

REVISED
**PLANNING, TRANSPORTATION AND ECONOMIC DEVELOPMENT
ADVISORY COMMITTEE**

Saanich Municipal Hall, Committee Room No. 2
Thursday, November 14, 2019 from 5:30 p.m.

- Page 1 **1. ADOPTION OF MINUTES** (attachment)
- October 17, 2019
- Page 5 **2. CHAIR'S COMMENTS** (attachment)
- Committee Discussion
- 3. ELECTRIC VEHICLE RIDE HAILING**
- Community Presentation
- Page 13 **4. CANNABIS PRODUCTION** (*attachment)
- Committee Discussion

* Late item

* Adjournment *

* * Next Meeting: January 9, 2020 * *

Please email jeff.keays@saanich.ca or call at 250-475-1775 ext. 3430 if you are not able to attend.

**GO GREEN! MEMBERS ARE ENCOURAGED TO
BRING THEIR OWN MUG TO THE MEETING**

MINUTES
PLANNING, TRANSPORTATION AND ECONOMIC DEVELOPMENT ADVISORY COMMITTEE
Held at Saanich Municipal Hall, Committee Room No. 2
October 17, 2019 at 5:32 p.m.

Present: Councillor Zac de Vries (Chair), Sophia Baker-French, Suzanne Bartell, Lois-Leah Goodwin, Robin Kelly, Richard Michaels.

Staff: Jeff Keays, Committee Clerk

Regrets: Allan Cahoon, Travis Lee and Peter Rantucci

Guests: John Reilly, Manager, Housing Planning and Programs, Capital Regional District Regional Housing Service (CRD)

MINUTES

MOVED by L. Goodwin and and Seconded by S. Bartell: “That the Minutes of the Planning, Transportation and Economic Development Advisory Committee meeting held September 19, 2019 be adopted as circulated.”

CARRIED

CHAIR’S REMARKS

HOUSING NEEDS ASSESMENT

The Chair introduced, John Reilly of the Capital Regional District’s Regional Housing Division. Mr. Reilly provided the committee with a high-level overview of the Regional Housing’s (RHS) programs and initiatives, including their recent direction to apply to UBCM’s Housing Needs Reports (grant) Program. The following was highlighted:

- The CRD’s Regional Housing Service (RHS) is led by Senior Manager, Christine Culham and has two branches: Land Banking and Housing Services.
- The CRD is also the sole shareholder of the Capital Region Housing Corporation (CRHC), which owns and operates more than 1400 housing units in 46 complexes housing over 4000 individuals.
- Planning for the re-development of two existing CRHC communities, Caledonia and Michigan Square, is currently underway. Upon their completion these two projects will result in the development of 170 (net) new units of housing.
- RHS is responsible for the implementation and administration of the Regional Housing First Program (RHFP), a \$90 million initiative to create approximately 1200 new rental units that address the needs of people across the housing spectrum and region.
- The mix of rent levels for projects funded under this program will be: 20% provincial income assistance units, 31% affordable units and 49% near-market units.
- The CRHC recently acquired Millstream Ridge, a newly built 132 unit apartment complex in Langford with support from the program.
- The Housing Planning and Programs branch is specifically responsible for the administration of the Reaching Home Program, the Housing Data Book and Gap Analysis, and ongoing monitoring of and updates to the Regional Affordability Strategy.

- In addition to the coordination and planning of matters pertaining to housing affordability, the Service also manages the Regional Housing Trust Fund (RHTF)
- Established by the CRD Board in 2005, the RHTF recognizes that housing affordability is a regional priority and key issue in the capital region.
- The Fund provides capital grants for “bricks and mortar” in the acquisition, development and retention of housing that is affordable to households with low or moderate incomes in the region.
- In 2018 the Province passed Bill 18 – 2018: Local Government Statutes (Housing Needs Reports) Amendment Act, 2018 which requires local governments to develop housing needs assessments on an ongoing basis.
- During the CRD’s Development Planning Advisory Committee (DPAC) meetings numerous government entities expressed interest in collaborating on a regional housing needs assessment project.
- The project fits within the mandate of the CRD’s Regional Housing mandate.
- Accordingly, the CRD identified 11 local governments that wished to collaborate on a regional project in 2020.
- The goal of the project is to develop Housing Needs Reports for the 11 participating local governments, while at the same time developing a regional housing data reporting system and a process for providing ongoing support for these governments for the requisite updates.

Committee discussion ensued, the following was noted:

- There are only 11 of 15 CRD municipalities participating in this project at this time; the remaining 4 either have a policy, or are in the process of updating their Official Community Plan with respect to housing needs.
- As the Province requires that these plans be updated every five years, the 4 remaining municipalities will join when required on a go-forward basis.
- This new requirement comes with associated funding through the UBCM program.
- The CRD requires \$150,000 to complete the work (maximum grant available for regional projects).
- There are numerous data sets to draw upon when developing these assessments.
- The project will be managed by Regional Housing Division.
- Yes, there are challenges with regard to the accuracy of certain data sets. As example, the data can be skewed when a new development is listed as Victoria as opposed to the appropriate municipality.
- The CRD is currently compiling a data set that is drawn from building permits from throughout the region.
- The needs assessments will identify each municipality’s specific needs with regard to archetype, size and price range.
- Three engagement opportunities are being considered: West Shore, The Core and the Peninsula.
- Facilitated stakeholder and community engagement will help to develop and/or confirm our understanding of the current context of each municipality.
- Despite the consolidated nature of the proposed engagement events, each needs assessment will be distinct, and accurately reflect the specific demands of each participating municipality.
- Engagement will include development industry stakeholders, affordable housing providers, community associations and groups and interested members of the public.
- The events will be flexible, insofar as they will be able to respond to each community’s specific needs despite the regional consolidation of the events.

