

## MEMORANDUM

**To: JOHN CONNOLLY**  
**From: ALISON LUOMA / NICK MCDONALD**  
**Date: SEPTEMBER 13, 2021**  
**Re: ADDENDUM TO DECEMBER 2020 REPORT “REGULATING CANNABIS IN THE TOWNSHIP OF CAVAN MONAGHAN”**

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### 1.0 INTRODUCTION

This Technical Memo serves as an addendum to the report ‘Regulating Cannabis in the Township of Cavan Monaghan’ dated December 14, 2020 and as presented to Council on December 21, 2020. The report identified 3 potential options for regulating cannabis in the Township of Cavan Monaghan.

At the meeting on December 21, 2020, Council requested that two additional options be added for consideration. These are: 1) status quo or in other words ‘do nothing’ approach; and, 2) an approach that is as permissive as possible with minimal or no regulation. Finally, Council requested that the report material be prepared in a more streamlined fashion to more easily compare options and the pros and cons of each.

This Technical Memo provides a shortened summary of the 3 options already presented for Council consideration and addresses the additional options requested by Council as follows:

- Option A -** Permit indoor cannabis production by Zoning By-law Amendment only
- Option B -** Permit indoor cannabis production as-of-right in the Urban Employment (M1) Zone (Millbrook) only (Status Quo)
- Option C -** Permit indoor cannabis production as-of-right in the Urban Employment (M1) and Rural Employment (M2) Zones
- Option D -** Permit indoor cannabis production as-of-right in Employment Zones and wherever agricultural uses are permitted (Maximally Permissive Option)

In Options A through C, outdoor cannabis production is proposed to be permitted as-of-right in the Agricultural and Rural Zones as well as the applicable Oak Ridges Moraine (ORM) Zones.

This Technical Memo provides recommendations in relation to the establishment of licenced, commercial cannabis operations. The report does not address the growing of cannabis for personal use or designated growers. The Technical Memo has been divided into the following sections:

**Section 1** provides the context and introduces the purpose for the report;

**Section 2** includes an overview of how cannabis is grown;

**Section 3** summarizes the associated land use impacts of cannabis production;

**Section 4** summarizes the findings of a best practices review of how other municipalities regulate the production of cannabis;

**Section 5** identifies the existing Official Plan and Zoning regulations currently applied to cannabis production in the Township;

**Section 6** outlines the four potential options considered to regulate cannabis production (as noted above); and finally,

**Section 7** provides a recommended option to regulate cannabis production in the Township of Cavan Monaghan.

## 2.0 HOW IS CANNABIS GROWN?

This section of the Technical Memo provides an overview of how cannabis is grown. Licenced cannabis operations grow cannabis in three primary ways:

**Warehouse structures:** A number of cannabis operations occur in warehouses located in agricultural, rural and urban or rural employment zones. Warehouse type buildings are completely sealed from any influence of the outdoors; no natural light penetrates the building and recirculated air is temperature and humidity controlled. Because the amount of exhausted air can be minimized or mitigated, conventional odour controls can be readily adopted.

**Greenhouse Structures:** Greenhouse structures are typically located in agricultural and rural zones. Such structures are unique and designed to utilize natural light. The influence of natural light from the sun generates heat to facilitate cannabis growth, however, some artificial climate controls are still required. Some cannabis greenhouses and in particular converted greenhouses, exhaust significant amounts of air to control temperature and humidity. The selection of effective odour controls is very much dependent upon the specifics of the operation. For example, a converted greenhouse that has a low gutter height will have completely different ventilation requirements compared to a state-of-the-art greenhouse which in turn, will have completely different requirements compared to a fully enclosed warehouse with recirculated conditioned air.

While odour modifiers and neutralizers are often applied, insufficient treatment of air emissions is common and the odour released can often trigger community complaints.

**Outdoor Crops:** Cannabis grown as a field crop is a seasonal alternative to building a structure to grow cannabis. As with any agricultural crop, outdoor cultivation of cannabis is significantly influenced by climate and weather.

It is a common practice to use a hoop house (a freestanding greenhouse) for the outdoor growing of cannabis crops. This type of cultivation is considered as outdoor growing since these structures are by design, temporary structures that are not sealed and only protect the crop from wind, rain and hail. Outdoor cannabis operations, including hoop houses, provide different challenges in that conventional pollution controls cannot be readily applied.

As a result, placement and field planning is critically important to the control of odour emissions from outdoor cannabis operations. Consideration must be given to any influencing topography

and/or microclimate so that the migration of unintended light and odour impacts to surrounding land uses can be avoided. For example, sites near lakes, swamps, or in valleys that have higher potential for fog development will result in longer off-property transport of the odour and it may linger more.

In general terms, outdoor cannabis operations can only really rely on separation buffers from surrounding sensitive land uses to mitigate or control the transitory impacts of odour. This premise is well understood for agricultural livestock operations as applied through the Provincial Minimum Distance Separation Formulae (MDS).

### **3.0 IMPACTS OF CANNABIS PRODUCTION**

This section of the Technical Memo summarizes the associated land use impacts of cannabis production and processing. The primary impacts of cannabis production and processing are odour, light, noise, traffic, and water/waste water requirements.

#### **3.1 ODOUR**

Most cannabis cultivation is done at ground level with large amounts of mitigated, partially mitigated, or untreated air being exhausted at or near ground level. As a result, the odour impact from cannabis cultivation has the potential to significantly impact surrounding land uses. This is especially true as it relates to cannabis cultivation in proximity of odour sensitive uses such as residential and community uses.

