Agenda – Council – November 21, 2024

Report – Standing Policy Committee on Property and Development – November 8, 2024

Item No. 9 Designated Cannabis Production Facilities – Two Year Follow Up Report

STANDING COMMITTEE RECOMMENDATION:

On November 13, 2024, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That this report be received as information.

Agenda – Council – November 21, 2024

Report – Standing Policy Committee on Property and Development – November 8, 2024

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 13, 2024, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On November 8, 2024, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

COUNCIL DECISION:

On April 25, 2025, Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. That an extension of up to 180 days be granted for the Winnipeg Public Service to report back with a review of the effectiveness of the by-law amendments for cannabis production facilities, taking into account compliance, the number of violations reported, the number of zoning applications received and any other information the public service deems necessary.

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

On April 28, 2022, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That a by-law to amend the Winnipeg Zoning By-law No. 200/2006 and the Downtown Winnipeg Zoning By-law No. 100/2004, a draft of which is attached as Appendix B to this report, be enacted.

Report – Standing Policy Committee on Property and Development – November 8, 2024

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

2. That the Public Service be directed to report back within two years after implementation of the by-law with a review of the effectiveness of the by-law amendments, taking into account compliance, the number of violations reported, the number of zoning applications received and any other information the public service deems necessary.

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

ADMINISTRATIVE REPORT

Title: Designated Cannabis Production Facilities - Two Year Follow Up Report

Critical Path: Standing Policy Committee on Standing Policy Committee on Property and Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Veitch	H. Borys	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

Pursuant to the Council decision on April 28, 2022, the Public Service is reporting back following the implementation of a text amendment to the Winnipeg Zoning By-law No. 200/2006 and the Downtown Winnipeg Zoning By-law No. 100/2004 to regulate Designated Cannabis Production sites. This report provides an update on Designated Cannabis Production Facilities and related processes in the City of Winnipeg.

The 2022 By-law amendments were part of a two-pronged approach to regulate designated medical cannabis production facilities, alongside related changes to the Community Safety Business Licensing By-law No. 91/2008.

Implementation of the regulatory program requiring changes to both aforementioned by-laws spans two Departments – Planning, Property and Development, responsible for the issuing of development permits for the use, and Community Services, responsible for licensing the use, conducting enforcement (to ensure compliance) and tracking violations.

Designated Cannabis Production Facilities are buildings or structures where medical cannabis is produced by a person who has been authorized by Health Canada to produce a limited amount of medical cannabis on behalf of another person who has a medical prescription.

To date, there have been no license applications for Designated Cannabis Production Facilities initiated over the past two-and-a-half-year span, nor any related development permit. In addition, no 311 inquiries were received during this time related to this use. The only calls logged at 311 were related to cannabis retail operations.

RECOMMENDATIONS

That this report be received as information.

REASON FOR THE REPORT

On April 28, 2022 the City of Winnipeg Council concurred in the recommendations of the Standing Policy Committee on Property and Development with respect to a text amendment for the Winnipeg Zoning By-law No. 200/2006 and the Downtown Zoning By-law No. 100/2004 to include the Designated Cannabis Production Facilities use.

These recommendations included that the Public Service report back to Council within 2 (two) years after implementation of the By-law regarding the effectiveness of the By-law amendments, considering compliance, the number of violations reported, the number of zoning applications received, and any other information the Public Service deems necessary.

On April 25, 2024 The Public Service requested a 180-day extension of time to gather and coordinate the information required to prepare the report.

This report fulfills the 2 (two) year report back recommendation.

IMPLICATIONS OF THE RECOMMENDATIONS

The Designated Cannabis Production Facilities use will remain in place with no modifications to existing City of Winnipeg regulations at this time.

HISTORY / DISCUSSION

Planning Property and Development

The zoning amendments adopted in 2022 were based on the framework that was approved by City Council on October 28, 2021. The zoning by-law amendments were part of a two-pronged approach to regulate Designated Medical Cannabis Production Facilities, alongside related amendments to the Community Safety Business Licensing By-law No. 91/2008 (previously known as the Doing Business in Winnipeg By-law), prepared separately by the Community Services Department.