- The engagement efforts are an intended to be an exercise in ground truthing, not policy development.
- The assessments will be developed in collaboration with staff from each municipality.
- A consultant will be retained to lead the collaborative project.
- DPAC has formed a working group that will manage the RFP/RFQ process for retaining the consultant.
- Completed reports will be brought forward to their respective Councils in late 2020.
- Council approval is required prior to the assessments going forward to the Province.
- This mandated exercise by the Province will ensure that matters related to housing needs remain at the forefront of municipal planning and consideration going forward.
- The parameters of the grant are strict with regard to data collection.
- The CRD possesses an abundance of consolidated housing data; however, as there is great value in collaboration, the project intends to leverage (through collaborative partnerships) additional data sets in order to develop a comprehensive and robust data set related to housing, which will inform the process for future reporting.
- The aforementioned consolidated data sets are intended to be live, and accessible at any time, thus negating the need for updates every 5 years.
- The economy of scale achieved through this collaborative effort will result in approximately \$280,000 – \$300,000 in savings for the Province.
- It is anticipated that the live data set will also reduce costs associated to the requisite 5 year updates.
- It is anticipated that the RFP will be issued in January 2020, with the consultant being selected by February.
- Data compilation would begin as early as March.
- Spatial analysis is an important factor to be considered; however, the parameters set out by the Province don't include a requirement for this level of analysis.
- CRD staff would require direction from the CRD board to proceed with developing data sets through this lens.
- The CRHC's Westview Project located on Carey Rd. is slated to be completed in early 2020.

The Chair thanked Mr. Reilly for the presentation, and noted that he is looking forward to receiving Saanich's completed report in 2020.

UPTOWN DOUGLAS CORRIDOR PLAN

The Chair noted that the item was listed on the agenda in order to afford committee additional time for discussion on the September 19 2019, Draft Uptown Douglas Corridor Plan presentation by the Manager of Community Planning.

The Chair noted that staff have done an excellent job in facilitating community engagement on the plan. Engagement efforts have been very well received, with large turnouts for each of their engagement events.

Committee discussion ensued, the following was noted:

- A post-engagement committee discussion may be more appropriate, as it would give staff an opportunity to consider/incorporate any feedback or suggestions they receive.
- It is anticipated that staff will return to the committee with any major revisions or identified areas requiring further study and input.
- The Vernon Ave. corridor should be looked at in greater depth as it cuts a swath of 8

- lane highway traffic through the proposed heart of Saanich.
- If Saanich were to assume jurisdiction of this section of Vernon it would be done as a download from the Province.
- In a post-download scenario would new opportunities (Ec. Dev., Housing etc.) be enough to offset any increases in operational pressures to Saanich's budget.
- The completion of the McKenzie interchange will be a game changer.
- The UDC should include an Economic Development Strategy in order to focus and stimulate redevelopment of the area.
- Ground truthing associated to the development of an economic development strategy would confirm whether a potential increase in height (and density), e.g. 8 stories would, in fact, be enough for a property owner to displace an existing car dealership?
- Have staff undertaken an analysis of the long-term implications on tax revenue.

The Committee Clerk will invite the Manager of Community Planning back to committee once the team has had an opportunity to synthesize and incorporate any feedback as appropriate.

FILM STUDIO DEVELOPMENT

The Clerk noted that the Manager of Current Planning had confirmed that the District has no new information regarding the proposed development of a film studio on Camosun's Interurban campus.

The item can be revisited if/when there is something to report.

NEW BUSINESS

The Chair noted that he was interested in exploring in the development of an exemplary business award program for the District. Like the ENA awards this initiative would recognize exemplary Saanich business in a number of (TBD) categories. The Chair requested that the Clerk Investigate and report back on the history and rationale for discontinuing the Park and Tillford Exemplary Business Award.

Member R. Michaels proposed the committee received a presentation from a local company that is seeking feedback on their planned development of a green, EV ride-sharing fleet with a focus on meeting the needs for community transportation.

The meeting adjourned at 9:07 p.m.

Councillor de Vries, Chair

I hereby certify these Minutes are accurate.

Committee Secretary

Memo

To: Planning, Transit and Economic Development Advisory Committee
From: Councillor de Vries
Date: 11/7/2019
Subject: CHAIR'S REMARKS - DISCUSSION ITEMS

RECOMMENDATION

That the Planning Transportation and Economic Development Advisory Committee:

- 1. Receive the Chair's memo for information.**
- 2. Recommend that Council support/consider Recommendations 1 – 5 from the Chair's November 7, 2019 memo**

PURPOSE

This memo is intended to provide committee members background on the items noted below in order to seek feedback and insight, as well as their consideration of a number of related recommendations.

