

# A REVIEW OF CANNABIS PRODUCTION AND PROCESSING AS A LAND USE

## Background Report



County of Wellington Planning  
and Development Department

APRIL 2022

**A Review of Cannabis Production  
and Processing as a Land Use:**  
**Background Report**

April 2022

Prepared for the Township of Wellington North

County of Wellington Planning and Development Department:



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## 1. **PURPOSE**

The purpose of this report is to provide Township with background information on cannabis production and processing as a land use. The information presented in this report will assist with the further review of “Cannabis Production Related Uses” in the Township and the eventual development of recommended land use policies and regulations for Council’s consideration.

### 1.1 **Interim Control By-law (092-21)**

On August 23, 2021, Council passed the following resolution:

RESOLUTION: 2021-263

*THAT the Council of the Corporation of the Township of Wellington North direct staff to undertake a study in respect of land use planning policies relating to Cannabis Operations within the municipality with respect to noise, odour, water usage, security, traffic, etc.*

In response to the resolution, Planning Staff prepared an Interim Control By-law (ICBL) for Council’s consideration which would prohibit the establishments of “Cannabis Production Related Uses” in the Township for a one year period while a land use planning study was undertaken. On September 27, 2021 Township Council approved and adopted the ICBL (092-21).

The ICBL prohibits the use of lands, buildings or structures for “Cannabis Production Related Uses” for a one year period in the Township.

A “Cannabis Production Related Use” is defined in the ICBL as:

*The use of lands, buildings or structures for the purpose of growing, cultivating, raising, producing, processing, drying, harvesting, packaging, treating, testing, destroying, storing and/or distribution of Cannabis as defined by the Cannabis Act, 2018, c. 16 as amended. A Cannabis Production Related Use does not include the growth, production or processing cannabis plants at a residence in accordance with personal use allotments permitted under the Cannabis Act, and by the Province of Ontario for recreational purposes.*

The ICBL prohibits new commercial and medical cannabis production facilities from being established in the Township. Planning Staff note that the two properties in the Riverstown rural industrial area which have previously obtained zoning by-law amendments to grow cannabis can continue to exist in their current form as “legal non-conforming uses” while the ICBL is in place.

The ICBL also does not prohibit the growing of cannabis plants for recreational purposes at a residence as permitted by the *Cannabis Act* and provincial regulations (currently 4 or fewer).

## 1.2 Cannabis Production and Related Uses Study

Late last year, Planning Staff together with Township Staff commenced a study of the Township's planning policies related to cannabis production and processing facilitates. The study is proposed to include 4 main phases:

1. Background Review (Currently Underway)  
A review of applicable policy and regulations, land use impacts, municipal best practices, and identification of future considerations.
2. Review of Policy Options  
Policy options will be prepared for consideration.
3. Public Consultation  
A public meeting will be held in accordance with the *Planning Act*. Input welcomed from agencies and the public.
4. Final Recommendations  
Final report which includes final policy recommendations for Council's consideration.

The completion of this background report concludes Phase 1 of the project.

Planning Staff have prepared a list of background materials (see **Schedule 1**) and sources which were utilized in the preparation of this background report.

## 2. CANNABIS REGULATIONS AND LICENSING

### 2.1 What is Cannabis?

Cannabis which may also known as “marihuana” or “marijuana” refers to the plant *Cannabis sativa*<sup>1</sup>. The cannabis plant originated from central and south asia and is now grown around the world including in North America. The cannabis plant is used for its effects on the mind (psychoactive) as well as for medical, social and religious purposes.

Cannabis contains hundreds of chemical substances including over 100 known as cannabinoids. Cannabinoids are known to have effects on cell receptors in the body. Delta-9-tetrahydrocannabinol (THC) is a cannabinoid in the cannabis plant which is responsible for the way the brain and body respond to cannabis including the “high” and intoxication. Cannabidiol (CBD) is another cannabinoid in the plant which is being studied and used for its therapeutic uses.

Cannabis can be taken in different ways and in different forms including, smoking, drinking, eating, and vaporizing. Most cannabis products come from or can be made using the flowers and leaves of the cannabis plant.

There are many different strains or varieties of the cannabis plant which are grown for their different THC and CBD properties. Hemp is a strain of cannabis that has very low levels of THC and is grown for its fibre and oils.

Additional information on cannabis can be found at: <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/about.html>

### 2.2 Legalization

In October 2018, the federal *Cannabis Act* came into force legalizing and regulating cannabis in Canada. The *Cannabis Act* sets out the framework for the production, distribution, sale and possession of cannabis. Prior to the *Cannabis Act*, access to cannabis was generally prohibited and was considered an illegal substance in Canada since the 1920s. In 2001 the Marihuana Medical Access Program was introduced in Canada allowing for the limited medical use of cannabis. In the years to follow further programs and regulations were established allowing for the expansion of the medical use and growing of cannabis. In 2018, the new *Cannabis Act* allowed for both the medical use and recreational use of cannabis in Canada.

### 2.3 Commercial Licensing System

The *Cannabis Act* regulations establish a licensing program for the cultivation, processing, and selling of cannabis in Canada. Under this framework a license issued by Health Canada is required to conduct various activities with cannabis.

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<sup>1</sup> According to Health Canada, cannabis is a genus of flowering plants in the family Cannabaceae. The number of species within the genus is disputed.



Specifically, a license from Health Canada is required for the following activities:

- A license for cultivation (including subclasses for micro cultivation, standard cultivation and nursery growing). Cultivation may be permitted for medical or recreational purposes.
- A license for processing (including subclasses for micro processing and standard processing)
- A license for analytical testing
- A license for sale (medical)
- A license for research
- A cannabis drug license (produce or sell a drug containing cannabis)

The federal government has prepared a Cannabis Licensing Application Guide to assist applicants which is available at: <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/industry-licensees-applicants/licensing-summary/guide.html#foreword>

Below is a chart taken from the Cannabis Licensing Application Guide which summarizes the type of licenses required for a particular activity.

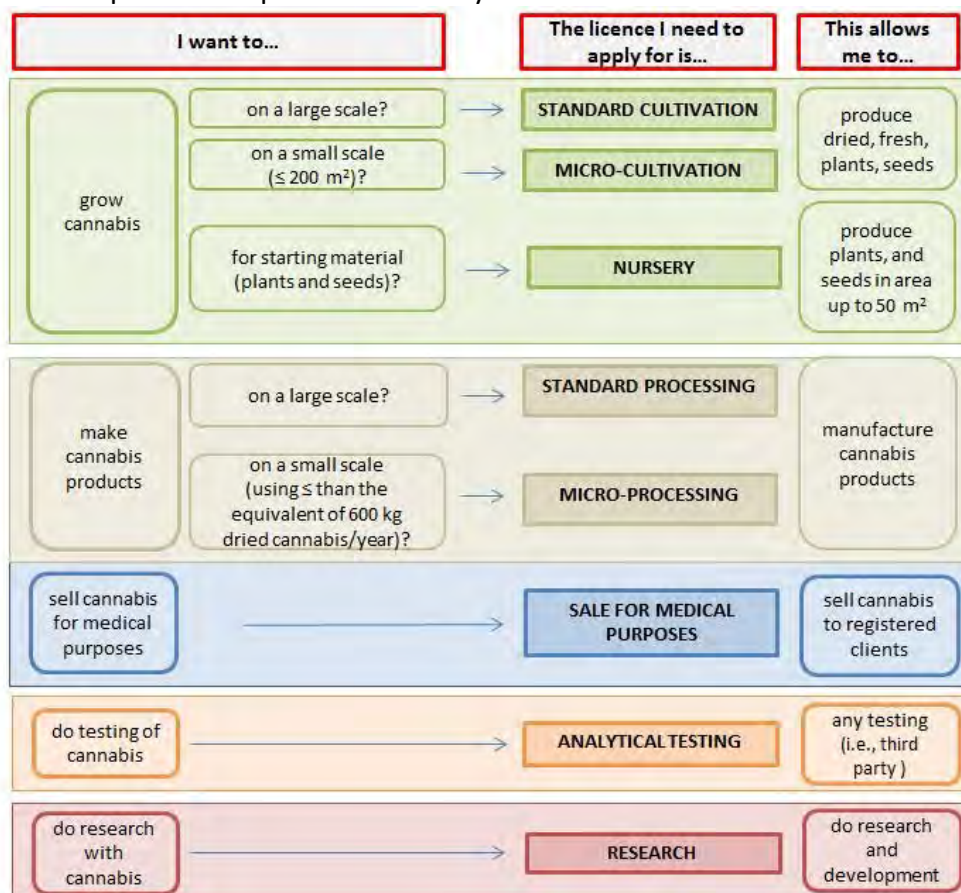


Figure 1: Cannabis License Chart

It should also be noted that combinations of licenses may be permitted. For example, where standard cultivation is permitted on a site, a license for processing may also be obtained.



