



BOARD REPORT

TO: Chair and Directors

File No: BL 725-16, BL701-94
PL20190054

SUBJECT: Electoral Area C: Electoral Area C Official Community Plan Amendment (Factory Direct Doors Ltd.) Bylaw No. 725-16 and South Shuswap Zoning Amendment (Factory Direct Doors Ltd.) Bylaw No. 701-94

DESCRIPTION: Report from Christine LeFloch, Planner II, dated April 25, 2019. 1336 Taylor Road, Notch Hill

RECOMMENDATION #1: THAT: "Electoral Area C Official Community Plan Amendment (Factory Direct Doors Ltd.) Bylaw No. 725-16" be given first reading this 16th day of May, 2019.

RECOMMENDATION #2: THAT: "South Shuswap Zoning Amendment (Factory Direct Doors Ltd.) Bylaw No. 701-94" be given first reading this 16th day of May, 2019.

RECOMMENDATION #3: THAT: the Board utilize the complex consultation process for "Electoral Area C Official Community Plan Amendment (Factory Direct Doors Ltd.) Bylaw No. 725-16" and "South Shuswap Zoning Amendment (Factory Direct Doors Ltd.) Bylaw No. 701-94", and that the bylaws be referred to the following agencies and First Nations:

- Electoral Area C Advisory Planning Commission;
- CSRD Operations Management;
- CSRD Financial Services;
- Ministry of Forests Lands and Natural Resource Operations and Rural Development – Lands Branch;
- Ministry of Transportation and Infrastructure;
- Interior Health;
- Ministry of Environment;
- All relevant First Nations;

AND THAT: the applicant be requested to hold a public information meeting in the Notch Hill area, to be arranged and conducted by the applicant in order for the applicant to explain the proposal and answer questions prior to consideration of second reading of the proposed bylaws.

SHORT SUMMARY:

The applicant would like to establish a cannabis production facility on the subject property. They have applied to rezone a portion of the subject property from LH – Large Holdings to M2 – General Industrial and to rezone an area of the property currently zoned M2 to LH. The subject property currently has a special regulation restricting the uses on the M2 zoned portion of the property to manufacturing, fabricating and processing industries (including forest and wood product industries) and log home

manufacturing only. It is recommended that the special regulation be amended to allow "cannabis production facility" as the only permitted use for the M2 zoned portion of the subject property. It is further recommended that the portions of the property that will not be zoned M2 be redesignated LH Large Holdings to align with the LH zoning of these areas of the property.

VOTING:	Unweighted Corporate	<input type="checkbox"/>	LGA Part 14 (Unweighted)	<input checked="" type="checkbox"/>	Weighted Corporate	<input type="checkbox"/>	Stakeholder (Weighted)	<input type="checkbox"/>
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BACKGROUND:

REGISTERED OWNERS:
Factory Direct Doors Ltd.

APPLICANT:
Tynan Schielke

ELECTORAL AREA:
C

LEGAL DESCRIPTION:
The East 1/2 of the Southeast 1/4 of Section 4 Township 22 Range 11 West of the 6th Meridian
Kamloops Division Yale District

PID:
003-951-871

CIVIC ADDRESS:
1336 Taylor Road, Notch Hill

SURROUNDING LAND USE PATTERN:
North: Notch Hill Estates (residential), agriculture, Crown land
South: Crown land
East: Crown land
West: Rural Holding

CURRENT USE:
There are several existing industrial buildings on the property. These buildings have been vacant for the past 5+ years but were used for sawmilling and manufacturing in the past.

PROPOSED USE:
The applicant would like to utilize existing buildings on the subject property for a licensed production facility for growing and processing cannabis with the possibility of expansion to include additional buildings in the future.

PARCEL SIZE:
33.1 ha

DESIGNATION:

Electoral Area C Official Community Plan Bylaw No. 725

ID - Industrial

ZONE:

South Shuswap Zoning Bylaw No. 701

M2 – General Industrial (see Schedule 1 of Bylaw No. 701-94.pdf)

LH – Large Holdings

Special regulation - restricting the uses on the M2 zoned portion of the property to manufacturing, fabricating and processing industries (including forest and wood product industries) and log home manufacturing only.

