

Cannabis Facilitated Workshop Summary



Planning and Development Services
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Executive Summary

On December 11, 2019, the Region's Planning and Economic Development staff coordinated a cannabis workshop facilitated by the Region's Innovation and Business Excellence staff, as directed by Planning and Economic Development Committee at the October 9, 2019 meeting. The purpose of this workshop was to discuss the impact of the cannabis industry in Niagara.

The workshop had approximately 40 attendees ranging from elected officials, planning staff, by-law staff, building staff and fire staff. Eleven of the 12 local municipalities attended, including Fort Erie, Grimsby, Lincoln, Niagara Falls, Pelham, Port Colborne, St. Catharines, Thorold, Wainfleet, Welland, and West Lincoln.

The workshop consisted of presentations and facilitated table discussions. The first presentation outlined the current status of the cannabis industry in Niagara. A second presentation outlined a research proposal from the University of Guelph to the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) related to developing guidance tools for land use planners related to cannabis facilities.

Table discussions were focused on concerns municipalities have related to the growth of the industry, regulatory tools being used to permit development, and what Provincial guidance for the industry could include.

The concerns that municipalities highlighted included the following:

- Lack of information and regulations
- Traffic concerns with large production facilities
- Enforcement concerns
- Odour and light concerns
- Cannabis and its compatibility to rural character
- Water and wastewater implications
- Crime and security concerns
- Retrofitting buildings for cannabis use
- Tax implications
- Cannabis as 'normal farm practice' and using greenhouses for growing cannabis

The tools municipalities have been using to regulate cannabis facilities include site plan control, interim control by-laws, and zoning. Overall, these tools have had mixed results for a number of reasons, including:

- no unified approach across Niagara
- the tools have not been implemented for long enough to measure effectiveness
- uncertainty of the land classification for cannabis
- the expense and difficulty of enforcement

Guidance material or provincial clarification that municipalities would like to see include:

- Clarification on enforcement
- Ways to manage odour and light
- Clarification on how cannabis fits within the agricultural sector
- Clarity on production facilities vs. growing operations
- Land use compatibility with cannabis
- Consistency with rules across the sector

1.0 Introduction

This report summarizes the discussions from a half day workshop held at Balls Falls Centre of Conservation on Wednesday, December 11, 2019, from 1:30-3:30pm to discuss operational and land use concerns related to cannabis growing facilities.

The purpose of the workshop was to:

- Understand the different types of licensing that currently exists for cannabis growing facilities
- Bring together local municipalities staff and councillors to discuss challenges, tools, and opportunities, including:
 - concerns municipalities have with cannabis facilities
 - tools (site plan control, zoning, interim by-laws, etc.) that can or are being used to regulate these facilities
 - suggestions for best practice or guidance materials that the Province could provide
- Summarize the top themes and circulate them to the group for use
- Consolidate relevant items into a report to the Regional Planning and Economic Development Committee.

This report is a select summary of the findings from the workshop.

2.0 Presentation 1- Current Status of Cannabis Operations in Niagara

Economic Development staff presented on the “Current Status of Cannabis Operations in Niagara”. This presentation provided a general overview regarding federal licenses, commercial licensed producers in Niagara, the roles and responsibilities of all levels of government, and designating a person to produce medical cannabis. This presentation was intended to highlight the most relevant information from the Cannabis Regulation Framework Presentation by Cannabis Compliance Inc. at the October 9, 2019 Planning and Economic Development Committee. Key points by subject are below:

Federal Licences:

- A federal licence is required to cultivate, process, or sell cannabis for medical or non-medical purposes
- One must have a licence to grow, sell, or test cannabis, as well as make cannabis products or do research with cannabis

Commercial Licensed Producers in Niagara:

- Health Canada only publishes information on commercial cultivation, processing, and selling licenses; there is very little information on personal use or designated growing operations
- There are six commercial licensed producers in Niagara as of December 2019 (RedeCan Pharm-two sites, CannTrust, Tweed Farm Inc., Hexo Corp, Cannacure Corp), with two more facilities seeking/in process for licensing from Health Canada

- As of June 14, 2017, the only entity in Canada that is legally permitted to sell medical cannabis as a commercial good and as a registered business is a licensed producer.

