



<b>Subject:</b>	Durham Road South Watermain Minor Extension application by with Up Cannabis and Koornneef Produce Ltd.
<b>To:</b>	Planning & Economic Development Committee
<b>From:</b>	Planning and Development Department

<b>Report Number:</b>	PD-58-19
<b>Wards Affected:</b>	Ward 1
<b>Date to Committee:</b>	Monday, July 15, 2019
<b>Date to Council:</b>	Monday, July 22, 2019

### **Recommendation:**

Receive and file the Durham Road South Watermain Minor Extension application from Up Cannabis and Koornneef Produce Ltd., as outlined in Report PD-58-19; and

Direct the Director of Planning and Development Department, and the Director of Public Works to review the proposed watermain design by applicant with Up Cannabis and Koornneef Produce Ltd. for Durham Road South watermain extension; and

Direct Staff to enter into a Development Agreement with Up Cannabis and Koornneef Produce Ltd. such that all costs associated with the proposed minor watermain extension are the responsibility of the applicants.

### **Purpose:**

This report supports the Town's vision by supporting the vision of a place to prosper. The supply of water through the extension of the watermain on Durham Road South supports and encourages the success and expansion of two large agricultural operations. The proposed minor watermain extension is required for these businesses to function at an optimum efficiency level and their presence in the Town has and will continue to lead to job creation and innovation within the applicant's respective industries.

### **Background:**

In 2018, development and expansion of two agricultural properties on Durham Road South between the South Service Road and the CN train tracks.

The request for the watermain extension was received by both Koornneef Produce Ltd. during their site plan approval process, and by Up Cannabis Canada in relation to their greenhouse and office expansion project. These properties as shown on the map below are located in the southeastern and southwestern corners of the intersection of Durham Road South and the South Service Road.

The existing watermain consists of a 250 mm PVC pipe that runs along Durham Road South and terminates just south of the rail tracks.

The approximately 200m long extension of the watermain was requested to support growth/expansion for both companies and to enhance fire protection at the properties by providing Town supplied water.

The provision of the watermain extension provide a benefit to the local economy by allowing for both companies to provide continuous operations and expand as permitted by providing for a continuous, reliable water source outside in addition to their rain water harvesting efforts. The two companies will be able to provide employment for over 200 people which will improve the economy within Lincoln.

The design and construction costs associated with the watermain would be covered by the applicants.

## **Report:**

### **Planning and Development**

In the opinion of Planning staff, this request is predominately consistent with the Provincial Policy Statement, Growth Plan, Greenbelt Plan and other provincial legislation. The following policies are particularly relevant to this application.

### **Provincial Policy Statement:**

The lands are identified as being within a Prime Agricultural Area defined by the Provincial Policy Statement. Such lands are intended to be protected for long-term use for agriculture, with specialty crop areas being given the highest priority.

Policy 1.1.4.1 f) promotes diversification of the economic base and employment opportunities through goods and services, including value-added products and the sustainable management or use of resources. In addition, i) States that healthy, integrated and viable rural areas should be supported by providing opportunities for economic activities in prime agricultural areas, in accordance with Policy 2.3.

Policy 1.1.5.8 states that agricultural uses, agriculture-related uses (see definition in following Growth Plan section), on-farm diversified uses and normal farm practices should be promoted and protected in accordance with provincial standards.

Policy 1.7.1 states that long-term economic prosperity should be supported by providing opportunities to support local food and promoting the sustainability of agri-food and agri-product businesses by protecting agricultural resources and minimizing land use conflicts.

Policy 2.3.1 states that prime agricultural areas will be protected for long-term use for agriculture. Policy 2.3.3.1 states that in prime agricultural areas, permitted uses and activities are agricultural uses, secondary uses and agriculture-related uses.

