



Municipality of North Grenville

To: Council

Meeting Date: April 15, 2026

Report Number: PD-2026-020

Report Title: ZBA 03-26 2469 Bedell Road Zoning By-law Amendment Report

Prepared by: Amy Martin, Director of Planning and Development

Recommendation

THAT Council enact By-law 46-26 to amend the Rural – Exception Sixty-Seven (RU-67) zone to permit cannabis micro-cultivation, cannabis micro-processing, cannabis research and outdoor cultivation of cannabis.

Executive Summary

Purpose

- To amend the Rural – Exception Sixty-Seven (RU-67) zone to permit cannabis micro cultivation, cannabis micro-processing, cannabis research and outdoor cultivation of cannabis to the property at 2469 Bedell Road.

Key Findings

- The subject property in North Grenville is currently used for licensed industrial hemp cultivation and research.
- The lands are designated Agriculture in both municipal and United Counties of Leeds and Grenville Official Plans.
- The proposal seeks to add cannabis micro-processing, micro-cultivation, research, and outdoor cultivation as permitted uses.
- The application builds on an existing agricultural operation and supports economic diversification in the rural area.
- The proposal is consistent with the Provincial Planning Statement, which permits agriculture and agriculture-related uses in prime agricultural areas.
- Cannabis cultivation is considered an agricultural use, while micro-processing and research are considered agriculture-related uses.
- The proposed uses are compatible with surrounding agricultural operations and are not expected to create land use conflicts.
- Federal licensing requirements will regulate odour, waste, and security, while municipal site plan control will address layout, buffering, and design.
- Site-specific zoning provisions are proposed, including reduced setbacks and permissions for outdoor cultivation within a controlled (fenced) area.

- Overall, the application represents a logical expansion of an existing farm operation and supports the long-term viability of the agricultural sector, with staff recommending approval subject to zoning and site plan control.

Financial Implications

- Staffing implications, as they relate to implementing Council's decision on this matter, are limited to the existing staff complement and applicable administrative policies as approved by Council.

Background/Analysis

Cannabis Orchard operates a hemp operation and hold a licence with the Government of Canada for the cultivation and propagation of hemp for research purposes. The subject property was rezoned in 2022 by by-law 69-22 to permit the cultivation and propagation of hemp for research purposes. This included establishing zone specific standards for the development of the property.

The United Counties Official Plan designates the property as Agriculture. The Municipality's Official Plan designates the property as Agriculture.

The property is located in the rural area of North Grenville. Land uses within the area includes agricultural uses, rural residential uses, and backs onto a railway corridor.

The applicant submitted various documents to support their submission including:

- Planning Rationale
- Site Plan – Existing and Proposed
- Interior Building Layout as proposed for the licence
- Government of Canada Licence information
- Proposed Building Structure – including elevations
- Proposed Zoning Regulations

Provincial Planning Statement

The Provincial Planning Statement (PPS) establishes policy direction for development across the Province of Ontario.

The PPS generally describes areas outside of settlement areas as the rural area and goes further to distinguish between Rural Lands and Agricultural Uses.

Rural Area policies (2.5.1) identify that healthy, integrated and viable rural areas should be supported by:

- a) Building up on rural character, and leveraging rural amenities and assets;
- e) Promoting diversification of the economic base and employment opportunities, through goods and services, including value-added products and sustainable management or use of resources;

h) providing opportunities for economic activities in prime agricultural areas, in accordance with policy 4.3.

Staff Analysis:

The proposed zoning amendment meets the intent of the Rural area policies, as it builds upon an existing hemp operation. The proposed zone change supports the continued diversification of a business within the rural area and provides additional economic activity in a prime agricultural area.

The subject property is designated as Agriculture in the County and Municipal Official Plan. Agriculture policies within the PPS must be evaluated.