Both the Winnipeg Zoning By-law No. 200/2006 and the Downtown Zoning By-law No. 100/2004, define a “cannabis production facility, designated” as follows:

> *‘…the use of buildings or structures for cultivating, propagating, harvesting, drying, storing, packaging or distributing cannabis where the operator of the facility is authorized to produce cannabis for the medical use of specific individual(s) pursuant to Part 14 of the Cannabis Regulations, SOR/2018-144, as amended, or its successor, and the Cannabis Act, S.C. 2018, c. 16, as amended, or its successor. For greater certainty, this definition does not include the use of buildings or structures by an individual to produce cannabis for their own personal medical use.’*

A Designated Cannabis Production Facility is a permitted principal and accessory use allowed only within our manufacturing districts which include:

- “MMU” Manufacturing Mixed Use
- “M1” Manufacturing Light
- “M2” Manufacturing General
- “M3” Manufacturing Heavy

Although the use was added to the Downtown Zoning By-law districts, the use is in the list of prohibited uses.

Where the Designated Cannabis Production Facility use is permitted, a number of use specific standards were also included in the Zoning By-law amendment. Requiring that the use only be permitted within a wholly enclosed building, and a minimum separation distance of 300 feet to a lot line of a property containing any dwelling unit; any elementary, middle, or senior high school; and any Parks and Recreation Zoning District or any park use in a Residential District.

At the time of this report, the Zoning Branch has confirmed that no zoning applications, processes or inquiries related to Designated Cannabis Production Facilities have been received. All system entries in the Zoning Branch were related to cannabis retail operations.

Community Services

On April 28, 2022, in alignment with the adoptions of amendments to the Winnipeg Zoning By-law No. 200/2006 and the Downtown Zoning By-law No. 100/2004, Council approved amendments to the Community Safety Business Licensing By-law requiring persons growing medical cannabis on behalf of others (Designated Growers) to obtain and maintain a valid business license. These changes to the By-law came into force on September 6, 2022.

All Designated Growers in the City of Winnipeg are required to be licensed under, and comply with, the By-law. The licensing program allows the City to conduct inspections, to suspend or revoke a license, or to issue a fine, if there are health and/or safety concerns with Designated Growers.

Initially Health Canada's public portal indicated that upwards of 2000 Designated Growers and registered individuals are operating within the Province of Manitoba.

In October 2022, it was communicated by Health Canada that these numbers have been reduced significantly to under 20 Designated Growers. It was also noted that the number of Designated Growers and registered individuals has declined significantly across Canada by half. Health Canada was not able to provide reasons why.

Currently, the City, due to privacy reasons is not able to identify where Designated Growers are operating and the individuals authorized by Health Canada to produce medical cannabis as Designated Growers.

Communications with Health Canada were shared with our Privacy Office and Legal Services that informed us that the City has no legal entitlement to Health Canada's information on designated growers; however, under section 83(c) of The Cannabis Act, the Minister may be able to provide Licensing & Bylaw Enforcement division with that information on a discretionary basis.

Community Services has had various discussions with Health Canada and will continue to work with them to obtain the required address information.

Community Services initiated the following public communications:

- On June 29, 2022, the Designated Grower webpage went live on Winnipeg.ca. It outlines license requirements and application information on how to obtain a Designated Grower license.

- On August 31, 2022, the City issued a news release and various social media posts outlining the new requirements for Designated Growers.
- Scripting was also drafted for 311 inquiries, with any inquiries or concerns related to Designated Growers are forwarded to Licensing & Bylaw Enforcement Services,

To date, 311 has only received inquiries related to cannabis retail operations.

Ward Councillors

Councillors from the Old Kildonan, Point Douglas, Mynarski, Daniel Macintyre, and Waverly West wards were contacted to obtain information about local complaints or concerns regarding cannabis production. However, all reported that at present there are no complaints or concerns.

SUPPLEMENTARY INFORMATION

Health Canada
Under Federal Government regulations, Health Canada is the government agency responsible for regulating cannabis production and cultivation for commercial and personal purposes.

The federal cannabis framework is rooted in the Cannabis Act (also referred to as Bill C-45) and the specific authorizations to produce cannabis are set out in the Cannabis Regulations. Health Canada provides guidance to medical cannabis growers that they are "expected to comply with all relevant provincial/territorial and municipal laws including local bylaws about zoning, electrical safety, fire safety, together with all related inspection and remediation requirements".