PROPOSED DESIGNATION:

ID – Industrial (portion of the property to be zoned M2 – See Schedule 1 of Bylaw No. 725-16.pdf)

LH – Large Holdings (portion of the property zoned LH)

PROPOSED ZONE:

M2 – General Industrial – Portion of the property to be used for the Cannabis Production Facility

Also proposing to add "cannabis production facility" as a new definition in the zoning bylaw, add

"cannabis production facility" as a permitted use in the M2 zone, and amend the existing special

regulation to restrict the uses on the M2 zoned portion of the property to cannabis production facility only.

AGRICULTURAL LAND RESERVE:

0%

SITE COMMENTS:

The subject property is located in Notch Hill. The property slopes up from the northeast to southwest becoming very steep at the southern end of the property. There is a fairly level benched area in the central portion of the property where the existing buildings are located. This area has been cleared while the remainder of the parcel is currently forested providing a vegetated buffer between the existing buildings and the surrounding properties. A tributary to Newsome Creek crosses the northwest corner of the property. Access to the site is from the end of Taylor Road via a driveway that leads up a hill to the buildings. There is also a logging road over the property which appears to access Crown lands to the south.

POLICY:

Please see 701_BL725_Excerpts_BL701-94_BL725-16.pdf, attached, for OCP policies and zoning regulations related to this proposal.

Please see PA-71_PR-32_Excerpts_BL701-94_BL725-16.pdf, attached, for the CSRD Cannabis Related Business Policy and Procedure.

FINANCIAL:

There are no financial implications for the CSRD as a result of this application.

KEY ISSUES/CONCEPTS:

The applicant is proposing to rezone a portion of the 33.1 ha subject property from LH Large Holding to M2 General Industrial as shown on Schedule 1 of Bylaw No. 701-94 and add "cannabis production facility" to the list of permitted uses in the M2 zone. Also, a portion of the subject property that is currently zoned M2 is proposed to be rezoned to LH, essentially resulting in a relocation and expansion of the area of the property zoned for industrial use. An OCP amendment is also required to redesignate the area of the property that will not be zoned M2 from ID Industrial to LH Large Holdings as shown on Schedule 1 of Bylaw No. 725-16. The industrial buildings on the subject property have been vacant for five years but were previously occupied by a sawmill and furniture manufacturing business.

The applicant would like to apply to Health Canada for a Standard Cannabis Cultivation and Processing Facility license and intends to use the existing industrial buildings on the subject property for cultivation operations and processing including packaging of cannabis for sale. It is noted that production facilities do not include retail sales of cannabis, therefore no retail sales would occur at the site. To begin with the applicant is proposing to use approximately 7500 ft² of building area for production and 2500 ft² for processing. Future expansion of the cultivation area would utilize an additional 10-12,000 ft² of building area. The buildings, yard and access road will require renovation in order to meet the Health Canada requirements. Building permits will be required for these renovations. The application process to Health Canada is in the early stages as rezoning of the property is required in order to proceed.

Official Community Plan

The entire subject property is designated ID Industrial in the Electoral Area C Official Community Plan Bylaw No. 725. The Industrial designation supports a range of light industrial uses including manufacturing, high tech industries, warehousing, storage and distribution, machine and automobile repair, provided they are located away from watercourses, are not on waterfront parcels and are compatible with adjacent uses. The proposed use is considered to be a light industrial use and would therefore fit within this designation. As only a portion of the property is proposed to be used for Industrial purposes and the rest of the property has steep slopes it is proposed that the area not proposed to be used for the cannabis production facility be redesignated LH – Large Holdings to be consistent with the zoning of the property.

New industrial development is subject to the Industrial Form and Character Development Permit Area guidelines, therefore a Form and Character Development Permit will be required to be approved by the Board prior to land alteration occurring or issuance of Building Permits. The form and character guidelines for this Development Permit Area address parking, outside storage and garbage areas, building materials, signage, screening and buffering, and general form and character. The Development Permit will include the requirement that the existing treed buffer north and east of the operations area be maintained.