DISCUSSION

The following are a number of topics that have been raised by this committee, Council, and our community partners. All matters fall within the current mandate of the Planning, Transportation and Economic Development Advisory Committee:

1. ECONOMIC DEVELOPMENT STAFFING

PTED's recommendation that Saanich develop an economic development strategy was referred by Council for consideration in the 2019-2023 Strategic Planning session by Council. For an economic development strategy to be meaningful and effective it requires staff to implement it.

Recommendation

That the Planning Transportation and Economic Development Advisory Committee recommend that Council give consideration to a request to staff to investigate and present options for the creation of new economic development position as part of the 2020 Financial Plan process.

2. LAND LEVERAGING AND REAL ESTATE SERVICES STAFF

A Strategic Real Estate Office (SREO) would lead and administer all aspects of the District's real estate program. The program would be divided into two separate, but complimentary, business sections.

The first would focus on real estate transactions, including: strategic acquisitions, dispositions and the development of strategic partnerships that support the development of affordable housing and other Council priorities.

The focus of the second business unit would be the management of the District's strategic holdings and assets including the District's active portfolio of revenue generating residential and commercial property leases; and, additionally those nominal value leases and licenses with non-profits and community associations/groups. In particular, the property and assets management aspects of this office would seek to maximize the District's returns from its property holdings in order to ensure we maintain an appropriate real estate portfolio to meet our current and long-term needs.

Functions of an SREO could include:

- Manage all aspects of the District's real estate holdings based on an established real estate philosophy and strategy as approved by Council and based on a triple bottom line perspective that measures economic, social and environmental benefits.
- Identify strategic acquisitions in support of affordable housing, parks and greenways
- Develop strategic partnerships with affordable housing providers, developers and government funding agencies to act as both a supplier of lands and catalyst for future affordable housing projects for Saanich residents.
- Provide strategic advice and direction related to real estate transactions involving the District's interests.
- Conduct investigations and perform due diligence on proposed acquisitions and sales, including all aspects of those transactions.
- Negotiation and ongoing contract management of all lease agreements, licenses of use, easements, Statutory Right-of-Ways and other property related agreements.
- The development and ongoing management of a comprehensive, live/real-time, Real Estate Inventory for the District.

- Respond to enquiries from applicants, their agents and District departments about District properties.
- Work with the development community to identify opportunities to leverage District real estate holdings to generate greater public value, taxation and other potential revenue sources.
- Monitoring and management of lease revenues and expenditures with a goal of improving net returns

Recommendation

The Planning Transportation and Economic Development Advisory Committee recommend that Council give consideration to a request to staff to investigate and report on potential options for creating a Strategic Real Estate Office in Saanich.

3. DEVELOPMENT COST CHARGE WAIVER

In May 2008, the Province adopted *Bill 27 - The Local Government (Green Communities) Statutes Amendment Act*. This legislation was enabling in nature and made provisions for local and regional governments to waive DCCs for affordable rental housing as well as other green communities and sustainability initiatives. The legislation was designed to allow each municipality or regional district to determine what constitutes an 'eligible development', the waiver amount that can be granted, and the conditions under which a waiver can be given.

A DCC waiver aligns with Saanich's priorities around creating affordable housing. As an example, DCCs would be waived, in accordance to a prescribed formula of eligibility, with respect to those dwelling units within not-for-profit rental housing, and that are:

- a) Owned, leased or otherwise held by a Not-for-Profit Society, BC Housing, CMHC, a Non-Profit Municipal Housing Corporation, or a Registered Charity at the time of any application for, or issuance of, a waiver of Development Cost Charges;
- b) Operated as rental housing for people who meet specific eligibility criteria;
- c) Governed by the terms of an agreement and/or covenant with the Province of British Columbia, BC Housing, CMHC or a municipality regarding the operation of the housing and stipulating how the dwelling units will be managed and occupied; and
- d) Proposed rents are geared toward households who meet or fall below the applicable Housing Income Limits (HILs).

A 50% reduction of regional DCCs will be applied to eligible Not-for-Profit Student Housing development that is:

- a) Owned and operated by a Post-Secondary Institution at the time of any application for, or issuance of, a reduction of Development Cost Charges;
- b) Purpose built to provide rental housing for students attending that institution;

- c) Operated on a cost recovery basis; and
- d) Governed by the terms of a registered covenant with Saanich confirming that the use of the development:
 - a. Is restricted for a period of 60 years to the purpose of providing rental housing for students attending that institution; and,
 - b. That the housing will be operated by the Post- Secondary Institution or its designated agent, and will operated on a cost recovery basis.

Recommendation

The Planning Transportation and Economic Development Advisory Committee recommend that Council give consideration to a request to staff to investigate and develop a density based Development Cost Charge waiver policy based on the information as presented in the Chair’s November 7, 2019 memo, to encourage and support the development of affordable housing in Saanich.