While the Cannabis Act lacks a preamble, Bill C-45 includes a summary of its objectives, which states that the *"objectives of the Act are to prevent young persons from accessing cannabis, to protect public health and public safety by establishing strict product safety and product quality requirements and to deter criminal activity by imposing serious criminal penalties for those operating outside the legal framework".*

The 2022 By-law amendments were not intended to conflict with the objective of the Cannabis Act. Rather, the proposed amendments facilitate them, because Winnipeg residents would continue to have legal access to cannabis at retail locations and could still grow their own medical cannabis in properly zoned areas. It would still be possible for registered individuals and designates to grow medical cannabis within the City of Winnipeg, provided the appropriate authorizations are obtained.

Province of Manitoba – Liquor Gaming and Cannabis

Although permitted under Federal Legislation, growing recreational cannabis at home for personal use is currently prohibited in Manitoba under Provincial Legislation. However, in 2024, the Manitoba Government initiated amendments to the *Liquor, Gaming and Cannabis Control Act* to permit Manitobans aged 19 and over to grow up to four cannabis plants per residence, in any type of residence.

The amendments were assented to June 4, 2024, but must be proclaimed in order to come into force and effect. At this time, the Provincial government is drafting regulations in consultation with the Association of Manitoba Municipalities (AMM), local law enforcement (RCMP, First Nations Police Service, and local police services), as well as with cannabis retailers.

Public consultation on this topic will be launched through Manitoba's online consultation platform, EngageMB in fall of 2024, with proclamation anticipated in early 2025.

Manitoba's regulations are expected to align with federal regulations on cannabis by allowing individuals to grow up to four plants per residence. Safety and security requirements for homegrown cannabis would be established as a part of the regulation, and enforced by local police in partnership with Health Canada.

SUMMARY

As per the Public Service's review of the 311 call log over the past two years, discussions with Zoning and Permits, Community Services, and several Ward Councillors, there have not been any complaints submitted related to Designated Cannabis Growers.

Due to privacy legislation, the locations and names of individuals operating under Health Canada approvals cannot be shared. However, the Public Service has found that Designated Cannabis Productions Facilities have not initiated any licenses in Winnipeg since the adoption of amendments in 2022.

The Public Service notes that Health Canada data indicates a steady decline nationwide in medical cannabis producers. This may be reflective of the increasing affordability and access to medical cannabis than prior to federal legalization of recreational cannabis.

Due to these facts, the Public Service suggests that this report be received as information and that the related Zoning By-law and licensing regulations remain unchanged.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 26, 2024

Project Name:

Designated Cannabis Production Facilities - Two Year Follow Up Report

COMMENTS:

There are no financial implications associated with this report.

Mike McGinn Sep. 26, 2024

Mike McGinn, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Community Services

OURWINNIPEG 2045 POLICY ALIGNMENT

OurWinnipeg 2045

Leadership and Good Governance

Objective: Establish and implement priority actions through evidence-informed decision-making processes

> *Policy 1.4 Integrated Knowledge and Resources:* Coordinate inter-departmental systems, projects and resources, making the best use of internal and external expertise to better understand service needs, find the most appropriate solutions, optimize resources, and maximize community outcomes.

City Building

Objective: Facilitate development opportunities that complete established communities, and plan new communities as complete and connected from the outset.

> *Policy 6.2 Complete Communities Characteristics:* The characteristics of complete communities must be identified and defined in Complete Communities, and will include, at minimum, equitable access to: safety and security, affordable housing for all incomes, local employment opportunities, health-supportive amenities, access to nature, social interaction opportunities, sustainable transportation options, and digital communication technology infrastructure to align with this Plan's goals.

Alignment with *Complete Communities Direction Strategy 2.0*

Vision: The City of Winnipeg is planned and designed based on a logical Urban Structure that focuses growth and change to enhance existing assets, to create complete communities and complete existing communities, and to ensure a socially, environmentally, and economically sustainable future through the integration of transportation planning, land uses, built forms, and urban design.

> *Principle 1:* Creating complete communities and completing existing communities - enhancing their existing infrastructure and assets in ways that make most amenities for daily living universally accessible - will be key to making our city attractive and competitive.
>
> *Principle 7:* The implementation of *Complete Communities* recognizes the complexity of cities and the people within them and aims for an approach that promotes resilience and adaptability.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

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

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to any of the specific Goals and Objectives in the PRS and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department:	Planning, Property & Development
Division:	Urban Planning & Design Division
Prepared by:	Simi Jerez, RPP, MCIP
Date:	October 2, 2024