

**5. ZONING BY-LAW AMENDMENT: – CANNABIS PRODUCTION FACILITY
MODIFICATION DU RÈGLEMENT DE ZONAGE – INSTALLATIONS DE
PRODUCTION DE CANNABIS**

Planning Committee Recommendation

That Council approve an amendment to Zoning By-law 2008-250 to create a new land use, “cannabis production facility”, amend Section 97 “Medical Marihuana Production Facility” to include provisions applicable to this new use, and make additional amendments to the zones that permit the new use as detailed in Document 1a – Details of Recommended Zoning.

Agriculture and Rural Affairs Committee Recommendation, AS AMENDED

That Council:

1. approve an amendment to Zoning By-law 2008-250 to permit Cannabis Production Facility uses in the AG and RU zones as detailed in Document 1b – Details of Recommended Zoning, as amended by the following:

- a) Amend Item 1 on Document 1b – Details of Recommended Zoning so it reads as follows:

“Amend Section 211(1)(c) by adding the following provisions
“Cannabis production facility, limited to outdoor cultivation and
greenhouse cultivation in a greenhouse that existed as of the date
of the passing of this by-law”

- b) Add the following as item 3 on Document 1b – Details of Recommended Zoning:

“Amend Section 240 – Rural Exceptions by amending exception
857r with provisions similar in effect to the following:

- a. In Column III, replace the text with “Cannabis Production Facility”.
 - b. In Column V, replace the words “medical marijuana production facility” with “cannabis production facility”
 - c. In Column V, add the words “Maximum total floor area for cannabis cultivation in greenhouses: 65,000 square metres.”
2. That pursuant to the Planning Act, subsection 34(17) no further notice be given.

Recommandation du Comité de l'urbanisme

Que le Conseil approuve la modification du *Règlement de zonage* (n° 2008-250) pour que puisse être créée une nouvelle utilisation du sol, « installation de production de cannabis », de modifier l'article 97 intitulé « Installation de production de marijuana à des fins médicales » pour y inclure des dispositions s'appliquant à cette nouvelle utilisation, et d'apporter des modifications supplémentaires aux zones où cette nouvelle utilisation sera autorisée, comme l'expose le document 1a – Détail du zonage recommandé.

Recommandation du Comité de l'agriculture et des affaires rurales,
TELLES QUE MODIFIÉES

Que le Conseil :

1. Approuve la modification du *Règlement de zonage* (n° 2008-250) afin que soient autorisées les installations de production de cannabis dans les zones AG et RU, comme l'expose le document 1b – Détail du zonage recommandé, dans sa version modifiée par ce qui suite :
 - a) Modifier le point 1 du document 1b – Détail du zonage recommandé, pour qu'il indique ce qui suit :

**« Modifier l'alinéa 211(1)(c) en ajoutant la disposition suivante :
“une installation de production de cannabis limitée à la culture
extérieure et en serre, si la serre existait déjà au moment de
l'adoption du présent règlement municipal”. »**

**b) Ajouter un point 3 au document 1b – Détail du zonage
recommandé, libellé ainsi : « Modifier l'article 240 – Exceptions
rurales, en modifiant l'exception 857r de façon analogue à ce qui
suit :**

**a. Dans la colonne III, remplacer le texte par “une installation de
production de cannabis”;**

**b. Dans la colonne V, remplacer les mots “installation de
production de marijuana à des fins médicales” par
“installation de production de cannabis”;**

**c. Dans la colonne V, ajouter les mots : “superficie totale
maximale des serres pour la culture de cannabis : 65 000 m²”.
»**

**2. En vertu du paragraphe 34(17) de la Loi sur l'aménagement du territoire,
qu'aucun nouvel avis ne soit donné.**

Documentation/Documentation

1. Director's Report, Economic Development and Long Range Planning, Planning, Infrastructure and Economic Development Department, dated May 13, 2019 (ACS2019-PIE-EDP-0021)

Rapport du directeur, Développement économique et planification à long terme, Direction générale de la planification, de l'Infrastructure et du développement économique, daté le 13 mai 2019 (ACS2019-PIE-EDP-0021)

2. Extract of draft Minutes, Planning Committee, May 23, 2019

Extrait de l'ébauche du procès-verbal, Comité de l'urbanisme, le 23 mai 2019
3. Extract of draft Minutes, Agriculture and Rural Affairs Committee, June 6, 2019

Extrait de l'ébauche du procès-verbal, Comité de l'agriculture et des affaires rurales, le 6 juin 2019
4. Summary of Written and Oral Submissions to be issued separately with the Council agenda for its meeting of June 26, 2019, in the report titled, "Summary of Oral and Written Public Submissions for Items Subject to the Planning Act 'Explanation Requirements' at the City Council meeting of June 12, 2019".

