

Minutes

Meeting #: PC-02/2019
 Date: Monday, February 25, 2019
 Time: 6:30 PM
 Location: Meridian Community Centre - Accursi A and B
 100 Meridian Way
 Fonthill, ON
 L0S 1E6

Members Present: Marvin Junkin, Mike Cioffi, Lisa Haun, Bob Hildebrandt,
 Ron Kore, Marianne Stewart, John Wink

Staff Present: Holly Willford, Teresa Quinlin, Barbara Wiens, Shannon
 Larocque, Jason Marr, Marc MacDonald, Sarah Leach

Media: Applicant and other interested parties

1. Call to Order and Declaration of Quorum

Noting that a quorum was present, the Mayor called the meeting to order at approximately 6:39 p.m.

2. Adoption of Agenda

Moved By John Wink

THAT the agenda for the February 25, 2019 Public Meeting Under the Planning Act, Special Meeting of Committee of the Whole, be adopted as circulated.

Carried

3. Disclosure of Pecuniary Interest and General Nature Thereof

There were no pecuniary interests disclosed by any of the members present.

4. Planning Act Application:

The Mayor read into the record the Notice Requirements regarding this application.

4.1 Planning Report - Request for Amendment to Interim Control By-law 4046(2018) - Cannabis Related Uses

4.1.1 Information Report Regarding Request for Amendment to Interim Control By-law 4046 (2018) 770 Foss Road (File No. AM-01-19)

Shannon Larocque, Senior Planner Town of Pelham, made a presentation in regards to the subject application, a copy of which is available upon request in the Clerks office.

Moved By Mike Ciolfi

THAT Committee recommend that Council receive this Department of Community Planning and Development Report and Presentation for information as it pertains to File No. AM-01-19 regarding 770 Foss Road;

AND THAT Planning staff be directed to prepare the Recommendation Report on this request for consideration.

Carried

4.2 Applicant's Presentation

Martin Doane, CEO and Chairman of Leviathan Cannabis Group ('Leviathan'), made a presentation in regards to the subject application, a copy of which is available upon request in the Clerks office.

Martin Doane introduced other members of his team, being: Luvlina Sanghera, Head of Marketing, Jayne Beckwith, Chief Communication Officer, Matt Hotrum, Lead Engineer from Ehvert Engineering.

The presentation, included, but was not limited to the following:

- Leviathan is a publicly traded company
- Leviathan purchased the subject property for approximately four million dollars and has invested an additional two to two and a half million dollars
- Indicated Leviathan is unlike any other licenced producers as the proposed facility will:
 - Be a sealed greenhouse
 - Have large setbacks
 - Omitted almost no odour (0.1%)
 - Have minimum light pollution with blackout curtains being used after 8:00pm
 - Be environmentally responsible with the use of water, wastewater, etc.
 - Estimated twenty-million-dollar economic impact for the Town and local area
 - Hire locally (trades persons and employees)
- Leviathan indicated they will be a good neighbour

Moved By Bob Hildebrandt

THAT Committee recommend that Council receive for information the presentation by Leviathan Cannabis relating to their application for an Amendment to the Interim Control By-law 4046(2018).

Carried

4.3 Public Input

Peter Van Caulart, indicated he has unfairly judged Leviathan at their Open House and that he owed the company an apology as he researched the technology and was impressed. Mr. Van Caulart inquired if Leviathan would be open to executing a 'certificate of approval' or like document which would indicate if the facility did not meet certain requirements (odor, etc.) the facility would be shut down. In response Mr. Doane indicated that Leviathan would consider executing such a document if the parameters were fair and reasonable.

Dave Shaford, indicated the Town of Pelham is a trusting community and do not wish to be 'fooled'. Mr. Shaford asked Mr. Doane where he and his team reside? Mr. Shaford requested to see photos of any existing facilities that Leviathan may have similar to the proposal. Mr. Doane indicated his team residences in Toronto, New Market and British Columbia. He further advised there are no photo's similar to this facility as none currently exist.

