Agenda – Council – October 28, 2021

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – October 13, 2021

Item No. 1 Cannabis Cultivation in Residential Areas

STANDING COMMITTEE RECOMMENDATION:

On October 20, 2021, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the following to Council:

1. That the Winnipeg Public Service be directed to proceed with the proposed zoning and licensing frameworks and report back within 180 days with draft amendments to the Winnipeg Zoning By-law 200/2006 and Downtown Winnipeg Zoning By-law 100/2004, and draft amendments to the Doing Business in Winnipeg By-law 91/2008.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – October 13, 2021

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 20, 2021, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the matter to Council.

Councillor Eadie, Mynarski Ward, submitted a communication dated October 20, 2021, in support of the matter.

STANDING COMMITTEE RECOMMENDATION:

On October 13, 2021, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

R. Hayer, Planner, Planning, Property and Development Department submitted a presentation titled "Cannabis Cultivation in Residential Properties", with respect to the matter.

The following persons submitted communications:

- Wanda Enns submitted a communication dated October 11, 2021, in support of the matter.
- Jeff and Judith Stanton submitted a communication dated October 8, 2021, in support of the matter.
- Ed Kolodziej submitted a communication in support of the matter.
- Ed Kolodziej, on behalf of Eddie Calisto-Tavares, submitted a communication dated October 13, 2021, in support of the matter.
- Gail Katz submitted a communication titled "Attention: Standing Policy Committee on Property and Development, Heritage and Downtown Development", in support of the matter.
- Gina Gabriel submitted a communication dated October 12, 2021, in support of the matter.
- Harold Enns submitted a communication dated October 12, 2021, in support of the matter.
- Councillor Eadie, Mynarski Ward, submitted a communication dated October 13, 2021 with respect to the matter.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – October 13, 2021

DECISION MAKING HISTORY (continued):

COUNCIL DECISION:

On March 25, 2021, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and adopted the following:

1. The report of the Winnipeg Public Service dated February 21, 2021 be received as information.

2. That the Winnipeg Public Service be further directed to report back within 180 days with additional details regarding the options included in the report, including but not limited to:

    A. Amendments to the Winnipeg Zoning By-law No. 200/2006, which would:

        i. Prohibit the cultivation of cannabis in residential neighbourhoods and/or properties with a residential zoning designation;

        ii. Limit the cultivation of cannabis in residential neighbourhoods and/or properties with a residential zoning designation based on:

            a. a prescribed number of plants;

            b. a prescribed percentage of the useable area of the residence, or

            c. such other criteria that supports the intent and purpose of this motion.

    B. Options to amend the Neighbourhood Liveability By-law No. 1/2008 or any other City of Winnipeg By-law to regulate or prohibit nuisance odours or any other conditions that pose a health hazard or detriment to the neighbourhood emanating from properties where cannabis cultivation is occurring.

    C. Options to create a licensing regime to protect the health and safety of our communities by regulating the cultivation of cannabis for medical purposes on behalf of other registered users.

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – October 13, 2021

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

D. Regulations to various building systems (including, but not limited to HVAC, electrical, lighting and heating systems) for all properties with a residential zoning designation to minimize or eliminate:

i. the exhausting and emission of odours from the property;

ii. the infiltration of moisture, mould and other harmful elements into the building structure; and

iii. any other conditions that pose a health hazard or detriment to the neighbourhood.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

On November 26, 2020, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and adopted the following:

1. That the Winnipeg Public Service be directed to report back to Council within 120 days with options legally available to the City to regulate or prohibit the cultivation of cannabis for any purpose, including for medical purposes, in residential neighbourhoods and/or in properties with a residential zoning designation.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Cannabis Cultivation in Residential Areas

Critical Path: Standing Policy Committee on Property & Development, Heritage and Downtown Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Veitch	J. Kiernan	N/A	M. Jack

EXECUTIVE SUMMARY

This report seeks direction from Council regarding a preferred approach to the regulation of medical cannabis cultivation, with consideration given to amending zoning bylaws and introducing a licensing regime.

Under the proposed changes, pending Council's approval, designated cannabis production facilities would be defined in the City's zoning bylaws as a new land use. Additionally, proposed amendments to the Doing Business in Winnipeg By-law would require designated growers to obtain and maintain a valid business license.