Résumé des observations écrites et orales à distribuer séparément avec l'ordre du jour de la réunion du 26 juin 2019 du Conseil, dans le rapport intitulé « Résumé des observations orales et écrites du public sur les questions assujetties aux 'exigences d'explication' aux termes de la Loi sur l'aménagement du territoire à la réunion du Conseil municipal prévue le 12 juin 2019 »

**Agriculture and Rural Affairs
Committee
Report 4
June 12, 2019**

46

**Comité de l'agriculture et des
affaires rurales
Rapport 4
le 12 juin 2019**

**Report to
Rapport au:**

**Planning Committee
Comité de l'urbanisme
23 May 2019 / 23 mai 2019**

**Agriculture and Rural Affairs Committee
Comité de l'agriculture et des affaires rurales
6 June 2019 / 6 juin 2019**

**and Council
et au Conseil
12 June 2019 / 12 juin 2019**

**Submitted on 13 May 2019
Soumis le 13 mai 2019**

**Submitted by
Soumis par:
John Smit
Director / Directeur**

**Economic Development and Long-Range Planning / Services de la planification
Planning, Infrastructure and Economic Development Department / Direction
générale de la planification, de l'infrastructure et du développement économique**

**Contact Person / Personne ressource:
Jacob Saltiel, Zoning By-law Writer and Interpretations Officer / Agent, Rédaction
and Interprétation des règles municipales, Policy Planning / Politiques de la
planification**

613-580-2424, 13465, Jacob.Saltiel@ottawa.ca

**Ward: CITY WIDE / À L'ÉCHELLE DE
LA VILLE**

File Number: ACS2019-PIE-EDP-0021

SUBJECT: Zoning By-law Amendment: – Cannabis Production Facility

OBJET: Modification du *Règlement de zonage* – Installations de production de cannabis

REPORT RECOMMENDATIONS

- 1. That Planning Committee recommend Council approve an amendment to Zoning By-law 2008-250 to create a new land use, “cannabis production facility”, amend Section 97 “Medical Marihuana Production Facility” to include provisions applicable to this new use, and make additional amendments to the zones that permit the new use as detailed in Document 1a – Details of Recommended Zoning.**
- 2. That Agricultural and Rural Affairs Committee recommend Council approve an amendment to Zoning By-law 2008-250 to permit Cannabis Production Facility uses in the AG and RU zones as detailed in Document 1b – Details of Recommended Zoning.**
- 3. That Planning Committee and Agriculture and Rural Affairs Committee approve the Consultation Details Section of this report be included as part of the ‘brief explanation’ in the Summary of Written and Oral Public Submissions, to be prepared by the City Clerk and Solicitor’s Office and submitted to Council in the report titled, “Summary of Oral and Written Public Submissions for Items Subject to Bill 73 ‘Explanation Requirements’ at the City Council Meeting of 12 June 2019,” subject to submissions received between the publication of this report and the time of Council’s decision.**

RECOMMANDATIONS DU RAPPORT

- 1. Que le Comité de l’urbanisme recommande au Conseil d’approuver la modification du *Règlement de zonage* (n° 2008-250) pour que puisse être créée une nouvelle utilisation du sol, « installation de production de cannabis », de modifier l’article 97 intitulé « Installation de production de marihuana à des fins médicales » pour y inclure des dispositions s’appliquant à cette nouvelle utilisation, et d’apporter des modifications**

supplémentaires aux zones où cette nouvelle utilisation sera autorisée, comme l'expose le document 1a – Détail du zonage recommandé.

2. Que le Comité de l'agriculture et des affaires rurales recommande au Conseil d'approuver la modification du *Règlement de zonage* (n° 2008-250) afin que soient autorisées les installations de production de cannabis dans les zones AG et RU, comme l'expose le document 1b – Détail du zonage recommandé.
3. Que le Comité de l'urbanisme et le Comité de l'agriculture et des affaires rurales donnent leur approbation à ce que la section du présent rapport consacrée aux détails de la consultation soit incluse en tant que « brève explication » dans le résumé des observations écrites et orales du public, qui sera rédigé par le Bureau du greffier municipal et de l'avocat général et soumis au Conseil dans le rapport intitulé « Résumé des observations orales et écrites du public sur les questions assujetties aux “exigences d'explication” aux termes du projet de loi 73 à la réunion du Conseil municipal prévue le 12 juin 2019 », à la condition que les observations aient été reçues entre le moment de la publication du présent rapport et le moment de la décision du Conseil.