## 2.4 Cannabis for Medical Purposes

In addition to commercial licenses to grow medical and recreational cannabis, the *Cannabis Act* allows for individual persons to grow cannabis for their own medical uses.

Under the *Cannabis Act*, a patient authorized by their healthcare provider may:

- Purchase cannabis from a licensed medical producer.
- Register with Health Canada to produce a limited amount of cannabis for their own medical purposes.
- Designate someone to produce it for them.

A “designated” person can grow cannabis for a total of two individuals (e.g. for self and one other person, or for 2 other people). There can be up to 4 registrations for the production of personal medical cannabis at the same location.

The amount of cannabis that an individual can grow for medical use is determined by their healthcare provider and through formulas set out in the *Cannabis Act* regulations.

## 2.5 Cannabis for Personal Recreational Use

Under the *Cannabis Act*, a limited amount of cannabis may be grown for personal recreational use. In the province of Ontario, up to four cannabis plants per residence (not per person) if:

- A person is 19 years of age and older.
- It is only for personal use.
- The starting material (seed or plant) was purchased from the Ontario Cannabis Store or an authorized retail store.
- It is not forbidden by a lease agreement or condominium rules to grow cannabis.

## 2.6 Cultivating and Processing Cannabis

### 2.6.1 Commercial Cultivation

A license to cultivate or grow cannabis can be obtained to grow cannabis either indoors or outdoors. License can be obtained for standard cultivation, micro-cultivation and for a nursery.

A chart is provided below summarizing the different types of production licenses:

| <b>License Subclass:</b>    | <b>License Restrictions:</b>   | <b>Authorized Activities (if authorized by license):</b>  | <b>Notes:</b>  |
|-----------------------------|--|---|--|
| <b>Standard Cultivation</b> |  | <ul style="list-style-type: none"> <li>• Grow cannabis</li> <li>• Sell and distribute dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds to specific license holders.</li> <li>• Conduct ancillary activities (e.g., drying, trimming, milling, etc.)</li> </ul> | <ul style="list-style-type: none"> <li>• Cultivation may be conducted indoors or outdoors</li> </ul> |
| <b>Micro-Cultivation</b>    | <ul style="list-style-type: none"> <li>• Plant surface area cannot exceed 200m<sup>2</sup> (includes multiple surfaces such as surfaces vertically arranged)</li> </ul>  | <ul style="list-style-type: none"> <li>• Grow cannabis</li> <li>• Sell and distribute dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds to specific license holders.</li> <li>• Conduct ancillary activities (e.g., drying, trimming, milling, etc.)</li> </ul> | <ul style="list-style-type: none"> <li>• Cultivation may be conducted indoors or outdoors</li> </ul> |
| <b>Nursery</b>              | <ul style="list-style-type: none"> <li>• For seed production, total surface area of no more than 50m<sup>2</sup> must contain all the parts of budding or flowering plants</li> <li>• Maximum of 5kg of flowering heads harvested from plants with the exception of seeds</li> </ul> | <ul style="list-style-type: none"> <li>• Grow cannabis plants; seedlings, and plants for seed.</li> <li>• Sell and distribute cannabis plants or cannabis plant seeds to specific license holders.</li> <li>• Conduct ancillary activities (e.g., drying)</li> </ul>                  | <ul style="list-style-type: none"> <li>• Cultivation may be conducted indoors or outdoors</li> </ul> |

### 2.6.2 Growing Mediums

Cannabis can be grown in a variety of materials including soil, vermiculite, perlite, and liquid mediums. Cannabis is typically grown in pots and is watered with drip irrigation or with spray stakes.

### 2.6.3 Indoor Production

Commercial cannabis is most typically grown indoors in greenhouses or other forms of enclosed buildings. Indoor growing requires the input and regulation of moisture, light, heating/cooling and ventilation to support the growth of the plants. Controlled indoor growing allows for year round production and provides more control over pests and plant disease. Indoor growing also provides the opportunity for lighting, noise and odour to be controlled which can reduce land use conflict. Indoor production areas can range from several thousand square feet in size to hundreds of thousands of square feet in larger operations.



Figure 2: Growing of Cannabis Indoors (Source: Getty images)

### 2.6.4 Outdoor Production

Commercial cannabis may be grown outdoors under the Cannabis Act. Cost savings may be achieved by growing outdoors, however the growing season is significantly reduced in Ontario. Outdoor growing is impacted by weather (temperature, day light, rain etc.), pests and disease. Irrigation may also be used to water plants. Outdoor growing has become more popular since

the first outdoor license was issued in 2019, however most major producers continue to focus on indoor operations.<sup>2</sup> Outdoor operations can be small or quite large covering many acres.

Planning Staff note that some producers use greenhouses with open vents and operate without the use of supplemental lighting, heating etc. These situations can be referred to as “hybrid” production systems. Hybrid structures do not typically provide for the use of noise and odour control measures due to the design of the structures.<sup>3</sup>



Figure 3: “Hybrid Method” Growing of Cannabis in a Hoop House (Source: Getty images)

## 2.7 Commercial Processing Facilities

Under the *Cannabis Act* a license is also required to process cannabis. Cannabis processing includes the extraction of oils and the manufacturing of cannabis products. A chart is provided below describing the different types of processing licenses available:

<sup>2</sup> <https://mjbizdaily.com/growth-in-canadian-outdoor-marijuana-cultivation-licenses-continues/#:~:text=Health%20Canada%20issued%20its%20first%20outdoor%20cannabis%20cultivation,including%3A%2066%20standard%20cultivation%20licenses.%2039%20micro-cultivation%20licenses.>

<sup>3</sup> Planning Staff note that additional information is available at: <https://ojs.library.queensu.ca/index.php/cpp/article/view/14093>

The article titled “Cannabis Production and Land Use Planning: a Literature Review” by Mathew Vaughn, Jeremy Pittman, Sara Epp, and Wayne Caldwell, University of Waterloo and the University of Guelph was reviewed and utilized as a source of information by Planning Staff throughout the report.

| License Subclass:          | License Restrictions:  | Authorized Activities (if authorized by license):   | Notes:  |
|----------------------------|--|---|---|
| <b>Standard Processing</b> |  | <ul style="list-style-type: none"> <li>• Produce cannabis products</li> <li>• Sell and distribute cannabis, cannabis plants and seeds to other licence holders</li> <li>• Send and deliver cannabis products to a licence holder/person that is authorized to sell cannabis</li> <li>• Send and deliver cannabis products to the purchaser at the request of a licence holder/person that is authorized to sell cannabis</li> </ul> | <ul style="list-style-type: none"> <li>• Cannabis must be produced, packaged, labelled, stored, sampled and tested indoors</li> </ul> |
| <b>Micro-Processing</b>    | <ul style="list-style-type: none"> <li>• Maximum of 600kg of dried cannabis (or equivalent) in 1 calendar</li> </ul> | <ul style="list-style-type: none"> <li>• Produce cannabis products</li> <li>• Sell and distribute cannabis, cannabis plants and seeds to other licence holders</li> <li>• Send and deliver cannabis products to a licence holder/person that is authorized to sell cannabis</li> <li>• Send and deliver cannabis products to the purchaser at the request of a licence holder/person that is authorized to sell cannabis</li> </ul> | <ul style="list-style-type: none"> <li>• Cannabis must be produced, packaged, labelled, stored, sampled and tested indoors</li> </ul> |



## 2.8 Application Process and Site Requirements

In order to obtain and maintain a license for a production or processing facility from Health Canada specific legislated requirements must be met. Below is a list of some of the key requirements that must be met for production and processing facilities:

- A site plan and building details must be provided in accordance with the regulations.
- The applicant must notify the local municipality, fire department and police service of their application.
- The Health Canada Application Guide also identifies that it is an applicant's responsibility to comply with all applicable provincial or territorial laws (e.g., environmental laws) as well as municipal by-laws (e.g., zoning and building permits).
- Ownership and operator information must be provided to Health Canada.
- Security clearances are required for individuals who hold specific positions in the business.
- Site design and security must be provided in accordance with the regulations for both indoor and outdoor facilities. This includes the use of cameras, recording devices, fencing, physical barriers, intrusion detection, etc.
- Security requirements for micro-processing production and processing facilities are not as strict due to the small size of the operation.
- A filtration system to control odours is required for indoor uses.
- The site must pass an inspection by Health Canada.
- Quality control requirements must be met for cannabis products, including maintaining sanitary conditions and following rules regarding the use of chemicals.
- The facility must be constructed before a license may be issued by Health Canada.