Designated cannabis production facilities are sites where medical cannabis is cultivated by a person who has been authorized by Health Canada to produce a limited amount of medical cannabis on behalf of someone with a medical prescription. Currently the City of Winnipeg policy and by-law framework does not have any limitation on designated growers and their authorization from Health Canada does not require them to notify the local jurisdiction of their approvals or place of operation. As a result, these designated grow operations are setting up in a range of zones and locations across the City, often within residential neighbourhoods and properties zoned for residential use.

Under the proposed zoning framework outlined in this report, Designated Cannabis Production facilities would only be permitted in Manufacturing zones (i.e. MMU, M1, M2, and M3). Additionally, use-specific standards would require operations to be conducted within enclosed buildings; require air filtration/exhaust systems; and require minimum setbacks between buildings where cannabis is cultivated and/or stored near residential properties, schools, public parks and playgrounds.

Under the proposed licensing framework outlined in this report, a new medical cannabis licensing regime would be established in the City of Winnipeg. The proposed framework would require Designated Growers (i.e. individuals operating Designated Cannabis Production Facilities) to obtain and maintain a valid business license. Introducing a licensing requirement would allow the City to conduct inspections, and to suspend or revoke a license, or issue a fine, if there are health and/or safety concerns.

At this time, new regulations for commercial producers are not being proposed, as these facilities have been locating within our Manufacturing zones based on their land use definition. In addition, personal medical cannabis production sites (i.e. sites that are registered with Health Canada and operated by individuals cultivating a limited amount of medical cannabis for their own personal medical needs) are not included in the proposed zoning or licensing framework.

Amendments to by-laws relating to enforcement of nuisance odour are also not being proposed. Nuisance odours can be difficult to regulate due to the inherent subjectivity associated with measuring and defining an unacceptable level of odour. Currently the Province of Manitoba handles odour complaints.

This report recommends that Council direct the Winnipeg Public Service to report back with draft amendments to both Zoning By-laws and the Doing Business in Winnipeg By-law. Proposed zoning and licensing frameworks are noted in Appendices A and B to this report. If Council concurs in the Administrative recommendations, these frameworks would be further refined and formal draft amendments would be prepared for Council's consideration.

RECOMMENDATIONS

1. That the Winnipeg Public Service be directed to proceed with the proposed zoning and licensing frameworks and report back within 180 days with draft amendments to the Winnipeg Zoning By-law 200/2006 and Downtown Winnipeg Zoning By-law 100/2004, and draft amendments to the Doing Business in Winnipeg By-law 91/2008.

2. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

This report responds to the following motion made on March 25, 2021, whereby Council directed the Winnipeg Public Service to report back within 180 days with the following:

- *"Amendments to the Winnipeg Zoning By-law No. 200/2006, which would:*
    - *i. Prohibit the cultivation of cannabis in residential neighbourhoods and/or properties with a residential zoning designation;*
    - *ii. Limit the cultivation of cannabis in residential neighbourhoods and/or properties with a residential zoning designation based on:*
        - *a. a prescribed number of plants;*
        - *b. a prescribed percentage of the useable area of the residence, or*
        - *c. such other criteria that supports the intent and purpose of this motion.*
- *Options to amend the Neighbourhood Liveability By-law No. 1/2008 or any other City of Winnipeg By-law to regulate or prohibit nuisance odours or any other conditions that pose a health hazard or detriment to the neighbourhood emanating from properties where cannabis cultivation is occurring.*

- *Options to create a licensing regime to protect the health and safety of our communities by regulating the cultivation of cannabis for medical purposes on behalf of other registered users.*
- *Regulations to various building systems (including, but not limited to HVAC, electrical, lighting and heating systems) for all properties with a residential zoning designation to minimize or eliminate:*
    - *i. the exhausting and emission of odours from the property;*
    - *ii. the infiltration of moisture, mould and other harmful elements into the building structure; and*
    - *iii. any other conditions that pose a health hazard or detriment to the neighbourhood."*

IMPLICATIONS OF THE RECOMMENDATIONS

If the recommendations are concurred in, the Winnipeg Public Service will report back in 180 days with draft amendments to both of the City's Zoning By-laws and the Doing Business in Winnipeg By-law. Changes to the Zoning By-laws require a public hearing.

