohibited the use of land, buildings or structures for cannabis production related uses in order to provide Town staff time to complete studies related to these uses. On January 21, 2019, Town Council voted to opt in to allowing cannabis retail stores in Halton Hills. On July 8, 2019, Town Council passed By-laws 2019-0034

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(Official Plan Amendment 35), 2019-0035, and 2019-0036. The By-laws included the following policies and regulations as summarized in the Notice of By-law Passage:

- Official Plan policies which require site specific zoning, establish where uses are permitted, and provide development criteria to evaluate cannabis cultivation and processing proposals (OPA 35);
- Defined terms in Zoning By-law 2010-0050 and Zoning By-law 2000-138 which relate to cannabis cultivation and processing;
- Added provisions in Zoning By-law 2010-0050 and Zoning By-law 2000-138 related to where the uses are permitted and the required minimum setbacks from sensitive uses; and,
- Added parking and loading standards for cannabis cultivation and processing uses in Zoning By-law 2010-0050 and Zoning By-law 2000-138.

As part of OPA 35, the cultivation of cannabis is considered an agricultural use and is permitted in designations wherever agricultural uses are permitted. OPA 35 allows cannabis processing operations to be established as agriculture-related uses, provided they comply with four criteria related to these uses:

- Is directly related to farm operations in the area;
- Supports agriculture;
- Benefits from being in close proximity to farm operations; and
- Provides direct products and/or services to farm operations as a primary activity.

In addition, OPA 35 requires consideration be given to other potential impacts, such as traffic, noise, odour, servicing and site design matters. Indoor cannabis cultivation and processing are permitted in the Prestige Industrial designation and the General Employment Area designation provided the uses are set back at least 150 metres from sensitive land uses.

OPA 35 requires indoor cultivation and cannabis processing uses be subject to site plan control, which will assist in ensuring that the site is designed appropriately and that any off-site impacts are mitigated. The Site Plan Control By-law (2013-0070) was amended to incorporate this.

The Zoning By-laws were amended to define six new terms related to cannabis uses (“Cannabis Analytical Testing Facility”, “Cannabis Cultivation – Indoor”, “Cannabis Cultivation – Outdoor”, “Cannabis Drug Production Facility”, “Cannabis Processing Facility”, and “Cannabis Research Facility”) and to identify where the uses are permitted. Within the Agricultural and Protected Countryside zones, the Cannabis Cultivation – Outdoor use is permitted as-of-right. Within the Urban Employment and Rural Employment zones, the following uses are permitted as-of-right: Cannabis Analytical Testing Facilities; Cannabis Cultivation – Indoor; Cannabis Drug Production Facilities; Cannabis Processing Facilities; and, Cannabis Research Facilities. The

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Zoning By-laws also include regulations regarding minimum parking requirements for all cannabis uses, loading space requirements and setbacks for uses.

**3.1.4 Haldimand County**

Haldimand County has recently approved a zoning by-law amendment, which includes provisions for cannabis production facilities. On January 21, 2019, Council voted to opt in to allowing cannabis retail stores. On March 26, 2019, Council approved zoning by-law provisions to regulate and control cannabis production. The amending by-laws define the use, permit the use as-of-right within agricultural and industrial zones, and establish provisions to regulate these facilities within Haldimand County. The County’s work is aligned and informed by the recent Provincial and Federal legislation, and further review or updates are not expected.

The Zoning By-laws added two new definitions: “Cannabis Production Facility” and “Air Treatment Control System”. Cannabis production facility is defined as:

*“any building or structure licensed and authorized by Health Canada to ship, deliver, transport, destroy, grow, dry, export and/or import cannabis for medical or non-medical purposes, including related research as defined an applicable Federal Regulation, as amended from time to time.”*

Cannabis production facilities are subject to different setbacks depending on the size of the production facility and its adjacent uses as shown in **Table 3.1**.