Below are the criteria that Ontario Ministry of Agriculture Food and Rural Affairs (OMAFRA) identify for agriculture-related uses. The criteria listed is based on the PPS's policies and definitions. According to OMAFRA's guidelines, agriculturally-related uses can be supported if they meet the following:

- If they are farm-related commercial and farm-related industrial uses
  - Both operations are considered farm-related industrial use. One will act as a produce processing facility acting as central hub for delivery, storage, packaging and exportation for a variety of local fruits and vegetables. The other will act as a cannabis cultivation, processing and distribution facility.
- Shall be compatible with and shall not hinder surrounding agricultural operations
  - Both are located in an area that would not hinder the surrounding agricultural operations. The proposed uses are fitting for the area, as they are in proximity to the Q.E.W.
- Directly related to farm operations in the area
  - The Koornneef site is located centrally for local farmers, with many shipping raw produce they grow on their properties to be processed, packaged and distributed. Up Cannabis contains an extensive greenhouse growing operation on-site.
- Supports agriculture
  - Both operations will increase the viability of farming operations by receiving, packaging, and delivering their products to their respective markets.
- Provides direct products and/or services to farm operations as a primary activity
  - As mentioned previously the proposed use provides direct service to local farm operations in the Town and Region.
- Benefits from being in close proximity to farm operations.
  - The Koornneef site will provide an added benefit as a hub for processing and storing local agricultural products for adjacent operations and agricultural operations throughout the Town and Region. Up Cannabis benefits from being located within an agricultural setting, while maintaining exposure to the QEW. This is an optimal site for this operation it is largely surrounded agricultural operations in the area as opposed to residential uses.

Policy 2.3.3. States that prime agricultural areas, permitted uses and activities are: agricultural uses, agricultural-related uses and on-farm diversified uses. Proposed agriculture related uses and on-farm diversified uses shall be compatible with, and shall not hinder, surrounding agricultural operations.

Staff maintain that both operations meet the guidelines provided by OMAFRA. With respect to the PPS definition of agriculturally related uses noted above. As such, the requested minor watermain extension would be consistent with the Provincial Policy Statement.

### **Places to Grow - Growth Plan for the Greater Golden Horseshoe:**

It is required that municipal decisions affecting planning matters shall be consistent with the principles and policies of the Growth Plan for the Greater Golden Horseshoe.

Section 4.2.6 outlines policies for the agricultural system. In conjunction with the Provincial Policy Statement the identified operations are Agriculture-related uses as per the definition offered in the growth plan:

“Farm-related commercial and farm-related industrial uses that are directly related to the 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.”

In general, the policies of this section (4.2.6) require maintaining and enhancing functional and economic connections to the agri-food network, as well as promoting opportunities to support access to healthy, local and affordable food, agri-food and agri-product businesses while protecting agricultural resources and minimizing land use conflicts.

Planning Staff are of the opinion that the requested watermain extension would be consistent with the Growth Plan as the facility will improve the delivery of local farming products to market, promote the local agri-food and agri-product business as well as enhance the agricultural system.

### **Greenbelt Plan:**

It is required that municipal planning decisions conform to the Greenbelt Plan. The Greenbelt Plan identifies the subject lands as being located within the Protected Countryside Area, further identified as the Niagara Peninsula Tender Fruit and Grape Specialty Crop Area.

Policy 1.2.2.1 explains policies related to agricultural viability and protection. Policy 1.2.2.1 (a) requires protection of the specialty crop area land base while allowing agriculture-supportive infrastructure and value-added uses necessary for sustainable agricultural uses and activities; and policy (e) provides increasing certainty for the agricultural sector to foster long-term investment in the agri-food network and improvement to and management of the agricultural land base.

Policy 3.1.2.1 states specialty crop areas of “All types, sizes and intensities of agricultural uses and normal farm practices shall be promoted and protected, and a full range of agricultural uses, agriculture-related uses and on-farm diversified uses are permitted based on provincial Guidelines on Permitted Uses in Ontario’s Prime Agricultural Areas.