The PPS provides greater policy protection for prime agricultural areas. This includes more definition around permitted uses. In accordance with Section 4.3.2.1 of the PPS classifies uses as agricultural uses, agriculture related uses and on-farm diversified uses based on Provincial Guidance. The PPS requires that agriculture related uses and on-farm diversified uses shall be compatible with and shall not hinder, surrounding agricultural operations. Criteria for these may be based upon provincial guidance or municipal approaches, as set out in municipal planning documents, which achieve the same objectives.

Provincial guidance on agriculture related uses and on-farm diversified uses are provided in Ontario Publication 851. The PPS defines agriculture related uses as farm-related commercial and farm-related industrial uses that are directly related to farm operations in the area, support agriculture, benefit from being in close proximity to farm operations and provide direct products and/or services to farm operation as a primary activity.

Agriculture related uses add to the vitality and economic viability of the agricultural areas, because they are directly related to farm operations in the area. These uses may be located on farms or separate agricultural related commercial or industrial properties.

Publication 851 was published in February of 2024, which predates the adoption of the latest PPS, which was October of 2024. Regardless, the guidance document provides valuable criteria for considering agriculture-related uses. The below analysis goes through each of the criteria.

1. Farm-related commercial and farm-related industrial uses

Staff Analysis:

Farm-related industrial uses may include processing of farm commodities. The buildings used to support the processing and cultivation of hemp and cannabis are located on a property that supports agricultural activities. While cultivation itself is an agricultural use, the processing and research aspects of the operation would be considered ancillary. Adding cannabis research and micro-cannabis

processing to the permitted uses would be supportable as an agriculture related use.

2. Shall be compatible with and shall not hinder, surrounding agricultural operations.

Staff Analysis:

The property is currently used for hemp cultivation (approximately a 5 acre area) and associated green houses. There is also a building used for research and site operations. The addition of cannabis micro-processing, micro-cultivation, research and outdoor cultivation will not impact surrounding agricultural operations. An additional building is proposed for the subject property with the warehouse being relocated into the property. The proposed buildings to support the micro-processing will not have an impact on surrounding agricultural operations.

The proposed additional uses do not impact surrounding agricultural operations from being able to pursue their agricultural practices, it is appropriate for the available rural services.

The proposed development meets the agricultural/rural character of the area. There is a treed buffer around the majority of the property that is adjacent to Bedell Road. The buildings ensure outdoor storage is limited.

The Federal Government regulates cannabis operations and requires controls and measures through their licensing as it relates to the handling of waste and odor. The Municipality does regulate the development of micro-processing and micro-cultivation through site plan control as it relates to the development of the property. Site plan control does not impact mechanical requirements within buildings.

The guidelines consider cumulative impacts of agriculture related uses. There are no additional agriculture related uses in the area that would accumulatively impact the rural area.

3. Directly related to farm operations in the area.

Staff Analysis: The cannabis micro-processing would support the operations of the property. There are no immediate farm operations in the area that would be supported by this activity. The guidelines identify that 'area is not based on a set distance or on municipal boundaries'. In the case of the micro-processing of cannabis, the associated processing facility would directly support the agricultural

activity on the property as it relates to the cultivation of cannabis and hemp on the property.

4. Supports agriculture

Staff Analysis: The micro processing and research of cannabis supports the cultivation of hemp and cannabis on the property, which are considered agriculture uses.

5. Provides direct products and/or services to farm operations as a primary activity.

Staff Analysis: The micro processing and research support the cultivation of hemp and cannabis on the property.

6. Benefits from being in close proximity to farm operations.

Staff Analysis: The cannabis micro-processing and research facilities need to be located on the same property as the cultivation to meet the requirements of the Federal Government licensing.

Staff Analysis

While cannabis cultivation is generally considered an agricultural use, production facilities, particularly those within buildings are not uniformly treated as agricultural uses. Micro-processing and research associated uses can be treated as agriculture related uses, as they directly support the cultivation of agriculture products being hemp and cannabis.

The proposed addition of cannabis micro-processing and research is consistent with the agriculture related uses as established in Ontario Publication 851. The outdoor cultivation of cannabis is considered an agricultural use, and is consistent with the agriculture use policies of the PPS.