Table 1. Roles and Responsibilities at the Federal, Provincial, and Municipal Levels:

Federal	Provincial/Territorial	Municipal
Cannabis production	Wholesale and retail distribution of cannabis	Zoning (density, location)
Cannabis possession limits	Selection of retail distribution model	Retail locations
Trafficking	Workplace safety	Home cultivation
Advertising	Discretion to set more restrictive limits for:	Business Licensing
Minimum age limits (18)	<ul style="list-style-type: none"> • minimum age for consumption • possession amount 	Building Codes
Oversight of medical cannabis regime, including personal cultivation registration		Nuisance
		Smoking restrictions
		Odours
		Municipal workplace safety
		Enforcement
		Regulations around public consumption
		Personal possession
		Municipal cost considerations related to local policing

Designating a Person to Grow Medical Cannabis:

- An individual will be issued a registration certificate by Health Canada which indicates the number of plants one can grow, the amount of dried cannabis one can store, the production site (indoor or outdoor), and the storage site
- A designated grower can grow for up to 4 individuals with medical licenses;
- The Allard Decision of 2016 (federal court ruling that there is no ability to prevent designated growers from growing cannabis) is now rolled into the Cannabis Act (Access to Cannabis for Medical Purposes Regulation ACMPR) which allows individuals to grow for themselves
- Based on information relayed by Health Canada, growing on behalf of a patient is not operating as a “business” because there is no “commercial” exchange.

2.1 Presentation 1 Feedback- Current Status of Cannabis Operations in Niagara

Following the presentation staff opened up the floor for discussion, comments, or questions. The comments and discussions included challenges with enforcement, different regulations for different licenses, and difficulty of defining cannabis as a normal farm practice, as summarized below:

Enforcement	<ul style="list-style-type: none"> • Problems at the local level for enforcement; • Ontario Ministry of Agriculture, Food, and Rural Affairs (OMAFRA) refuses to define normal farm practice and says to treat these facilities on a case-by-case (complaint) basis; • Lack of Health Canada resources for enforcement.
Licensed Producer vs. Designated Grower Regulations	<ul style="list-style-type: none"> • Designated storage area for non-licensed producers is different than for licensed growers even though the facilities can be just as large as licensed facilities; • There is a lack of enforcement for designated growers.
Definition of Normal Farm Practice	<ul style="list-style-type: none"> • OMAFRA recognizes growing cannabis as a regular agricultural practice, which is an issue/restriction because placing regulations on the cannabis industry may impact other agricultural products that are being produced; • There is an opportunity to define cannabis now, as there have been many challenges/issues with cannabis as a regular agricultural practice; • Processing has some different definitions than growing. This will affect how municipalities can challenge the different elements.

3.0 Table Questions

The table discussions included answering the following questions:

- (1) Concerns related to light and odour are frequently associated with the cannabis industry. Beyond these items, what other concerns have you experienced in your municipality?
- (2) There are a number of existing tools that are being utilized by municipalities in Ontario to regulate cannabis facilities under mechanisms like the Ontario Building Code, Ontario Planning Act, the Municipal Act, the Ontario Fire Code, etc.
 - a) What tools has your municipality implemented to regulate cannabis facilities (e.g. site plan, interim control by-law, zoning, etc.)?
 - b) Have these approaches been effective?
 - c) Are there additional tools that you can envision to regulate cannabis facilities?
- (3) For certain land-use topics, the Province prepares guidance materials (i.e. Permitted Uses for Agriculture, Land Needs Assessment Methodology, etc.). If the Province was to prepare land-use guidance materials or best practices for cannabis facilities, what do you think should be included?