EXECUTIVE SUMMARY

Assumptions and Analysis

Federal regulations supporting the *Cannabis Act* were issued on July 11, 2018 and permit the commercial production of cannabis for recreational purposes in federally-licensed production facilities. Amendments to the Zoning By-law are needed to update the City's existing provisions for marihuana production facilities (previously established in the Zoning By-law as strictly for medical cannabis production) to control where this new use may be permitted in the City.

On December 13, 2018, City Council directed planning staff to develop regulations for Cannabis Production Facilities as part of its consideration of opting in to permitting cannabis retail stores.

This report revises Zoning By-law 2008-250's provisions for medical marihuana production facilities to also include cannabis produced for recreational purposes and specify where this revised use can be permitted.

The Federal regulations issued under the *Cannabis Act* create distinct licenses for cultivation, processing, and micro-processing, resulting in cannabis production uses that are comparable to agricultural, industrial, and micro-brewery type uses, respectively. The planning strategy will recommend permitting cannabis production facilities in the same zones as medical marihuana production facilities, with additional, but limited, permissions in other zones appropriate for outdoor cultivation and micro-processing.

Public Input

Notice of this Zoning By-law amendment proposal was carried out in accordance with the City's Public Notification and Consultation Policy.

RÉSUMÉ

Hypothèses et analyse

Le 11 juillet 2018, le gouvernement fédéral a pris, en application de la *Loi sur le cannabis*, un règlement autorisant la production de cannabis à des fins récréatives dans les installations de production détentrices d'une licence fédérale. Le *Règlement de zonage* (n° 2008-250) de la Ville d'Ottawa doit être modifié en conséquence : les dispositions actuelles touchant les installations de production de la marihuana doivent être mises à jour, puisqu'elles ne visent actuellement que les installations de production à des fins médicales, et spécifier où cette nouvelle utilisation peut être permise sur le territoire de la Ville.

Le 13 décembre 2018, dans le cadre de ses réflexions entourant l'autorisation de magasins de vente au détail de cannabis dans la ville, le Conseil municipal a demandé au personnel de la planification d'élaborer des dispositions réglementaires sur les installations de production du cannabis.

Le présent rapport propose une version révisée des dispositions du *Règlement de zonage* touchant les installations de production de marihuana à des fins médicales.

Dans cette nouvelle version, les dispositions visent également le cannabis produit à des fins récréatives et précisent où cette nouvelle utilisation peut être autorisée.

La réglementation fédérale prise en application de la *Loi sur le cannabis* instaure des licences distinctes pour la culture, la transformation et la micro-transformation, ce qui entraîne une distinction des différentes utilisations liées à la production de cannabis qui s'apparente à celle établie entre les utilisations agricole, industrielle et de micro-brasserie. Il sera recommandé dans la stratégie relative à l'aménagement que l'on autorise les installations de production de cannabis à des fins récréatives dans les mêmes zones que celles déjà établies pour le cannabis à des fins médicales, tout en accordant des autorisations supplémentaires, mais limitées, dans d'autres zones propres à la culture extérieure et à la micro-transformation.

Participation de la population

La présente proposition de modification du *Règlement de zonage* a été rendue publique conformément à la Politique d'avis et de consultation publique de la Ville.

BACKGROUND

Learn more about [link to Development Application process - Zoning Amendment](#)

For all the supporting documents related to this application visit the [link to Development Application Search Tool](#).

Summary Zoning By-law amendment proposal

This amendment will harmonize the Zoning By-law with federal law by amending Section 97 to regulate production of cannabis for both medical and recreational purposes.

The amendment will affect the following:

- Replace “Medical Marihuana Production Facility” with “Cannabis Production Facility” throughout the Zoning By-law.
- Amend Section 54 by deleting the definition “Medical Marihuana production facility” and remove the following words from the “Agricultural Use” definition: “but does not include a medical marihuana production facility”.

- Add a new definition, "Cannabis Production Facility" with the following definition:
"Cannabis production facility means a facility used for the cultivation, processing, testing, destruction, packaging and/or shipping of cannabis and cannabis-based products."
- Delete Section 97(1)(b) requirement that cannabis production must be located completely within a building
- Add Cannabis Production Facility as a permitted use in the AG and RU zones, limited to outdoor cultivation, and add Cannabis Production Facility as a permitted use in the IL and IP zones, limited to 350m².
- Remove the minimum distance separation for cannabis production facility uses that occur entirely within a building that is not a greenhouse provided that they do not become a nuisance for odours or fumes.
- Increase the minimum separation distance for outdoor cultivation from 150 metres to 300 metres to mitigate the impact of odour emissions on residential and institutional uses.