Dave Nicholson, indicated he found the applicant's presentation very informative and requested more information regarding lighting and what cannabis products the facility will be shipping. In response, Mr. Doane indicated there are various stages of the cannabis plant cycle, at the 'veg' state the plant requires twelve hours of light. Depending on the season, the use of artificial light will be required, however, no artificial light will be used after 8:00pm and blackout curtains will be used at the proposed facility. Mr. Doane further indicated the facility will be a wholesaler for medical cannabis and will ship shrink-wrapped dried cannabis flowers.

Mr. Nicholson asked the Mayor if the Town is vulnerable to a lawsuit if Leviathan takes legal action. Mayor Junkin indicated the Town feels the Interim Control By-law was passed legally.

Bill Heska, indicate the Town has had two 'bad experiences' with cannabis production facilities and that he has concerns that the proposed facility will not meet the promises being made as there is no proven success with the technology being proposed. He indicated he felt the survey Leviathan had conducted was not representative. He further inquired how much air would be exhausted at the facility. In response, Mr. Doane indicated

Leviathan is taking an unconventional approach and using cutting edge technology to ensure their promises are being met. Matt Hotrum, Lead Engineer from Ehvert indicated to meet promises the company is using three solutions; the technology is proven and exists however has not been used together in this way for a cannabis facility. Mr. Hotrum noted one of the residents here tonight has already expressed he has researched the technology and that it does work.

Sant (Beri) Grewal indicated he has concerns that Leviathan is using carbon filters and that carbon once activated has a lifespan and will be exhausted into the atmosphere. He questioned how Leviathan will know the carbon is full and will control its emission. In response, Mr. Doane indicated there will be maintenance and protocols to ensure the carbon is dealt with appropriately. Mr. Doane also indicated Leviathan is receptive to public input and hopes to create a citizen's committee.

David and Brenda Burton, inquired if Leviathan has any other production facilities currently operating and expressed concern regarding water, specifically if Leviathan plans to draw water from the well. Furthermore, the Burtons requested the applicant to build a working prototype prior to constructing the facility to ensure the technology works. In response, Mr. Doane indicated Leviathan will be using the pond on the property and collecting rain water. Mr. Doane also indicated the past use as a cucumber farm would require far more water resources than producing cannabis. He further advised, to build an operational prototype would require a license from Health Canada and stressed the technology is not new, it is a new combination of technology that is being used.

Clara Rosati, expressed concerns regarding the survey Leviathan commissioned and feels that the survey is not representative. She also indicated she is very concerned about lighting as her daughter has an autoimmune disorder in which UV light systems are a trigger for her condition and she could die. Finally, she indicated the Interim Control By-law was put in place to allow Council the time to understand the impact of cannabis facilities. In response, Mr. Doane indicated Leviathan hired an accredited polling company to conduct the survey and that it was representative. Mr. Doane further indicated he and Leviathan take her daughters health condition very seriously and would like further dialogue with her to ensure the facility does not engager her daughter.

Tim Nohara, inquired if Mr. Doane felt the Town could change the zoning of cannabis production facilities to therefore increase property taxes collected on those facilities. He also requested more information on the 'commitment' the Town had given Leviathan and / or their predecessor prior to the Interim Control By-law. Lastly, he asked Mr. Doane if he believes the Interim Control By-law is legal. In response, Mr. Doane indicated his

comments regarding property taxes was to state Leviathan will be happy to pay whatever taxes or fees are imposed upon them by the government. Mr. Doane indicated the Town has the right to pass an Interim Control By-law, however the Town has to do this under proper grounds and he felt that was not done. He further indicated he has felt the Town has not worked on this issue to date.

Mayor Junkin voiced he was offended by Mr. Doane's comments regarding the lack of work done by Council to date.

Sandy Jeffs, indicated she has concerns regarding the capacity of the Town's sewers and asked if Leviathan would be willing to pay for the sewers to be upgraded. She stated she believes Leviathan should have to complete a Site Plan Agreement with the Town. She stated the federal government has high security regulations in place for cannabis production facilities (fences, security recording systems, vaults, and staff checks) and questions if Pelham wants this type of a facility where children are growing up. In response, Mr. Doane indicated that residents should be mindful, that if the Leviathan development does not move forward, what else might be there? He further indicated Leviathan has a site plan however is prevented from submitting the document currently.