**Table 3.1 – Haldimand County Setbacks for Cannabis Production Facilities**  
 (Source: Zoning By-law 1-DU-80, 1-H-86 and NE-1-2000)

Use	Minimum setback to various sensitive land uses/zones	Setback to any settlement area boundary
A cannabis production facility with a total gross floor area less than 6,967 square metres and with an air treatment control system	150 metres	150 metres
A cannabis production facility with a total gross floor area greater than 6,967 square metres and less than 9,290 square metres and with an air treatment control system	200 metres	200 metres
A cannabis production facility with a total gross floor area greater than 9,290 square metres and with an air treatment control system	250 metres	250 metres
A cannabis production facility of any size where an air treatment control system is not provided	300 metres	300 metres

Other provisions included in the Zoning By-laws are:

- Minimum parking requirement of 1 parking space per 100 square metres of gross floor area;
- Outdoor storage is prohibited;
- Outdoor signage or advertising is prohibited;
- Minimum lot area of 4.0 hectares;
- Minimum setback for all structures is 30 metres from all property lines;
- A building or structure used for security purposes for a cannabis production facility can be located in the front yard and does not have to comply with the required minimum front yard setback;
- Loading spaces must be in a wholly enclosed building; and,
- All uses and activities associated with the cannabis production facility, with the exception of growing, must take place entirely within a building.

The Zoning By-laws also subject cannabis production facilities to site plan control. The site plan control review and approval process is in place to assist in addressing issues related to odour and noise emissions and also introduce screening and buffering to further assist in mitigating impacts of the location of this use (i.e., lighting, parking locations, overall site operation, etc.).

### 3.1.5 Township of West Lincoln

The Township of West Lincoln has also recently approved a zoning by-law amendment, which includes provisions for cannabis production facilities. On December 17, 2019, the Township of West Lincoln Council passed a resolution to opt out of having cannabis retail stores located in the Township. On January 28, 2019, the Township passed a Zoning By-law Amendment (ZBA 2019-04) which requires a site-specific zoning by-law amendment for cannabis production in Agricultural and Employment zones. The Zoning By-law Amendment deleted and replaced the definition of “Medical Marihuana Production Facility” in Zoning By-law 2017-70 with “Cannabis Production” and included a new set of regulations. As such, the newer framework proposed by the Township is intended to be aligned with more recent Federal and Provincial legislation. The following definition was included in Zoning By-law 2017-70:

- *“Cannabis Production shall mean lands, buildings or structures used for the cultivation of marihuana (or alternative names including marijuana) and/or the processing, testing, destruction, packaging and/or shipping of marihuana.”*

The following regulations, mostly related to setbacks, screening and fencing, are applied to cannabis cultivation and/or processing:

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- Cannabis production where permitted in Agricultural zones shall have a minimum setback of 150 metres from all lot lines of other lots;
- Cannabis production where permitted in Employment zones shall have a minimum setback of 45 metres from all lot lines abutting lots that are used or permitted to be used for a dwelling or institutional use;
- Outside storage or outdoor growing or production of cannabis is prohibited;
- For any cannabis production building or structure that consists of 10 percent glass and where artificial lighting is required, a solid fence having a minimum height of 1.8 metres shall be provided and maintenance along every lot line that abuts a lot that is used or permitted to be used for a dwelling or an institutional use; and,
- A security fence having a minimum height of 1.8 metres shall be provided and maintained around the entire perimeter of the area of a lot that is used for cannabis production.

As noted above, cannabis production is not permitted as-of-right in the Zoning By-law. It requires a site-specific zoning by-law amendment for permission. Otherwise, it is listed as a prohibited use.

#### 3.1.6 Township of Brock

Similar to the Town of Halton Hills, the Township of Brock has passed an Interim Control By-law and completed a land use study regarding cannabis cultivation and production facilities. On January 7, 2019, the Township of Brock voted to opt in to allowing cannabis retail stores in the Township. On April 10, 2019, the Township of Brock enacted an Interim Control By-law (By-law 2860-2019-PL) which prohibited the establishment of cannabis production and processing facilities, except where zoning permits manufacturing facilities, for a year to allow for further research and consultation. On September 16, 2019, a Council report entitled “Land Use Study Regarding Cannabis Cultivation and Production Facilities” was prepared and presented to discuss the land use issues surrounding cannabis. In January 2020, a draft Cannabis Growth and Production By-law was prepared for discussion purposes. This work reflects and aligns with the recent Provincial and Federal legislation.

The draft By-law adds the following new definitions: “Air Treatment Control”, “Cannabis”, “Cannabis Production and Processing”, “Cannabis Micro-Cultivation”, and “Sensitive Land Use”. Cannabis production and processing is proposed to be permitted in various Rural and Industrial zones. The draft By-law includes the following provisions:

- Requires minimum setbacks ranging from 70 metres to 300 metres from various land uses depending on if the facility has air treatment control systems;
- A building or structure for security purposes can be located on the site;
- Outdoor storage is prohibited; and,

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- Requires that all cannabis production and processing be subject to Site Plan Control.