## 2.9 Personal Medical Production

As briefly discussed earlier in the report, cannabis may be legally produced by (or for) an individual who has authorization from a medical professional and is registered with Health Canada. Health Canada has prepared an information bulletin that outlines safety and security considerations when producing cannabis for one's own medical use. The bulletin (<https://www.canada.ca/en/health-canada/services/information-bulletin-safety-security-considerations-producing-cannabis-for-own-medical-purposes.html>) outlines that: "You are also expected to comply with all relevant provincial/territorial and municipal laws including local bylaws about zoning, electrical safety, fire safety, together with all related inspection and remediation requirements".

Requirements for producing individual medical cannabis include:

- All marijuana plants or cannabis products in a person's possession for medical purposes must be secure, and cannot be accessed by other people including children.
- If a person is producing outdoors, the boundary of the land cannot have any points in common with the boundary of the land where a school, public playground, or other public place frequented mainly by persons under 18 years of age is located.



Personal medical cannabis may be grown indoors, outdoors and/or within a dwelling. Health Canada recommends that the growing and storage areas be fenced and/or locked and that a security system be utilized. The requirements for personal medical production are significantly reduced compared to the legislated requirements that must be met by licensed standard and micro-cultivation producers. A security system and odour controls are not required by Health Canada for personal medical production. Planning Staff understand that there are properties where several thousand plants are being grown for personal medical use, since Health Canada allows for 4 individuals to grow jointly on a property.

## 2.10 Industrial Hemp Production

The *Cannabis Act* permits the growing of hemp in Canada and includes a regulatory framework for the production, processing and other activities for hemp.

Industrial hemp is defined as: “A cannabis plant – or any part of that plant – in which the concentration of THC is 0.3% (weight by weight) or less in the flowering heads and leaves”.

Hemp can be used for many purposes including: food, animal feed, textiles, clothing, and oils. To grow hemp in Canada, an Industrial Hemp License is required under the *Cannabis Act*. A cannabis processing license may also be required depending on the use of hemp and how it is processed. For example, a cannabis processing license is required for the extraction of CBD oils. In 2020, over 1300 ha of hemp was grown in Ontario.

Planning Staff note that industrial hemp can be grown indoors or outdoors and there are no requirements for security at the growing sites. Additional details on hemp can be found here: <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/producing-selling-hemp/about-hemp-canada-hemp-industry/frequently-asked-questions.html#a2>



Figure 4: Hemp Grown Outdoors (Source: Getty Images)

### 3. LAND USE POLICY REVIEW

#### 3.1 Provincial Policy Statement (PPS)

The Provincial Policy Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development. As a key part of Ontario's policy-led planning system, the PPS sets the policy foundation for regulating the development and use of lands. All land use planning decisions in the Province shall be consistent with the PPS.

Applicable PPS policies and definitions related to cannabis production and processing are provided below.

##### 1.1.3 Settlement Areas

*Settlement areas are urban areas and rural settlement areas, and include cities, towns, villages and hamlets.*

*1.1.3.1 Settlement areas shall be the focus of growth and development.*

##### 1.1.4 Rural Areas in Municipalities

*Rural areas are important to the economic success of the Province and our quality of life. Rural areas are a system of lands that may include rural settlement areas, rural lands, prime agricultural areas, natural heritage features and areas, and other resource areas. Rural areas and urban areas are interdependent in terms of markets, resources and amenities. It is important to leverage rural assets and amenities and protect the environment as a foundation for a sustainable economy.*

*1.1.4.1 Healthy, integrated and viable rural areas should be supported by:*

- promoting diversification of the economic base and employment opportunities through goods and services, including value-added products and the sustainable management or use of resources;*
- providing opportunities for economic activities in prime agricultural areas, in accordance with policy 2.3.*

*1.1.4.2 In rural areas, rural settlement areas shall be the focus of growth and development and their vitality and regeneration shall be promoted.*

##### 1.1.5 Rural Land in Municipalities

*1.1.5.4 Development that is compatible with the rural landscape and can be sustained by rural service levels should be promoted.*

*1.1.5.5 Development shall be appropriate to the infrastructure which is planned or available, and avoid the need for the unjustified and/or uneconomical expansion of this infrastructure.*

*1.1.5.6 Opportunities should be retained to locate new or expanding land uses that require separation from other uses.*

*1.1.5.7 Opportunities to support a diversified rural economy should be promoted by protecting agricultural and other resource-related uses and directing non-related development to areas where it will minimize constraints on these uses.*

#### 1.2.6 Land Use Compatibility

*1.2.6.1 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.*

#### 1.3 Employment

*1.3.1 Planning authorities shall promote economic development and competitiveness by:*

*a) providing for an appropriate mix and range of employment, institutional, and broader mixed uses to meet long-term needs;*

*b) providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses;*

#### 1.7 Long Term Economic Prosperity

*1.7.1 Long-term economic prosperity should be supported by:*

*a) promoting opportunities for economic development and community investment-readiness;*

*i) sustaining and enhancing the viability of the agricultural system through protecting agricultural resources, minimizing land use conflicts, providing opportunities to support local food, and maintaining and improving the agri food network;*

#### 2.3 Agriculture

*2.3.1 Prime agricultural areas shall be protected for long-term use for agriculture.*

*2.3.3.1 In prime agricultural areas, permitted uses and activities are: agricultural uses, agriculture-related uses and on-farm diversified uses. Proposed agriculture-related uses and on-farm diversified uses shall be compatible with, and shall not hinder, surrounding agricultural operations. Criteria for these uses may be based on guidelines developed by the Province or municipal approaches, as set out in municipal planning documents, which achieve the same objectives.*

*2.3.3.2 In prime agricultural areas, all types, sizes and intensities of agricultural uses and normal farm practices shall be promoted and protected in accordance with provincial standards.*

PPS Definitions:

*Agricultural uses: means the growing of crops, including nursery, biomass, and horticultural crops; raising of livestock; raising of other 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.*

*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.*

*Employment area: means those areas designated in an official plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities.*

*Major facilities: means facilities which may require separation from sensitive land uses, including but not limited to airports, manufacturing uses, transportation infrastructure and corridors, rail facilities, marine facilities, sewage treatment facilities, waste management systems, oil and gas pipelines, industries, energy generation facilities and transmission systems, and resource extraction activities.*

*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.*

*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.*

*Rural areas: means a system of lands within municipalities that may include rural settlement areas, rural lands, prime agricultural areas, natural heritage features and areas, and resource areas. Rural lands: means lands which are located outside settlement areas and which are outside prime agricultural areas.*

*Sensitive land uses: means buildings, amenity areas, or outdoor spaces where routine or normal activities occurring at reasonably expected times would experience one or more adverse effects from contaminant discharges generated by a nearby major facility. Sensitive land uses may be a*

*part of the natural or built environment. Examples may include, but are not limited to: residences, day care centres, and educational and health facilities.*

### **3.2 A Place to Grow: Growth Plan for the Greater Golden Horseshoe**

“A Place to Grow” is the Ontario government’s initiative to plan for growth and development in a way that supports economic prosperity, protects the environment, and helps communities achieve a high quality of life. This Plan informs decision making regarding growth management and environmental protection in the Greater Golden Horseshoe.

Relevant policies related to cannabis production and processing are provided below.

#### 2.2.1 Managing Growth

*4. Applying the policies of this Plan will support the achievement of complete communities that:*  
*a) feature a diverse mix of land uses, including residential and employment uses, and convenient access to local stores, services, and public service facilities;*

#### 2.2.5 Employment

*1. Economic development and competitiveness in the GGH will be promoted by:*  
*a) making more efficient use of existing employment areas and vacant and underutilized employment lands and increasing employment densities;*  
*b) ensuring the availability of sufficient land, in appropriate locations, for a variety of employment to accommodate forecasted employment growth to the horizon of this Plan;*

#### 2.2.9 Rural Areas

*1. Municipalities are encouraged to plan for a variety of cultural and economic opportunities within rural settlements to serve the needs of rural residents and area businesses.*

#### 4.2.6 Agricultural System

*3. Where agricultural uses and non-agricultural uses interface outside of settlement areas, land use compatibility will be achieved by avoiding or where avoidance is not possible, minimizing and mitigating adverse impacts on the Agricultural System. Where mitigation is required, measures should be incorporated as part of the non-agricultural uses, as appropriate, within the area being developed. Where appropriate, this should be based on an agricultural impact assessment.*

### **3.3 Greenbelt Plan**

Planning Staff have not provided a review of Greenbelt Plan policies related to cannabis as a land use as the Greenbelt Plan is not applicable in the Township of Wellington North.

### **3.4 Guidelines on Permitted Uses in Ontario’s Prime Agricultural Areas**

The Province of Ontario has developed a series of guidelines to assist municipalities, decision makers, farmers and others interpret the policies in the PPS on uses that are permitted in prime agricultural areas.