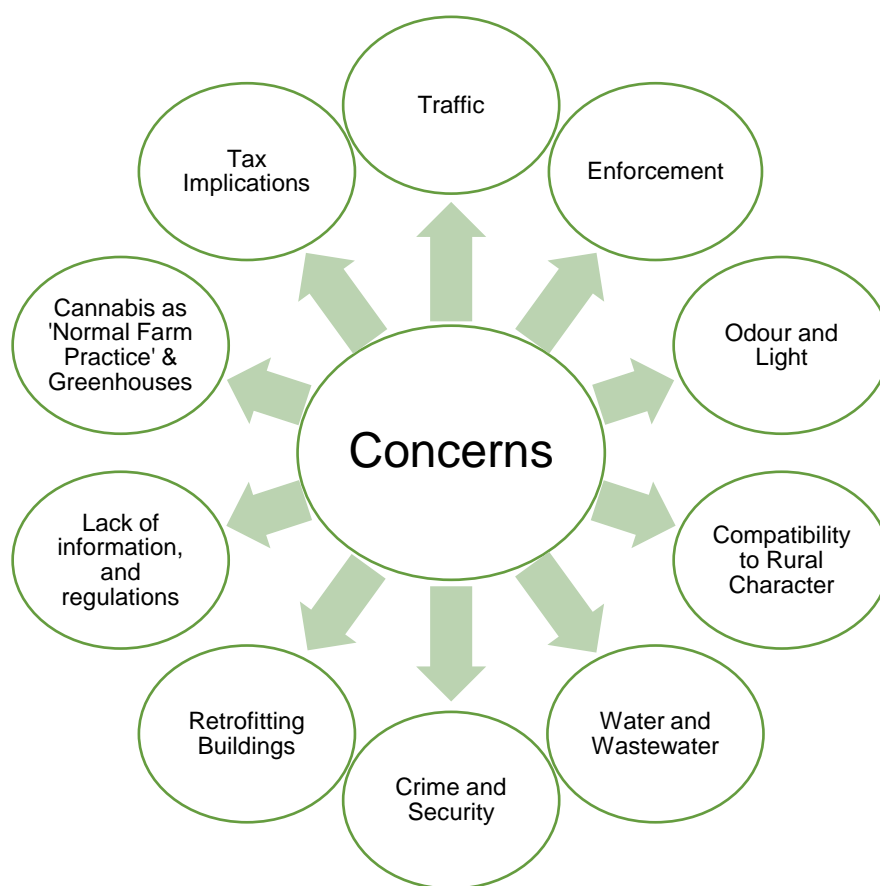
3.1 Table Feedback

The moderators of each table recorded the table feedback, and presented the highlights to the participants of the workshop. Responses to the questions above were recorded and are summarized below.

3.1.1 Concerns Experienced by Municipalities

The second question asked participants to explain what concerns they have experienced in their municipality other than odour and light. Despite this, odour and light were a top concern and have been included. The concerns have been categorized into 10 different themes, as shown Table 2 below.

Table 2. Concerns Experienced by Municipalities



Lack Of Clearly Defined Rules/Regulations/Information:

- Lack of available information
 - Ability to connect with Health Canada is difficult and they will not provide a list of personal license holders
 - Legal opinions of legislation and rules can differ between those giving the interpretation

- Facilities that were not subject to site plan control or building codes before getting their license may not be in compliance with newer requirements
- Designated growers (DGs) vs. licensed producers (LPs)
 - DGs are held to a much lower standard than LPs
 - LP facilities must comply with building and fire code and DGs are not required to be.

Enforcement Concerns:

- Frustration from residents regarding by-laws that cannot be enforced (DGs)
- Expensive for municipalities to enforce all of the by-laws related to cannabis
- Lack of monitoring for compliance, for instance
 - Licenses list how many plants you are allowed to grow, but enforcement is not ensuring the operations have the correct number of plants
 - Chicken barns are being purchased and turned into growing operations and by-laws are not enabling enforcement to confirm these are licensed operations
- Concern about communication between by-law officers, police, and the provincial and federal government
- Concern about how municipalities penalize non-compliance

Tax Implications:

- Concern about economic implications, where in some cases residential owners are paying more in taxes than producers, e.g., agriculture does not have a high tax base compared to residential
 - Concern regarding residents “subsidizing” the cannabis industry
 - Concern regarding residents moving out of an area when cannabis operations move in
- Concern about additional cost to municipalities when producers don’t pay their ‘share’ of taxes
 - Low agriculture tax rates
 - High use of infrastructure but no development charges
 - Other exemptions to producers

Odour/Light Concerns:

- Light and odour are by far the most frequent concerns.
 - Treatment chemicals for odour and the negative affect on nearby crops and human health
 - Odour complaints that are blamed on licensed producers but are usually regarding designated growers
- Setbacks from a facility do not work for odour/light, which travel, impacting residential areas
- Impact to quality of life, e.g., children being exposed to cannabis and allergies