It should be noted that the Township of Brock Official Plan does not specially address cannabis use. In addition, on March 30, 2020, the Township amended the Interim Control By-law (By-law 2941-2020-PL) in order to allow for further consultation and review of the draft planning documents for another year.

### 3.1.7 Norfolk County

Norfolk County approved updated zoning regulations for cannabis uses in 2018 in response to local concerns regarding the effectiveness of the existing regulations. The zoning amendment updates their prior regulatory framework, which included a range of definitions regarding medical marijuana production. Following is a summary of the aspects of the amendment:

- The Zoning By-law defines cannabis as “a genus of flowering plants in the family Cannabaceae. Synonyms include but are not limited to marijuana, and marihuana. This definition does not include the industrial or agricultural production of hemp (a source of foodstuffs (hemp milk, hemp seed, hemp oil), fiber and biofuels).”
- The Zoning By-law defines cannabis production and processing as “lands, buildings or structures used for producing, processing, testing, destroying, packaging and/or shipping of cannabis authorized by an issued license or registration by the federal Minister of Health, pursuant to the Access to Cannabis for Medical Purposes Regulations, SOR/2016-230, to the Controlled Drugs and Substances Act, SC 1996, c 19, as amended from time to time, or any successors thereto.”
- The Zoning By-law also defines Air Treatment Control as “the functional use of industrial grade multi-stage carbon filtration system, or similar technology, to reduce and/or treat the emission of pollen, dust and odours expelled from a facility and sized accordingly in comparison to the facility it serves as designed by a qualified person.”
- The cannabis production and processing use as defined above is permitted in the agricultural zone and in various industrial zones.
- The Zoning By-law provides a series of general provisions for Cannabis Production and Processing uses. This include separation distances ranging from 70 metres to 300 metres, depending on the adjacent use and whether there is an air treatment control used. The largest setback of 300 metres applies when there is no air treatment control installed.
- Outdoor storage is prohibited.
- Site Plan Control is required.

It is noted that Norfolk County opted in to retail sales.

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**3.1.8 Best Practice Summary**

This section has included a review of several municipalities, which have amended, or are in the process of amending, their zoning by-laws to provide regulations for cannabis production and processing. **Table 3.2** provides a summary of the reviewed municipalities proposed and enacted regulations for cannabis cultivation, production and processing as well as a note regarding whether each municipality decided to opt in or opt out of retail businesses.

**Table 3.2 – Summary of Best Practices**

Municipality	Retail Use Opt In/Out	Zoning - Uses Permitted	Zoning - Performance Standards	Other
Town of Lincoln	Opt-In	Permits though site-specific/zoning by-law amendment in the Agricultural zone: <ul style="list-style-type: none"> <li>• Cannabis Production Facility</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum setback to sensitive land uses (150 to 300 metres)</li> <li>• No outdoor storage</li> <li>• Parking requirements</li> <li>• Minimum lot area</li> </ul>	<ul style="list-style-type: none"> <li>• Interim Control By-law</li> <li>• Municipal Business Licensing</li> <li>• Site Plan Control</li> </ul>
Township of King	Opt-Out	Permits as-of-right in the Rural General zone: <ul style="list-style-type: none"> <li>• Agricultural Cannabis Production Facility</li> <li>• Medical Cannabis Production Facility</li> </ul> Permits as-of-right in the Industrial zone: <ul style="list-style-type: none"> <li>• Medical Cannabis Production Facility</li> <li>• Industrial Cannabis Processing Facility</li> </ul>	<ul style="list-style-type: none"> <li>• Equipped with air treatment control</li> <li>• Minimum setback to sensitive land uses (150 metres)</li> <li>• No outdoor storage</li> <li>• Parking requirements</li> <li>• Minimum lot area</li> </ul>	<ul style="list-style-type: none"> <li>• Site Plan Control</li> </ul>