Site Plan Control is implementable based on the Municipality's zoning requirements for micro-processing facilities.

United Counties of Leeds and Grenville Official Plan

The United Counties Official Plan establishes land use policies for development at the regional level. The policy structure is similar to the PPS, where there are more generalist policies for the rural area, and specific policies related to agriculture designated lands.

Rural Area policies are established in Section 3. Objectives of the Rural Area includes:

- a) Maintaining and building upon the rural character and leveraging rural amenities and assets, such as agricultural operations, recreational and tourism

opportunities, natural resources and the protection and enhancements of the natural environment;

- b) Protect prime agricultural areas and recognize the economic and social importance of agriculture in the Counties and ensure its continued viability by promoting a range of agricultural uses, activities and complimentary uses;
- e) Promote the efficient use of existing rural infrastructure and public service facilities;
- g) Promote diversification of the economic base and employment opportunities through goods and services, including value-added products and the sustainable management or use of resources; and
- j) provide opportunities for a diversified range of economic activities in the rural area.

Section 3.2 of the Counties Official Plan provides policies related to agriculture areas. The subject lands are designated as agriculture in the Counties Official Plan.

It is the objectives of the Counties Official Plan to:

- a) Recognize agriculture as the primary activity and land use in the Rural Area.
- b) Maintain and enhance the agricultural resource base and farming operations within the Counties.
- c) Protect the Counties' prime agricultural area from fragmentation, development and land uses unrelated to agriculture.
- d) Promote normal farm practices and protect the right to farm.
- e) Promote a diverse, innovative and economically strong agricultural industry and associated activities, including local food production, by enhancing their capacity to contribute to the economy by accommodating a range of agriculture related uses and on farm diversified uses.
- f) Preserve and promote the agricultural and rural character of the Counties.

The Counties Official Plan provides the following policies to support uses in the agriculture area:

- a) All types, sizes and intensities of agricultural uses and normal farm practices will be promoted and protected in accordance with provincial standards.
- b) The primary use of land is for agricultural uses including:
 - i. The growing of crops, including nursery, biomass and horticultural crops;
 - ii. Raising of livestock;
 - iii. Raising of other animals for food, fur or fibre, including poultry and fish;
 - iv. Aquaculture
 - v. Apiaries
 - vi. Agro-forestry
 - vii. Maple syrup production; and
 - viii. Associated on farm buildings and structures, including but not limited to livestock facilities, manure storage, value retaining facilities, and

accommodations for full time farm labour when the size and nature of the operation requires additional employment.

- d) agriculture related uses will be permitted which include farm-related commercial and farm-related industrial uses that are directly related to farm operations in the area, support agriculture, benefit from being in close proximity to farm operations and provide direct products and/or services to farm operations as a primary activity. Proposed agriculture related uses will be compatible with and will not hinder, surrounding agricultural operations. The Local Municipal Official Plan will establish land use policies and provisions related to agriculture related uses.

Staff Analysis:

It is the opinion of staff that the proposed addition of uses to the property, including cannabis micro-processing and cannabis research are agriculture related uses. This is supported in the analysis of the PPS policies, which the Counties policies mirror.

Municipality of North Grenville Official Plan

The Municipality's Official Plan establishes land uses policies for the various land use designations within the boundaries of North Grenville. North Grenville's Official Plan designates the property as agriculture. Similar to the PPS and the United Counties Official Plan, the policies that relate to agriculture land uses follow the same structure.

Section 3 of the Municipal Official Plan establishes a goal to conserve agricultural land, protect the viability of farms and farm-related industries and maintain the quality of rural life for the benefit of all.