Traffic Concerns:

- Concern about increased traffic volume on the roads surrounding LP facilities due to increased levels of employment in the area
 - Negative impact to rural road conditions
 - Parking issues
 - Increased noise levels

Rural Character:

- Concern about the location of these facilities in relation to sensitive land uses such as schools and residential areas
- Decreased land value, especially on rural properties
- Change to character of rural landscape (e.g., high fencing around cannabis crops, which contributes also to perceptions of safety, potential criminality)

Water and Wastewater:

- Concern about the infrastructure for water demands, water treatment and disposal
 - Concern of excess water that is contaminated
 - Concern that these facilities will run residents' wells dry
 - Implications of septic with high employment at a facility

Security/Crime:

- Concern about how material is being disposed of and whether there is illegal dumping taking place
- Concern about the safety and security of these facilities
 - Residents concerned about facilities increasing crime rates, stemming from a stigma around the industry
- Concern about designated growers operating as a business supplying the black market

Retrofitting Concerns:

- Concern about cannabis facilities that are retrofitting existing buildings
 - New as opposed to retrofitted spaces – difference in what is required; the latter may not require a building permit
 - Ensure retrofitted buildings are subject to site plan agreements to trigger appropriate review

Cannabis as 'Normal Farm Practice':

- Concern about cannabis as a 'normal farm practice'
 - Need to challenge cannabis being defined as a 'normal farm practice' at the normal farm practice protection board (OMAFRA)
 - Concern if outdoor growing would be restricted if it is considered a 'normal farm practice'
- Agricultural impacts
 - Spores contaminating other crops, e.g., cannabis spores can change the gender of hops plants
 - Cannabis is not good land use in prime agricultural areas

- Creating cannabis-specific regulations may result in unintended consequences for other agricultural crops
 - Concerned about servicing cannabis facilities that are within greenbelt lands
- Greenhouse concerns
 - Greenhouses being used to grow cannabis because they are cheap and located in agricultural areas
 - Difficult to regulate greenhouses being used for cannabis as this will have impact on other growers, e.g. flower growers
 - Building code does not do enough to address fire codes for facilities/greenhouses, e.g., construction detailing does not address fire wall specifications/requirements

3.1.2 Tools for Cannabis Regulation

Question 3 is broken down into three sub-questions asking participants about what tools their municipality has implemented to regulate cannabis, if these tools have been effective, and if there are any additional tools that could be used.

Tools municipalities have implemented to regulate cannabis facilities

Site plan control, interim control by-laws, and zoning have all been used to regulate cannabis facilities in various municipalities across Niagara. Additionally, the Town of Pelham has created a 'Cannabis Control Committee' to help regulate cannabis facilities. Recommendation from participants in Pelham suggest including growers in these committees to have a full range of perspective on the issues.

Table 3. Three Tools Used to Regulate Cannabis Facilities in Niagara Municipalities

Site Plan Control	Interim Control By-Law	Zoning
<ul style="list-style-type: none"> • Site plan control used for new facilities in some municipalities. Allows staff to address concerns raised by members of the public • Issues such as light, servicing, buffering, and screening, can be addressed at this stage to mitigate concerns • Pre-consultation checklists for site plans require specific studies to be conducted • Medical licenses have been subject to site plan control • License permits have been issued through municipalities. 	<ul style="list-style-type: none"> • The most popular tool used. If a municipality currently does not have one, they are considering it • Used to prevent new facilities, including recreation • Ensure facilities are enclosed • Ensure no greenhouses or outdoor storage is used • Interim control by-law being used in both Pelham and Lincoln that expire in July 2020 	<ul style="list-style-type: none"> • A zoning by-law amendment was passed in 2014 that added stricter requirements for any new facilities (Port Colborne) • E.g. Minimum separation to sensitive land use: 150 metres • E.g. Minimum lot size/frontages • E.g. Outdoor storage not permitted • E.g. Servicing requirements • Official plan zoning-location for larger scale facilities • Medical licenses have been subject to zoning; • Minimum lot sizes • In industrial zones-distance from sensitive land

Effectiveness of tools implemented

There were mixed views on the effectiveness of these tools amongst the participants. However, some reasons for ineffectiveness provided were:

- Municipalities across Niagara are implementing different tools, with no unified approach
- Most regulations are new and no new facilities have been approved under these regulations
- Interim control by-laws are effective until they are challenged, and are only a temporary solution as they expire
- Zoning is difficult because of the uncertainty of what the land use is for cannabis
- Difficult to defend by-laws, making the tools less effective
- Expensive for smaller municipalities to enforce by-laws

There was discussion that a nuisance by-law is on the cusp of implementation and that it may have greater enforcement potential.