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Municipality	Retail Use Opt In/Out	Zoning - Uses Permitted	Zoning - Performance Standards	Other
Town of Halton Hills	Opt-In	Permits as-of-right in Agricultural and Protected Countryside zones: <ul style="list-style-type: none"> <li>• Cannabis Cultivation – Outdoor</li> </ul> Permits as-of-right in Urban Employment and Rural Employment zone: <ul style="list-style-type: none"> <li>• Cannabis Analytical Testing Facilities,</li> <li>• Cannabis Cultivation - Indoor, Cannabis</li> <li>• Drug Production Facilities, Cannabis</li> <li>• Processing Facilities and Cannabis</li> <li>• Research Facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Parking requirements</li> <li>• Loading space requirements</li> <li>• Minimum setback to sensitive land uses (150 metres)</li> <li>• Outdoor growth of cannabis must be 50 metres from lot lines</li> </ul>	<ul style="list-style-type: none"> <li>• Interim Control By-law</li> <li>• Site Plan Control</li> </ul>

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Municipality	Retail Use Opt In/Out	Zoning - Uses Permitted	Zoning - Performance Standards	Other
Haldimand County	Opt-In	Permits as-of-right in the Agricultural and Industrial zones: <ul style="list-style-type: none"> <li>• Cannabis Production Facility</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum setback to various uses (150 metres)</li> <li>• Increased setbacks based on building/structure size or if there is no air treatment control system</li> <li>• No outdoor storage</li> <li>• No outdoor signage or advertising</li> <li>• Parking requirements</li> <li>• Minimum lot area</li> <li>• Permits additional security building/structure</li> </ul>	<ul style="list-style-type: none"> <li>• Site Plan Control</li> </ul>
West Lincoln	Opt-Out	Permits through site-specific/zoning by-law amendment in Agricultural and Employment zones: <ul style="list-style-type: none"> <li>• Cannabis Production</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum setback from other lot lines (50 metres in Agricultural zones and 45 metres in Employment zones)</li> <li>• No outdoor storage</li> <li>• Security fence requirements</li> </ul>	N/A
Township of Brock (Note: the zoning by-law is draft)	Opt-In	Permits as-of-right in the Agricultural and Industrial zones: <ul style="list-style-type: none"> <li>• Cannabis Production and Processing</li> <li>• Cannabis Micro-Cultivation</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum setback to various uses (150 to 300 metres) if there is no air treatment control system</li> <li>• No outdoor storage</li> <li>• Permits additional security building/structure</li> </ul>	<ul style="list-style-type: none"> <li>• Interim Control By-law</li> <li>• Site Plan Control</li> </ul>

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Municipality	Retail Use Opt In/Out	Zoning - Uses Permitted	Zoning - Performance Standards	Other
Norfolk County	Opt-In	Permits as-of-right in the Agricultural and Industrial zones: <ul style="list-style-type: none"> <li>Cannabis Production and Processing</li> </ul>	<ul style="list-style-type: none"> <li>Minimum setback to various uses (from to 300 metres). The larger setbacks apply to various uses without air treatment control,</li> <li>No outdoor storage.</li> <li>Permits additional security building/structure.</li> </ul>	<ul style="list-style-type: none"> <li>Site Plan Control</li> </ul>

### 3.2 Overall Zoning Options

With respect to identifying the role of the new Zoning By-law in regulating cannabis uses, there are three overall options:

1. The Zoning By-law can be ‘silent’ on cannabis facilities and retail uses. This would mean that the uses would not be defined nor would the uses be explicitly recognized as permitted uses in any zones. This approach would require the City to make interpretive decisions based on existing related decisions (e.g., whether a proposed cannabis production use is consistent with the definition of an agricultural use). This is essentially the current approach the City is using since its zoning pre-dates current cannabis legislation.
2. Definitions for cannabis use(s) can be introduced and the uses can be identified as permitted in certain specified zones. Specific standards for the uses may also be incorporated as a component of this Option.
3. Definitions cannabis uses(s) can be included but the uses not permitted as-of-right in any zone. This would mean that a zoning by-law amendment or minor variance would be required to permit the use. In this option, performance standards for the uses may or may not be incorporated as the site-specific amendments may be relied on to create applicable site-specific standards.

Option 1 is generally not preferred as it is not consistent with the principle of creating a user-friendly new Zoning By-law, which is a stated principle of the Zoning By-law Review as set out in Discussion Paper #1. Under Option 1, the reader of the Zoning By-law would not be able to determine the extent to which cannabis uses are permitted and would need to contact the City for an interpretation. However, Option 1 has the

benefit of facilitating some flexibility to the City's administration of the By-law, and the Option will not preclude or affect any future policies from being introduced into the Official Plan, should the City decide to introduce cannabis related policies in the future. Option 1 is preferred if the City intends to undertake a policy review in the future and if the outcomes of the study cannot be integrated concurrently into this Zoning By-law Review. The zoning should not preclude or establish the City's policy with respect to these uses and should rather implement any stated policies.