4. HOME PLATE MODEL

A Home Plate Model (HPM) means the area allocated for all principal and accessory residential buildings, structures and land uses on a lot that is designated “Agricultural”; Including both A1 zone properties and properties within the Agricultural Land Reserve.

The following is an example of potential regulations that could be developed under this model:

Properties Located Within the Agricultural Land Reserve

The following limits to residential development shall apply:

- a) The area of the farm home plate shall not exceed a maximum of 0.1 hectares. (includes driveway access)
- b) The maximum depth of a farm home plate shall not exceed 60.0 metres from the lot line that abuts the fronting road to the rear of the farm home plate.
- c) The one family residential, boarding, agricultural employee residential, temporary residential, secondary suite residential, detached garden suite residential, and bed and breakfast uses shall be sited within the farm home plate.
- d) The total floor area for the principal residence shall not exceed 400.0 square metres.
- e) The maximum distance from the lot line that abuts the fronting road to any portion of the one family residential use shall not exceed 50.0 metres.
- f) The maximum building separation between the one family residential use and any of the agricultural employee residential, temporary residential, secondary suite residential, boarding, and bed and breakfast uses shall not exceed 20.0 metres.

Recommendation

That the Planning Transportation and Economic Development Advisory Committee recommends that Council give consideration to a request to staff to investigate and report back on options for regulating house sizes and home plates on agricultural zoned property.

5. PARKING VARIANCE FEE SCHEDULE

In order to fight the climate emergency, reduce emissions, and make life more affordable, we need to change the way in which we move around our cities.

To facilitate substantial mode shifts we need to build infrastructure that empowers people of all ages and abilities. The Active Transport Plan sets out a path for an adequate active transportation network over the next 30 years. However, and giving due consideration to the findings of the IPCC and our subsequent Climate Emergency declaration, it is evident that we do not have 30 years; therefore, it is paramount that we accelerate the implementation of the Active Transportation Plan. To do that we District will require new sources of revenue.

The Local Government Act and Community Charter collectively have provisions that allow for adoption of a bylaw that allows for the alternative of providing cash-in-lieu of the off-street parking requirements.

The enabling legislation requires that any funds received for this purpose are to be placed into a reserve fund that is used to provide either off-street parking spaces or transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation. Accordingly, there is a strong alignment between the legislation and the use of the money to fund the implementation of the Active Transportation Plan.

For the purposes of committee discussion and consideration a base fee of \$5000 per would be appropriate as it is equitable to the savings achieved by the proponent by through the forgone stalls EV conduit and associated construction savings on top of that.

Recommendation

The Planning Transportation and Economic Development Advisory Committee recommend that Council give consideration to a request to staff to investigate and report back on potential options for creating a cash-in-lieu policy, including a fee schedule that takes into consideration the new minimum parking requirements and other factor as appropriate.

ALTERNATIVES

1. Provide alternate direction as appropriate

FINANCIAL IMPLICATIONS

1. There would be financial implications in the 2020 budget. It is anticipated, over the medium/long-term, that the District will realize a Return on Investment (ROI) that justifies the initial investment
2. There would be financial implications in the 2020 budget. It is anticipated, over the medium/long-term, that the District will realize a Return on Investment (ROI) that justifies the initial investment.
3. No immediate financial implications.
4. No immediate financial implications.
5. No immediate financial implications.

STRATEGIC PLAN IMPLICATIONS

Contingent on the adoption of the 2019 – 2023 Draft Strategic Plan.

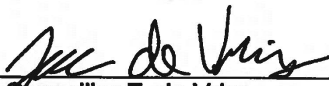
1. Supports the economic development goals in Saanich Council's strategic plan.
2. Supports the economic development goals in Saanich Council's strategic plan.
3. Supports the land-use, housing affordability, and economic development goals in Saanich Council's strategic plan.
4. Supports the land-use goals in Saanich Council's strategic plan; protects farmland.
5. Supports the land-use, climate action, environment and active transportation goals in Saanich Council's strategic plan.

CONCLUSION

The preceding items were identified by this committee, Saanich Council, and Saanich's numerous community stakeholders and partners over the course of the 2019 term.

All matters noted fall within the current mandate of the Planning, Transportation and Economic Development Committee and align with goals and objectives of the Official Community Plan and the 2019 – 2023 Draft Strategic Plan.

Prepared by:


Councillor Z. de Vries

Chair – Planning, Transportation and
Economic Development Advisory
Committee

ZD/jk

1110-30
Cannabis
Production

ZONING BYLAW AMENDMENT – CANNABIS PRODUCTION

Report of the Director of Planning dated October 23, 2019 recommending that Council approve amendments to the Zoning Bylaw to include Cannabis Production as a permitted use in all “M” Zones (Option 1); and that Council direct staff to prepare appropriate Zoning Bylaw amendments.

In response to questions from Council, the Director of Planning stated:

- Cannabis production is already permitted on Agricultural Land Reserve (ALR) lands.
- There may a role for micro cultivation in the future but staff are recommending an incremental approach.
- Site specific rezoning or temporary use permits could be considered for properties outside the zones that permit cannabis production.
- Since the legalization of cannabis, discussions have been ongoing with operators, other municipalities and senior levels of government.
- Senior levels of government provided a broad range of criteria to be used when considering properties that could be appropriate for cannabis production; additional information with respect the other criteria recommended by the Federal Government could be provided to Council in a separate report.
- There could be multiple licenses for multiple cannabis activities on the same site.