The OCP also includes policies which aim to protect soil, groundwater and the water quality of Shuswap Lake from contamination of all types, including from industrial uses. The applicant has provided further information on water use and treatment, and disposal of waste products in a letter dated April 8, 2019. This letter along with a second letter entitled "Application for Rezoning", are attached as Applicant_Letters_BL701-94_BL725-16.pdf.

Finally, the OCP includes policies encouraging economic diversification within the South Shuswap. The applicant has indicated that the proposed facility would create 10-12 full time jobs with possible part time jobs becoming available as the business expands. Tax revenues generated from industry could also be a benefit for the area.

Zoning

The subject property is currently split zoned LH Large Holding and M2 General Industrial. The portion of the property zoned M2 includes most of the land where existing buildings are located, and a portion of the access driveway to the site. It appears that portions of the buildings may be located outside of the current zoning boundary. The applicant would like to shift the existing M2 zoned area to the west in order to encompass all of the existing buildings and allow room for additional future buildings. It is noted that the maximum parcel coverage in the M2 zone is 50% for all buildings and structures. The proposed area to be zoned M2 is 8 ha of the total 33 ha parcel, which is approximately 300 m x 266 m. This includes 6.1 ha of area not currently zoned M2 combined with 1.9 ha that is already zoned M2. The remaining 2.1 ha on the east side of the property that is currently zoned M2 would be rezoned to LH Large Holdings.

Currently, there are no definitions in Bylaw No. 701 for "cannabis" or "cannabis production facility". It is therefore proposed to add these as new definitions to Bylaw No. 701. The definitions would mirror the definitions used in Cannabis Related Business Policy A-71.

"Cannabis production facility" is also proposed to be added to the list of permitted uses in the M2 Zone. This would allow all properties zoned M2 to be used for cannabis production. Staff note that there are currently no other properties zoned M2 in Electoral Area C, however there are additional lands designated Industrial which could be rezoned to allow for cannabis production.

There is an existing special regulation which applied to the previous business on the subject property restricting the uses on the M2 zoned portion of the property to manufacturing, fabricating and processing industries (including forest and wood product industries) and log home manufacturing only. It is proposed that this special regulation be amended to restrict the uses on the subject property to cannabis production facility only. Staff feel that the special regulation approach is preferable with regard to industrial uses because it allows the opportunity for review of each proposal on its own merits and limits the ability to change the use of the property without making application to the CSRD and going through a rezoning process. Some of the permitted uses in the M2 zone including forest and wood product industries, wrecking yard, and sand and gravel processing can create noise and dust thereby disturbing the peace and quiet of nearby neighbourhoods. Restricting the use of the property to cannabis production facility only would help to mitigate potential traffic, noise and dust issues in the area.

The subject property is located at the end of Taylor Road. To get from the Trans-Canada Highway to the subject property traffic would go past rural neighbourhoods, including Notch Hill Estates. Some of the permitted uses in the M2 zone could contribute to a significant increase in traffic due to larger numbers of employees, and could include significant heavy vehicle traffic along the rural road system in the area. Conversely, the applicant has indicated that they do not intend to use anything larger than a pick-up truck or small transport van in association with the proposed business, and due to the small number of employees working shifts the traffic generated by the business would be minimal. The exception to this may be larger construction related vehicles during the renovation/construction process. The applicant is aware that there is a residential neighbourhood which also uses Taylor Road and that there are families with children living there. They have committed to installing signage to encourage traffic to drive slowly and also to include education regarding this issue in their staff training.

The Ministry of Transportation and Infrastructure (MoTI) is responsible for roads, drainage and traffic in areas outside of municipalities. They are also required to provide statutory approval for rezoning of land within 800 m of a controlled access highway (TCH and numbered highways). The subject property is not located within 800 m of the Trans-Canada Highway so statutory approval is not required. However, commercial businesses require a Commercial Access Permit to be issued by MoTI. Further, there may be other issues related to roads that should be reviewed by the Ministry. Sometimes MoTI does not provide a response to non-statutory referrals, but staff will refer this application to MoTI to notify them and seek any comments they may have.