Option 3 is highly restrictive and is not recommended as a preferred overall approach. However, Option 3 is consistent with some municipal best practices with respect to certain cannabis uses. Under Option 3, any cannabis use would require a planning process to be completed to assess any proposed use. Option 3 is desirable from the perspective that cannabis production and processing operations can be varied and broad and Option 3 allows for case-by-case evaluation to assess impacts. However, as OMAFRA and municipalities have generally recognized cannabis as a crop, the production of cannabis should be contemplated within the City as an agricultural use. Further, since there are existing operating facilities in the City and there could be interest for new uses, it is desirable to introduce a framework into the Zoning By-law.

Option 2 is the preliminary recommended overall approach. In consideration of other municipal approaches for regulating cannabis production and processing uses, a framework may be introduced into the Zoning By-law to provide permissions and regulations for cannabis uses, directing them to suitable areas and introducing requirements to address land use compatibility, such as the use of separation distances to address potential odour impacts.

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### 3.3 Zoning Options for Cannabis Production

Based on the overall recommendation to introduce a regulatory framework in the new Zoning By-law in section 3.2, this section considers the various elements of such a framework, including both where the uses should be permitted and what performance standards (e.g., setbacks) may be appropriate.

#### 3.3.1 Rural Area

First, it is recommended that a regulatory framework contemplating cannabis as an agricultural activity may be introduced within the rural areas of the City (i.e., within the application of the agricultural zone in the new Zoning By-law). Generally, the intent is for cannabis cultivation and production to be contemplated as an agricultural use, in line with the understanding that cannabis is a crop and is therefore contemplated by Provincial policy as an agricultural use and permitted in Prime Agricultural Areas. A prohibition on a specific crop may be considered as conflicting with the intent of Provincial policy to allow all types, sizes, and intensities of agriculture in Prime Agricultural Areas. A cannabis production activity in the rural areas would be expected to consist potentially of greenhouses, buildings or structures and other associated accessory uses, buildings and structures. While cannabis is generally grown indoors to

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meet applicable security requirements, some cannabis products (e.g., industrial hemp) may be permitted to be grown outdoors with reduced or different security requirements. A challenge with respect to introducing a regulatory framework is the great variability in terms of how these operations look, function and what activities will take place.

Any cannabis cultivation will be associated with some degree of processing, packaging and transportation activities. In /the examples of municipal zoning by-laws reviewed previously in this Discussion Paper, cannabis production and processing” was typically defined as one use and permitted in agricultural zones by these municipalities. However, the processing activities will vary considerably between operations, based on the scale and nature of the operation, the products, the market and the applicable federal requirements. Producers may develop a wide range of cannabis products, including dried flower, oils and edible products, for example. However, Provincial Policy establishes limitations regarding processing and other related activities within Prime Agricultural Areas in the form of permitted uses that are a part of “normal farm practices” or if they are considered on-farm diversified uses, agriculture-related uses or if they meet the Province’s restrictive criteria for permitted non-agricultural uses.

Consideration should be made regarding whether any specific regulations (e.g., setbacks) are required to address land use compatibility issues in conjunction with cannabis production and processing uses. Land use compatibility issues could include odour as well as visual impact. The integration of security requirements as required by federal legislation or as implemented by the operator may create an aesthetic that is not consistent with the rural landscape. It is noted that while the federal requirements address land use compatibility considerations to an extent (e.g., requirements for air filtration), these requirements may differ based on the scale or extent of the operation. As such there may be some uses that could have impacts which are not adequately mitigated by federal requirements. As discussed in Section 3.1, some municipalities specifically define “air treatment control system” or a similar term, and establish different setbacks depending on whether such a system is used in conjunction with the operation.