MOVED by Councillor Harper and Seconded by Councillor Chambers: “That a Public Hearing be called to further consider amendments to the Zoning Bylaw to include Cannabis Production as a permitted use in all “M” Zones.”

Council discussion ensued with the following comments:

- It is appropriate to have further discussion at a Public Hearing.

The Motion was then Put and CARRIED

MOVED by Councillor de Vries and Seconded by Councillor Mersereau: “That cannabis production in other zones be referred to the Planning, Transportation and Economic Development Advisory Committee for consideration and discussion.”

Council discussion ensued with the following comments:

- Farmlands should be used for food production.
- Receiving further information from the committee is supportable.

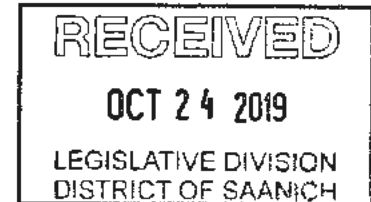
**The Motion to Refer was then Put and CARRIED
with Councillors Chambers and Harper OPPOSED**



The Corporation of the District of Saanich

Report

To: Mayor and Council
From: Sharon Hvozdzanski, Director of Planning
Date: October 23, 2019
Subject: Zoning Bylaw Amendment – Cannabis Production
File: 1130-20 • Bylaws



RECOMMENDATION

1. That the Zoning Bylaw be amended to include Cannabis Production as a permitted use in all "M" Zones (Option 1).
2. That Council direct staff to prepare appropriate Zoning Bylaw Amendments for consideration at a Committee of the Whole meeting.

PURPOSE

The purpose of this Report is to seek direction from Council on options to authorize Cannabis Production in Saanich.

BACKGROUND

At the May 28, 2018 Committee of the Whole Meeting, Council resolved as follows:

"That Council direct staff to prepare a report examining options for the regulation of recreational cannabis."

Subsequently, in June 2018, Council adopted a series of amendments to the Zoning Bylaw that prohibited the sale, production and distribution of non-medical cannabis throughout the District of Saanich except the production on lands located in the British Columbia Agricultural Land Reserve, and/or by an individual in a dwelling unit as per the regulations identified in the Cannabis Control and Licensing Act. This prohibition was intended to be a temporary measure to provide time for staff to review the pending federal and provincial legislation in detail with the intent that the prohibitions could be scaled back later if directed by Council.

The use of cannabis for recreational purposes became legal in Canada on October 17, 2018. At the March 4, 2019 Committee of the Whole Meeting, Council considered the February 27, 2019 Report of the Director of Planning examining options for the regulation of non-medical cannabis retail stores. The Report stated that options to regulate the production of cannabis in Saanich would be addressed in a separate Report. Council directed staff to prepare appropriate Zoning Bylaw Amendments related to the retail sale of non-medical cannabis for consideration at a Public Hearing. The August 12, 2019 Report of the Director of Planning

recommending specific Zoning Bylaw Amendments to permit the retail sale of non-medical cannabis in the same commercial zones that permit retail sale of liquor, was considered at the September 9, 2019 Committee of the Whole meeting and has been forwarded to a Public Hearing.

DISCUSSION

Role of Local Government

The Cannabis Control and Licensing Act and its Regulations provide the framework for legal access to cannabis for adults and they control and regulate its production, distribution and sale. The oversight of the cannabis supply chain is a shared responsibility across federal and provincial and territorial governments, municipalities, industry and stakeholders. One of Health Canada's responsibilities is to provide the licensing and oversight framework for legal production of cannabis. Under this framework, a person is required to obtain a license issued by Health Canada in order to conduct various activities with cannabis. Applicants and license holders are responsible for compliance with the Cannabis Control and Licensing Act and its Regulations as well as compliance with other applicable federal, provincial and territorial legislation and municipal bylaws (e.g. zoning and building permits).

Depending on the scale and purpose of the facility (e.g. cultivation, processing, testing, research) different license types are required from the Federal Government, with different security requirements associated with them. Some of these license types may be combined within a single site. There are three license types for growing cannabis:

- Standard Cultivation (for large-scale production centres);
- Micro-Cultivation (for "craft cannabis" production centres with less than 200 m² of plant surface); and
- Nursery (for seed and plant production).

For local governments, it is significant that the Cannabis Control and Licensing Act regulates Cannabis Production facilities with regard to scale and purpose, and not on a distinction between "medical cannabis" and "recreational cannabis". As a result, any local regulations regarding Cannabis Production should also be consistent with this approach, and not on the basis of whether a site produces "medical cannabis" or "recreational cannabis."