##### **3.1.1 Odour Control for Indoor Cannabis Operations**

Indoor cannabis operations within a warehouse-type building with solid walls and a roof afford the greatest opportunity to mitigate impacts of the operation on surrounding land uses. There are a number of technologies that may be used to treat air emissions from indoor cannabis operations prior to release from the building. Selection of the most effective odour control is very much dependent on the specifics of the cannabis operation and the buildings or structures involved. Eight of the most common odour control methods for cannabis operations include charcoal filtration, odour neutralizers, masking agents, ultra-violet light, biological filters, thermal oxidation, enhanced dispersion, and the application of separation distances. In combination, these technologies are best referred to as air treatment control systems. There is no 'one size fits all' and the application of the most appropriate air treatment control system will be dependent on the scale and nature of the proposed cannabis operation.

It should be noted that odour management requirements are a prescribed component of the federal licencing framework for cannabis production and processing facilities as implemented through Health Canada. More specifically, licenced cannabis facilities are subject to 'Part V - Good Production Practices' of the federal Cannabis Regulations (SOR/2018-144). In accordance with Part V, an indoor cannabis facility must be equipped with an air treatment system that filters air to prevent the escape of odours (Section 85 of Part V).

### **3.1.2 Odour Control for Outdoor Cannabis Operations - Buffering Through Separation Distances**

In agricultural areas, there is already a precedent for the establishment of setbacks from sensitive uses in the form of the Minimum Distance Separation (MDS) Formulae as established by the Province. The MDS Formulae are land use planning tools that determine setback distances between livestock barns, manure storage or anaerobic digesters and surrounding land uses. The objective of MDS is to minimize land use conflicts and nuisance complaints related to odour. MDS does not account for other nuisances such as noise or dust.

The long established MDS Formulae provide a good example of how land use compatibility can be managed in agricultural and rural areas. MDS is made up of two separate, but related, formulae that act reciprocally to site both new development and new or expanding livestock facilities:

**MDS I** – provides the minimum distance separation between proposed new development and any existing livestock barns, manure storage and/or anaerobic digesters.

**MDS II** – provides the minimum distance separation between proposed new, expanding or remodelled livestock barns, manure storage and/or anaerobic digesters and existing or approved development. While a good example, the MDS Formulae only apply to livestock operations and do not apply to field crops such as the outdoor cannabis cultivation.

While there is a Provincial requirement for a minimum distance separation between agricultural livestock operations and sensitive land uses, there is no such setback requirement to buffer against odours from agricultural crops such as cannabis crops/operations and sensitive land uses. The Province has indicated that outdoor cannabis production including growing, harvesting, drying and storing of cannabis, is considered an agricultural use and subject to the agricultural policies of the Provincial Policy Statement (2020) as well as the standards for normal farm practices under the Farming and Food Protection Act. This Provincial policy framework

applies in addition to the federal licencing requirements for cannabis production and processing.

### **3.2 LIGHT & NOISE IMPACTS**

Although greenhouses are designed to maximize sunlight as a source of heat and energy to grow cannabis, such facilities still require a number of artificial environmental controls to optimize the environment in which the cannabis is grown. This includes lighting systems to provide lighting during the shorter light days of the year as well cooling systems that are needed to moderate the heat inducing impacts of the sunlight driven greenhouse.



Purple light from a large cannabis greenhouse in Leamington.

Both of these artificial systems can have significant light and noise impacts on surrounding land uses in addition to any odours emitted from the cannabis operation. The concerns with light pollution range from a negative impact to residents' enjoyment of their property in the evenings to impacts to surrounding outdoor agricultural crops.

### **3.3 TRAFFIC**

Cannabis production facilities have the potential to generate significant auto and truck traffic depending on the type of operation, number of employees, shifts, deliveries and shipments. As a result, cannabis operations should be equipped with indoor loading bays for truck transport as well as parking lots to accommodate employees. In many cases, rural roads are not able to accommodate the volume of traffic associated with large cannabis operations.

### **3.4 WATER AND WASTE WATER**

Cannabis operations have high water needs. This is true of both indoor and particularly outdoor cultivation operations. Water must meet high quality standards and is needed for irrigation of plants, processing activities, cleaning and disinfecting.

In rural and agricultural areas that do not have municipal servicing, the water supply comes from sources such as wells, ponds or cisterns. As a result, the environmental impact of the taking of water from surface and groundwater sources must be addressed as well as environmental

consideration for the quantity and quality of the resultant effluent post-use.

In areas where municipal servicing is available, there must be capacity within both the water supply system and sewer/water treatment plants to accommodate the added high water use. Stormwater management for built facilities with significant amounts of impervious surfaces must also be addressed.

## **4.0 MITIGATION OF IMPACTS**

This section of the Technical Memo summarizes the findings of a best practices review of how other municipalities regulate cannabis production. Options for regulating cannabis production are provided in Section 6. Final recommendations are provided in Section 7 of this Technical Memo.

The establishment of various cannabis operations throughout Ontario has highlighted the importance of ensuring that the potential adverse effects of cannabis production and processing be considered in the municipal response to proposed cannabis uses at the local level. As a first principle, the avoidance of adverse effects is preferred. However, if avoidance is not possible, adverse effects must be minimized to the greatest degree possible and appropriately mitigated. There are a number of ways in which this may be achieved.

A review of regulatory and mitigation practices used in other Ontario municipalities provides some insight into how the impacts of cannabis production could be addressed in the Township of Cavan Monaghan. These approaches are summarized below.

### **4.1 LAND USE COMPATIBILITY: SETBACKS AND SEPARATION DISTANCES**

- Minimum separation distances can be applied between cannabis operations and sensitive land uses or zone boundaries of the zones in which sensitive land uses typically occur (residential, institutional and/or open space zones).
- Minimum separation distances between cannabis operations and sensitive land uses tend to range from 70 metres to 300 metres, however a minimum of 150 metres for indoor operations and a minimum of 300 metres for outdoor operations appear to be the municipal standard thus far. However, the Draft Land Use Compatibility Guideline recently released by the Province will impact municipal separation distance standards for indoor cannabis operations that have typically been relied upon to date. The Draft Compatibility Guideline will have the effect of substantially extending minimum separation distances between indoor cannabis production and/or processing facilities

and surrounding sensitive land uses. The requirements of the Draft Guideline are more specifically addressed in Section 4.5 of this Addendum.