Brief history of proposal

Currently, Zoning By-law 2008-250 permits and regulates Medical Marijuana Production Facilities under Section 97, based on the Federal *Marihuana for Medical Purposes Regulations* SOR/2013-119. Following the legalization of cannabis for non-medical purposes by the Federal Government on October 17, 2018, cannabis is now a regulated and legalized substance that can be cultivated and produced provided all the applicable licences have been obtained from Health Canada.

On December 13th, 2018, Council adopted the "Report on the Ontario Cannabis Legislation, Cannabis Retail Stores, and Response to Council Direction of August 29, 2018. This report included consideration that City staff should review Zoning By-law 2008-250 to establish regulations for legal cannabis production, cultivation, and processing uses to occur under the *Cannabis Act*, and also for zoning control of micro-production, cultivation, and processing.

Staff reviewed the Zoning By-Law 2008-250's provisions, which revealed that the existing provisions for medical marihuana production facilities permits them in an indoor context and in designated industrial locations, subject to distance separation from sensitive uses. These provisions do not specifically regulate cannabis produced for recreational purposes and are more restrictive than the *Cannabis Act's* licensing regime.

This amendment will harmonize the existing permissions in the Zoning By-law with the legal regime for cannabis production set out in the *Cannabis Act*.

DISCUSSION

Policy Context

The coming into force of the *Cannabis Act* SC 2018, c 16 by Parliament in October, 2018 legalized the cultivation, processing, sale, and consumption of cannabis. The *Cannabis Regulations*, SOR/2018-144 s68(1), created classes of licences for authorized activities in relation to cannabis, including for the cultivation and processing of cannabis.

The *Regulations* distinguish between these classes based on the uses' scale, type and security requirements. The classes and their size limits can be found in the following table and will be described in greater detail below:

Federal *Cannabis Regulations* Class and Sub-Classes of Licenses

Licence Type	Size / Quantity Restriction	Notes
Cultivator	No maximum size or quantity	Outdoor or indoor cannabis growing Enhanced security requirements, including surveillance

Licence Type	Size / Quantity Restriction	Notes
Processor	No maximum size or quantity	Enhanced security requirements, including surveillance
Micro-Cultivator	Maximum 200 m ²	Outdoor or indoor cannabis growing
Micro-Processor	Maximum of 600kg of cannabis annually	
Cannabis Nursery	Maximum area: 50 m ² / Maximum of 5kg of flowering heads harvested annually from plants grown on site.	Size restriction only applies to area delineated for “budding or flowering cannabis plants, including all the parts of those plants”. Cannabis growing of plants that are neither budding nor flowering is not subject to the 50m ² area size cap.

To clarify, the federal licensing scheme does not permit any of the licence holders to sell directly to the public as a retailer on its own. The Provincial retail licensing regime governs retail cannabis stores. Therefore, for the purposes of this report, these uses are not considered to have the impacts of retail uses, and nothing in this report is intended to zone for retail cannabis store uses in compliance with Ontario’s *Cannabis Licence Act*, 2018, SO 2018 c12, Sch 2 Section 42(2).

Processors and Micro-Processors

Standard cannabis processing licences permit the holder of a licence to possess cannabis, to produce cannabis other than obtaining it by synthesis or cultivating, propagating or harvesting it; and to sell cannabis in conformity with federal and provincial law (*Cannabis Regulations* SOR/2018-144 at Section 17).

Unlike a standard processing licence, a micro-processor licence permits the holder to possess cannabis, or to produce it other than obtaining it by synthesis or cultivating, propagating or harvesting it, and to sell cannabis (*Cannabis Regulations* SOR/2018-144 at Section 17(2)). In addition, the micro-processing licence caps the permissible surface area in which the licence-holder can locate cannabis plants up to a maximum of 200 square metres (*Cannabis Regulations* SOR/2018-144 at Section 13(1)). The licence-holder must designate that 200 square metres area and may only cultivate, propagate, or harvest cannabis plants from that designated area, up to a maximum of 600 kilograms per year (*Cannabis Regulations* SOR/2018-144 at Section 21(1)).