Table 4. Additional Tools to Regulate Cannabis Facilities

Administrative Monetary Penalty System	<ul style="list-style-type: none"> •Go after taxes to fine •Increase fines for non-compliance so it does not become ‘the cost of doing business’ •Would likely need to be able to enforce the Cannabis Control Act •Municipal Act fines would likely not be large enough to control large producers •Additional work on how it would be administered and enforced would be required
Creating Industry Standards	<ul style="list-style-type: none"> •Aligning rules for new vs. existing facilities •The development of a ‘Good Neighbour Policy’ •Business licensing
Local Enforcement	<ul style="list-style-type: none"> •The need to work closely with the NRP for safety when entering a growing facility •Have NRP help figure out how enforcement can enter buildings so they can ask to see a license. Unclear if there is support for enforcement officers to enter •Need to have federal government delegate the authority to enforce the Cannabis Control Act to municipalities •More oversight of Health Canada licenses by local municipalities and other local authorities
Common language and tools across Niagara	<ul style="list-style-type: none"> •Communication across Niagara to have a common language for regulating these facilities •Engagement sessions and education •Following up with federal and provincial governments •Create easier way to communicate with authorities
Land Use/Site Plans/Zoning	<ul style="list-style-type: none"> •Have a minimum distance separation (MDS) formulae for cannabis •Have zoning and site plan control well thought out and enforced •Requiring facilities to monitor and be conscious of the surrounding area •Ask that approval is only given to newly built facilities •Set back controls •Develop zoning by-laws that brings all agricultural operations under site plan control. This would enable control of fire, water, access, building height, etc. •Amending Official Plans; zoning; site plan control to include both new and existing facilities; •Land use planning for regulating designated growers •Further designate agricultural lands •Don’t put locations of growing together •Determine whether designated grower areas can be zoned

3.1.3 Guidance Material

Question 4 had participants share what they would like to see included in a provincial guidance document if one is created. Participants shared both what they would like to see clarification on and what local experience has shown.

In general local area municipalities (LAMs) are interested in understanding the tools available to municipalities for regulating cannabis cultivation and production and how best to work with these operations.

Table 5. Provincial clarification categories



Enforcement

- Need clear definitions for cannabis as policies can be appealed
- How to penalize facilities for non-compliance for:
 - Licensing at municipal level
 - Licensing at federal level
 - Renewal process

Odour & Light

- Odour control standards for both cannabis growing and production facilities
 - How to address facilities that seem to be worse than others
 - How outdoor facilities are observed when it comes to odours
 - Can low odour cannabis plants be required in certain facilities?
 - Best management practices (BMPs) for mitigating impacts on residential neighbourhoods- what are the setback requirements for outdoor growing

- Light mitigation measures
 - How to better incorporate lighting standards into zoning by-laws

Cannabis and Agriculture

- Need OMAFRA to clearly recognize cannabis as an agricultural category and come up with guidelines. There are previous examples where OMAFRA has dealt with related issues pertaining to other agricultural areas, e.g., MDS, livestock odor, tobacco drying odor that may be relevant to cannabis; same with technology, e.g., bird bangers, anti-frost machines also were controversial but became regulated
- Tighten-up and clarify “Value Added Uses” in terms of cannabis production
- Guidelines for Greenhouses
 - Facility size
 - Construction standards
 - Maximum amount of glass
 - Rules for when greenhouses are converted for any type of cannabis facility

Production Facilities

- How to define production facilities
 - Growing is agriculture: How do we categorize production facilities
- The Province should update the D6 Guidelines Compatibility between Industrial Facilities, to include consideration of cannabis.