- Many municipalities have applied a minimum 300 metre separation distance between outdoor cannabis fields and/or greenhouse operations to sensitive land uses and zones associated with sensitive land uses (residential, institutional, and/or open space).
- Separation distances are generally measured from the edge of the nearest building or crop line of the cannabis operation or from the lot line of the lot containing the cannabis operation to the greater of the nearest lot line of the sensitive use or zone boundary.
- Buildings associated with a cannabis operation can be setback enhanced distances from the property line of the lot on which the cannabis operation is located. Minimum yard setbacks vary greatly amongst municipalities. The setbacks appear to range from 20 metres to 80 metres depending on whether it is a front, side or rear lot line. This does not apply to security buildings.
- Separation distances can also be aided by applying a larger minimum lot area in conjunction with enhanced required yard setbacks from property lines for a lot with a cannabis operation.
- Some municipalities have specified that only one cannabis operation or the operations of only one licence holder may be permitted on a single conveyable lot and that a cannabis operation may not be permitted on a lot containing a dwelling unit.
- Some municipalities require a minimum separation distance of 1000 metres between cannabis operations.

## **4.2 SECURITY**

- Where a building or structure used for security purposes is located on a property with a cannabis operation, such building or structure can be permitted to locate within any required yard of the lot upon which the cannabis operation is located. Such buildings and structures are not required to comply with the required yard setbacks for the lot.
- It is noted that as a requirement of a cannabis licence, a security fence must be provided to secure the property with the cannabis use.
- Loading spaces associated with cannabis uses are generally required to be located within a wholly enclosed building.



### **4.3 MANAGING IMPACTS**

- Official Plan policies and Zoning By-law regulations should include requirements for mitigation of potential adverse effects of cannabis production such as light, noise, air and odour emissions.
- Where private lighting facilities, whether internal or external to any building or structure, are provided to illuminate buildings, structures or uses, such lighting facilities can be required to be energy efficient, directed downwards, and located or arranged to deflect glare away from adjacent residential uses, streets and the night sky. Any lighting associated with a cannabis operation should be required to avoid causing nuisance to adjacent property owners, or any confusion with traffic signals. The requirement of such a zoning provision can best be achieved through the site plan control process. This is especially important in considering the lands in proximity of the Peterborough Municipal Airport.
- Screening or a planting strip/buffer can be required along lot lines that abut a lot used for residential or institutional purposes. This may be a vegetative planning strip of a prescribed width which must be maintained.
- Some municipalities require that indoor cannabis facilities including greenhouses be equipped with a mandatory air treatment control system. In such zoning by-law, an air treatment control system is a defined term. However, it is noted that an air treatment control system is also a condition of a federal cannabis licence.
- Some municipalities require that only new purpose-built facilities are permitted for cannabis operations and any conversion or retrofit of existing agricultural buildings or structures is prohibited. This is due to the specific air circulation and treatment requirements for indoor cannabis facilities as well as the associated exhaust emissions.
- Outdoor storage associated with cannabis operations should be prohibited.
- Site Plan Control is required in most of the zoning by-laws to address site matters.

### **4.4 OTHER MATTERS**

- Some municipalities explicitly prohibit accessory retail stores and sales on the same lot as the primary cannabis operation.
- Some municipalities specify that amendments to the applicable zoning regulations for cannabis operations may only occur by way of Zoning By-Law Amendment and specifically prohibit minor variance applications.

- The Zoning By-law should include parking standards for cannabis production facilities.
- There are a number of studies that a municipality may request in support of an application for a proposed cannabis operation. Such studies may include but are not limited to an environmental impact study, waste management plan, hydrogeological study, servicing study, stormwater management plan, odour study and associated odour management plan, detailed lighting plan, noise study, traffic study, landscape plan, and architectural design study. This list is further augmented by the prescribed requirements for a *Compatibility Study* as contained in the Draft Land Use Compatibility Guideline recently released by the Province. Greater detail regarding the requirements of the Provincial Draft Land Use Compatibility Guideline are provided in Section 4.5 below.

#### 4.5 LAND USE COMPATIBILITY

Recently, the Province posted a Draft Land Use Compatibility Guideline on the Environmental Registry for public review and comment. This Draft Guideline offers some significant direction from the Province when it comes to land use compatibility between cannabis operations and surrounding sensitive land uses.

One of the more notable effects of the proposed Guideline is on the establishment of indoor cannabis production facilities (cultivation) and/or indoor cannabis processing facilities (manufactured products) that are located in areas zoned for industrial/employment uses within settlement areas. In the context of Cavan Monaghan, this applies to both the employment lands in Millbrook as well as the Rural Employment Areas scattered throughout the Township.