Based on these considerations, the following zoning framework for addressing cannabis uses in the rural areas of the City is recommended for further discussion:

- Cannabis cultivation and production should be permitted generally in the agricultural zone that is incorporated into the new Zoning By-law, since it is a crop. For the purposes of providing clarity in the new Zoning By-law, this may be explicitly stated. This can be achieved by defining the use distinctively (e.g., “cannabis cultivation”) and referencing that definition in the definition of an “agricultural use” or by incorporating a reference to cannabis in the broader definition of an agricultural use.
- A limited amount of processing associated with a permitted cannabis cultivation/production use may also be contemplated in the rural areas in the form of an on-farm diversified use (refer to Discussion Paper #6). Any such use needs to meet the criteria for on-farm diversified uses, which can be established in the Zoning By-law. This will mean that the use will need to be accessory to the farm (e.g.,

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secondary to the principal agricultural use, limited in area, and compatible with surrounding agricultural operations). The processing use should not allow for processing cannabis from other operations, and a maximum floor area or lot coverage area can be established. Note that Discussion Paper #6 generally includes a recommended framework for on-farm diversified uses, which can be expanded to contemplate appropriate uses in conjunction with a cannabis operation.

- To address potential impacts, several potential zoning requirements are suggested for further discussion:
  - A specific minimum lot area can be required for the use. A larger lot will help provide greater flexibility with respect to creating setbacks and maintaining rural character. Other municipalities have incorporated a minimum lot area of about 8 - 10 hectares. This requirement will mean that if a cannabis cultivation use were proposed on an existing smaller lot, then a minor variance or zoning by-law amendment would be required in order to assess impact on a case-by-case basis.
  - Setbacks may be incorporated to address potential odour impacts. Other municipalities have incorporated a wide range of setbacks, typically about 150 - 300 metres from sensitive land uses (i.e., residential or institutional uses). The setbacks may also be dependent upon whether there is a suitable air filtration system. With an air filtration system in place, a reduced setback or no special setback would be required and rather the minimum setbacks established in the zone would be applicable. A definition for an air filtration system should be introduced to set out the expectation that the system will mitigate odour impacts.
  - Setbacks may also be desirable to address impact to rural character where the proposed use includes significant security features which are not characteristic of the rural landscape. This can be addressed by simply requiring appropriate building setbacks, or applying special setbacks to any proposed security fence or related feature. The setbacks should be achievable in the context of a minimum 8 - 10 hectare lot area requirement.
- At this time, it is recommended that more significant processing, warehousing or similar facilities which do not meet the criteria for on-farm diversified uses not be permitted as-of-right in the rural area. Historically in the City, these types of uses have located in the industrial parks where full municipal services are available. A zoning by-law amendment would be a preferred mechanism for the City to evaluate a larger facility in terms of impact, servicing needs and other considerations which should only be evaluated on a case-by-case basis should the use meet the City and Provincial criteria for an agriculture-related or a permitted non-agricultural use.

#### 3.3.2 Urban Area

A regulatory framework should similarly be introduced in the urban area to address cannabis uses. It is recommended that the uses be limited to the City's employment areas, including within General Employment Areas and potentially within Prestige

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Employment Areas. Note that Discussion Paper #4 includes recommendations regarding zoning within the City's designated employment areas.

Within the urban areas of the City, the main potential impacts from these uses would include odour impacts and impact in terms of community character should there be security fences. As noted, odour impacts are principally a concern where the proposed use is near a sensitive use, such as a residential use. The impacts may be reduced or eliminated where an air filtration system is incorporated into the facility.

With respect to character impact, the concern is principally within the prestige employment areas of the City, where a security fence or similar attributes may not be consistent with the City's design vision or intent with respect to prestige employment areas. As such, facilities requiring security fences (i.e., where any outdoor activities are conducted) may be limited to general employment areas or special setbacks and requirements may be introduced within the prestige employment areas where such structures are proposed.

Based on these considerations, following is a preliminary recommended framework for cannabis uses within the City's urban areas:

- Cannabis production and processing facilities should be defined and permitted within appropriate employment zones, including both general employment and prestige employment zones. The definition may be broad and not restrictive in terms of the scale or activities of the operation. However, as agricultural uses are not permitted in the City's various Employment Areas, any cannabis production and processing facilities should be undertaken in an enclosed building. Further, it would be desirable to permit the facilities broadly without restriction on the types of processing, research and other activities, subject to ensuring appropriate land use compatibility.
- Setbacks from sensitive land uses may be established to address odour impact. Where air filtration is incorporated into the facility, special setbacks may not be required or they may be reduced. Other municipalities have introduced a wide range of setbacks. Setbacks of approximately 150 - 300 metres are the most commonly applied approach. Lower setbacks may be incorporated where air filtration systems are incorporated to mitigate odour impacts.
- To further support mitigation of potential odour impacts, the new Zoning By-law can require that any proposed facility not be combined with other principal uses on the same lot. However, as other permitted uses on the lot will also be other employment uses, the odour impacts may not be a concern. This requirement may not be necessary where a facility is equipped with air ventilation that mitigates odour impacts.
- Within Prestige Employment zones, as noted, the facilities may be subject to additional restrictions including requiring the use to be located in wholly enclosed buildings only and subject to landscaping or other requirements. Restrictions can also be introduced with respect to any security fences or features that detract