Licence holders are also subject to physical security requirements depending on the type of licence they hold. Standard cultivation and standard processing licences require increased security measures, including a site design that prevents unauthorized access, visual monitoring of the perimeter of the site, an intrusion detecting system, a monitoring system, and a record of detected occurrences. Any operation and storage area must be located in an area that satisfies these security requirements.

The standards for micro-cultivation, micro-processing, and cannabis nurseries are different. They require the site design prevent unauthorized access, that it be surrounded by a physical barrier that prevents unauthorized access, that storage areas be surrounded by a physical barrier that prevents unauthorized access, and that access to each storage area is restricted to individuals whose presence in the area is required by their duties.

Cultivation, Micro-Cultivation and Nurseries

Federal regulations also created three classes for cannabis growing, including standard cultivation, micro-cultivation, and nurseries. The differences between standard cultivation and micro-cultivation are comparable to the differences between standard processing and micro-processing; the standard uses are subject to higher security requirements while the micro-uses are subject to an area maximum. The cultivation licences permit the holder to

- (a) possess cannabis,

- (b) obtain dried, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis;
- (c) for the purpose of testing, to obtain cannabis by altering its chemical or physical properties by any means; and
- (d) to sell cannabis (Cannabis Regulations SOR/2018-144 at Section 11(1)).

In contrast to the medical marijuana regime, outdoor growing is permitted in the *Cannabis Regulations*. The original separation distances of 150 metres established in the Zoning By-law 2008-250 for medical marijuana production facilities were created with all uses occurring within a large, industrial factory-like use. Therefore, the zoning separation distances will need to be amended to reflect that some cannabis production uses will be entirely contained within buildings and likely not have large impacts with respect to odours, while other cannabis production uses will feature outdoor cultivation or cultivation in greenhouses that will have significant impacts with respect to odour.

Cannabis growing, like other forms of crop production, emits stronger odours while the crop is flowering. While cannabis plants are flowering, they may have significant odour impacts on nearby properties. Where cannabis growing occurs outdoors or in greenhouses, this impact will not be capable of being mitigated by HVAC systems or other forms of odour reduction technology. As such, outdoor cannabis cultivation or cultivation that occurs in greenhouses should have a minimum separation distance that protects residential uses and institutional and rural institutional zones from the impacts associated with flowering cannabis crops. By contrast, indoor cannabis production or processing located entirely within a building can mitigate the odour impacts through proper ventilation and filtration.

Micro-cultivation licences permit the holder to cultivate cannabis crops subject to a size restriction of 200 square metres and lower security requirements (*Cannabis Regulations* Sor/2018-144 at Section 13). These uses will be smaller in scale and may be suitable in additional zones. Provided that a micro-cultivator occurs entirely within a building that has taken the appropriate steps to mitigate odour emissions, it would not need to be subject to a minimum separation distance and could be considered to have a comparable impact to a micro-brewery or other similar light industrial use.

A nursery permits a licence holder to cultivate cannabis for the purposes of obtaining cannabis plant seeds through the following permitted activities:

- (a) to possess cannabis;
- (b) to obtain cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis;
- (c) for the purposes of testing, to obtain cannabis by altering its chemical or physical properties by any means; and
- (d) to sell cannabis. (Cannabis Regulations SOR/2018-144 at Section 14(1)).

The nursery licence restricts the holder to a limited area for growing flowering cannabis plants (50 square metres) and further restricts how many plants can be possessed at once, by weight (5 kilograms).

Notably, the size restriction applies only to the designated area where experimentation with cannabis strains occurs. A nursery could contain a large area for growing cannabis in addition to the designated area. Therefore, a nursery that wishes to operate in a zone that is suitable for a micro-processor will be subject to the same maximum size restriction (350 square metres) to ensure that its impact is suitable for operating in a light industrial or business industrial park zone. A larger nursery that wishes to operate in excess of 350 square metres could apply for a minor variance or be located in a zone that permits cannabis production facility uses without the size limit.

Changes to the Zoning By-law

The Zoning By-law will be amended to accommodate the uses described in the new Federal regulations, but will substantially preserve the provisions from medical marihuana production facilities which were introduced in a report to council on February 26, 2014 in a report entitled "Medical Marihuana Production Facilities." That report followed the Marihuana for Medical Purposes Regulations, SOR/2013-119, which regulated the production and distribution of medical cannabis.