To achieve this goal, it is the objective of the Municipal Official Plan to:

- a) Protect, maintain and improve the prime agriculture areas for future generations. Prime agricultural areas are lands with highly valued soils in accordance with the CLI mapping and therefore have potential for agricultural production, areas demonstrating a concentration of farming actively, as well as pockets of lesser valued soils within the greater context of a prime agricultural area;

- b) Promote and support a healthy and productive agricultural industry as a key component of the Municipality's economic base and heritage;

- c) Promote farm practices which encourage the conservation of surface and groundwater resources, aquatic habitat, woodlands, wetlands, wildlife habitat and other natural features, where such practices do not impose undue limitations on the farming community;

- e) Discourage uses which are not supportive of agriculture from locating in areas designated for agricultural purposes;

f) Direct permitted agriculturally-related development in agricultural areas to lands that have a marginal or lesser capability for agriculture, and where the potential for conflict between agricultural and non-agricultural uses will be minimized;

h) Conserve agricultural land within the Municipality of North Grenville as a valuable, limited and non-renewable resource;

i) Protect the productivity of farmland for agricultural production for the global community and future generations;

j) Protect the long term viability and stability of agricultural lands by recognizing these areas as a permanent use of land;

k) Encourage economic development and research opportunities associated with teaching and learning establishments;

To achieve the objectives of the agriculture area, the Official Plan establishes permitted uses for agriculture related uses.

3.3.3 Agriculture-Related Uses

Agriculture-related uses in the 'Agriculture' designation includes uses such as, feed mill or seed cleaning plants, livestock assembly points, grain drying, animal husbandry services, storage for farm produce, abattoirs, custom machinery operators, or similar agri-businesses. These uses may be permitted upon lands designated as Agriculture provided it has been demonstrated that there are no reasonable alternative locations which avoid Agricultural designated lands and that there are no reasonable alternative locations within the Agriculture designation with lower priority agricultural lands. Such uses shall be placed in a separate zoning category.

Specific policies related to agriculture related uses include:

d) Notwithstanding Section 3.3.3 above, within the Agriculture designation, farm related commercial and industrial uses which require proximity to agricultural operations and provide agricultural services and supplies, such as a farm implement dealer, a feed mill or seed cleaning plant, an agricultural produce warehouse, an abattoir or other similar agri business may be permitted without an amendment to this Plan. These uses shall generally be encouraged to consolidate into groups within or adjacent to existing communities or in areas of lower quality agricultural land. Regard shall be had to the following matters in reviewing applications for the development of such uses:

- i. the compatibility of the proposed use with surrounding land uses; and
- ii. the siting and design of the proposal so as to ensure the provision of adequate off-street parking and loading facilities, appropriate setbacks, landscaping and buffering

and that any lighting or signs are arranged so as to blend in with the character of adjacent uses.

Such uses may be permitted conditional upon approval of an amendment to a separate zoning classification in the implementing Zoning By-law where appropriate provisions and regulations are established to govern the use of such lands.

e) Permitted farm related commercial or industrial uses will be subject to Site Plan Control, as outlined in Section 14.3 of this Plan. In addition, the Municipality may require a preliminary site plan as part of the application for a Zoning By-law amendment.

h) Agricultural related businesses and services will be permitted in the Agriculture designation subject to the following: i. the proposed use is directly related to agriculture and it should be demonstrated that it is necessary to be in close proximity to farm operations;

ii. the proposed use is proposed for less productive land wherever possible; and

iii. the uses shall be appropriately zoned in the Zoning By-law.

Staff Analysis

As discussed in the policy analysis for the PPS and the Counties Official Plan, the cultivation of cannabis is considered an agricultural use while the micro-processing and research are agriculture related uses. In review of North Grenville's policies, the proposed additional uses meets the objectives for the agricultural area, as described in Section 3.2 of the Official Plan and replicated above in this report.

As it relates to agriculture related uses, the proposed additional uses are required to be near the cultivation activities. The associated building for the micro-processing will be on the same property as the cultivation activities. The location of these uses is premised on the following criteria:

i. the compatibility of the proposed use with surrounding land uses; and

Staff Analysis:

The cultivation of hemp and cannabis is recognized as agricultural uses. The property is located within the rural area of the Municipality where agricultural activities are expected to occur. The property is already established with for the cultivation and production of hemp for research purposes. Based on the information received, there would be no new impacts to the surrounding area based on the operation of the site as it pertains to micro-processing, cultivation and research of cannabis plants.

ii. the siting and design of the proposal so as to ensure the provision of adequate off-street parking and loading facilities, appropriate setbacks, landscaping and buffering and that any lighting or signs are arranged so as to blend in with the character of adjacent uses.