HISTORY / DISCUSSION

INTRODUCTION

In accordance with federal regulations, cannabis can be produced in the following ways:

- Health Canada can issue a license authorizing the production of cannabis for commercial purposes.
- An individual with a medical prescription for cannabis can register with Health Canada to produce a limited amount of cannabis based on their Doctor's prescription for their own medical purposes.
- An individual with a medical prescription for cannabis can choose to designate someone to be approved by Health Canada to produce a limited amount of cannabis on their behalf.
- Federal regulations allow an adult who is at least 19 years of age to grow up to a maximum of four (4) cannabis plants at their household (not per person) for personal recreational purposes. However, this type of home cultivation is prohibited in Manitoba under the provincial *Liquor, Gaming and Cannabis Control Act*.

Licensed Production Sites:

Licensed cannabis production sites operated by large-scale commercial producers are required to comply with strict regulations, including notifying local authorities, meeting local by-laws, tracking and reporting on cannabis production, inventory and sales, physical security and monitoring, air treatment control, and good production practices.

Currently in Winnipeg, licensed commercial cannabis production sites are considered a "Light Manufacturing" land use under the *City of Winnipeg Zoning By-law 200-2006* and are limited to properties zoned Manufacturing. These facilities are not the focus of this report.

Registered Medical Cannabis Production Sites:

Individuals with authorization by way of prescription from a health care practitioner may register with Health Canada to produce a limited amount of cannabis for their own medical purposes within their personal property; or may designate a person to grow it for them in a different location.

Unlike the licensed production sites mentioned previously, registered sites are not required to provide notice to the local authorities of their intent to cultivate medical cannabis at a specific property. Registered sites are also not required under the terms of the registration certificate to contain any form of air treatment control. This can lead to excess moisture and humidity, which could lead to mould building-up on plants or in the building. Odour emanating from these production sites can become a nuisance to surrounding properties. Registered sites are also not prohibited under the terms of their Health Canada issued registration from establishing within residential properties.

Federal legislation allows for cannabis to be cultivated for up to four (4) registrations per address. This may result in the cultivation of hundreds of medical cannabis plants at one address. The amount of cannabis that an individual is allowed to grow is based on a formula that considers both the individual's prescribed daily amount, as authorized by their health care practitioner, and the average yield of a plant under normal growing conditions. For example, for indoor growing, Health Canada's formula is five (5) plants for every one (1) daily gram of dried cannabis prescribed.

No person is permitted to grow in excess of the number of plants specified by Health Canada on their registration document and must operate within the limits set out when they were registered. Individuals are only authorized to produce and possess cannabis for their own medical purposes (or for the individual they are designated to produce for) and it is illegal for them to distribute or sell cannabis to anyone else.

Although these registered designated grower sites have significantly fewer federal requirements to comply with when compared to licensed facilities, they are expected to obey all federal, provincial, and municipal laws and bylaws under the terms of their registration certificate issued by Health Canada.

Inspections and Enforcement (Federal):

Health Canada indicates that they take a "risk-based" approach to compliance and enforcement. Inspections of registered individuals or designated producers are conducted at sites that may pose a higher risk due to a high number of plants or multiple registrations, or those where a high number of complaints from the public have been received.

Health Canada has a "Cannabis Report Form" that citizens or municipal officials can use to report complaints about cannabis cultivation sites. Health Canada also supports local law enforcement representatives by providing a dedicated service in terms of information and supporting active investigations, including the details of an individual's registration and plant limits.

With the appropriate authorization, law enforcement can enter residences and production sites in the context of an investigation. Registered and designated persons must show a copy of their Health Canada issued documentation to local law enforcement, if requested. Health Canada can also share aggregate information with municipalities, including by-law officials, about the number of individuals registered to produce cannabis for medical purposes in a given town or city, as well

as a breakdown by postal code where there is sufficient aggregate data. Any information shared with municipalities would be done in accordance with the *Privacy Act*.

Role for Municipalities:

Health Canada has encouraged all provinces, territories, and municipalities to use the tools at their disposal to confirm that individuals meet all local standards and by-laws. When individuals register with Health Canada to cultivate medical cannabis, they are reminded that they need to comply with all relevant principal/territorial and municipal laws, including local by-laws about zoning, electrical and fire safety, as well as related inspection and remediation requirements.