Land Use Compatibility

- What is the best land use compatibility with cannabis facilities? If cannabis is being produced in a greenhouse, you don’t necessarily want it within prime agricultural areas, but if it becomes a commercial/industrial use, it may be too close to the urban areas. What would be the best practice for this?
- Inform us through guidance material what is the best practice for:
 - Setbacks - What is an appropriate setback for this type of facility?
 - Zoning - How should we zone these types of facilities?
 - Traffic studies - When is it necessary to conduct a traffic study on a licensed production facility?
 - Waste (septic) - When is it necessary to look at the impact of water/wastewater to the surrounding area?
 - Light mitigation measures
 - Infrastructure - water demands (aquifer), municipal water supply, disposing of water (treatment).

Consistency across the sector

- Come up with feasible calculations based on, for instance, the number of plants – regulations should be based on large-scale growing as this would address the critical issues for both DGs and LPs
- Scale of the facilities (licensed producers vs. designated growers)
- When growers move from one municipality to another, there is a new set of standards/bylaws that they must now abide by

- Clarity on who is in charge of what, as the land owner is not necessarily the farmer/producer
- Need a guidance document outlining best practice to help staff, members of the public and prospective cannabis facility owners
- Province needs to make advice on a tailored complaints process

Other:

- Technological innovation needs to be used to mitigate odour and concerns
 - Reaching out to other countries that have experience, e.g., The Netherlands
 - Making sure that regulations take into account advances in technology
- The Weed Control Act could be looked at for potential solutions
 - Cannabis to be considered a weed that is impacting a neighbours crops
- The need for all designated license holders to be publicized to the Niagara Regional Police (NRP) and municipalities by Health Canada

Local experience has shown that:

- Greater enforcement needs to come from the federal government for the licensed producer facilities when complaints are made
- Problems and uncertainties need to be addressed immediately as they are occurring now
- There is a need for the College of Physicians and Surgeons to consider criteria and number of prescriptions they provide for medical cannabis
- If publishing information on cannabis tourism, the local municipalities should be involved with the published materials
- Need to have provincial clarification on cannabis cultivation and production so that there is consistency for municipalities across Ontario
- Education is important; it may be possible to leverage work being done in research and programs (Niagara College, University of Guelph) and to have those working in the cannabis sector involved

Regional level:

- Could there be a by-law regarding the odour for these facilities, e.g. similar to the Region enforcing the smoking by-law? There may be an opportunity to combine with Public Health initiatives
- Suggestion that Region takes over
 - Business licensing
 - By-laws enforcement
 - Inspections
 - Site plans (similar to tobacco)

4.0 Presentation 2- Cannabis Research

Dr. Sara Epp, Assistant Professor in Rural Planning and Development at the University of Guelph presented on a research-funding proposal that has been submitted to

OMAFRA as of November 2019: “Assessing Land Use Planning Tools to Mitigate Odour and Lighting Nuisances Related to Cannabis Production.”

There are multiple research objectives associated with this research proposal, which includes continuing to support the expansion of the cannabis sector in Ontario; bring consistency to municipal decision making and land use planning approvals related to cannabis; and to reduce nuisance complains and issues between cannabis operations and neighbouring land uses through effective siting and development of cannabis production operations

The deliverables for this project (pending OMAFRA funding) are:

- Jurisdictional scan and literature review exploring planning tools/practices for cannabis production within Ontario and broadly
- Toolkit of best land use planning policies, strategies, practices, procedures that support standard farm practices related to cannabis production
- Creation of a “Good Neighbour Policy” to be used by farmers and municipalities to mitigate/reduce potential nuisance complaints

The timeframe for this project is May 1, 2020 to April 30, 2023, should the funding application be successful. Best practices will be discussed with appropriate stakeholders through a series of workshops throughout the project timeline.

4.1 Presentation 2 Feedback -- Cannabis Research

The feedback following the presentation emphasized the need to have this information available sooner. There were also questions and comments regarding how people could stay up to date on the project and a request to have Dr. Epp come back to Niagara to hold a workshop during the timeframe of the project.

5.0 Conclusion

The workshop brought together local area municipalities’ staff and elected officials for a productive discussion on issues surrounding the cannabis industry and focussed on working together to find solutions.

The feedback heard from the workshop on December 11, 2019 will be shared with the Regional Planning and Economic Development Committee, local area municipalities, the Ontario Ministry of Agriculture, Food, and Rural Affairs, and the Ontario Ministry of Municipal Affairs and Housing.