Prior to applying for a cannabis cultivation or processing license to the Federal Government through the Cannabis Tracking and Licensing System (CTLS), it is recommended by Health Canada that applicants familiarize themselves with local zoning and building bylaws prior to submitting their license application. Applicants must comply with all local bylaws. Therefore, the best way for local governments to influence where Cannabis Production takes place is through land use (i.e. zoning) regulations. Prior to submitting an application for a cannabis license with Health Canada, applicants for licenses to cultivate, process, and sell for medical purposes must provide a copy of a written notice to local authorities with their application. This notice must be provided to a senior official of the local government, local fire authority, and local police force or RCMP. The notice must include the applicant's name, expected date of submission, class and subclass of license(s) being sought, and cannabis-related activities that are expected to be conducted. Public notification and consultation is not required in this process, and neither is a positive response or recommendation from the local government. In spite of this, notification provides an opportunity for local governments to express any concerns with the proposed operation to the applicant.

Saanich Zoning Bylaw No. 8200, Section 5.2 (Prohibited Uses of Land and Buildings) prohibits Cannabis Distribution, Cannabis Lounge, Cannabis Production and Cannabis Sales. Cannabis Production is defined as follows:

“Cannabis Production - means the production of Cannabis by any method or process, including by manufacturing, synthesis, altering its physical or chemical properties by any means (including destruction), or cultivating, propagating or harvesting it or any living thing from which it may be extracted or otherwise obtained”.

Cannabis Production would include edible cannabis, cannabis extracts, and cannabis topicals which will become legal in Canada as of October 17, 2019.

Zoning Bylaw Section 5.32 currently reads as follows:

5.32 Cannabis-Related Exemptions

“Despite section 5.2, the following uses are permitted subject to and in accordance with the applicable legislation of Canada and British Columbia:

- (a) Cannabis Production on lands within the British Columbia Agricultural Land Reserve, but only if the cannabis is produced:
 - (i) outdoors in a field;
 - (ii) inside a structure that has a base consisting entirely of soil; or
 - (iii) inside a structure that meets the conditions prescribed in subsection 8(2) of the Agricultural Land Reserve Use Regulation, B.C. Reg. 30/2019.
- (b) Cannabis Production by an individual within a dwelling unit up to a maximum of four (4) Cannabis plants per dwelling unit;
- (c) Cannabis Distribution and Cannabis Sales for medical use by persons licensed for that purpose pursuant to the Access to Cannabis Medical Purposes Regulations, SOR/2016-230.”

Other Jurisdictions

The District of Sooke conducted a cross-municipal analysis of the approaches taken by 10 other municipalities in British Columbia. A June 10, 2019 Staff report states that most have decided to use a term such as "Cannabis Production" or "Cannabis Operation" as a catch-all for any activities permitted by Health Canada. Several municipalities have added Cannabis Production as a permitted use in industrial zones, few have added it to their agricultural zones, and none of the municipalities examined include Cannabis Production as a permitted use in commercial zones. Only one municipality (Regional District of Central Kootenay) has chosen to regulate the size of Cannabis Production facilities through Gross Floor Area, while some others have implemented setbacks from property lines and minimum separation distances from "sensitive" land uses.

OPTIONS

The following options are presented for addressing Cannabis Production in Saanich.

Depending on the option selected, staff would bring back specific Zoning Bylaw Amendments for consideration at a Committee of the Whole meeting.

Option 1: Amend the Zoning Bylaw to permit Cannabis Production only on industrial “M” zoned lands (Staff Recommend).

Option 2: Amend the Zoning Bylaw to permit Cannabis Production on all “A” (Rural) zoned lands.

Option 3: Do nothing, in which case Cannabis Production would only be permitted as a farm use on Agricultural Land Reserve lands in accordance with the provisions of the Agricultural Land Commission Act and Regulation and Zoning Bylaw Section 5.32(a).

In addition to the three options noted above, an applicant may apply for rezoning on a site-by-site basis or for a Temporary Use Permit. A Temporary Use Permit may be approved for up to three years and may be renewed only once for up to three additional years. Following expiry of the Permit, the use would need to cease operation unless permitted by zoning. Enforcement of the Permit provisions would be the responsibility of the local government.

Analysis

Of the land use options presented, staff recommend that Council endorse Option 1. Utility availability is an important consideration for where to locate Cannabis Production facilities. Cannabis Production requires a significant amount of water and power, especially when grown indoors. In addition, commercial-scale cannabis processing can involve the use of heat and chemicals to extract cannabis oils. Buildings used for commercial-scale production tend to be large with an industrial appearance. As a result, Cannabis Production is best categorized as an industrial use.

In Saanich, a total of 163 properties are zoned to permit industrial use. Most of these properties are located within the Royal Oak Industrial Park, Tennyson Industrial Quarter, Mt. View neighbourhood, or Quadra McKenzie Industrial Area (see Figure 1 and Table 1).

Currently, Cannabis Production is only permitted as a farm use on ALR Lands in accordance with the conditions prescribed in subsection 8(2) of the Agricultural Land Reserve Use Regulation, B.C. Reg. 30/2019. Option 2 would permit Cannabis Production on all “A” (Rural) Zoned lands.

The Agriculture and Food Security Plan (2018) contains actions to:

- Manage land use to protect and support farmland;
- Support multi-generational farmers and emerging farmers;
- Maintain the agricultural integrity of farmland;
- Encourage farming and discourage non-farm uses on agricultural land;
- Strengthen awareness of local food system; and
- Increase access to local food.