A cross-jurisdictional scan found that Canadian municipalities that have existing zoning bylaws to regulate cannabis production facilities will specify that regulations only apply to 'federally licensed' operations (i.e. commercial growers); however, some fail to make any distinction between licensed or registered medical cannabis grow sites.

It is important to make the distinction between licensed and registered sites within policy and regulation because while commercial cannabis cultivators must operate under a federal licence, individuals growing their own medical cannabis under a registration certificate granted by the Minister can grow potentially hundreds of cannabis plants in a residential property, with significantly fewer federal requirements to comply with when compared to federally licensed commercial facilities.

More recently, some Canadian municipalities have begun taking steps to address the issues caused by registered medical cannabis production sites in residential areas. This includes distinguishing between federally licensed and registered cannabis production facilities, establishing use specific standards, and limiting these facilities to certain zoning districts. Some cities have also implemented licensing regimes to further track and regulate cannabis production facilities.

Norfolk County (Ontario) was one of the first Canadian municipalities to take steps to regulate personal and designated medical grow sites through local zoning bylaws. When cannabis was legalized in late 2018, Norfolk County established a new zoning bylaw to address concerns with setbacks from neighbouring residences and implement site plan control to address issues such as parking, lighting and odour emissions. Under the bylaws, facilities without filtration systems are required to be setback 984 feet (300 metres) from residential properties; and facilities with suitable filtration are required to be setback 500 feet (150 metres) from residential properties.

Georgina (Ontario) passed a zoning bylaw amendment in 2020 to implement specific zoning requirements for cannabis production facilities. The bylaw regulates the permitted location for designated and licensed commercial cannabis production facilities, allowing designated and commercial production sites to establish in industrial and rural zones, and establishes additional zoning standards to regulate the use, such as minimum setback requirements between these sites and residential or institutional uses and air filtration requirements.

PROPOSED ZONING FRAMEWORK

Appendix A includes the proposed zoning framework to regulate cannabis production facilities. Under the proposed framework, a new use definition would be established identifying "Designated Cannabis Production Facility" as a distinct land use.

A Designated Cannabis Production Facility is a use that is carried out by someone who has been authorized by Health Canada to produce a limited amount of medical cannabis on behalf of another individual. Designated Cannabis Production Facilities would only be permitted in the M1, M2, M3 and MMU zoning districts.

Under the proposed use-specific standards, cultivation would be limited to indoor operations. In addition, air filtration/exhaust systems would be required. Limiting cultivation to indoor operations and requiring filtration/exhaust systems would ensure that the designated grow sites are inconspicuous and do not attract attention. This is advisable given that designated grow sites would be limited to established industrial areas. Unlike commercial growers operating under a Health Canada-issued license, the terms of the registration certificate granted to designated growers does not require the applicant to implement any specific security measures.

Use-specific standards would also require a minimum separation distance between the buildings where cannabis is cultivated and/or stored, and sensitive land uses such as residential properties, schools, public parks, and playgrounds. If the Public Service is directed to proceed, more in-depth analysis will be conducted and details regarding the specific required separation distance will be forthcoming.

Any recommended separation distance would be measured from the closest portion of the building or structure used to cultivate or store cannabis to the closest portion of the lot line containing a residential use or school, park or playground.

In addition, under the proposed zoning framework, the definition for “Light Manufacturing” would be updated to encapsulate commercial cannabis production facilities; and the definitions for “Urban Agriculture Indoor/Outdoor” would be updated to clarify it does not include the cultivation of cannabis.

Registered personal medical cannabis production sites, meaning sites operated by individuals who will be cultivating a limited amount of medical cannabis for their own personal medical needs in their personal property, are not advised to be included in the proposed zoning bylaw amendments. The Public Service recommends no restrictions on this type of production and this is to recognize the supremacy of Charter Rights and federal legislation.

If Council concurs in the Administrative recommendations in this report, the proposed zoning framework would be further refined and formal draft amendments would be prepared for Council’s consideration and be subject to a Public Hearing.

PROPOSED LICENSING FRAMEWORK

Appendix B includes the proposed licensing framework to regulate Designated Growers. These would be the operators of Designated Cannabis Production Facilities.

Introducing a licensing requirement under the Doing Business in Winnipeg By-law allows the City to conduct inspections and revoke a license if there are any significant health and safety concerns.