from the intended design vision for the Prestige Employment areas of the City. However, this could also be alternatively addressed through site plan control.

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### **3.4 Zoning Options for Cannabis Retail Businesses**

It is recommended that cannabis retail uses should not be explicitly regulated in the zoning by-law. Retail businesses are already licensed by the Province and are subject to considerable requirement with respect to building security, entrance control and operational matters. From a land use perspective, the use is similar to other retail uses including in terms of parking need, impact and locational considerations. Further, the City has opted out of allowing retail stores so there is no specific need at this time for a regulatory framework. Further to this, it is recommended that ancillary retail businesses in conjunction with any cannabis cultivation, production or processing facility, including both the rural and urban areas, not be specifically permitted or regulated given the Provincial licensing.

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### **3.5 Other Tools and Considerations**

Zoning By-laws are a key tool for helping municipalities regulate cannabis uses in a manner that achieves local interests while meeting Provincial requirements and considering federal regulations. Most municipalities reviewed in Section 3.1 have addressed cannabis uses comprehensively, including Official Plan policies, as well as zoning, and in some cases requiring site plan control. The City may prefer to address cannabis uses with a more comprehensive set of policies and regulatory tools. If this is the case, the Zoning By-law can be developed concurrently with any proposed policies or other regulatory requirements that the City plans to utilize.

## 4 Conclusions and Recommendations

Many other municipalities have recently initiated studies and zoning amendments to regulate cannabis production facilities and retail businesses, in response to recent federal and provincial legislation. There is an opportunity through the Zoning By-law Review process for the City of Pickering to introduce a regulatory framework that is reflective of the local context on this topic. This should be considerate of different rural and urban contexts and the varied nature of the types of cannabis production facilities that may be proposed.

Following is a summary of the key recommendations arising from this Discussion Paper:

1. The City may consider initiating an Official Plan Amendment to establish a clear policy statement on the topic of cannabis facilities in the City. Should this be conducted by the City, the new Zoning By-law can be prepared to implement any proposed policies. It may be premature to develop zoning provisions if it is the City's intent to establish policies in the near future, so this should be understood before proceeding with preparing draft zoning requirements. Additionally, the City may wish to utilize other regulatory tools such as site plan control to help ensure that proposed cannabis uses are compatible with and do not adversely affect adjacent or surrounding land uses.
2. It is recommended that cannabis cultivation be permitted in the new agricultural zone in the new Zoning By-law. There is an opportunity to consider defining cannabis cultivation in the rural context and permitting the use explicitly.
3. It is recommended that a limited amount of processing and related activities be permitted in the context of an on-farm diversified use in conjunction with any cannabis cultivation use in the rural areas of the City. Large-scale operations involving the processing of cannabis products from off-site sources should not be permitted as-of-right and should require a zoning by-law amendment to evaluate the use.
4. It is recommended that setbacks and minimum lot area requirements be considered for proposed cannabis production in the rural areas to address potential odour and character impacts. As odour can be addressed on-site with a suitable air filtration/ventilation system, it is recommended that the requirements vary depending on whether such a system is used.
5. It is recommended that cannabis production and processing facilities be permitted in applicable employment areas and zones. This should include setbacks to address potential odour impacts which can similarly vary depending on whether there is an air filtration system. Additional requirements may be used in prestige employment areas to limit or prohibit security fences and outdoor storage as appropriate. In these areas, the cannabis production and processing facilities would be more permissive than in the rural areas with respect to

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allowing for a wide range of processing, production and research activities, including processing cannabis produced off-site.

6. It is recommended that the new Zoning By-law not specifically define or regulate cannabis retail businesses. Further, it is recommended that ancillary cannabis retail sales in conjunction with any other cannabis use not be permitted.