The guidelines review in detail: Agricultural Uses, Agricultural Related Uses, On Farm Diversified Uses, and implementation practices.

In preparation of this background report, Planning Staff contacted staff at the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) regarding the Township's review of cannabis uses. OMAFRA provided the following comments:

*The production of cannabis is considered an agricultural use in prime agricultural areas and on rural lands. The definition of an agricultural use in the PPS is broad and includes the 'growing of crops,' as well as 'associated on-farm buildings and structures, including...value retaining facilities...' The indoor or outdoor production of cannabis meets this definition because the cultivation of cannabis plants constitutes the 'growing of crops.' In addition, 'on-farm buildings' associated with the growing of crops, including greenhouses or other structures, are considered an integral part of an agricultural use. Likewise, post-cultivation activities such as drying, trimming and milling often take place in 'value retaining facilities', and therefore may also form part of the agricultural use. The PPS also promotes and protects all types, sizes and intensities of agricultural uses and normal farm practices in prime agricultural areas.*

*Further processing or retail of cannabis are uses that could, under certain circumstances, be considered agriculture-related or on-farm diversified uses, as defined in the PPS. These types of uses are also permitted in prime agricultural areas and on rural lands, provided the applicable criteria for these uses are met.*

*The provincial criteria for agricultural uses, agriculture-related uses, and on-farm diversified uses are contained in the 2016 Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas (Publication 851). The Permitted Uses Guidelines is a relevant resource in the context of growing cannabis in prime agricultural areas and on rural lands, and may provide the County with some beneficial information to help interpret the provincial land use planning policies. The Permitted Uses Guidelines are accessible at the following link for your reference: [Guidelines on Permitted Uses in the Prime Agricultural Area \(Publication 851\)](#).*

Planning Staff also note that OMAFRA is also supporting research at the University of Guelph on cannabis production and land use planning. According to the study webpage:

*"This study will analyse land use planning policies within Ontario and other jurisdictions related to cannabis production. The outcome of the study will be best practices for land use planning tools that limit nuisance impacts on adjacent land uses, support the continued growth of the cannabis sector and improve the consistency of municipal decision making."*<sup>4</sup>

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<sup>4</sup> Link to the study web page: <https://www.saraepp.com/cannabis>



Planning Staff will continue to monitor the progress of the study as findings and recommendations have not been released to date.

### 3.5 Other Guidance Documents

#### 3.5.1 Municipal Guide to Cannabis Legalization: Federation of Canadian Municipalities

In 2018, the Federation of Canadian Municipalities (FCM) prepared and released a guide to assist municipalities prior to the legalization of recreational cannabis in Canada.

Planning Staff note that although the guide was developed prior to legalization, many of the recommendations related to land use considerations are still relevant.

Some of the key recommendations of the report are provided below:

- Producing cannabis for non-medical use at a commercial scale is an activity that has some similarities to certain agricultural uses carried out in greenhouses. Greenhouse agriculture is sometimes carried out in industrial zones and business parks as well.
- As a type of intensive agriculture, cannabis production needs a supply of water for irrigation, of electricity for lighting, and of energy for heating. The availability of adequate utilities is a basic land use management consideration.
- As a result, zoning regulations whether for agricultural or industrial zones should always be in step with the capacity of utility systems to support the permitted land uses.
- Commercial-scale processing of cannabis may give rise to additional considerations. Extraction of cannabis oil, for example, can involve the use of butane, which is explosive at ordinary temperatures. This is an industrial-type activity, which may be appropriate only in industrial zones, or in buildings with particular design and construction characteristics.
- Municipalities through their zoning by-laws may wish to implement measures to regulate the location, size and scale of cannabis production and processing.
- Municipalities may wish to require business licenses for cannabis cultivation and processing facilities. For example, in order to obtain a license a business may be required to provide annual maintenance and documentation of odour control equipment.
- Municipalities anticipate that odour complaints will increase with the legalization of cannabis. Odour is generally difficult to regulate and remediate as it is hard to quantify in terms of strength or character. Proactive approaches to cannabis-related odour and nuisance abatement are therefore preferable. For example, odour impact assessments and control plans might be included in requirements for rezoning applications. Zoning setbacks, landscaping, buffer or similar requirements may be considered for certain types of facilities that are anticipated to cause odour or other nuisances. This is in addition to the basic locational criteria that have traditionally been used to separate land uses.

## 4. LOCAL PLANNING POLICIES

### 4.1 Wellington County Official Plan

The County Official Plan is a legal document intended to give direction over the next 20 years, to the physical development of the County, its local municipalities and to the long term protection of County resources. Through this Plan, County Council will outline a long-term vision for Wellington County's communities and resources. The Plan provides policy to attain the long-term vision.

While the Official Plan does not deal directly with cannabis production and processing as a land use, the Plan includes policies for agricultural uses, employment uses, and land use compatibility which can be applied to cannabis.

A list of relevant policies are provided below:

#### 4.6 IMPACT ASSESSMENT

*4.6.1 General In order to assess the merit of planning applications, the County or local municipality may require studies to be undertaken to measure various impacts and to propose methods of reducing or eliminating negative impacts.*

*4.6.2 Planning Impact Assessment Planning impact assessments may be required to evaluate:*  
*d) the compatibility of the proposed use with consideration given to the height, location, proximity and spacing of buildings; the separation between various land uses; impacts from noise, odour, dust or other emissions from the proposed use and from adjacent land uses; loss of privacy, shadowing or impact on cultural heritage resources and landscapes;*

#### 6.4 PRIME AGRICULTURAL AREAS

*In Prime Agricultural Areas, all types, sizes and intensities of agricultural uses and normal farm practices will be promoted and protected in accordance with provincial standards.*

*As a general rule, land use activities which support agriculture will be encouraged and land use activities which do not support agriculture will be discouraged.*

*6.4.3 Permitted Uses Permitted uses and activities in Prime Agricultural Areas may include:*

- a) agricultural uses*
- b) secondary uses including home businesses and farm businesses*
- c) agriculture-related uses*
- d) existing uses*
- e) single detached homes*
- f) Additional Residential Units subject to Sections 4.4.6*
- g) garden suites subject to Section 4.4.7*
- h) accessory residence*
- i) forestry uses*

- j) wayside pits and quarries, portable asphalt plants and portable concrete plants used on public authority contracts*
- k) licensed aggregate operations*
- l) community service facilities*
- m) group homes on existing lots of records*
- n) kennels on existing lots of record*

*All uses permitted by this section must be compatible with and not hinder surrounding agricultural uses.*

#### *6.4.4 Home Businesses and Farm Businesses*

*Home businesses are home occupations and home industries that are secondary to the principal use of the property and may be allowed, subject to zoning provisions, as a means of supplementing farm incomes and providing services in agricultural areas and may include:*

- small home occupations conducted from the main residence with employment normally limited to the occupants of the property – examples include bed and breakfast, day care, hairdresser, and professional services;*
- home industries which are small in scale with a limited number of employees, and minimal off-site impacts – examples include minor equipment repair, woodworking, crafts, and welding;*

*Farm businesses are small scale businesses that provide value-added products from the farm and may be allowed subject to zoning provisions – examples include:*

- farm vacation enterprises;*
- cottage wineries;*
- value-added processing or packing;*
- sales outlets for agricultural products produced on the farm;*
- seed cleaning;*
- pick-your-own, catch-your-own operations*

#### *6.4.5 Agriculture-related Uses*

*Small scale agriculture-related businesses as required to serve agriculture and directly related to farm operations may be allowed in appropriate locations and subject to zoning provisions, where they are needed in close proximity to farms – examples include:*

- livestock assembly;*
- grain drying;*
- cold storage;*
- custom spraying;*
- animal husbandry*

## 6.5 SECONDARY AGRICULTURAL AREAS

### *6.5.1 Defined*

*Secondary Agricultural Areas include lands within the Rural System which are determined to be non-prime agricultural areas but which can sustain certain agricultural activities.*

### *6.5.3 Permitted Uses*

*Permitted uses and activities in Secondary Agricultural Areas may include:*

- a) all uses allowed in the Prime Agricultural Area;*
- b) small scale commercial, industrial and institutional uses;*
- c) public service facilities.*

*In Secondary Agricultural Areas, all types, sizes and intensities of agricultural uses and normal farm practices shall be promoted and protected in accordance with provincial standards.*

## 6.8 RURAL EMPLOYMENT AREAS

*6.8.1 Defined Rural Employment Areas are lands set aside for industrial and limited commercial uses which would benefit from a rural location due to:*

- the need for a relatively large site; or*
- the need for access to major transportation routes; or*
- the need to be close to rural resources*