Licensees would be required to obtain zoning approvals, and all work would be required to be completed under development and building permits. Licensees would also be required to allow access to a City of Winnipeg designated employee to conduct an inspection when requested. A

Designated Grower licensing fee would be established, which would charge applicants a licensing fee based on the number of plants. Licenses would need to be renewed annually.

The introduction of a proposed licensing program would result in an additional FTE. A licensing fee structure will be drafted as part of the next report-back. The final licensing fee structure will be drafted to achieve cost recovery based on Council's adoption of Licensing and Inspection options. If adopted, administration will conduct full cost and revenue estimate to determine fees for full cost recovery of the program and flesh out greater details on revenue and cost implications. More in-depth analysis may be required if the Public Service is directed to proceed with the creation of a licensing regime.

EXISTING MEDICAL CANNABIS PRODUCTION SITES

With respect to existing medical cannabis production facilities registered through Health Canada and operating in Winnipeg, designated growers would be required to obtain a license through the Doing Business in Winnipeg By-law, as per the recommended licensing framework. Under the terms of this license, designated growers would be required to comply with applicable zoning, which would restrict the use to manufacturing zones. Should these designated growers fail to obtain a valid license from the City, legal action could be pursued against them.

It is also worth noting that the Health Canada issued registration certificates, which authorize registered grow sites, are only valid for one (1) year. After the one-year term, the grower is required to re-apply to Health Canada, and must be able to indicate that they are still following all relevant provincial/territorial and municipal laws, including local by-laws respecting zoning, electrical and fire safety, as well as all related inspection and remediation requirements.

The licensing considerations noted previously, as well as Health Canada's annual registration renewal requirements, will address any 'grandfathering' concerns, meaning that all existing legally registered sites will have to comply with the City's newly adopted regulations and policy.

Implementing the recommended zoning and licensing frameworks would also bolster the City's ability to address the issue of residential buildings that may be unoccupied and may be used primarily to cultivate medical cannabis under a Health Canada issued registration certificate. Vacant residential buildings are subject to community complaints forwarded to the City and complaints are investigated. Defining the land use in the City's zoning bylaws, combined with the requiring a business license, will allow the City to take enforcement action when complaints are received regarding vacant residential buildings being used as medical cannabis grow sites.

ADDITIONAL CONSIDERATIONS

Plant or floor area-based limits:

Although the motion directed the Public Service to consider zoning bylaw amendments that would establish limitations on medical cannabis cultivation based on the number of plants or percentage of floor area, research has concluded that this approach is not advisable.

Plant limits or regulation based on floor area alone would be difficult or impossible to enforce, as plants can be moved prior to inspections. Multiple inspections for each property would also likely be required translating into significant FTEs.

Instead, establishing cannabis production facilities as a distinct land use and only permitting it in certain zones with use specific standards, excluding any residential zoning district, would be an effective approach to prohibit cultivation in residential areas and minimize the potential for negative land use impacts.

Cannabis Odours and Nuisance:

Preliminary research found that nuisance odours may be difficult to regulate because of the inherent subjectivity associated with measuring and defining what constitutes unacceptable level of odour.

Cannabis flowers emit a strong odour while being cultivated, which can be annoying and/or unpleasant, and may result in headaches or irritation depending on individual tolerance of particular odours. However, conclusive studies have not been published to suggest that cannabis odours are specifically detrimental to human health. With that said, it can be argued that odour itself impacts well-being through annoyance, disruption, and stress.

Although the Charter allows it, the Public Service would advise against establishing a municipal bylaw to regulate nuisance odour. Currently the Province handles odour complaints.

A more effective approach would be to require the use of appropriate filtration/exhaust systems, as this is known to mitigate the release of substances that may result in odours as well as ensure safe indoor air quality. This, combined with minimum setback requirements and a prohibition on outdoor cultivation, may be sufficient to mitigate the impact created by nuisance cannabis odour.

Based on existing guidance from Health Canada and elsewhere, odour control technologies are available for production facilities to prevent the release of odours from cannabis cultivation facilities. Activated carbon filters have been shown to be effective in eliminating odours emanating from cannabis cultivation facilities and are widely promoted by the cannabis community. An air filtration system using a H13 high-efficiency particle air (HEPA) filter is another example of an exhaust/filtration system recommended by Health Canada that can mitigate against the escape of odours.