Staff Analysis:

The property has an existing tree buffer that was maintained when the hemp operation was established on the property. Fencing is required as part of the licensing for outdoor cultivation of cannabis. This area is proposed to be located on 0.7 acres of land internal to the site, and within the existing 5-acre foot print where hemp is grown. Inside growing of cannabis will be confined to the proposed building, which would contain any lighting required for the growing of the plants. Detailed information related to the building are provided in the attachments. Federal regulations do require proper ventilation within the structure to reduce odours external to the building.

Section 3.3.3 articles (d) and (e) require site plan control for agriculture related uses.
Staff Analysis:

The proposed micro-processing and outdoor cultivation will be subject to site plan control to regulate placement of building and ensuring appropriate fencing is provided in accordance with federal and municipal regulations.

Lastly, section 3.3.3(h) provides additional policies related to establishing agriculture related uses.

- ii. the proposed use is proposed for less productive land wherever possible; and

Staff Analysis: The area of the property where the associated buildings are proposed is identified as class 5 soils which would be considered to be less productive soils. The area where cannabis and hemp are to be cultivated are within class 2 soils.

- iii. the uses shall be appropriately zoned in the Zoning By-law.

Staff Analysis: The zoning amendment proposed will ensure that the proposed uses are established in an appropriate zone category.

Comprehensive Zoning By-law 50-12

By-law 69-22 was passed on August 30th, 2022 which established sit specific standards as it related to setbacks and vegetative buffers for the property. The proposal in 2022 was seeking to establish an agricultural research centre related to the study of hemp and cultivation of hemp on the property. As hemp is an agricultural crop, no additional provisions were added related to the growing of the hemp plant. By-law 69-22 is attached to provide additional context.

The proposed application is seeking to add additional uses to the property, being the micro-processing, micro-cultivation, cannabis research and outdoor cultivation. The following text is provided as to the proposed permitted uses, and requested site specific zone requirements:

a) Permitted Uses

Notwithstanding the permitted uses outlined in Section 9.2, the following uses shall be permitted:

- Cannabis Micro-Processing
- Cannabis Micro-Cultivation
- Cannabis Research
- Cannabis Outdoor Cultivation

b) Zone Provisions

That Section 9 of By-law 50-12, as amended, is hereby amended further by adding the following clauses to Subsection 9.4.2(ooo) RU-67 (2469 Bedell Road) immediately following clause v.:

vi. Notwithstanding Section 6.8(a)(i) and 6.8(a)(ii) of By-law 50-12, Cannabis micro-cultivation may include outdoor cultivation on the subject lands where licensed by Health Canada provided that outdoor cultivation shall occur within a fenced area to be identified on the approved site plan, and subject to compliance with the remaining provisions of this by-law.

vii. Notwithstanding Sections 6.7(a)(i), 6.7(a)(ii), 6.8(a)(v) and 6.8(a)(vi) of By-law 50-12, the minimum setback from a Sensitive land use for:

- Any building or structure for cannabis micro-processing and
- Any building, structure or fenced cultivation area used for Cannabis Micro Cultivation

Shall be 20 metres.

Cannabis Provisions in Comprehensive Zoning By-law 50-12

The Municipality adopted By-law 71-20 to add general provisions as it relates to Cannabis Cultivation, Production and Processing including provisions for micro scale processing, production and cultivation. The provisions included setbacks from sensitive land uses, requirements for site plan control, buffering considerations and outdoor storage limitations.

The proposed micro-processing building is to be in the south-east corner of the property as per the attached site plan. Given the existing development pattern in the area, meeting the 150-metre setback for a building with ventilation is not possible.