A summary of the Provincial direction on indoor cannabis production and/or processing facilities is as follows:

- Indoor cannabis production and/or processing facilities are identified as a Class 5 Major Facility which is the most significant of the classification system and is associated with “...operations with significant adverse impacts that may be difficult to mitigate.”
- The Province has identified a 2000 metre Area of Impact (AOI) around such facilities and requires the completion of a Compatibility Study in advance of the siting of any Major Facilities or sensitive land uses. A Compatibility Study is required in the following circumstances:

- i) where a new or expanded Class 5 Major Facility is proposed in proximity to an existing or planned sensitive land use; or,
  - ii) where a new or expanding sensitive land use is proposed in proximity of an existing Class 5 Major Facility. In this latter circumstance, a Demonstration of Need Assessment is also required. Such an assessment must demonstrate or justify the need for the proposed development in the proposed location. The assessment must also evaluate alternative locations for the proposed development.
- The Province has identified a 500 metre Minimum Separation Distance between a Class 5 Major Facility that is located in areas zoned for industrial/employment uses within a settlement area and any surrounding existing or planned sensitive land uses.
  - Personal use production of cannabis, for either recreational or medicinal purposes, is not addressed in nor subject to the proposed Provincial Land Use Compatibility Guideline.
  - As stated earlier, the Province characterizes the outdoor cultivation of cannabis as an agricultural use and thus is not subject to the Draft Land Use Compatibility Guideline. The Draft Guideline applies only to indoor cannabis production or processing facilities within a settlement area.
  - The applicability of the Provincial Land Use Compatibility Guideline is triggered by the policies of Section 1.2.6 of the Provincial Policy Statement.

**Table 1 – Areas of Influence and Minimum Separation Distance for Select Major Facilities  
(Excerpt from Draft Land Use Compatibility Guideline Pg. 23)**

| Major Facility                                | Description of Facility  | Area Of Influence & Facility Class | Minimum Separation Distance |
|---|--|------------------------------------|-----------------------------|
| Cannabis Production and Processing Facilities | Indoor cannabis production facilities that are located in a settlement area on land that are zoned for industrial uses; and all cannabis processing facilities | 2000 metres<br><br>Class 5         | 500 metres                  |

## 5.0 CURRENT PERMISSIONS FOR CANNABIS IN CAVAN MONAGHAN

This section of the Technical Memo identifies the existing Official Plan and Zoning regulations currently applied to cannabis production and processing in the Township. Currently, a ‘cannabis production facility’ is only permitted in the Urban Employment (M1) Zone in the Millbrook settlement area. Indoor cannabis production is presently not permitted in any other location in the Township.

The previous report ‘Regulating Cannabis in the Township of Cavan Monaghan’ dated December 14, 2020 provided a detailed analysis of the various policies that govern cannabis uses in Ontario. This will not be duplicated here however, highlights of the existing regulatory framework for cannabis uses in the Township are provided again for convenience.

### 5.1 TOWNSHIP OF CAVAN MONAGHAN OFFICIAL PLAN

The Official Plan for the Township of Cavan Monaghan contains no specific policy guidance on cannabis uses in the Township. It is essentially silent on the matter.

### 5.2 TOWNSHIP OF CAVAN MONAGHAN ZONING BY-LAW 2018-58

A ‘cannabis production facility is only permitted as-of-right in the Urban Employment (M1) Zone. The Zoning By-law provides the following definitions relevant to cannabis uses:

*“**Cannabis:** a genus of flowering plants in the family Cannabaceae. Synonyms include but are not limited to marijuana, and marihuana. This definition does not include the industrial or agricultural production of hemp (a source of foodstuffs (hemp milk, hemp seed, hemp oil), fiber and biofuels).”*

*“**Cannabis production facility:** a building or structure used for growing, producing, processing, packaging, testing, destroying, storing or distribution of cannabis authorized by a license under the Access to Cannabis for Medical Purposes Regulations, SOR/2016-230, to the Controlled Drugs and Substances Act, SC 1996, c 19, as amended from time to time, or any successors thereto.”*

Section 11.7 of the Zoning By-law provides the following general requirements that apply to a cannabis production facility regardless of where in the Township it is located.

*“11.7 Cannabis Production Facilities*

*Where a cannabis production facility is permitted in this By-law, such use shall be in accordance with the provisions for the Zone in which it is located and shall also comply with the following regulations:*

- a) Cannabis production facilities are prohibited in dwellings.*
- b) Cannabis production facilities are prohibited from locating within 70 metres, measured property line to property line, of the following uses:
  - (i) Community centres;*
  - (ii) Day care centres;*
  - (iii) Dwellings;*
  - (iv) Public parks and private parks; and,*
  - (v) Schools.**
- c) No store fronts or onsite retail distribution shall be permitted.*
- d) No outdoor signage or advertising shall be permitted.*
- e) No part of this use, including storage and accessory uses, may be located outside.*
- f) Cannabis production facilities shall require Site Plan approval, with particular attention on noise, dust, odour and security features. The property owner(s) shall be required to enter into an agreement with the Township prior to the use of any land or any development of land.*
- g) Loading areas shall be located within a wholly enclosed building or at the rear of lots, screened by building placement or by landscaping screening.”*

## 6.0 OPTIONS FOR CAVAN MONAGHAN

This section of the Technical Memo outlines four potential options to regulate cannabis production and processing along with a more detailed analysis of the implications of each option. Core to any discussion of the implications for each of the options, is consideration for both the feasibility of the candidate lands to accommodate a cannabis operation as well as the character of the area of influence most likely to experience impacts as a result of the cannabis operation. Implications must therefore consider:

- The suitability of the property proposed for an indoor cannabis production facility;
- Available servicing to support an indoor cannabis production facility;
- Road access to accommodate truck and other vehicular traffic;
- Parcel size to accommodate necessary setbacks from property lines and separation distances from sensitive land uses;
- Nature of the surrounding land uses, including sensitive land uses such as residential and community uses, within the area of influence surrounding the indoor cannabis production facility.

As noted earlier in this report, the following options apply only to the establishment of licenced, commercial cannabis operations. The report does not address the growing of cannabis for personal use or designated growers.

## OPTION A

### PERMIT INDOOR CANNABIS PRODUCTION IN URBAN AND RURAL EMPLOYMENT AREAS SUBJECT TO A ZONING BY-LAW AMENDMENT

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#### What is Being proposed in Option A?