Cannabis Related Business Policy A-71

When reviewing applications for cannabis production facilities staff look to the CSRD Cannabis Policy and Procedure. The Cannabis Policy outlines the criteria for reviewing applications for cannabis license applications. This includes the location of the proposed business in terms of the type of property it is proposed to be located on. Cannabis related businesses are not supported on residential properties or land in the ALR, and where zoning exists cannabis production facilities may only be supported in Industrial zones. The distance of the proposed business from other uses considered to be incompatible with cannabis related businesses including schools, playgrounds, day cares, health care facilities, libraries, parks, and any other public space are outlined in the policy. Minimum setbacks from property lines and watercourses for all buildings and structures associated with cannabis production facilities are also included. Please see BL701_BL725_Excerpts_BL701-94_BL725-16.pdf and PA-71_PR-32_Excerpts_BL701-94_BL725-16.pdf., attached.

The proposed cannabis production facility would be located in existing buildings on the subject property. These buildings are located well away from property lines and meet the minimum setbacks outlined in the policy. They are also not located within 300 m of any schools, playgrounds, or other public spaces noted above. The subject property is surrounded by Crown land to the west and south and large rural properties on the north and east sides. The closest residential neighbourhood is Notch Hill Estates to the northeast. However, the building site is located at the end of a long driveway and is well buffered by vegetation. Essentially, the proposed site meets all of the location criteria outlined in the policy. Please see table below for details.

Cannabis Policy	Yes/No?	Comments
Land Use Regulations:		
Is the property subject to zoning?	Yes	Currently zoned M2/LH with a special regulation. This is propose to be amended to better align with the proposed use of the property.
Property is zoned Industrial	Yes	Cannabis production facility not a permitted use in M2 zone – special regulation required
Property is zoned Residential	No	
Property is in the ALR	No	

Is the proposed facility located within 300 m of the following land uses:		
Parks	No	Property is 1700 m from Notch Hill Community Park
Schools	No	Nearest facility in Sorrento
Health Care Facilities	No	Nearest facility in Sorrento
Libraries	No	Nearest facility in Sorrento
Day Cares	No	Nearest facility in Sorrento (based on web search)
Playgrounds	No	Nearest facility in Sorrento
Other Cannabis Related Business	No	Nearest facility in Sorrento (based on CSRD records)
Minimum building setbacks:		
60 m to Exterior lot line	Yes	
90 m to Front lot line	Yes	
30 m to Other lot lines	Yes	
30 m to Watercourses	Yes	

Cannabis Related Business Referrals Procedure PR-32

CSRD Procedure PR-32 outlines the process for reviewing cannabis retail and production facility notifications. The referral process for cannabis production facilities starts once the CSRD receives a formal letter of notification from an applicant who has applied to Health Canada to become a licensed producer of cannabis. In some cases, such as with the application under consideration, the applicant will contact the CSRD prior to providing a formal notification to Health Canada in order to discuss their proposal. At that time if there are land use considerations such as zoning, ALR or development permit requirements which need to be addressed the applicant is advised of the necessary applications. If these applications are approved by the CSRD and/or ALC where necessary the applicant is then able to make their application to Health Canada and provide the CSRD with the letter of notification.

Procedure PR-32 outlines the information that is to be included in the notification letter and the applicable fee to be paid to the CSRD for review and processing of the notification. In addition to basic information about the owner, agent and subject property, the applicant is asked to provide plans and details of the proposal, along with a community impact statement that outlines the cannabis production facility's positive impacts on the community, potential negative impacts on the community, and measure taken to address any potential negative impacts. The applicant has provided a letter outlining details on the proposed facility which is attached to this Board report as Applicant_Letters_BL701-94_BL725-16.pdf.

SUMMARY:

Staff is recommending that the proposed bylaw amendments be given first reading and referred out to agencies for comment; and that the complex consultation process be used in processing the application for the following reasons:

- The subject property is designated Industrial in the Area C Official Community Plan, which supports rezoning of the property for industrial use;

- The Cannabis Policy supports cannabis production facilities being established on lands zoned for Industrial use;
- The buildings on the subject property to be used for the proposed facility meet the recommended setbacks outlined in the Cannabis Policy and the proposed operations area is well buffered by existing forest and distance from adjacent parcels;
- As this application proposes a new use for the area and will be a larger scale cannabis production facility, the complex consultation process will allow the opportunity for the applicant to explain the proposal to the community and answer questions prior to the Board considering second reading of the proposed bylaw amendments.