The production of cannabis is not unlike other intensive farm operations which are a permitted use on “A” zoned lands. Cannabis Production could assist traditional farmers struggling with high costs and cheap food imports. However, it also has the potential to undermine local food production in favour of more lucrative cannabis crops.

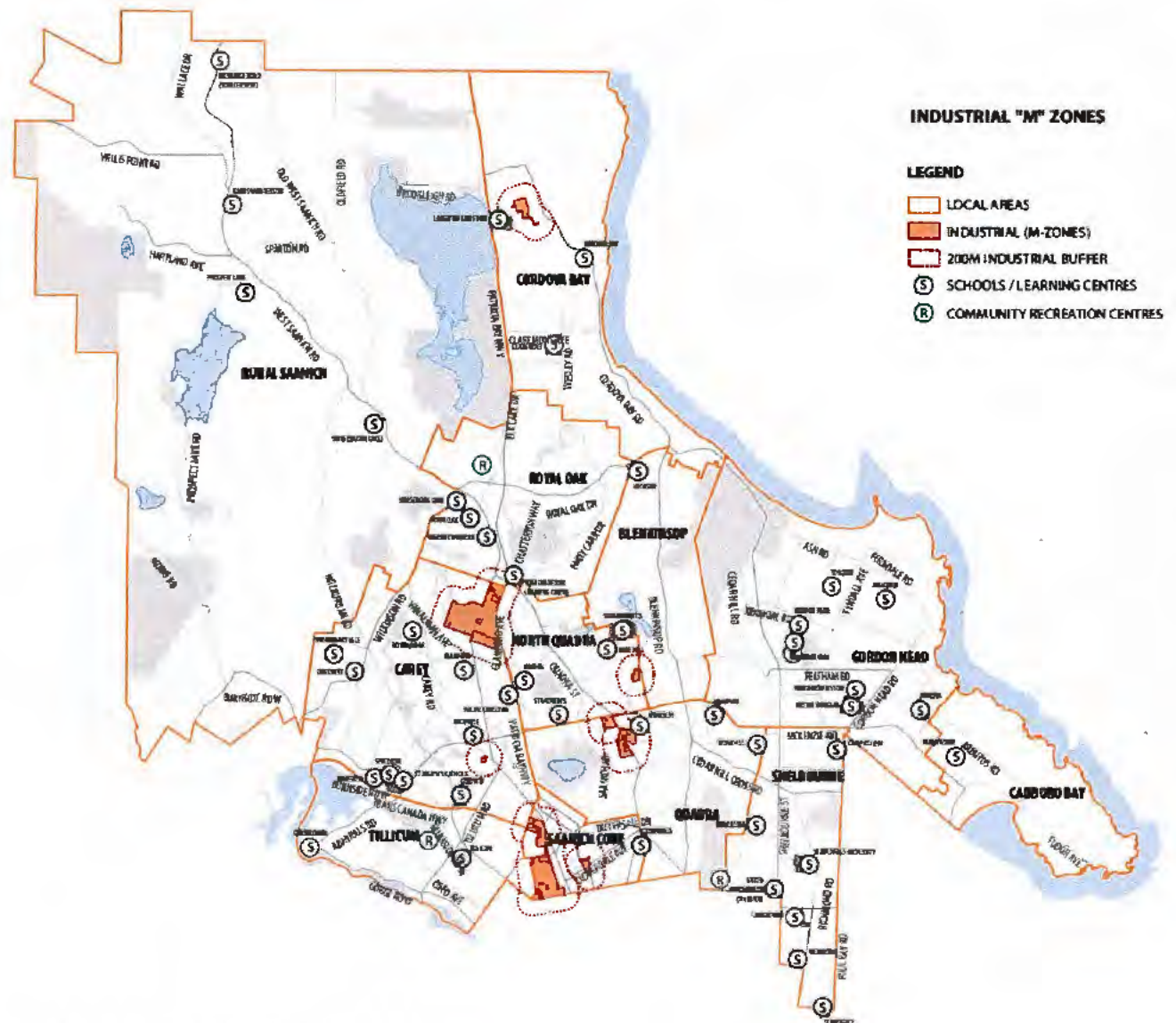


Figure 1: Industrial "M" Zoned Lands

Table 1: "M" Zoned Parcels by Location

"M" Zoned Parcels by Location	
Location	# of Parcels*
Royal Oak Industrial Park	50
Tennyson Industrial Quarter	79
Mount View Neighbourhood	18
Quadra McKenzie	8
Other	8
Total Parcels	163

*Excludes small remnant parcels under 0.05 ha

In addition to taking up agricultural land that could be used for food crops, Cannabis Production has the potential to inflate the value of farmland putting it out of reach of the normal farmer who wants to grow traditional food crops. In addition, rural lands generally lack the utility infrastructure required to support commercial-scale production. For these reasons, Option 2 is not supported.