*In all cases, rural employment areas will be used by “dry” industrial and limited commercial uses which do not use significant amounts of water in their operation and which do not produce significant amounts of effluent, consistent with rural servicing levels which rely on private water and sewage systems.*

*Rural Employment Areas are expected to provide diversity to Wellington’s land supply for business.*

### *6.8.2 Permitted Uses*

*Dry industrial and commercial uses requiring large lots, major road access or proximity to rural resources are permitted in rural employment areas. Such industrial uses may include manufacturing, processing, fabrication and assembly of raw materials or repair, servicing, distribution and storage of materials. Accessory uses including the retail sale of products produced on-site may be allowed.*

*Such commercial uses will be service focused with limited accessory retail and may include business or professional offices, farm machinery sales, farm supplies, farm produce sales, small scale motels or inns, small scale restaurants and automobile sales and services. Retail commercial uses and service commercial uses normally found in urban centres are not allowed.*

### *6.8.3 Land Use Compatibility*

*In Rural Employment Areas, establishing specific areas for detailed land use regulations is normally left to the Zoning By-law. In establishing zones and considering rezoning applications,*

*Councils shall ensure that existing and proposed uses are compatible, and that sensitive uses are adequately separated from industrial uses. The Zoning By-law may also limit the location and size of commercial uses.*

## **7.5 URBAN CENTRES**

### **7.5.1 Permitted Uses**

*Urban Centres are expected to provide a full range of land use opportunities. Residential uses of various types and densities, commercial, industrial and institutional uses as well as parks and open space uses will be permitted where compatible and where services are available. More detailed official plan designations and policies as well as zoning regulations will identify the location and nature of various permitted uses in urban centres.*

### **7.5.3 Land Use Compatibility**

*More detailed planning policies and zoning regulations shall be developed for Urban Centres to ensure that existing and proposed uses are compatible and that adverse impacts are kept to a minimum and that appropriate mitigation is provided where practical.*

### **7.5.4 Impact Assessment**

*Where a Council is concerned about the impact a proposed development may have on an urban centre, it may require an impact assessment as set out in the general policy section of this Plan.*

## **8.7 INDUSTRIAL**

### **8.7.1 Overview**

*Urban Centres are intended to be the focus for industrial development in Wellington County. The design and servicing of high quality industrial areas is essential to the future prosperity of the County.*

### **8.7.2 Objectives**

*The objectives for industrial development are as follows:*

- a) to diversify the local tax base by increasing industrial assessment;*
- b) to provide adequate industrial lands to meet the urban centre's long term land use requirements;*
- c) to ensure that fully serviced industrial lots are available, or where full municipal water or sewer services are not available to ensure that the nature of industrial development is appropriate to the servicing available;*
- d) to ensure that users of the industrial land are "clean" industries which do not have a detrimental effect on the urban centres and that any potential adverse impacts of industrial development on the natural environment and surrounding land uses are minimized;*
- e) to encourage attractive industrial areas through appropriate design standards*

### **8.7.3 Permitted Uses**

*The lands designated INDUSTRIAL on Schedule "A" of the Plan may be used for a variety of industrial uses including, but not limited to, manufacturing, processing, fabricating, assembly, warehousing and repair establishments. Public and private services and utilities, transport*

*facilities, storage yards and a municipal sewage treatment plant may also be permitted. The Zoning By-law may prohibit certain industrial uses which, by their nature, would have a detrimental impact on the community.*

### **13.9 SITE PLAN CONTROL**

*All lands in Wellington County are identified by this Plan as a proposed Site Plan Control area under the Planning Act. A local council may, by by-law, designate the whole or any part of its municipality as a site plan control area and set out exterior design criteria to be addressed through site plan control. Site plan control is a mechanism normally used to control design features of residential, commercial, industrial and institutional developments.*

*The following uses will be normally excluded from site plan control:*

- a) single detached, semi-detached and duplex dwellings, unless the purpose of site plan control is for grading or drainage purposes, addressing design for intensification, compatibility with cultural heritage resources, or to protect a feature of the Greenland system or unless the residential units are part of a land lease project;*
- b) agricultural buildings and structures associated with farming operations of a size and nature typical to the area;*

### **Definitions:**

#### ***Agricultural uses:***

*Means the growing of crops, including nursery and horticultural crops; raising of livestock; raising of other 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 accommodation for full-time farm labour when the size and nature of the operation requires additional employment.*

#### ***Agriculture-related uses:***

*Means those farm-related commercial and farm-related industrial uses that are small scale and directly related to the farm operation and are required in close proximity to the farm operation.*

#### ***Sensitive land uses:***

*Means buildings, amenity areas, or outdoor spaces where routine or normal activities occurring at reasonably expected times would experience one or more adverse effects from contaminant discharges generated by a nearby major facility. Sensitive land uses may be a part of the natural or build environment. Examples include: residences, day care centers, and educational and health facilities.*

### **4.1.1 Planning Comments/Discussion**

Planning Staff is of the opinion that the policies of County of Wellington Official Plan permit the growing of cannabis as an agricultural use in the Prime Agricultural and Secondary Agricultural Areas. The definition of “agricultural use” in the County Plan includes “the growing of crops, including nursery and horticultural crops” which would include the growing of the cannabis



plant. This opinion is consistent with comments from OMAFRA which has identified that the growing of cannabis is an agricultural use under Provincial land use policy.

In regards to cannabis processing, it is Planning Staff's opinion that the processing, manufacturing of cannabis products and warehousing of cannabis can be considered to be an "industrial use" under the County of Wellington Official Plan. As an industrial use, cannabis processing could be located within industrial areas subject to land use compatibility being considered and addressed. The County Official Plan includes policies which requires that: "existing and proposed uses are compatible, and that sensitive uses are adequately separated from industrial uses".

Planning Staff is also of the opinion that the production of cannabis (growing) in industrial areas can be permitted in specific circumstances under the policies of the County Official Plan where the proposed use is compatible and includes related "industrial" components. Commercial cannabis production facilities may include industrial related activities such as: utilizing fully enclosed industrial buildings, strict security requirements, loading/shipping areas, truck and employee traffic, deliveries, generate noise etc. Cannabis production facilities often include packaging and processing components which may be considered industrial in nature.

Planning Staff note that the Township of Wellington North has permitted two cannabis production facilities in the Rural Industrial designation in Riverstown. The two facilities applied for zoning by-law amendments to add "the growing of cannabis" as an additional permitted use. Both uses have production and industrial processing components. The inclusion of indoor cultivation was viewed by Planning Staff as compatible on these sites within the rural industrial area. Planning Staff recognized that the uses were similar in nature to an industrial use (ie. involve many of the same supportive activities).

## **4.2 Township of Wellington North Zoning By-law 66-01**

The Township of Wellington North Zoning By-law regulates all land use within the municipality. The Township Zoning By-law does not specifically define or list cannabis production or processing as a permitted use. The Zoning By-law however defines and permits agricultural uses, greenhouses, nursery's, and industrial uses in specific zones. The production (growing) and processing of cannabis is similar in nature to theses defined and permitted uses.

### **4.2.1 Review of Zoning By-law Definitions**

Below is a list of definitions from the Township of Wellington North Zoning By-law which relate to cannabis production and processing. A planning comment is also provided (below each definition) on how cannabis production and processing may relate to the existing definitions in the zoning by-law.

*AGRICULTURAL, means a use of land, building or structure for the purpose of animal husbandry, raising of livestock and other animals for food or fur including poultry, bee-keeping, fish, aquaculture and dairy, the growing of field crops, vegetables, agro-forestry, forestry, fruit farming, sod farming, greenhouses and horticulture crops, pasturage, fallow, maple syrup production or*

*any other farming use; and includes the growing, raising, packing, treating, storing, and sale of agricultural products produced on the premises but does not include an abattoir, a kennel or a rendering plant, commercial greenhouse and/or nursery or garden centre. For kennel requirements, local Dog Control By-laws should be consulted.*

The above definition of “agricultural use” includes “the growing of field crops, greenhouses and horticulture crops” as well as “any other farming use” and includes the growing, packaging and storing of agricultural products.

Based on this wording the growing of cannabis could be considered an “agricultural” use in the Township Zoning By-law.

*AGRICULTURALLY RELATED USE, means a commercial or industrial use directly related to agriculture and requiring proximity to farm operations and may include such uses as animal husbandry services, produce or grain storage/processing facilities, farm machinery sales and service outlets, feed and seed warehouse and retail outlets.*

The further processing of cannabis, such as drying could be considered agriculture-related use.