Policy 3.1.5.2 explains Municipalities are encouraged to implement regional agri-food strategies and other approaches to sustain and enhance the Agricultural System and the long-term economic prosperity and viability of the agri-food sector, including the maintenance and improvement of the agri-food network, by:

- (a) Providing opportunities to support access to healthy, local, and affordable food, urban and near-urban agriculture, food system planning and promoting the sustainability of agricultural, agri-food and agri-product businesses while protecting agricultural resources and minimizing land use conflicts.

Planning staff note that there are a number of policies as noted above that are intended to promote agricultural and agriculturally related operations such as those of Koornneef Produce Inc. and Up Cannabis. However, policies such as 4.2.1.2 f) and 4.2.2 state extension of water services outside an urban settlement boundary shall only be permitted in the case of health issues or to service existing uses and the expansion therefore adjacent to a settlement area. In the case of this specific application, planning staff note that the existing water service is already extended outside of the urban area and undertaking the minor extension would certainly serve to assist and promote the operations of both Up Cannabis and Koornneef Produce Inc. This would be in line with numerous Provincial policies, as noted above, not to mention the Town Official Plan which focuses on supporting the agricultural sector of the local economy. The extension would not impact any adjacent agricultural operations and has been reviewed from a technical standpoint (in terms of capacity) by both Town and Regional staff. As such, planning staff are of the opinion that the requested watermain extension does not contravene the general intent of the Greenbelt Plan to preserve prime agricultural areas.

#### **Town Official Plan**

As noted in Section 1.3.3.2, a primary objective of the Official Plan is to promote the Town as a Centre of Excellence for Agriculture and attract a full range of business linked to or supportive of food and farming and all related activities. As a component of this, the Town encourages uses within agricultural areas that are agriculture-related, on-farm diversified, and/or agricultural value retention uses. The definitions of these uses are outlined in the Provincial Policy Statement and the Growth Plan, as noted above.

#### **Economic Development**

As a municipality that strives to be Open for Business, this continuation of water along Durham Road South will allow two businesses to be competitive in their respective industries. One, a greenhouse cannabis grower, requires a source of clean reliable water to allow their crops to flourish and grow without hinderance, which will ensure they continue to employ the projected 200 employees they are in the process of hiring. The second company, a local distributor of fresh produce, will be able to use the water to clean fruit and vegetables when required. As we continue to seek external investment into our community, responding to requests that businesses have is an important message that we can send that shows we welcome investment into Lincoln.

**Public Works Review**

To evaluate the request Public Works retained GM Blue Plan to complete a capacity assessment review to identify the water systems ability to provide the additional flows to the identified properties and assess any potential impacts to existing users. The capacity review included the completion of fire flow testing on the existing system on Durham Road South, King Street and Ontario Street to confirm existing capacity and validate the model that would be used to identify potential impacts to the system. The review determined that the water system has enough supply to meet the projected water usage without impacting regular service or fire flows within any areas of Beamsville. Based on this review, Public Works supports the extension of the watermain along Durham Road South. Public works would require that the design and construction of the watermain extension meets Town standards.

**Financial, Legal, Staff Considerations:**

Financial:

The design and construction costs associated with the watermain would be covered by the applicants.

Staffing:

Public works staff would be required to review and approve the proposed watermain design. Water operations staff would witness the commissioning of the watermain.

Legal: (insert detail; if none, state N/A).

**Public Engagement Matters:**

N/A

**Conclusion:**

The application, if approved will assist in meeting the long-term needs of both Koornneef Produce Inc. and Up Cannabis and thus contributing to the economic viability of the local agricultural industry by providing value added, agriculturally-related services. Furthermore, the proposed development would meet the intent and policies of the Provincial Policy Statement, Growth Plan and Town Official Plan. With respect to the Greenbelt Plan, while it is acknowledged that policies exist to limit expansion of services outside the urban area, staff are of the opinion that the general intent of the Greenbelt Plan to protect viable agricultural land is maintained. Specifically, in this case, the watermain is already existing outside of an urban area, the extension is minor and there are no impacts to agricultural lands or adjacent operations anticipated. On this basis, the planning staff support the minor extension of the Town watermain.