Small scale micro-cultivation is limited to a maximum 200 m² growing area and may be an option for struggling farmers to increase farm income on rural properties. While the potential impacts of individual micro-cultivation facilities would be much less than with large commercial production facilities, the cumulative impacts of numerous micro-cultivation operations in the rural area could be significant. For these reasons, micro-cultivation of cannabis on "A" Zoned lands except as permitted by Zoning Bylaw s. 5.32 is also not supported. As noted above, rezoning or Temporary Use Permit applications for micro-cultivation operations could be considered on a site-by-site basis.

Option 3 is also not recommended as clear direction from Council on where Cannabis Production will be permitted would help guide future cannabis producers and assist staff by limiting the number of potential rezoning applications.

Cannabis Production – Guidelines and Best Practices

The August 12, 2019 Planner's Report respecting Zoning Bylaw changes related to the retail sale of cannabis included an Administrative Policy with Guidelines and Best Practices to guide Council and staff when considering rezoning or Temporary Use Permit applications or referrals from the Province for new cannabis retail stores. Unlike the Provincial licensing process for retail sale of cannabis which requires local government approval, Health Canada does not require local government approval prior to issuing a cannabis processing license. Therefore, where Cannabis Production is permitted by zoning, there would be no application referral to Council and no opportunity to consider potential neighbourhood impacts on a site-by-site basis.

If Council supports amendments to the Zoning Bylaw to allow Cannabis Production on "M" zoned sites, community impacts are anticipated to be minimal. Storefront retail sales associated with a production facility are not permitted by Health Canada and they have strict requirements respecting security and odor control. The majority of "M" zoned sites are not located close to schools, recreation centres and/or residential uses. For these reasons, an Administrative Policy with Guidelines and Best Practices, including separation distance from schools, recreation centres, residential uses, and other production facilities is not recommended.

Cannabis Production facilities would require a Saanich Business License. As part of the business license process, evidence that the company has received a production license issued by Health Canada would be required.

FINANCIAL IMPLICATIONS

The proposal has no immediate implications related to the District of Saanich Financial Plan.

STRATEGIC PLAN IMPLICATIONS

The proposal has no implications related to the District of Saanich 2015 – 2018 Strategic Plan.

PLANNING IMPLICATIONS

Policy

The following Saanich Planning Policies are most applicable:

Official Community Plan (2008)

- 5.1.4.2 "Work with residents and neighbourhood associations to address public health and safety and crime prevention."
- 6.2.4 "Support a balanced economy by encouraging a broad range of commercial, service, research, high tech and industrial uses."
- 7.1 "Update the Zoning Bylaw, as necessary, to reflect emerging trends, improve the effectiveness of development control and to maintain consistency with the Official Community Plan."

Agriculture and Food Security Plan (2017)

- 2.14 "As part of future land use reviews of industrial zoned lands, consider impacts on the availability of land that permits food processing, storage and production facilities."
- 5.5 "Work with regional partners to find regional and local solutions that will limit the infiltration of nonfarm use on agricultural land such as industrial uses, truck parking, and deposit of fill from construction sites."
- 5.9 "Maintain the Urban Containment Boundary as a principal tool for growth management in Saanich, and encourage all new development to locate within the Urban Containment Boundary in an effort to protect rural agricultural land."
- 6.6 "Support the development of innovative farm operations to diversify farm production, expand farm business, increase economic development, increase local food production, and improve farm income. Innovations may involve ideas such as: specialty crops, diversification of products, new growing techniques, new cultivation or processing techniques, partnering opportunities, or value added projects."
- 6.7 "Explore incentives to encourage farming as the primary use on all agricultural land (including underutilized farmland)."
- 7.6 "Explore regulatory changes to broaden opportunities for small scale urban agriculture that will enhance access to local healthy food, including farm gate sales in urban areas."

CONCLUSION

As part of the Zoning Bylaw Amendments that prohibit the sale, production and distribution of recreational cannabis throughout the District of Saanich, staff were directed to prepare a Report examining options for the regulation of non-medical cannabis. Staff have assessed three zoning options to accommodate Cannabis Production in Saanich. Depending on the option selected, staff would bring back specific Zoning Bylaw Amendments for consideration by Council at a Committee of the Whole meeting. The options are as follows:

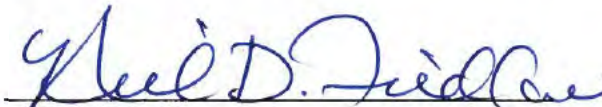
Option 1: Amend the Zoning Bylaw to permit Cannabis Production only on industrial "M" zoned lands (Staff Recommend).


Option 2: Amend the Zoning Bylaw to permit Cannabis Production on all "A" (Rural) zoned lands.

Option 3: Do nothing, in which case Cannabis Production would only be permitted as a farm use on Agricultural Land Reserve lands in accordance with the provisions of the Agricultural Land Commission Act and Regulation and Zoning Bylaw Section 5.32(a).

Staff recommend that Council endorse Option 1 as Cannabis Production is best categorized as an industrial use. Furthermore, this option does not preclude Council from considering rezoning or Temporary Use Permit applications in other areas of Saanich.

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Approved by: 
Sharon Hvozdzanski
Director of Planning

NDF/jsp

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation from the Director of Planning.


Paul Thorkelson, Administrator