*COMMERCIAL GREENHOUSE AND/OR NURSERY, means the use of land, buildings or structures for the growing and/or storing of flowers, fruit trees, ornamental trees, vegetable plants, shrubs, trees and similar vegetation for the purpose of transplanting, for use as stock or grafting, and includes the retail sale or wholesale distribution of such items directly from the premises/lot including the sale of associated items such as soil, mulch, planting mediums, fertilizers and similar materials.*

The above noted definition for a “Commercial Greenhouse and/or Nursery” includes the “growing and/or storing of flowers, fruit trees, ornamental trees, vegetable plants, shrubs, trees and similar vegetation for the purpose of transplanting, for use as stock or grafting, and includes the retail sale or wholesale distribution of such items...”.

Based on this wording the growing of cannabis could be permitted as part of a “Commercial Greenhouse and/or Nursery” use in the Township Zoning By-law.

*INDUSTRY, DRY, means an industry, which by nature of its operation, process, or fabrication of raw materials or services rendered does not require a significant water supply and does not produce waste water as part of the industrial process.*

The processing of cannabis could be considered a “Dry Industry” based on the above definition if significant water is not used and/or significant sewage is not generated at the facility.

*INDUSTRIAL USE, means, without limiting the generality thereof, the manufacturing, assembling, making, producing, preparing, inspecting, grading, ornamenting, finishing, treating, cleaning, washing, altering, repairing, restoring, processing, polishing, refinishing, packing,*

*adapting for sale, warehousing, storing, breaking up or demolishing of goods, substances, articles or things or any part or parts thereof; or the production or storage of building or construction equipment or materials.*

The processing of cannabis could be considered an industrial use as defined above. Cannabis processing could involve “producing”, “preparing”, “grading”, “treating”, “cleaning”, “washing”, “processing”, “packaging”, ‘warehousing’ and ‘storing’.

*GREENHOUSE, means the use of land, buildings or structures for the growing of flowers, plants, shrubs, trees and similar vegetation, which may be transplanted outdoors on the same lot, and/or used as stocks for building or grafting and may include the limited sale of products primarily produced on site.*

Based on this wording the growing of cannabis could be permitted as part of a “Greenhouse” as defined in the Township Zoning By-law.

*NURSERY, means a place where trees, shrubs or plants are grown or stored for the purpose of transplanting, for use as stocks for building or grafting, or for the purpose of retail or wholesale, together with the sale of soil, planting materials, fertilizers or similar materials and includes a greenhouse.*

The growing and raising of cannabis could be permitted under the above definition of “Nursery”.

#### **4.2.3 Review of Permitted Uses:**

A review of how cannabis production and processing is currently permitted in the Agricultural (A), Agricultural Commercial (AC), Rural Industrial (RIN), and Industrial (M1) zones and is provided below.

##### **Agricultural (A) Zone:**

In the Agricultural (A) Zone permitted uses include “agricultural uses”. As discussed above, the growing of cannabis could be considered an agricultural use as defined by the zoning by-law and therefore could be permitted on properties zoned Agricultural (A).

##### **Agricultural Commercial (AC) Zone:**

In the Agricultural Commercial (AC) zone permitted uses include:

- Agriculturally Related Commercial or Industrial uses
- Agricultural Products Processing, Storing and Sales
- Commercial Greenhouse and/or Nursery

As discussed above, the further processing of cannabis, such as drying could be considered an agriculture-related use. “Agricultural Products Processing, Storing and Sales” is not specifically defined, however it could include the described activities related to cannabis, since the cannabis plant could be considered an agricultural product. Cannabis production could be

permitted in a commercial greenhouse or nursery. Cannabis production and limited cannabis processing could be permitted in the AC zone.

#### Rural Industrial (RIN) Zone:

Permitted uses in the Rural Industrial (RIN) zone include: Dry Industry and Existing Agricultural uses.

The processing of cannabis could be considered an industrial use as defined above as cannabis processing could involve “producing”, “preparing”, “grading”, “treating”, “cleaning”, “washing”, “processing”, “packaging”, ‘warehousing’ and ‘storing’.

#### Industrial (M1) Zone

Permitted uses in the Industrial (M1) zone include:

- Manufacturing, processing, assembly, repair, fabricating, milling except for a motor vehicle recycling and salvage or wrecking facility, junk or scrap yard, fertilizer manufacturer, abattoir, rendering plant or any use considered offensive by the Public Health Act or uses restricted in all zones as per section 6.35.
- Feed Mill, Seed plant, Grain Elevator
- Warehouse

Similarly, as discussed above, The processing and warehousing of cannabis could be considered as a permitted use in the M1 Industrial zone.

#### **4.2.4 Site Specific Zoning for Cannabis:**

There are two properties in the Township of Wellington North where the growing of cannabis is specifically permitted in the Zoning By-law. The two properties are located in the Riverstown Rural Employment Area and both obtained site specific zoning by-law amendments to permit “the indoor cultivation of cannabis for commercial sale by a licensed producer ... subject to approval and licensing by Health Canada under the Access to Cannabis for Medical Purposes Regulations (ACMPR) or subsequent regulations”. Both of these properties were zoned Rural Industrial (RIN) and a zoning by-law amendment was required to permit the “cultivation” or “growing” of cannabis in the industrial area.

A third site specific zoning by-law amendment was filed for a property in the Arthur industrial area. The property was zoned Industrial (M1). The application sought to allow the indoor cultivation of cannabis in the existing building. This application was refused by Township Council since the applicant had failed to submit additional supporting materials requested by the Township to address neighbourhood concerns.

### **4.3 Site Plan Control By-law**

The Township of Wellington North Site Plan Control By-law 027-15 establishes that the entire Township is designated as a site plan control area and that all forms of development are subject to site plan control unless otherwise exempted. Agricultural buildings and structures, and agricultural uses (except for farm related commercial or industrial uses) are exempt from site

plan control. A site plan approval application is not required for agricultural uses, however, a site plan application is required for industrial uses.

## 5. LAND USE IMPACTS & COMPATABILITY

A review of commonly identified land use impacts associated with cannabis production and processing is provided below. These impacts have been identified by Planning Staff through the background research completed in support of this report.

### 5.1 Odour

Odour is identified as one of the main land use compatibility concerns with the production of cannabis. The odour of cannabis is often referred to as a “skunky” smell is a result of specific terpenes that are found in the oils of the plant. Terpenes are found in many plants and are highly aromatic organic compounds that determine the smell of many plants and herbs. In the cannabis plant, the two main terpenes: Limonene and Pinene are responsible for the strong smell. Odour from the cannabis plant is stronger during the flowering stage of the plants lifecycle. The quantity of cannabis grown, the plant variety, and the method of growing cannabis (indoors vs outdoors) will affect the odour that is produced at a site.

Large growing facilities may have multiple growing rooms where there are plants being grown at different stages to allow for a constant production cycle. These larger facilities may have cannabis plants flowering continuously on site which produces a constant odour. Smaller facilities and outdoor facilities may only be producing one crop at a time and therefore the odour produced will vary throughout the year based on the growing cycle of the plants on site.

Licensed commercial producers are required under the *Cannabis Act* to provide odour controls as part of their facilities. Odour controls may include the use of carbon air filters, odour neutralizers, deodorization, and masking agents as part of the facilities. Planning Staff note that the *Cannabis Act* and applicable regulations do not provide any specific standards for managing odour.

Registered personal medical growers are not required by the applicable legislation to implement any odour control measures at their sites. In some cases where cannabis is being grown for multiple individuals (up to four persons) there could be several thousand plants being grown without any required odour controls.

Planning Staff have identified through the background review that odour is the most common land use compatibility issue identified with cannabis production in Ontario. As discussed in the next section of this report municipalities have introduced zoning regulations (including minimum setbacks to sensitive land uses), site plan controls, and requirements for odour studies to reduce odour conflicts and complaints. Municipalities have faced issues managing odour from facilities including situations where odour control measures are turned off and/or not maintained once the facilities are in operation. Many municipalities have requested additional support from the federal government and province in order to manage and reduce odour conflicts between production facilities and sensitive land uses (e.g. residential uses). Some municipalities have requested that the province prepare separation guidelines for



cannabis uses similar to the Minimum Distance Separation (MDS) guidelines which were developed to limit conflict between livestock operations and sensitive land uses.

Some municipalities including the Town of Pelham have passed odour control by-laws under the Municipal Act as a further method to control odour. These by-laws have been implemented as a result of ongoing issues with odour from cannabis facilities.

The Town of Pelham's "Odourous Industries Nuisance By-law" stipulates that no person shall operate an odorous industrial facility that causes an adverse effect or public nuisance, except in accordance with the provisions of the by-law. The By-law establishes monitoring and testing requirements for cannabis facilities and also requires that producers have an odour control contingency plan in the event odours are not being controlled as expected. Under the by-law facilities can be inspected and fines can be issued for By-law infractions. Planning Staff intend to reach out the Town of Pelham to better understand the details of the by-law and their experiences with implementing the by-law in the Town.