Currently, the Zoning By-law has defined medical marihuana production facilities as a use, and introduced Section 97, which contains the following provisions for medical marihuana production facilities:

- a) Must be a listed permitted use in the zone it is located in and must comply with the provisions of that zone;
- b) Must be located completely within a building;
- c) Must not have any outdoor storage;
- d) Is not permitted in a dwelling;
- e) Must not be located in a building that is within 150 metres of a Residential, Institutional, Village Residential, Rural Residential or rural Institutional Zone;
- f) Despite (e) above, may be located within 150 metres of a Rural Institutional Zone or Institutional Zone if the only permitted uses in these zones are an environmental preserve and educational area, emergency service, municipal service centre, office, storage yard or warehouse,
- g) Established in compliance with this Section is not considered to be non-complying to (e) and (f) above by the subsequent erection of a residential or institutional use building on another lot.

These provisions were intended for buildings that had the impact of large industrial buildings with operations that were confined within the building. Given the greater diversity of classes contemplated in the *Cannabis Regulations*, the existing provisions will need amendments to reflect a greater diversity of uses.

As shown above, the Cannabis Regulations licences uses that will not only be large industrial buildings, but smaller producers that are similar in impact to micro-breweries and other similar light industrial-type uses, as well as outdoor cultivation. The amended Section 97 will govern each of the licenses from the Federal Regulations under one defined use, but the provisions will regulate cannabis production facility uses differently depending on the zones in which they are located. The effect will be that each type of Federal Cannabis licence will be permitted under Section 97, but with provisions that regulate each type of licence according to its impact.

Each type of cannabis production use presents different impacts, necessitating different requirements. Proper ventilation and filtration systems can be used in cannabis production that takes place entirely within a building to limit negative odours associated

with the use. Outdoor cultivation, however, will emit strong odours while the cannabis plants are flowering, whether in a green house or outdoors. For outdoor cultivation a minimum separation distance will apply of 300 metres from any residential use and Institutional and Rural Institutional zones. This separation distance is suitable because, at a distance of 300 metres, the odour from outdoor cannabis cultivation should be sufficiently diminished that it is not a nuisance. This separation distance is based on Norfolk County's Zoning By-law, which included the 300 metre distance separation standard after inspections of cannabis cultivation in outdoor areas. Smaller cannabis production facilities that meet the micro-processor, micro-cultivator, or nursery classification and are contained within a building, will be permitted in additional zones with a maximum size of 350 square metres to provide opportunities for local production comparable to a micro-brewery. These zones include light industrial zones and business park industrial zones. In all cases, complaints regarding odour emissions for such facilities and cultivation sites fall under the jurisdiction of the Ministry of Environment.

Ottawa Public Health recommended that cannabis production facilities be regulated in such a way that the auditory, visual, and olfactory cues as to the existence of cannabis be minimized so that cannabis does not become a normalized use. Provisions requiring cannabis production facilities to eliminate odour reduction if contained within a building and separating outdoor cultivation uses from residential uses and institutional zones meets Ottawa Public Health's recommendation.

Therefore, the amendments to the Zoning By-law will harmonize the existing medical marihuana provisions with the Federal cannabis licensing system to accommodate the following:

1. Permit outdoor cultivation in agricultural and rural zones with a sufficient separation distance (300 metres) to protect residential uses and institutional zones from being negatively affected by the smell of flowering cannabis plants.
2. Permit micro-processor uses with a gross floor area maximum allowing such uses to fit the maximum size of designated processing area under the *Cannabis Regulations* micro-processor maximum (200 square metres) with additional gross floor area to accommodate complementary uses, such as offices, storage, etc. The combined total floor area will be 350 square metres.

3. Permit micro-processor, micro-cultivation, and small nursery uses in light industrial (IL) and business park industrial (IP) zones so long as they take place entirely within a building and mitigate odour emissions.
4. Remove the separation distance for cannabis production facility uses that take place completely within a building that is not a greenhouse, provided that they do not become a nuisance for odour, noise.

The revisions to Section 97 will strike a balance between limiting the specific impacts of cannabis growing and processing on sensitive uses while also permitting cannabis production facilities to occur in appropriate zones and in conformity with the Federal licencing scheme.

CONSULTATION

Public consultation

Planning staff created a website to solicit feedback from the community between March and April 8th, and multiple prospective cannabis producers contacted the city with comments and questions.

Members of the community expressed concern that cannabis production facilities would also be retailing cannabis products. Cannabis retailing is governed by the Province's retail regime, and the municipality is specifically prohibited from zoning for cannabis retail. Cannabis production facilities are a distinct use which, without further provincial action, could not retail cannabis directly to the public on their own.