Respectfully submitted,

Matt Bruder  
Associate Director of Planning & Development  
905-563-2799 Ext.231

Paul Di Ianni  
Economic Development Offices  
905-563-2799 Ext.272

Gillian Harris, P.Eng., PMP  
Manager, Environmental Services  
905-563-2799 Ext. 286

**Appendices:**

Appendix A – Koornneef Produce Ltd. and UP Cannabis – Request for watermain extension on Durham Rd  
Appendix B – Draft Bylaw

**Report Approval:**

Report has been reviewed and/or approved by Director of Planning and Development, Director of Public Works. Final approval is by the Chief Administrative Officer.



314 Main Street East  
Grimsby, ON, L3M1R2

Matt Bruder  
Associate Director of Planning and Development  
Town of Lincoln  
4800 South Service Rd  
Beamsville, ON L0R 1B1

**Re: Requesting a continuance of the water main along Durham Road South to allow connection for new Koornneef Produce warehouse.**

Koornneef Produce Ltd is currently located at 314 Main Street East in Grimsby. We have been located here since Arie Koornneef first bought the property in 1968.

To give you a bit of information in regards to what we do, we represent local greenhouse growers in which we take their entire crop year round which mainly includes English Cucumbers, Mini Cucumbers, Hot House Tomatoes, Grape Tomatoes and Bell Peppers. We also market fruit when in season from many local farmers in the Niagara region which mainly includes Peaches, Nectarines, Plums, Grapes, Pears, Strawberries, and Blueberries as well as product from many other growers in Southern Ontario that we deal with.

We have built and added onto multiple times to the small existing barn that was located on the property when it was purchase. With the last addition being in year 2000 when we added about 7,500 sqft of cooler and receiving area bringing the total up to around 20,000 sqft in Grimsby.

We built the last addition with the plan that if we ever needed to add cooler space that we could do so easily on the south side of the warehouse, but when we inquired a number of years ago about potentially adding on we were told we were no longer allowed too as the land all around us was now all homes which were built in 2003-2004.

We have tried to make due the past number of years but as time goes on we are struggling to continue to operate effectively at our currently location and size due to growing business. At the Ontario Food Terminal we have 2 Units on the inside which is around 6,000 sq ft of sales and storage that is fully cooled to double a cold storage. We have also been using reefer trailers to store additional produce in Grimsby as well as regularly using the paid for produce cold storage at the Ontario Food Terminal which as you can imagine being in Toronto is not a cheap option, but a necessary one for us at the time.

In total with the warehouse in Grimsby and the units in Toronto at the Ontario Food Terminal we are currently operating in around 26,000 sqft of room. As a result over the past few years we have had to turn away some new business and new potential local growers as we do not have the facilities to properly store and market the product. This is why we started to look for a property to build a new warehouse on in 2014.





314 Main Street East  
Grimsby, ON, L3M1R2

Eventually we found land that was not yet up for sale but would be soon through a farmer that Adrian Koornneef knows who was currently leasing the land to farm. After inquiring and researching the possibility of building on this property we purchase the property located at 4791 Durham Road in Beamsville. It is located along side the South Service road across the street from what was previously the Westbrook greenhouse on the same Road.

The Durham Road property is about 28 acres in size and has 2 large ponds on it approximately 2 acres in size. It currently has around 4 acres of fruit trees and around 10 acres is used as cash crop this past season as well as about 5 acres of grapes planted in 2017. With the plan we have for a new warehouse these numbers will only increase as we have already cleaned up a large amount of dead wood and gained access to about 3.5 acres of the property that has been unused that last number of years because of the lack of proper access.