Planning Staff understand that Health Canada does not actively monitor odour compliance, however, facilities may be inspected by Health Canada if an odour issue is identified. Health Canada can require that licensing requirements are met. Complaints about cannabis facilities, both personal and commercial can be filed with Health Canada at: <https://www.healthycanadians.gc.ca/en/health-canada/services/drugs-medication/cannabis/recalls-adverse-reactions-reporting/reporting-form.html>

## **5.2 Lighting and Noise**

Lighting and noise concerns have also been consistently identified as a land use conflict with cannabis production facilities. Noise from ventilation fans and the night time lighting of greenhouses can conflict with adjacent residential uses. Unlike odour which is more unique to cannabis production, noise and lighting impacts are not unique to cannabis production facilities and can similarly be issues for greenhouses growing other crops such as flowers and vegetables. In greenhouses with transparent walls (and roof), curtains can be utilized to limit the glare of lighting.

## **5.3 Traffic and Loading Areas**

Traffic from deliveries and staff, as well as outdoor storage and loading areas have also been identified as a potential source of land use conflicts between production and processing facilities and sensitive uses.

## 6. REVIEW OF MUNICIPAL APPROACHES AND BEST PRACTICES

Planning Staff have reviewed numerous planning studies and zoning by-law amendments that have been completed in recent years throughout the province in order to gather information on municipal approaches to managing cannabis production and processing. A summary of a number of municipal approaches is provided below.

### 6.1 Municipalities in the County of Wellington

#### 6.1.1 Town of Erin

The Town of Erin currently permits medical cannabis facilities within the M1, M2 and M3 Industrial zones and the Agricultural (A) zone subject to specific regulations being met. The use and regulations were first added to the zoning by-law in 2018 which predated the legalization of recreational cannabis in Canada. A cannabis facility for “recreational” cannabis is not permitted. Site plan approval is required for new medical cannabis facilities.

A “Medical Cannabis Production Facility” is defined as follows:

*Shall mean premises used for the growing, producing, processing, testing, destroying, packaging and/or shipping of medical cannabis authorized by a license issued by the federal Minister of Health, pursuant to the Marihuana for Medical Purposes Regulations, under the Controlled Drugs and Substances Act, as amended from time to time, or any successors thereto.*

Specific regulations have been put in place for the use as follows:

*Section 4.20.1 Medical Cannabis Production Facility*

*a) A building or structure or portion thereof used for a Medical Cannabis Production Facility situated in the Light Industrial Zone (M1) and General Industrial Zone (M2) must be 70 metres from:*

- i. A Residential Zone or Use,*
- ii. An Institutional Zone, or*
- iii. An Open Space Zone.*

*b) A building or structure or portion thereof used for a Medical Cannabis Production Facility situated in the Agricultural Zone (A) and Rural Industrial Zone (M3) must be 150 metres from:*

- i. A Residential Zone or Use,*
- ii. An Institutional Zone, or*
- iii. An Open Space Zone.*

*c) The facility operations, including loading spaces and storage, must be located within a wholly enclosing building.*

*d) Outdoor storage is prohibited on a property where a Medical Cannabis Production Facility is located.*

*e) Medical Cannabis Production Facility shall only be permitted within zones as explicitly indicated in this Zoning By-law.*

*f) All development in relation to the establishment of or expansion to a Medical Cannabis Production Facility shall be subject to Site Plan Control.*

*g) A building or structure used exclusively for security guard(s) for a Medical Cannabis Production Facility may be located in the front yard, side yard and rear yard building setbacks.*

*h) No minor variance for regulations to the Medical Cannabis Production Facility shall be permitted by Committee of Adjustment and shall only be dealt with by a Zoning By-law Amendment.*

*i) A Medical Cannabis Production Facility shall only be permitted in the following zones:*

- i. Agricultural Zone (A)*
- ii. Light Industrial Zone (M1)*
- iii. General Industrial Zone (M2)*
- iv. Rural Industrial Zone (M3)*

### **6.1.2 Township of Puslinch**

Under the Township of Puslinch Zoning By-law (023-18) a “medical marihuana production facility” is permitted within the Industrial (IND) zone. The inclusion of the use in the zoning by-law predated the legalization of recreational cannabis in Canada.

The following definitions are provided in the zoning By-law:

*Marihuana: the substance referred to as “Cannabis” in sub item I(2) of Schedule II to the Controlled Drugs and Substances Act, SC 1996, c 19*

*Medical marihuana production facility: any building or structure authorized to possess, sell, provide, ship, deliver, transport, destroy, produce, export and/or import marihuana for medical purposes.*

### **6.1.3 Minto, Mapleton, Guelph-Eramosa and Centre Wellington**

The zoning by-laws for the municipalities noted above do make specific reference to cannabis related uses.

The Town of Minto has approved site specific amendments on three properties within the Palmerston industrial area to permit cannabis production. Three different proposals for commercial cannabis production facilities licensed under Health Canada had been proposed, however none have moved forward to date.

## **6.2 Other Municipalities in Ontario**

With the further legalization of cannabis in 2018 by the Federal Government many municipalities have undertaken reviews of cannabis uses in order to prepare for new facilities in their communities and/or as a result of facilities that had already been established.

Planning Staff have reviewed numerous cannabis related planning studies, official plan amendments, and zoning by-law amendments that have been completed within the past several years as part of the background research for this report. Municipal studies and by-laws reviewed included: Town of Halton Hills, Town of Milton, Town of Grimsby, City of Pickering, Town of New Tecumseth, Township of Brock, Township of Selwyn, Norfolk County, Township of Clearview, City of Hamilton, County of Brant, and Town of Fort Erie.

Planning Staff have prepared a summary below of a few examples of the recent zoning provisions which have been implemented by municipalities related to cannabis production and processing in Ontario.

### 6.2.1 Summary of Municipal Approaches

| Municipality:               | Specific Cannabis Official Plan Policies: | Where is Cannabis Permitted in Zoning By-law:   | Site Plan Approval Required for Cannabis Uses:           | Setbacks to Sensitive Land Uses:  | Other Provisions of Note:   |
|-----------------------------|---|---|--|---|---|
| <b>Town of Halton Hills</b> | Yes                                       | Indoor production and processing permitted in Industrial Zones<br><br>Outdoor production permitted in Agricultural Zones. | Yes  | 150 m setback to sensitive land uses (indoor facilities)<br><br>50 m setback to sensitive land uses (outdoor) | New cannabis related definitions added to by-law<br><br>Indoor cannabis uses – must be located in an enclosed single premises/building.   |
| <b>*Town of Fort Erie</b>   | Yes                                       | Indoor production and processing only<br><br>Permitted in the industrial and agricultural zones.                          | Yes<br><br>Required for non cannabis greenhouses as well | 150 m setback to sensitive land uses<br><br>500 m setback to a school   | *Cannabis Planning Study currently under way. Details in chart presented as currently proposed.<br><br>New cannabis related definitions added to by-law. Includes regulations for personal medical production.<br><br>Zoning regulations apply to all greenhouse uses.<br><br>Cannabis uses must be conducted within a fully enclosed building.<br><br>By-law includes requirements to control greenhouse lighting. |

| <b>Municipality:</b>   | <b>Specific Cannabis Official Plan Policies:</b> | <b>Where is Cannabis Permitted in Zoning By-law:</b>   | <b>Site Plan Approval Required for Cannabis Uses:</b> | <b>Setbacks to Sensitive Land Uses:</b>   | <b>Other Provisions of Note:</b>   |
|------------------------|--|--|---|---|--|
| <b>Town of Pelham</b>  | Yes  | <p>Zoning By-law amendment required for new cannabis uses. Must submit supporting studies including odour and lighting studies.</p> <p>Uses are directed to agricultural and industrial areas.</p> <p>Outdoor growing of cannabis and hemp permitted as an agricultural use.</p> | Yes for indoor facilities.                            | <p>300 m setback to sensitive land uses for outdoor growing including hemp.</p> <p>Setback to sensitive land uses for indoor growing to be determined based on particular use and supporting studies.</p> | <p>New cannabis related definitions added to by-law</p> <p>Minimum lot sizes for micro licenses in Agricultural area 3 ha, and 10 ha for standard licenses.</p> <p>Zoning By-law includes minimum setbacks to lot lines.</p> <p>The Town of Pelham has established an odour control by-law under the Municipal Act which applies to cannabis uses.</p> |
| <b>County of Brant</b> | No   | Production and processing permitted in Industrial and Agricultural zones.  | Yes   | <p>150 m setback to sensitive land uses when odour controls are utilized.</p> <p>300 m setback to sensitive land uses when odour controls are not</p>   | <p>New cannabis related definitions added to by-law</p> <p>Cannabis uses must be within a wholly enclosed building.</p> <p>By-law includes requirements to control greenhouse lighting.</p> <p>An odour control by-law is being considered.</p>  |

| Municipality:         | Specific Cannabis Official Plan Policies:           | Where is Cannabis Permitted in Zoning By-law:   | Site Plan Approval Required for Cannabis Uses: | Setbacks to Sensitive Land Uses:   | Other Provisions of Note:                        |
|-----------------------|---|---|--|--|--|
|                       |   |   |  | used.  |  |
| <b>Norfolk County</b> | No (One site specific amendment has been approved.) | Permitted in Industrial and Agricultural zones.<br><br>Indoor and Outdoor production permitted. | Yes  | 70 m setback to sensitive land uses (zone) or 150 m setback to dwelling when odour controls used in an Industrial zone.<br><br>150 m setback to sensitive land use or dwelling in an Agricultural zone.<br><br>300 m setback to sensitive land use if odour controls are not used. | New cannabis related definitions added to by-law |