The closest sensitive land use, being a residential dwelling, is located approximately 90 metres from the proposed location of Building 1. The proposed setback of 20 metres represents the distance to the property line. The setback from the sensitive land use receptor, being the residence across the street is beyond the proposed 20 metre setback.

This is a reduction from the 150-metre requirement in the general provisions for micro-processing and micro-cultivation in a building with air treatment control measures.

The new building is proposed to support the micro-processing and micro-cultivation, which is demonstrated to be 116 square metres on the provided site plan. Building 2 is proposed to be relocated on the property and be partially utilized as part of the licensed area as demonstrated on the attached site plan. The total area of building 2 is 520 square metres. 27 square metres of building 2 is expected to be used for the cannabis licence. Together, this represents 143 square metres of building space dedicated to the micro-processing and micro-cultivation of cannabis. This is below the general zoning provision which provides a maximum area of 200 square metres for micro-processing and micro-cultivation uses.

There are no proposed limitations in the zoning by-law related to outdoor cultivation, as outdoor cultivation is considered a normal farm practice and an agricultural use. Requirements to restrict the area may be imposed by the Government of Canada. Site Plan Control is a requirement for outdoor cultivation of cannabis to address site security measures such as fencing. The area for outdoor cultivation of cannabis would be restricted by the site plan agreement and would require an amendment to any agreement should the applicant wish to expand the outdoor cultivation area in the future. The site plan submitted provides an area of outdoor cultivation for cannabis at 0.7 acres. There are no restrictions on the outdoor cultivation of hemp on the property.

Relevance to Strategic Priorities

Strategic Pillar	Pillar #2 - A Strong, Connected, and Vibrant Community
Goal	Goal #2.3 - Build and Grow in a Connected Way
Key Action	Action #2.3.3 - Promote development policies that incorporate connectivity and coordination with the surrounding area

Options and Discussion

1. Approve the recommendation – **Recommended** – the proposed application meets the intent of the PPS, County Official Plan and Municipal Official Plan as an agriculture related use. The outdoor cultivation aspect of the operation is considered an agriculture use.
2. Do not approve the recommendation – **Not Recommended**

Financial Impact

This item has been identified in the current budget: Yes No **N/A**

This item is within the budgeted amount: Yes No **N/A**

Staffing implications, as they relate to implementing Council's decision on this matter, are limited to the existing staff complement and applicable administrative policies as approved by Council.

Internal/External Consultation

The application was circulated in accordance with the requirements of the Planning Act.

Internal Comments

Building Division provided a note of 'no comment' after their review.

By-law Division inquired about the height of the fencing and inquired if the area for the outdoor cultivation of cannabis could be located further back onto the property to mitigate concerns from neighbouring property owners.

External Comments

Enbridge Gas provided an e-mail of no objection.

Canadian Pacific Railway sent a letter outlining their proximity guidelines, which recommends a setback for buildings from a principal railway of 30 metres. They also recommended including wording within a development agreement related to the operations of the railway. The buildings on the site are outside of the 30 metre setback of the railway.

Public Comments

The Municipality has received two e-mails from a neighbouring property owner. The concerns provided included:

- Past damage to the roadway.
- Plant materials being left on the roadway during transportation.
- The disposal of plant materials on the property, including concerns related to burning.
- Future concerns on the aquifer due to irrigation of cultivation area. Given the drought like conditions in 2025, impacts to the aquifer are a concern.
- Future concern for property values.
- Concern related to security of the property given the nature of what's being grown.
- Impacts to local residents and families within the vicinity.

The applicant has responded to the resident letter.

All comments have been circulated to Council. Comments received after the report is submitted will be summarized at the public meeting.

Communications

Communication of Council's decision will be carried out in accordance with the Planning Act.

Attachments

- Draft Zoning By-law Amendment
- Zoning Amendment Application Submissions:
 - Government of Canada Licence Information
 - Building Layouts
 - Building Plans
 - Concept Plan
 - Micro-Cultivation Site Plan
 - Draft Wording – Zoning Amendment
- By-law 69-22