Further, an Industrial Development Permit will be required to address the form and character of the proposed development.

Section 477 of the Local Government Act requires that after first reading the local government must consider the proposed OCP amendment in conjunction with their current financial and waste management plans. The proposed OCP amendment will be referred to the Operations Management and Financial Services departments as part of the referral process.

IMPLEMENTATION:

Pursuant to CSRD Policy No. P-18 regarding Consultation Processes-Bylaws, staff recommends the complex consultation process be used for this application. Neighbouring property owners will first become aware of the application for zoning amendment when a notice of development sign is posted on the property.

Referral process:

The following list of referral agencies is recommended:

- Electoral Area C Advisory Planning Commission;
- CSRD Operations Management;
- CSRD Financial Services;
- Ministry of Forests Lands and Natural Resource Operations and Rural Development – Lands Branch
- Ministry of Transportation and Infrastructure;
- Interior Health;
- Ministry of Environment;
- All relevant First Nations:
 - Adams Lake Indian Band
 - Little Shuswap Indian Band
 - Neskonlith Indian Band.

COMMUNICATIONS:

If the bylaws are given first reading they will be forwarded to the referral agencies. Agency comments will be provided with a future Board report. The applicant will be required to post a Notice of Development sign on the subject property in accordance with Development Services Procedures Bylaw No. 4001. Staff will not forward the Bylaws to the Board for second reading unless the owner has provided the required information regarding posting of the sign as noted in Bylaw No. 4001.

CSRD Policy P-18 – Consultation Processes – Bylaws suggests that the Complex Consultation process be used in situations where an applicant requires both an OCP and a zoning change, or would result in a large development project, or has significant potential to adversely affect surrounding properties. Staff are recommending that this process be used because both an OCP amendment and rezoning are required for this proposal and also because the applicant is proposing a use which is new to the community and may be perceived as something which would cause adverse impacts. If approved by the Board the applicant would be required to hold a public information meeting in the community to explain the proposal and answer questions. Advertising for this meeting would be the responsibility of the applicant. Staff note that there are no legal requirements for advertising for this type of meeting. The applicant will be requested to provide a summary of meeting proceedings which will be included in the next staff report to the Board.

DESIRED OUTCOMES:

That the Board endorse the staff recommendations.

BOARD'S OPTIONS:

1. *Endorse the Recommendation(s).*
2. *Deny the Recommendation(s).*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*

LIST NAME OF REPORT(S) / DOCUMENT(S) AVAILABLE FROM STAFF:

1. Electoral Area C Official Community Plan Bylaw No. 725
2. South Shuswap Zoning Bylaw No. 701
3. Cannabis Related Business Policy A-71
4. Cannabis Related Business Referrals Procedure PR-32
5. Consultation Processes – Bylaws Policy P-18

Report Approval Details

Document Title:	2019-05-16_Board_DS_BL701-94_FactoryDirectDoorsLtd.docx
Attachments:	<ul style="list-style-type: none">- BL701-94-First.pdf- BL725-16_First.pdf- PA-71_PR-32_Excerpts_BL701-94_BL725-16.pdf- BL701_BL725_Excerpts_BL701-94_BL725-16.pdf- Applicant_Letters_BL701-94_BL725-16.pdf- Maps_Plans_Photos_BL701-94_BL725-16.pdf
Final Approval Date:	May 6, 2019

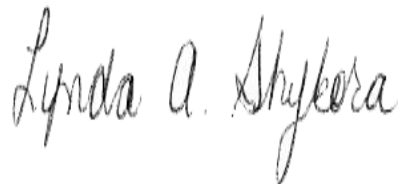
This report and all of its attachments were approved and signed as outlined below:



Corey Paiement - May 3, 2019 - 11:21 AM



Gerald Christie - May 3, 2019 - 12:44 PM



Lynda Shykora - May 6, 2019 - 11:32 AM



Charles Hamilton - May 6, 2019 - 2:29 PM