**Official Plan** –Option A proposes to permit cannabis production in the following Official Plan designations:

- Urban Employment Area (indoor cannabis production only)
- Rural Employment Area (indoor cannabis production only)
- Agricultural Area;
- Rural Area; and,
- Applicable ORM designations.

Although a cannabis production facility is a permitted use in the Urban Employment (M1) Zone in Millbrook, it is not expressly permitted nor is there any policy guidance for the siting of cannabis facilities within the Township Official Plan. As a result, the Official Plan will need to be amended in order to introduce a number of policy modifications as follows:

- 1) Terminology and definitions for cannabis production and associated uses will need to be added to the Official Plan;
- 2) Explicit permissions for cannabis production uses will need to be added to the policies of the appropriate land use designations; and,
- 3) Section 3 of the Official Plan should be amended to include use-specific policies to guide the establishment of any new indoor or outdoor cannabis operations in the Township.

**Zoning By-law** - Indoor cannabis production facilities will only be permitted by amendment to the Zoning By-law. Outdoor cannabis production will be permitted as-of-right in the Agricultural and Rural Zones as well as the applicable ORM Zones subject to a minimum 300 metre separation distance from sensitive land uses. In order to implement this option, the Zoning By-law would be amended to specifically permit outdoor cannabis production in these zones.

Regardless, the Zoning By-law will need to be amended to expand the cannabis-related definitions for various of the associated cannabis uses however, these uses would not be included in any 'permitted use list' of the relevant zones. This approach will also apply to the

Urban Employment (M1) Zone thus the existing as-of-right permission for a 'cannabis production facility' in the M1 Zone would be rescinded and any future indoor cannabis production or processing facilities in the M1 Zone may only occur by Zoning By-law Amendment.

Any site-specific permissions for a cannabis production facility that have already been approved and that are in effect will continue to apply. The Zoning By-law will also need to be amended to implement the new Provincial direction for cannabis production facilities as contained in the Draft Provincial Land Use Compatibility Guideline.

### **Implications of Option A**

- Although Option A would permit indoor cannabis production in and the Urban Employment and Rural Employment land use designations in the Official Plan, such facilities would only be permitted by amendment to the Zoning By-law.
- The Zoning By-law amendment process offers the most comprehensive approach to ensure that all matters related to a proposed cannabis operation are considered and addressed. It affords the Township the opportunity to consider any proposed cannabis operations on a case-by-case basis and allows the municipality to specify the studies and mitigative measures required for each specific scenario. This equally provides an opportunity for the public in the surrounding area to be notified of any applications and provide comments.
- Among others, some of the core matters to be considered through a Zoning By-law Amendment process include:
  - The suitability of the property proposed for cannabis production;
  - Available servicing to support a cannabis operation;
  - Road access to accommodate truck and other vehicular traffic;
  - Parcel size to accommodate necessary setbacks from property lines and separation distances from sensitive land uses;
  - Nature of the surrounding land uses including sensitive land uses such as residential and community uses;
  - Any other mitigative measures as may be required.
- Option A does not require an Official Plan Amendment to permit a cannabis production facility in the identified Official Plan designations. The only planning applications required would be a Zoning By-law Amendment and Site Plan application. It is recommended that these planning processes would appropriately examine and regulate any proposals for cannabis operations.



- Outdoor production of cannabis would be permitted in the Agricultural and Rural Zones as well as the applicable ORM Zones subject to a minimum 300 metre separation distance from sensitive uses.
- Meridian is supportive of Option A.

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## OPTION B – DO NOTHING/STATUS QUO

### CONTINUE TO PERMIT INDOOR CANNABIS PRODUCTION IN THE MILLBROOK URBAN EMPLOYMENT AREA AS-OF-RIGHT

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#### What is Being proposed in Option B?

**Official Plan** – Option B maintains the status quo by continuing to permit indoor cannabis production in the Millbrook Employment Area. Although a ‘cannabis production facility’ is already a permitted use in the Urban Employment (M1) Zone, it is not expressly permitted within the corresponding Urban Employment Area designation of the Township Official Plan. Accordingly, Option B will also need to expressly permit indoor cannabis production in the Urban Employment Area designation of the Official Plan.

Although this option is a continuation of the status quo, the Official Plan will still need to be amended in order to introduce a number of policy modifications as follows:

- 1) Terminology and definitions for cannabis production and associated uses will need to be updated and added to the Official Plan;
- 2) Explicit permissions for and policies related to indoor cannabis production will need to be added to the Urban Employment Area land use designation; and,
- 3) Section 3 of the Official Plan should be amended to include use-specific policies to guide the establishment of any new indoor or outdoor cannabis operations in the Township.

**Zoning By-law** – Option B proposes to continue to permit a cannabis production facility in the Urban Employment (M1) Zone as-of-right subject to the requirements of Section 11.7 of the Zoning By-law. However, a municipally initiated Zoning By-law amendment will still be required to implement the requirements of the Draft Provincial Land Use Compatibility Guideline, including the 500 metre minimum separation distance requirement between an indoor cannabis production facility and any nearby existing or planned sensitive land uses (generally characterized as residential and community uses).

The requirement for a 500 metre minimum separation distance for cannabis uses in the Millbrook employment area significantly impacts the feasibility of Option B. The 500 metre minimum separation distance encompasses a large portion of the lands already designated for future residential and institutional uses north of Brookside Street as shown on the attached

## Schedule A-1.

Indoor cannabis production in any other zone category will not be permitted as-of-right. As a result, applications in any other land use designation or zone category would require an Official Plan Amendment and Zoning By-law Amendment. Even though the core permissions are not proposed to be changed in this option, the existing definitions and zone provisions in Section 11.7 will need to be updated to reflect recent modifications to Provincial policy.