Other members of the community commented in support of the changes to permit cannabis production because it will create additional opportunities for the legal cannabis industry to open locations in compliance with the federal regulations.

Regarding cannabis nurseries, a concern was expressed that they would be regulated the exact same way as larger scale cannabis production uses, despite being different activities. While City Staff have elected not to name cannabis nurseries specifically in the Zoning By-law, a small-scale nursery use would be compatible with the area restrictions for cannabis production facilities in light industrial and business park industrial zones. A large-scale cannabis nursery use would be limited to fewer zones in

keeping with its more appropriate placement in areas that accommodate large scale industrial uses.

A final comment concerned the separation distances, particularly with how they related to micro-processor uses. A member of the community suggested that the 150-metre separation distance would make it extremely difficult for micro-processor uses to operate in many zones, even if the use was permitted. This comment has been taken into account by applying a separation distance that only applies to outdoor and greenhouse cannabis cultivation uses. Indoor production uses are not subject to the minimum separation distance as long as the use has mitigated its odour emissions.

For this proposal's consultation details, see Document 2 of this report.

Provincial Policy Statement

Staff have reviewed this proposal and have determined that it is consistent with the Provincial Policy Statement, 2014.

RURAL IMPLICATIONS

Permitting cannabis cultivation in the rural and agricultural areas will have similar impacts to the cultivation of other crops, although cannabis crops emit strong odours while flowering. This report's recommendations address this implication for rural residents and land uses by providing a 300-metre separation distance from outdoor cultivation or cultivation in green houses from residential uses and rural institutional zones.

Flowering cannabis emits an intense odour that can negatively affect nearby residents. To mitigate this impact while permitting outdoor cultivation, crops grown outdoors or in greenhouses must be at least 300 metres away from residential uses and institutional zones.

Rural planning staff expressed concern that permitting cannabis cultivation in green houses as of right would lead to the loss of prime agricultural land to other uses. Therefore, cannabis production facilities will be limited to outdoor cultivation. A minor variance can be sought to permit cannabis cultivation in greenhouses in appropriate planning contexts.

COMMENTS BY THE WARD COUNCILLORS

This is a city-wide item, therefore this section is not applicable.

LEGAL IMPLICATIONS

There is no legal impediment to adopting the recommendations in the report.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with the report recommendations. The federal government has legalized the production of cannabis. In the absence of these amendments, cannabis production facilities would be permitted without zoning provisions governing the use. This report recommends new zoning provisions that would permit the use in certain zones in conformity with the Official Plan as well as additional provisions to properly address impacts associated with Cannabis Production Facility.

FINANCIAL IMPLICATIONS

There are no direct financial implications.

ACCESSIBILITY IMPACTS

This amendment to the Zoning By-law will not have any accessibility impacts.

ENVIRONMENTAL IMPLICATIONS

Cannabis production facilities must comply with all municipal, provincial, and federal environmental regulations.

TERM OF COUNCIL PRIORITIES

This project addresses the following Term of Council Priorities:

- Economic prosperity
- Planning and Decision-Making

APPLICATION PROCESS TIMELINE STATUS

This was a city-initiated amendment to the Zoning By-law.

SUPPORTING DOCUMENTATION

Document 1a Details of Recommended Zoning

Document 1b Details of Recommended Zoning

Document 2 Consultation Details

CONCLUSION

Planning staff support this application in order to provide clarity and regulation for cannabis production facilities.

DISPOSITION

Zoning and Interpretations Unit, Policy Planning Branch, Economic Development and Long Range Planning Services to prepare the implementing by-law and forward to Legal Services.

Legal Services, Office of the City Clerk and Solicitor to forward the implementing by-law to City Council.

Planning Operations Branch, Planning Services to undertake the statutory notification.

Document 1a – Details of Recommended Zoning

Proposed changes to City of Ottawa Zoning By-law No. 2008-250 would be similar to the following:

1. Amend Section 54 – Definitions, as follows:
 - a. Amend the definition “Agricultural Use” by deleting the words “but does not include a medical marihuana production facility.”
 - b. Delete the definition “**Medical marihuana production facility**.”
 - c. Add a new definition, “**Cannabis Production Facility**” with provisions similar in effect to the following:

“means a facility used for the cultivation, production, processing, testing, destruction, packaging, and/or shipping of cannabis and cannabis-based products.”
2. Amend Section 97 – Medical Marihuana Production Facility with provisions similar in effect to the following:
 - a. In 97(1), replace the words “medical marihuana production facility” with “cannabis production facility”.
 - b. Delete 97(b), 97(e), and 97(f)
 - c. Reletter 97(c) and 97(d) as 97(b) and 97(c), respectively.
 - d. Add a new Subsection 97(d), that includes the following provision:

No cannabis production facility that is contained entirely within a building may become a nuisance because of odour or fumes.
 - e. Add a new Subsection 97(e) that includes the following provision:

No cannabis production facility that includes cultivation in an outdoor area or in a greenhouse may be located within 300 metres of a residential use or an Institutional or Rural Institutional Zone;

- f. Add a new Subsection 97(f) that includes the following provision:
- despite (e) above, a cannabis production facility that includes outdoor cultivation areas or greenhouses may be located within 300 metres of a Rural Institutional Zone or Institutional Zone if the only permitted uses in these zones are an **environmental preserve and educational area, emergency service, municipal service centre, office, storage yard or warehouse.**
3. Amend Table 101 – Minimum Parking Spaces Rates by replacing the words “Medical Marihuana Production Facility” with the words “Cannabis Production Facility”.
 4. Amend Table 113A – Minimum Number of Vehicle Loading Spaces Required by replacing the words “Medical Marihuana Production Facility” with the words “Cannabis Production Facility”.
 5. Amend Section 199(1)(a) by replacing the words “Medical Marihuana Production Facility” with the words “Cannabis Production Facility, contained within a building that is not a greenhouse”.
 6. Amend Section 201(1)(a) by replacing the words “Medical Marihuana Production Facility” with the words “Cannabis Production Facility, contained within a building that is not a greenhouse”.
 7. Add a new clause to Section 203(2), (e) with the following provisions “Cannabis Production Facility, limited to 350 m² gross floor area and contained within a building that is not a greenhouse”.
 8. Add a new clause to Section 205(2), (e) with the following provisions “Cannabis Production Facility, limited to 350m² gross floor area and contained within a building that is not a greenhouse”.
 10. Amend Section 219(1)(c) by replacing the words “Medical Marihuana Production Facility” with the words “Cannabis Production Facility, and contained within a building that is not a greenhouse”.

11. Amend Section 221(1)(a) by replacing the words “Medical Marihuana Production Facility” with the words “Cannabis Production Facility, and contained within a building that is not a greenhouse”.

Document 1b – Details of Recommended Zoning

1. Amend Section 211(1)(c) by adding the following provisions “Cannabis Production Facility, limited to outdoor cultivation.”
2. Amend Section 227(1)(d) by adding the following provisions “Cannabis Production Facility, limited to outdoor and greenhouse cultivation.”

Document 2 – Consultation Details

Notification and Consultation Process

Notification and public consultation was undertaken in accordance with the Public Notification and Public Consultation Policy approved by City Council for Zoning By-law amendments.

Public Comments and Responses

Comment:

Is this amendment related to cannabis retail licences?

Response

No, this amendment aims to permit cannabis production for medical and non-medical uses. The Provincial government administers the cannabis retail licensing system through the Alcohol and Gaming Commission of Ontario.

Comment:

Will there be additional permitted uses for recreational cannabis production?

Response:

Yes, this amendment will permit for medical and non-medical cannabis production and cultivation, subject to limitations to reduce the impacts of cannabis cultivation and production on nearby uses. Cannabis production facilities will also be permitted in additional zones, including business park industrial zones (IP) and light industrial zones (IL).

Comment:

Will outdoor cannabis growing be a permitted use following this amendment?

Response:

Yes, but outdoor cultivation will be limited to agricultural and rural zones and be subject to a 300 metre separation distance from residential uses and institutional zones.

Comment:

I support the City's change to the zoning by-law to permit cannabis production facilities in compliance with the *Cannabis Act* to create more opportunities for those in the cannabis industry.

Response:

This Zoning By-law will permit cannabis uses in conformity with the Federal *Cannabis Regulations*.

Comment:

Nurseries and processors will be treated the same way even though they are different kinds of cannabis production uses and more like greenhouses. The resident was concerned that cannabis nursery uses would be subject to the stricter regulations of full sized cannabis production facilities.

Response:

Planning staff are aware that cannabis nurseries are a distinct form of cannabis production, however, given that the impacts associated with them are similar to micro-processor in terms of size and odour, staff considered it appropriate that cannabis nurseries be subject to the same size restrictions in the light industrial and business park industrial zones, and otherwise be treated the same way as other cannabis production facility uses in other zones. The zoning permits smaller-scale cannabis nurseries that will have similar impacts to micro-breweries in additional zones.

Community Organization Comments and Responses

N/A