Donna Huxley, requested more information on outdoor lighting will be outside and how large to tree plantings will be. In response, Mr. Doane indicated the outside lighting will be modest downcast lighting for security. He further indicated Leviathan will be planting more mature trees and fast growing trees. He stated he believes the trees in combination with the blackout curtains will mitigate light pollution.

Ms. Huxley requested information in regards to Redecan, a different cannabis production facility within the Town of Pelham. Ms. Wiens, Director of Community Planning and Development responded to Ms. Huxley's questions. The Mayor reminded the gallery, all questions are to be related this Leviathan and the current application under discussion.

Louis Dam, indicated he is a farmer and is surprised that Leviathan is throwing its cannabis production colleagues 'under-the-bus' publically. He further indicated he believes Leviathan's math regarding odour emissions is incorrect. In this regard he references his experience as a pig farmer. In response, Mr. Doane indicated he will have the statistics and math posted on their website. He further indicated Leviathan is not throwing other producers 'under-the-bus' but are stating their difference.

Dave Klynhesselink requested information on Health Canada's odour emission's and light pollution standards. He also requested clarification regarding the 'letters of intent' Leviathan received in 2017 from the Town of Pelham. In response, Mr. Doane indicated there are compliant production facilities in the Pelham

area that are omitting a lot of odour and light population, while still being compliant with Health Canada standards. He further indicated when a company applies to Health Canada for a cannabis production license, the company is required to demonstrate the property intended to be used is correctly zoned for the production of cannabis from the municipality. The Town of Pelham provided a letter in that regard to Leviathan's predecessor in 2017.

Tod Mowter indicated he is a new resident of Pelham and chose Pelham because of its beauty. He inquired why Leviathan would choose to purchase a property in a residential area instead of a property in the 'middle of no where'. He also expressed concerns regarding traffic and parking. In response, Mr. Doane indicated he has experience building facilities in the 'middle of no where' and those developments have challenges as well. He further indicated that the Niagara Region is a centre of excellence for cannabis production. Mr. Doane explained the facility is building additional parking to ensure there will be no parking on the roadway.

John Glasbergen indicated he has no issues with the applicant's presentation, his concern is that the facility has not yet been proven. He is concerned the technology to mitigate the odour will not work. He further expressed concerns regarding the gravel driveway and the amount of dust that may be caused by employees. Finally, he indicated he was upset that Leviathan has indicated the company is considering suing the Town of Pelham.

Valerie Eves-McCombs read the letter she submitted to the Town of Pelham, a copy of which is available in the Clerks office. Ms. Eves-McCombs expressed concerns regarding odour, traffic, and property values.

Roger Robert, inquired to when Leviathan took possession of the subject property and asked if Leviathan has spoken to neighbours? Mr. Roberts indicated he is a direct neighbour and that no one has spoken to him. He also inquired if Leviathan will ensure the direct neighbours will have security in their backyards to ensure people do not trespass over their property to access the facility. In response, Mr. Doane indicated Leviathan acquired the property in 2018 and believed the neighbours have been reached out to by the company. He apologized for the company having not yet spoken to Mr. Robert. Mr. Doane also indicated the facility will have security.

Jim Jeffs indicated that he has knocked on doors and has circulated a petition which has approximately seven-hundred signatures to create by-laws to control cannabis production. He also expressed concerns regarding traffic on Foss Road. Mr. Jeffs referenced an accident on Foss Road which occurred in 1994. In response, Mr. Doane indicated Leviathan is in support of the petition. Mr. Doane asked if there have been on-going issues

with Foss Road and traffic, why has it not been corrected? He stated this is not a Leviathan issues, rather a Town issue.

Eva Brown asked if the Leviathan facility is currently running, and if not, if Leviathan does not receive an exemption would the company consider growing a different crop? In response, Mr. Doane indicated the facility is not currently operating and indicated Leviathan is not considering growing cucumbers however could potentially grow a different crop.

Bruce Russel indicated he is concerned about his property value. He further asked if the Town would be willing to reduce his property taxes if his property becomes devalued as a result of the Leviathan facility. Mr. Russel also requested clarification to a 'health certificate' Leviathan received for the property. In response, Mr. Doane indicated the Town would have to lower taxes if the property was assessed at a lower value. He also clarified that Leviathan did not receive a 'health certificate' but rather, a letter indicating the property was correctly zoned to cultivate cannabis. He also indicated he believed the property is much cleaner now that Leviathan has taken over.