Option B permits outdoor cannabis production as-of-right, subject to a minimum 300 metre separation distance from sensitive land uses. In order to implement this option, the Zoning By-law would be amended to specifically permit outdoor cannabis production in the Agricultural and Rural Zones as well as in the applicable ORM Zones.

### Implications of Option B

- Option B centres indoor cannabis production facilities to one location in the Township thus also centering the impacts of such activities in one area with other employment uses that have the potential to generate similar impacts.
- The Millbrook Employment Area has a variety of larger land parcels to allow for the space intensive needs and yard setbacks associated with many indoor cannabis production and processing facilities.
- Option B provides ready access to the Highway 115 corridor just north of Millbrook.
- Option B directs indoor cannabis production facilities to an area with municipal services. However, being a high water user, any proposed indoor cannabis production facility has the potential to run contrary to Section 4.6.3 (a) of the Official Plan which requires that:  
*“Uses requiring water for processing, cooling or washing shall not be permitted unless water used in the process is largely recycled in the process;”*
- In most directions, the Millbrook Employment Area is surrounded by agricultural land uses. The exception to this is the residential area to the south of the employment lands. Most of these lands fall within the 500 metre minimum separation distance prescribed by the Province in the Draft Land Use Compatibility Guideline.
- Option B does not trigger the need for a Zoning By-law Amendment. With no specific policies in the Official Plan to guide the development of an indoor cannabis production facility and in absence of a Zoning By-law Amendment process, the Township has limited

opportunities to assess the impacts of a proposed indoor cannabis operation or to require mitigative measures.

- Any proposed indoor cannabis production facility will be subject to Site Plan Control.
- Outdoor cannabis production would be permitted in the Agricultural and Rural Zones as well as applicable ORM Zones.
- Meridian is no longer supportive of Option B given the recent policy modifications of the Province and the potential impact on planned residential and institutional uses in north Millbrook.

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## OPTION C –

### PERMIT INDOOR CANNABIS PRODUCTION IN URBAN AND RURAL EMPLOYMENT AREAS AS-OF-RIGHT

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#### What is Being proposed in Option C?

**Official Plan** – Option C proposes to permit indoor cannabis production in the Urban Employment Area and Rural Employment Area land use designations of the Official Plan. The Urban Employment Area designation only occurs within the settlement area in Millbrook. The clusters of Rural Employment Areas in the Township are located as follows:

1. South of Cavan just north of the Highway 115 interchange;
2. A large parcel on the northwest corner of Highway 7 and Mount Pleasant Road interchange;
3. Southwest of the Highway 7 and Brown Line intersection;
4. North Monaghan Employment Park area;
5. Airport Employment Area in proximity of Clifford Line and Moncrieff Line adjacent to the airport lands; and,
6. A large parcel between Brown Line and Clifford Line just west of the Highway 115 interchange.

In accordance with Option C, no Official Plan Amendment would be required to establish an indoor cannabis production facility in these locations. Regardless, it is recommended that additional general policies be added to Section 3 of the Official Plan as it relates to the establishment of new cannabis facilities. Relevant cannabis-related definitions will also need to be added to the Official Plan.

**Zoning By-law** – A cannabis production facility is already permitted as-of-right in the Urban Employment (M1) Zone. Option C proposes to apply this same as-of-right permission to the Rural Employment (M2) Zone subject to the requirements of Section 11.7 of the Zoning By-law. Outdoor cannabis production would be permitted as-of-right in the Agricultural and Rural Zones as well as the applicable ORM Zones.

An additional zoning requirement of a 500 metre minimum separation distance between an indoor cannabis production facility and any nearby sensitive land uses (generally characterized as residential and community uses) will need to be added to the Zoning By-law. It is further recommended that the zone provisions of Section 11.7 (Cannabis Production Facilities) of the

Zoning By-law be reviewed and updated along with the applicable terminology and associated definitions.

The requirement for a 500 metre minimum separation distance applied to the rural employment areas significantly impacts the feasibility of Option C. In some cases, the 500 metre minimum separation distance extends into neighbouring municipalities. In many cases, there are a number of varied rural residential, community, institutional and recreational uses on smaller lots that are within the 500 metre minimum separation distance surrounding the rural employment area(s). The characteristics of the surrounding land uses are such that it is not feasible to permit indoor cannabis production in the rural employment area as-of-right, absent any planning process to assess the potential impacts on surrounding land uses. The attached Schedule A illustrates the 500 metre minimum separation distance around each of the Township's rural employment areas.

### **Implications of Option C**

#### Urban Employment Area

- The implications associated with permitting indoor cannabis production facilities have already been addressed in Option B.

#### Rural Employment Areas

- Each of the Rural Employment Area clusters vary in character and suitability to accommodate indoor cannabis production facilities. Matters to consider include:
  - The suitability of the property proposed for cannabis cultivation and production;
  - Available servicing to support a cannabis operation;
  - Road access to accommodate truck and other vehicular traffic;
  - Parcel size and vacancy to accommodate necessary setbacks from property lines and separation distances from sensitive land uses;
  - Nature of the surrounding land uses including sensitive land uses such as residential and community uses;;
  - Any other mitigative measures as may be required.
- **Servicing:** None of the Rural Employment Areas are serviced by municipal water or sewer. As a result, any uses must rely upon private water and sewage disposal systems. Section 5.4 of the Official Plan provides that only uses that require limited water or sanitary services may be permitted. Section 5.4.2 of the Official Plan provides that commercial uses in the Rural Employment Area shall be limited to uses that generate less than 10,000 litres of domestic sewage effluent per day. As a high water user, the establishment of indoor cannabis production facilities in the Rural Employment Areas

may run contrary to a number of the rural employment policies in the Official Plan in regards to the servicing requirements of such facilities.