The Public Service recommends implementing a filtration/exhaust system requirement as a development standard to reduce the emission of odours from the production facility. Under the recommendations, development and building permit applications for designated cannabis cultivation facilities would be required to submit an operating plan that includes a letter from a mechanical engineer to ensure that the filtration/exhaust system is fully adequate depending on the scale of operations.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 3, 2021

Project Name:

Cannabis Cultivation in Residential Areas

COMMENTS:

There are no direct financial implications associated with the recommendations contained in this report.

Mike McGinn Sept. 3, 2021

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with the departments listed below.

Legal Services (as to legal issues)
Community Services

OURWINNIPEG POLICY ALIGNMENT

Direction 3: *Promote Compact Urban Form and Manage the Extension of Municipal Services for New Growth.*

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Key Direction 4.2: *Ensure New Areas of Growth are Designed According to the Principles of Complete Communities.*

SUBMITTED BY

Department: Planning, Property, & Development
Division: Urban Planning and Design
Prepared by: R. Hayer (Planner 3) and J. Veitch (Principal Planner)
Date: September 9, 2021
File No: N/A

ATTACHMENTS:

Appendix A – Proposed Zoning Framework

Appendix B – Proposed Licensing & Enforcement Framework

Appendix C – Health Canada Fact Sheet: Commercial and Personal Production of Cannabis

Appendix A

Proposed Zoning Framework (Planning, Property and Development)

If the Public Service is directed to report back with draft amendments to the City's Zoning By-laws, as this report recommends, this framework would be further refined and formal draft amendments would be prepared for Council's consideration.

1.0 DEFINITIONS

Land use definitions in the City's Zoning By-laws would be updated to reflect the following:

- **"Designated Cannabis Production Facility"** which are sites authorized by a valid registration certificate and document for designated person issued by Health Canada be defined as a new land use in the City's Zoning By-laws;
- **"Light Manufacturing"** be updated to clarify this refers to commercial cannabis production facilities operating under a Health Canada issued license; and
- **"Urban Agriculture, Indoor"** and **"Urban Agriculture, Outdoor"** be updated, to clarify that these do not include the cultivation of cannabis for medical or non-medical purposes.

Precise wording for the above noted land uses will be forthcoming.

2.0 PERMITTED AREAS

A **"Designated Cannabis Production Facility"** would be permitted in the following zoning districts:

- "M1" Manufacturing Light.
- "M2" Manufacturing General.
- "M3" Manufacturing Heavy.
- "MMU" Manufacturing Mixed-Use.

3.0 PROPOSED USE SPECIFIC STANDARDS:

Designated Production Facilities would be subject to the following Use-Specific Standards:

1. Cultivating, propagating, harvesting and storing of cannabis would only be permitted within a wholly enclosed building or structure.
2. No detectable cannabis-related odors from plant production borne through building exhaust systems would be allowed and a filtration/exhaust system which eliminates the emission of pollen, dust, and odours from the production (growing, drying, storing, etc.) facility would be required. This may involve requiring a registered Mechanical Engineer to provide a letter confirming filtration provision and performance for the subject property.
3. Buildings or structures used to cultivate and/or store cannabis would be prohibited from being establishing within a certain distance from residential uses, school, public parks, or playground. The separation distance would be measured from the closest portion of the building or structure used to cultivate or store cannabis to the closest portion of the lot line containing a residential use, or school, or public park, or playground. Details on the required separation distance will be forthcoming.

Appendix B

Proposed Licensing & Enforcement Framework (Community Services)

1.0 GENERAL REQUIREMENTS, LICENSEE RESPONSIBILITIES, SUSPENSIONS & REVOCATION

That anyone who wishes to operate as a **designated grower** (DG) would be required to provide the following:

1. Completed License Application and remit the associated License Fee
    - A licensing fee structure would be drafted as part of formal By-law amendments included in the next report-back. The final licensing fee structure will be drafted to achieve cost recovery based on Council's adoption of Licensing and Inspection options noted further in this Appendix B. If directed to proceed, administration will conduct full cost and revenue estimate to determine fees for full cost recovery of the program.
2. Provide confirmation/evidence of Health Canada "Registration Certificates" to produce/cultivate as a designated grower that the operator is intending to support.
3. Indicate the number of plants being grown.
4. If the applicant is not on title – a completed **Authorization Form (to be developed)** from the property owner granting permission to produce/cultivate cannabis as a designated grower at the property that the license is for.
5. Provide a criminal background check
    - If criminal background check is not considered possible (PHIA concerns) – Approvals from Records Review Board should be considered/recommended.
6. Active Alarm Permit the premise.
    - Similar to requirements for commercial operations.
7. Additional Security Measures.
    a) Provide floor plans of property and location of activity.
    b) Provide plan of disposal of any medical cannabis that is not consumed by the patient.
    c) Storage plan for the medical cannabis produced and stored on the premises.
    d) A plan for packaging and delivery of medical cannabis to patients, including details on patient pickup times consistent with zoning and minimizing impact to neighbourhood.
    e) Names of all employed individuals.

Please be aware that the licensing program would result in an additional FTE.

Required Approvals: ***(subject to review by PPD Zoning and Permits)***

1. Zoning Approval.
2. Development, Building, and Trade Permits.

Licensee Responsibilities:

Licensee must:

1. Not operate outside of the address listed on the license.
2. Maintain all required mechanical and electrical equipment in good working order.
3. Notify and provide any related documents to the designated employee when there are any changes to Health Canada Registrations. Failure to do so may result in:
    a. Fines/Penalties
    b. An Administrative Penalty at renewal of license for each Certificate that is found not to be registered within 5 business days.
    c. Suspension or cancellation of license.
4. Allow access to any City of Winnipeg Building Inspector or Zoning Field Officer or a Fire Inspector to conduct an inspection when requested by an enforcement officer within 10 days of a request being made.
5. Allow for an enforcement officer to conduct an annual inspection of the operation within 30 days before a license expiry *(not mandatory on CoW, but if requested of licensee they must comply).*
6. Produce all related designated grower certificates upon request of an enforcement officer.
7. Comply with any orders issued under this by-law within 10 days of the order being issued.
8. Cease all operations, other than for personal medical use under registration with Health Canada, within 10 days of a license expiring.
9. Allow an enforcement officer to conduct a final inspection within 10 days of cancellation or expiration of a license to confirm that the designated production has been ceased.

Suspensions and Revocations

Immediate Revocations if:

1. Any information on an application was falsified
2. Any inspection by an enforcement officer finds that the operation has exceeded its licensed operation beyond what is permitted by the Health Canada issued registration certificate.
3. Winnipeg Police request a license be revoked as a result of a related criminal charge.
4. At the discretion of the designated employee if the licensee is failing to comply with an order made under this by-law.

Immediate Suspensions if:

1. Allowing the licensee to continue to carry on the business for which the license was issued would create a reasonable apprehension of significant harm to:
    a. The health and safety of people;
    b. Private or public property; or

    c. The environment.

2. The license holder provided false information when applying for the license.
3. The information on which the decision to issue the license was based was incorrect and the license would not have been issued had the correct information been known.
4. The license holder or the business no longer meets the requirements and standards required for the license to be issued;
5. The past conduct of the license holder creates a reasonable apprehension that the business will not be carried on in the future in compliance with the Doing Business in Winnipeg By-law, another By-law, or other relevant legislation.

Recommendations on fines will be forthcoming.

2.0 LICENSING
Licensing Fee and Structure

Please be aware that the licensing program would result in an additional FTE. A licensing fee structure will be drafted as part of the next report-back. The final licensing fee structure will be drafted to achieve cost recovery based on Council's adoption of Licensing and Inspection options. If adopted, administration will conduct full cost and revenue estimate to determine fees for full cost recovery of the program.

Elements of the program would include:

- administrative and clerical file management.
- point of contact for customer service to answer questions related to licensing of DG.
- tiered licensing fee structure based on the number of plants being grown on site.
    - number of plants.
- Coordination of DG Licensing information with PPD on City of Winnipeg website to inform licensees (for example, information required to obtain a license, approvals required through PPD, etc.).

3.0 INSPECTION & ENFORCEMENT

- Administrative warnings, license suspensions, and/or fines may be issued for any infraction.
- Immediate Hearing for revocation of license if ongoing non-compliance.
- Enforcement inspection will result only if initiated by complaint.