### 6.2.2 Identification of Common Approaches

There are many common standards, requirements and approaches that have been adopted by municipalities when zoning for cannabis production and processing uses. Below is a summary of some of the common approaches taken by the examined municipalities:

#### No specific cannabis related policies:

There are many municipalities in Ontario which do not have specific zoning provisions for cannabis uses. The lack of specific cannabis policy or regulation could be the result of:

- The matter has not been considered to date, or
- The use is considered to be permitted already as agricultural and or industrial uses as defined within the existing zoning by-law, or
- Since the use is not mentioned in the by-law it is therefore not permitted.

#### Land Use Setbacks:

Many of the examined municipalities have introduced minimum setbacks from property lines and sensitive land uses for cannabis production and processing uses in their zoning by-laws. Zoning by-law setbacks for production facilities from residential land uses were found to have ranged from 70 m to 300 m depending on the location or zone the facility is located in (industrial area vs agricultural area), whether odour control measures are implemented, and if cannabis is grown indoors or outdoors. Some municipalities such as the Town of Pelham determine land use setbacks on a case by case basis depending on the size of the facility, the design and the recommendations of the supporting studies submitted.

Many of the examined municipalities have introduced increased setbacks for production buildings and outdoor crops from property lines. Minimum lot sizes for cannabis production and processing uses have also been commonly established as a means to reduce land use conflict (by increasing separation distances between uses).

#### Outdoor Storage Regulations:

It is common among municipalities examined that outdoor storage as part of production and processing facilities is prohibited.

#### Indoor vs Outdoor Growing of Cannabis

Some of the examined municipalities allow for the outdoor growing of cannabis and/or hemp, however it is more common amongst the municipalities examined that cannabis must be grown and processed indoors within fully enclosed buildings.

#### Odour Control Requirements:

Many of the examined municipalities include zoning by-law provisions that require odour controls for cannabis production and processing uses. Several of the municipalities examined do not require odour control, but have established increased setback requirements where odour controls are not utilized. Also of note, the Town of Pelham has established a municipal odour control by-law under the Municipal Act to further regulate odour from cannabis facilities.



#### Site Plan Approval Requirements:

It is common amongst the municipalities examined that site plan approval is a requirement for cannabis production and processing facilities.

#### As of Right Permissions:

Many of the municipalities examined have permitted cannabis production and/or processing in industrial zones and agricultural zones. In these municipalities cannabis production or processing uses are permitted “as of right” which means they are included as permitted uses within specific zones in the zoning by-law. It is also common that although the principal of use is permitted in a zone, minimum requirements such as minimum property line setbacks must be met in order for the use to be permitted. Another common approach amongst the municipalities reviewed is to require a zoning by-law amendment for any new cannabis production or processing facilities. The use(s) may be defined in the zoning by-law, but are not permitted in any zone. This approach allows for a further review of the appropriateness of the use on a particular property.

#### Cannabis Definitions Added to the Zoning By-law:

Most of the municipalities examined have introduced specific definitions for cannabis uses in their zoning by-laws. Definitions are used as a tool to define and regulate the use.

#### Nuisance Lighting:

Many of the municipal zoning by-laws reviewed include requirements that lighting and glare at night be controlled in order to limit impacts to neighbouring property owners.

#### Introduction of Official Plan Policies for Cannabis Uses:

It is common amongst the municipalities that were examined to include specific cannabis related land use policies in their Official Plans. Common approaches included providing direction where cannabis uses could be permitted (e.g in the industrial area and/or agricultural area) and what supporting documents and studies are needed to support a zoning by-law amendment for a new cannabis production and/or processing use (e.g. odour and noise studies).

## **7. FUTURE CONSIDERATIONS & NEXT STEPS**

Planning Staff have prepared this report to provide the Township with background information on cannabis production and processing as a land use. The information presented in this report will assist with the further review of “Cannabis Production Related Uses” in the Township and the eventual development of recommended land use policies and regulations for Council’s consideration.

Planning Staff will be preparing a policy option report which will present options for the Township to consider. Topics that will be further reviewed and considered include:

- Are specific Official Plan policies needed to address cannabis production and processing?
- Should cannabis production and processing be permitted “as of right” in specific zones or on a site specific basis through the approval of a zoning by-law amendment?
- Should specific provisions and regulations be introduced for industrial hemp production and processing in the zoning by-law?
- Where is cannabis production most appropriately located: in the agricultural area, industrial area, both areas, or another area of the municipality?
- Should outdoor cannabis production (growing) be permitted?
- Should specific setbacks be introduced for cannabis production and processing from sensitive land uses and what are appropriate setbacks?
- Should other zoning standards and requirements be introduced such as:
  - minimum lot areas
  - minimum building setbacks
  - minimum lot frontages
  - fencing requirements
  - odour control requirements
  - nuisance lighting controls
  - restrictions on outdoor storage and loading
  - etc.
- Should the Township consider implementing business licensing for cannabis uses?
- Should the Township consider implementing an odour control by-law?
- Should site plan control be applied to cannabis production and processing uses by the Township?

## 8. REFERENCE MATERIALS

Below is a list of materials that have been reviewed and in some cases referenced in support of the preparation of this report:

FCM Guide to Cannabis Legalization

<https://fcm.ca/sites/default/files/documents/resources/guide/municipal-guide-cannabis-legalization.pdf>

<https://www.saraepp.com/cannabis>, Planning for Cannabis Production, Sara Epp, University of Guelph

Cannabis Licensing Application Guide: <https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/industry-licensees-applicants/licensing-summary/guide.html#foreword>

Cannabis Production and Land Use Planning: a Literature Review: by Mathew Vaughn, Jeremy Pittman, Sara Epp, and Wayne Caldwell, University of Waterloo and the University of Guelph  
<https://ojs.library.queensu.ca/index.php/cpp/article/view/14093>

Growth in Canadian Outdoor Marijuana Cultivation Licenses:

<https://mjbizdaily.com/growth-in-canadian-outdoor-marijuana-cultivation-licenses-continues/#:~:text=Health%20Canada%20issued%20its%20first%20outdoor%20cannabis%20cultivation,including%3A%2066%20standard%20cultivation%20licenses.%2039%20micro-cultivation%20licenses.>

County of Brant: <https://www.brant.ca/en/resident-services/resources/Planning/By-Law125-20-Cannabis.PDF>

Town of Brock: <https://www.townshipofbrock.ca/en/cannabis-in-brock.aspx>

Township of Clearview: <https://www.clearview.ca/building-planning/current-projects/cannabis-law>

Town of Fort Erie: <https://letstalk.forterie.ca/cannabis-production-policy-review>

Town of Grimsby: <https://www.grimsby.ca/en/town-hall/cannabis-growing-facilities-land-use-review.aspx>

Town of Halton Hills: <https://www.letstalkhaltonhills.ca/cannabis>

City of Hamilton: <https://www.hamilton.ca/city-planning/official-plan-zoning-by-law>

Town of Milton: <https://www.milton.ca/en/business-and-development/resources/Cannabis/BACKGROUND-REPORT.pdf>

Town of New Tecumseth: <https://www.newtecumseth.ca/en/business-and-development/interim-control-by-law-for-cannabis-operations.aspx#Interim-Control-By-Law>

Norfolk County: <https://www.norfolkbusiness.ca/wp-content/uploads/2018/05/Cannabis-byLaw-25-Z-2018.pdf>

Town of Pelham: <https://www.pelham.ca/en/town-hall/cannabis.aspx>

City of Pickering: [https://www.pickering.ca/en/city-hall/resources/ZBR/Discussion-Paper-8---February-2021\\_ACC.pdf](https://www.pickering.ca/en/city-hall/resources/ZBR/Discussion-Paper-8---February-2021_ACC.pdf)

Township of Selwyn: <https://www.selwyntownship.ca/en/township-hall/resources/News---Public-Notice/BackgroundStudy.pdf>