- Section 3.19.4 of the Official Plan addresses land uses using more than 50,000 litres of water day that require a Water Taking Permit from the Ministry of Environment, Conservation and Parks (MECP). This policy directs that such land uses trigger the need for a Zoning By-law Amendment. If the proposed indoor cannabis production facility is of such a size that it would require a Water Taking Permit from the MECP, the required Zoning By-law Amendment then affords the Township an opportunity to require studies and to implement mitigative measures for an individual proposal.
- **Access:** The Rural Employment Areas have varying levels of access. Some have readily available access to Highway 115 with nearby interchanges. Others have access to Highway 7. The merits of each individual access and ability to accommodate the traffic generated needs to be assessed on a case by case basis.
- **Parcel Size and Vacancy:** The Rural Employment Areas have varying levels of suitability based on parcel size. Some of the employment clusters are only single large lots. Others have a grouping of both larger and smaller parcel sizes. The North Monaghan Employment Area is somewhat distinct in that it has one large remnant parcel to the south but is predominantly smaller employment parcels. All of the Rural Employment Areas also have varying mixtures of developed and vacant lots.

**Surrounding Land Uses:** A high level survey of the land uses surrounding each of the Township's Rural Employment Areas reveals a mixture of land uses including residential uses, community uses, agricultural areas, natural areas, and the Peterborough Municipal Airport. A general description of the land uses surrounding each of the Rural Employment Area clusters is provided below.

Lands in the eastern portion of the Township, east of Highway 7 are all generally within the Rural Area designation. Rural areas are generally typified by a greater mix of rural land uses and smaller lots. Added consideration must also be given to lands in proximity of the Peterborough Municipal Airport given the navigational requirements of this facility. For example, the lighting associated with greenhouses may have a potential impact on air traffic navigation.

#### Cavan

- North – Cavan hamlet area and limited number of rural residential uses along County Road 10 along with a baseball field
- South – Highway interchange
- East – agricultural fields and Highway 115
- West – agricultural fields and beyond the 150 metre minimum distance separation

distance a cluster of rural residential uses

Mount Pleasant & Highway 7 (single lot)

- North – natural area
- South – natural area
- East – agricultural field
- West – immediately adjacent to Peterborough Speedway with agricultural fields beyond

North Monaghan Park Employment Area

- North – agricultural uses but beyond that a gold course
- South – agricultural lands
- East – cluster of rural residential uses at Whittington Drive & Dobson Road beyond that the City of Peterborough
- West – vacant forested lot

Brown Line & Highway 7

- North – cluster of rural residential uses
- South – agricultural lands
- East – agricultural lands
- West – agricultural lands

Brown Line & Mervin Line (divided by Highway 115)

- North – agricultural uses (few rural residential uses at Brown Line & Airport Road)
- South – Peterborough Municipal Airport
- East – natural area, Highway 115 interchange and Airport Road
- West – natural area

Clifford Line & Moncrief Line

- North – agricultural uses
- South – Kawartha Downs Speedway and agricultural uses
- East – Peterborough Municipal Airport and golf course to the northeast
- West – natural area

Given that Option C proposes to permit indoor cannabis production in both the Rural Employment Area Official Plan designation and in the Rural Employment (M2) Zone as-of-right, no Official Plan Amendment or Zoning By-law Amendment would be required to establish new indoor cannabis productions uses in these areas. Only Site Plan Control would apply. As a result, the ability of the municipality to address, minimize or mitigate impacts on surrounding land uses is significantly compromised.



Outdoor cannabis production would be permitted as-of-right in the Agricultural and Rural Zones as well as the applicable ORM Zones subject to a minimum 300 metre separation distance from sensitive land uses.

Meridian does not support Option C given the myriad of land use sensitivities in this area as well as servicing and environmental considerations.

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**OPTION D –  
MAXIMALLY PERMISSIVE/ LITTLE OR NO REGULATION**

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Council has asked that consideration be given to a maximally permissive scenario with little to no regulation. This would involve expressly permitting cannabis production wherever agricultural uses are permitted and in the urban and rural employment zones. No unique setbacks for this use would be established beyond those required by the Province.

In order to somewhat mitigate the potential impacts of this land use, site plan control could be required wherever a building permit was needed.

Meridian does not support Option D.

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## 7.0 SUMMARY OF RECOMMENDATIONS

This section of the Technical Memo provides a summary of recommendations along with identification of a final recommended option to regulate the production of cannabis in the Township of Cavan Monaghan.

In reviewing the approaches used in other municipalities and in considering both the federal licensing requirements and the current/proposed Provincial policy framework (Provincial Policy Statement 2020 and Draft Land Use Compatibility Guideline 2021), Meridian’s key recommendations for each of the options considered are as follows:

| OPTION   | DESCRIPTION   | RECOMMENDATION   |
|----------|---|------------------|
| Option A | <ul style="list-style-type: none"> <li>• Permit indoor cannabis production by Zoning By-law Amendment only</li> <li>• Permit outdoor cannabis production as-of-right in the Agricultural and Rural Zones as well as the applicable ORM Zones</li> </ul>   | Recommended      |
| Option B | <ul style="list-style-type: none"> <li>• Permit indoor cannabis production as-of-right in the Urban Employment (M1) Zone (Millbrook) only (Status Quo)</li> <li>• Permit outdoor cannabis production as-of-right in the Agricultural and Rural Zones as well as the applicable ORM Zones</li> </ul> | Do Not Recommend |
| Option C | <ul style="list-style-type: none"> <li>• Permit indoor cannabis production as-of-right in the Urban Employment (M1) and Rural Employment (M2) Zones</li> <li>• Permit outdoor cannabis production as-of-right in the Agricultural and Rural Zones as well as the applicable ORM Zones</li> </ul>    | Do Not Recommend |
| Option D | <ul style="list-style-type: none"> <li>• Permit indoor cannabis production as-of-right in Employment Zones and wherever agricultural uses are permitted (Maximally Permissive Option)</li> </ul>  | Do Not Recommend |

Meridian recommends Option A for the following reasons:

- 1.) Ensures that the municipality is involved in the planning for cannabis facilities and provides the municipality with the appropriate legislative planning tools to assess a broad range of impacts and secure mitigative measures;
- 2.) Provides the most comprehensive approach to ensure that all matters related to a proposed cannabis production facility are considered on an individual case-by-case basis;
- 3.) Focuses on land use compatibility between uses in the community as well as environmental and servicing considerations; and
- 4.) Represents good planning.