Our current plan for a new warehouse is 65,100 sqft along the corner of Durham Road and the South Service Road. Around half of this size is going to be dedicated to cold storage, with the remaining half being used for a dedicated produce packing area, shipping and receiving and storage of all packing materials. We want to ensure that the new warehouse will meet our current and future needs as it will allow for us to continue to grow and expand the business where as we could not before without the proper facility. It will also allow us to develop and find increased efficiencies to help bring the rising costs of production down for our growers.

We are requesting to have the water main service extended along Durham Rd to our new location as it is already outside of the urban boundary and extended at least 50 meters to be able to service the property as shown on page 3 of this letter. We would be using it for all the warehouses usual sanitary employee needs, maintenance, cleaning equipment as well as fire suppression instead of having to install large water holding tanks or having to try to run a large 600+ foot pipe to the pond and install dedicated diesel engine pumps for it. Koornneef Produce is willing to take on the expense of the water main extension to make this project work for both the Town and the company.

It will also be great in the fact that it will help with the ever growing and changing Food Safety aspect of the business as we may need to use water to wash produce in the future to help the business sell and market new products to new customers outside of our current market and reach. We are estimating around 1,500,000-2,000,000 Litres of water usage a year at the start and increasing from there as produce washing and other needs are factored in.



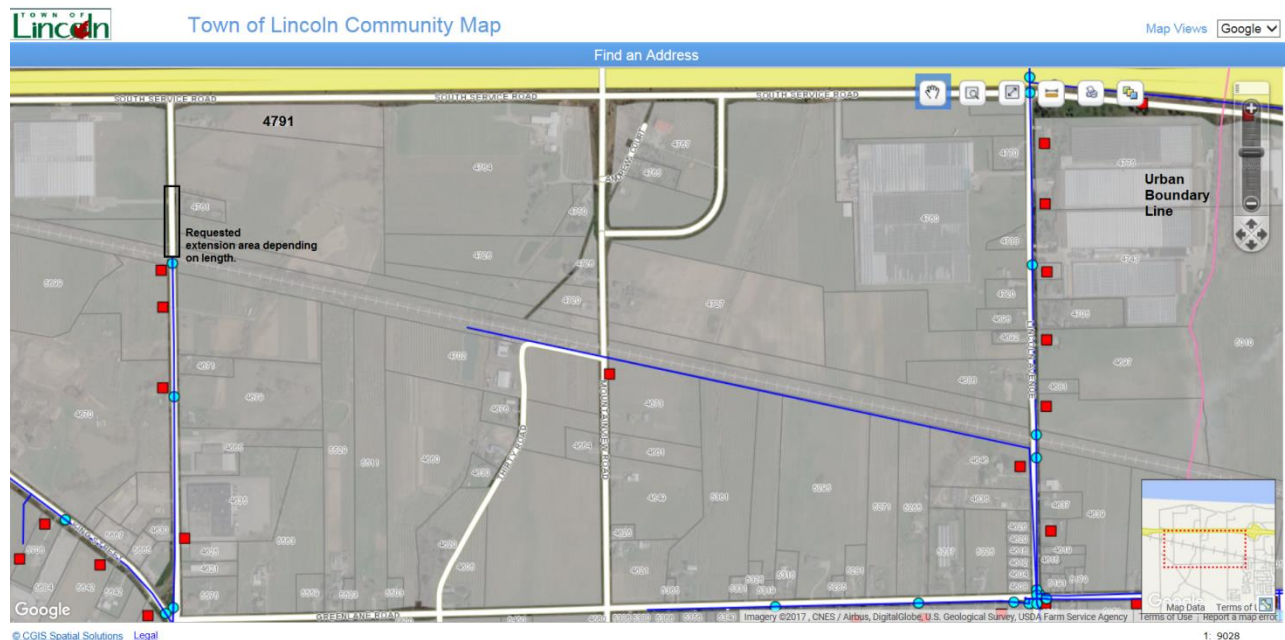
314 Main Street East  
Grimsby, ON, L3M1R2

The Town of Lincoln has identified itself as a Centre of Excellence for Agriculture and by building our new warehouse in Beamsville we can help build on that and help promote and market all the local greenhouse growers and farmers in the Niagara region and help create new jobs within in the agricultural industry as we are able to grow. We are looking to start building the new warehouse in the spring of 2018 and have the project completed before the end of the year.