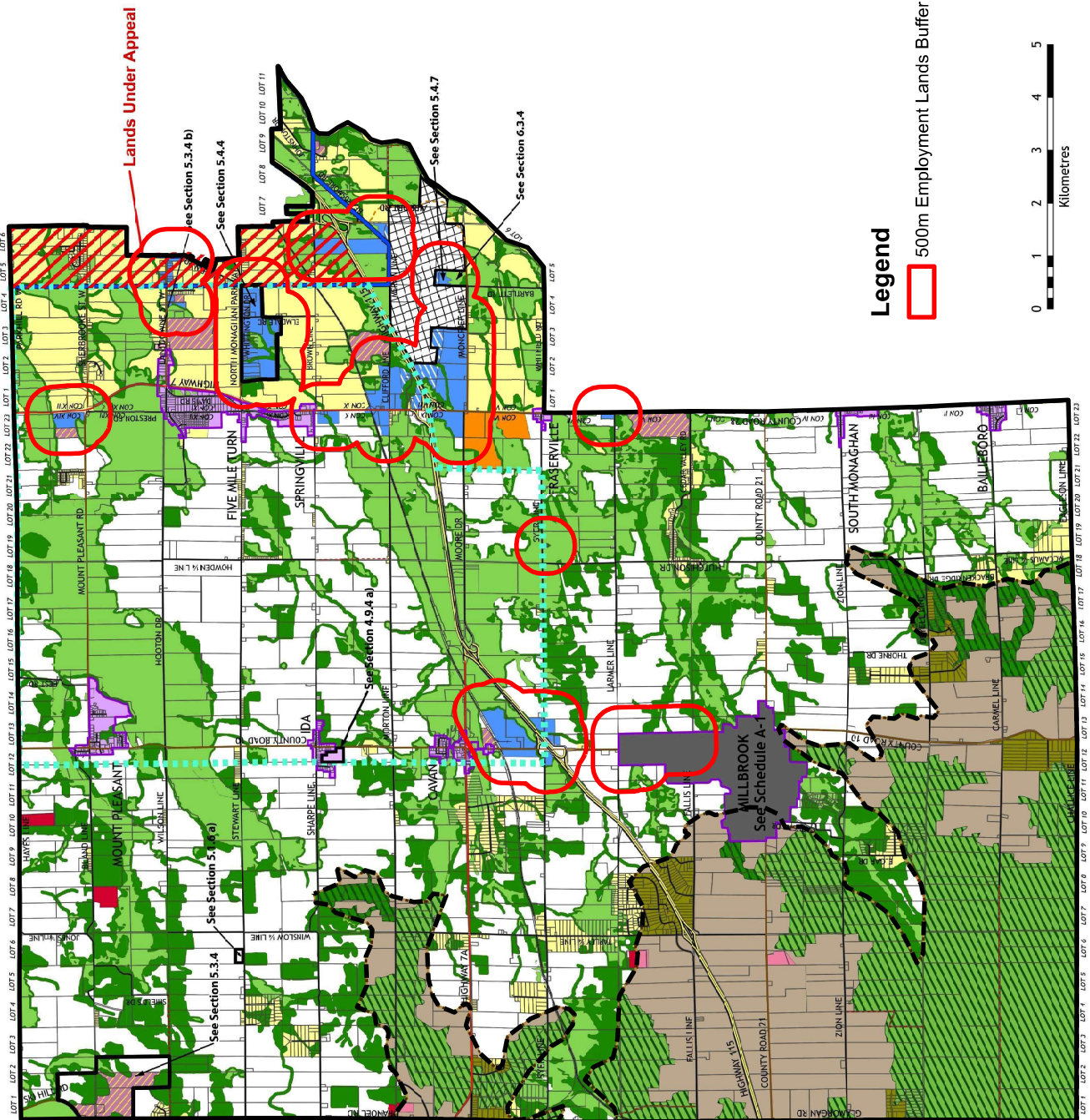
Regardless, a municipally initiated Official Plan Amendment and Zoning By-law Amendment are required to modify the existing policy framework and to bring the Township's planning documents into conformity with the Provincial policy directives.

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# Township of Cavan Monaghan Official Plan - Schedule 'A' Land Use

## Legend

- Settlement Area
- Hamlet
- Millbrook Urban Settlement Area
- Countryside Areas**
- Agricultural
- ORM - Prime Agricultural
- Rural
- ORM - Rural
- Mineral Aggregate Extractive
- ORM - Extractive
- Rural Employment
- Commercial Entertainment
- Airport Employment
- Recreational
- Natural Heritage System**
- Natural Core Area
- ORM - Natural Core Area
- Natural Linkage Area
- ORM - Natural Linkage Area
- Oak Ridges Moraine Boundary
- Urban Rural Fringe
- Special Study Area No. 1 (See Section 2.6)
- Peterborough Airport
- Transportation**
- Freeway
- King's Highway
- County Road
- Proposed Arterial Road
- Township Road
- Private Road
- Railway



## Legend

- 500m Employment Lands Buffer



Consolidated October 14, 2020