Sincerely,

Adrian and Fred Koornneef  
Owners, Koornneef Produce Ltd

CC: Kathleen Dale (Director of Planning and Development)  
Paul Di Ianni (Economic Development Officer)  
David Graham (Director of Public Works)





up.ca

1540 Cornwall Road, Suite 204  
Oakville, ON L6J 7W5

Matt Bruder  
Associate Director of Planning & Development  
Town of Lincoln  
4800 South Service Rd  
Beamsville, ON L0R 1B1

**Re: Request for continuation of water main along Durham Road South to property at 5640 South Service Road, Beamsville (former Westbrook Plant 4)**

Dear Mr. Bruder,

I am the Chief Operating Officer of Up Cannabis Inc. ("Up"). Up recently purchased the former "Westbrook Plant 4" greenhouse facility located at 5640 South Service Road (situated on the South West corner of South Service Road and Durham Road South).

Up is a federally licensed producer ("LP") of medical cannabis and is a wholly owned subsidiary of Newstrike Resources Ltd, a publicly listed Canadian company (ticker symbol on the TSXV "HIP"). Our head office is in Oakville and we currently operate an indoor growing facility in Brantford, Ontario that has been growing cannabis for just under a year. Prior to purchasing the Westbrook facility, several of Lincoln's municipal councillors and your CAO came to visit our Brantford facility to better understand what a cannabis operation looks like.

**This letter is to request the continuance of the existing water main, which runs along Durham Road South in the Town of Lincoln from its current terminus located outside of the urban boundary, just North of the CN Railway tracks, for an additional approximately 50 metres to a new connection point as outlined in Exhibit A attached.**

The cannabis industry is regulated by Health Canada and all product produced in any of our facilities must consistently meet their strict safety and quality criteria. We believe that the only means of achieving these standards is via irrigating with a clean and consistent water source achieved only via rainwater and/or a municipally treated supply. The facility already captures all rainwater from its roof and that will remain our primary supply.

Our estimates for irrigation water use indicate that the rainwater will not be sufficient, and that we will require an additional 100,000 litres per day at current capacity. Our planned expansion, which will double our square footage of growing space from 186,000 to 372,000 square feet, will require an additional 100,000 litres per day on average. Since the water use will likely not be consistent every day, we would request that our municipal source be **capable of providing 350,000 litres of water per day**. Water conservation and environmental protection are also important to us so the irrigation system operates as



up.ca

1540 Cornwall Road, Suite 204  
Oakville, ON L6J 7W5

a closed loop, with any excess irrigation water being recycled back via the irrigation loop with no water loss to the watershed.

We have already started to retrofit the facility to prepare it for our crop and we anticipate Health Canada allowing us to start to cultivate in March 2018.

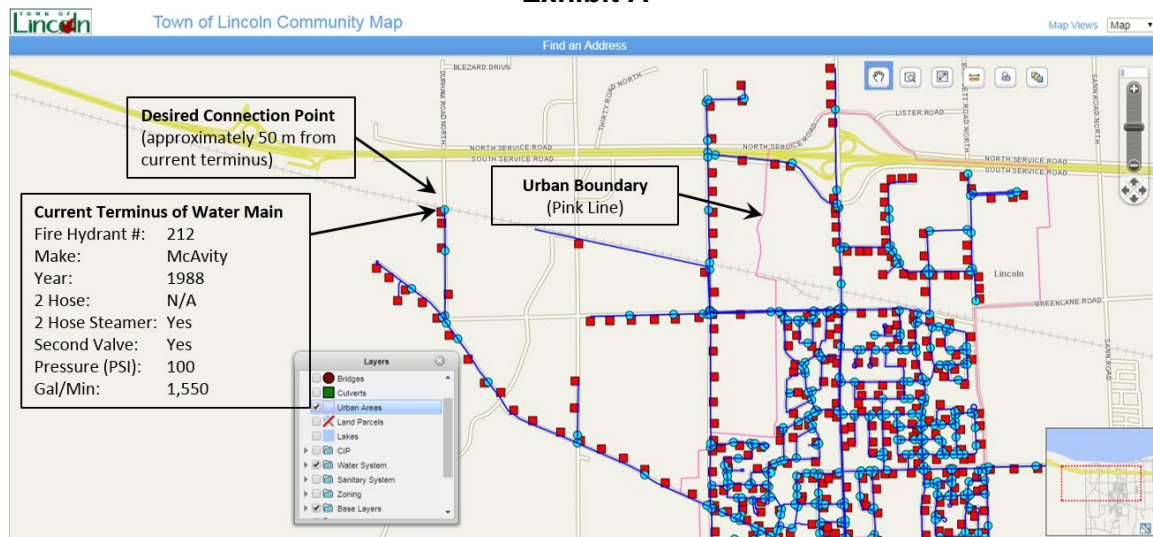
With this timeline in mind, we would hope to be able to **access the municipal water supply by March 1, 2018**. We hope that this request can be accommodated, and we would be pleased to answer additional questions or be available to meet with you at your convenience.

Regards,

Kevin Epp  
Chief Operating Officer  
Up Cannabis Niagara Inc.

cc: Paul Di Ianni (Economic Development Officer)  
Kathleen Dale (Director of Planning & Development)  
David Graham (Director of Public Works)  
Michael Kirkopoulos (Chief Administrative Officer)

### Exhibit A



THE CORPORATION OF THE TOWN OF LINCOLN

BY-LAW NO. 2019-xx

A BY-LAW TO AUTHORIZE THE EXECUTION OF A  
DEVELOPMENT AGREEMENT BETWEEN THE  
CORPORATION OF THE TOWN OF LINCOLN AND UP  
CANNABIS NIAGARA INC. AND KOORNNEEF  
PRODUCE LTD.

WHEREAS

1. Up Cannabis Niagara Inc. and Koornneef Produce Ltd. have submitted a request to the Town of Lincoln for an extension of the watermain on Durham Road South to enable connection to support their business operations on lands described respectively as Part of Lot 23, Concession 1, RP 30R328, Part 1 to Part 5, Town of Lincoln and Part of Lot 22, Concession 1, RP 30R10333, Parts 1 and 2 in the former Township of Clinton, now Town of Lincoln;
2. The Council of the Town of Lincoln deems it necessary and expedient, for the reasons in Report PL 58-19 to enter into a development agreement with the said Up Cannabis Niagara Inc. and Koornneef Produce Ltd.

NOW THEREFORE, THE COUNCIL OF THE CORPORATION OF THE TOWN OF  
LINCOLN HEREBY ENACTS AS FOLLOWS:

1. That the Mayor and Clerk be, and they are hereby authorized and directed to prepare and execute a development agreement with Up Cannabis Niagara Inc. and Koornneef Produce Ltd.;
2. That the Town Solicitor is directed to register the said agreement in the Registry Office for the Registry Division of Niagara North (No. 30);
3. That this by-law shall come into force and take effect on the date of passing.

BY-LAW read a FIRST time this 22<sup>ND</sup> day of July, 2019.

BY-LAW read a SECOND time this 22<sup>ND</sup> day of July, 2019.

BY-LAW read a THIRD time and FINALLY PASSED this 22<sup>ND</sup> day of July, 2019.

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MAYOR: SANDRA EASTON

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CLERK: JULIE KIRKELOS