Phil Glasbergen indicate that he operates a business directly in front of the subject property and that he has in the past rented the facility Leviathan currently owns. He stated that the property in question is very large and has a potential for significant growth, up to one-million square feet. In response, Mr. Doane indicated Leviathan would never expand to one-million square feet, however theoretically the potential might be there.

David Ripley asked if Leviathan had an opportunity to expand and take over a greenhouse currently cultivating cannabis in Pelham, would Leviathan impose the same conditions and expectations proposed to this facility? Mr. Ripley indicated Mr. Doane need not respond as he would not know the future.

Katherine Willard indicated her comments are directed to the Town of Pelham Council. She asked the Council to have pride in the Town of Pelham community and to make a good decision for now and the future. She asked that the Town Council make intentional decisions and not reactionary decisions.

Patrick Handscombe referenced the Molson Brewery in Barrie, where individuals were growing cannabis illegally in the shut down factory and there were no odour issues. He suggested Leviathan research the system that was used. In response, Matt Hotrum, Lead Engineer indicated he knew the facility shut down and indicated the proposed facility in Pelham would recycle 99.9% of air but is not aware how the illegal facility operated.

Nancy Beamer indicated she believes the Town and Leviathan are caught in a 'rock and a hard place'. She stated it was not Town Council which determined cannabis is an agricultural use, but rather the government. She stated it seems Leviathan is trying to be a good neighbour, and going forward with progress

means there always has to be a 'first one'. She stated the issues are not Leviathan's fault and they are reaping the nastiness of the other facilities, and she stated the Town needs to give the Council time to make the right decision.

Dave Nicolson asked how Leviathan proposes to prevent fungus on their plants and what the company would do if the crops had fungus? In response, Dan Grady, Master Grower, indicated there are sanitization protocols being followed, the building is sealed with filtered air, the employee clothing is laundered on site. If the crops did have fungus, the crops would be disposed of and Leviathan would start fresh.

Moved By Bob Hildebrandt

THAT the Rules of Procedure as contained in the Town of Pelham Procedural By-law, be suspended;

AND THAT the specified meeting curfew time of 10:00 p.m. be and is hereby waived;

AND THAT the remainder of the business listed on the agenda for this meeting continue to be considered until all matters have been concluded, or until a set time of 10:30 p.m., whichever occurs first.

Carried

Moved By Bob Hildebrandt

THAT Committee receive verbal presentations made by the public for information as it pertains to this application

Carried

4.3.1 Correspondence received from the public regarding application

Moved By Mike Ciolfi

THAT Committee recommend that Council receive the public written submissions regarding the Application for Amendment to Interim Control By-law 4046(2018) - Cannabis Related Uses, Leviathan Cannabis, by the following individuals:

- 1. V. Eves-McCombs**
- 2. P. Troup and R. Vandendogerd**
- 3. J. Jeffs**
- 4. P. and L. Haakman**
- 5. S. Alde and H. Penner**
- 6. T. Nohara**

Carried

4.4 Committee Input

Councillor Kore requested Mr. Doane to clarify the proposed footprint of Leviathan after Phase 1 and Phase 2. Councillor Kore referenced an interview from the previous summer, in which he saw Mr. Doane indicate Leviathan intended to grow one-hundred-fifty kilos of cannabis and the facility would reach one-hundred million square feet in expansion. In response, Mr. Doane indicated the plans for the property has changed substantially and Leviathan is no longer intending to reach that capacity for various reasons.

Councillor Kore requested further clarification regarding Leviathan's pricing on cannabis cultivated in Pelham, referencing the interview he saw of Mr. Doane in the previous summer. In response, Mr. Doane indicated the economics and pricing have changed since last year.

Councillor Kore asked Mr. Doane if he is aware of what Leviathan currently pays in property taxes in comparison to the previous owner, Woodstock Biograde. Mr. Doane indicated he did not know. Councillor Kore indicated the property tax was less than \$16,000.00. In response, Mr. Doane stated he is not defending the property taxes and that he feels it is an important public policy issues that needs to be addressed.

Councillor Stewart referenced an earlier response Mr. Doane gave a member of the public regarding whether or not Leviathan has any other facilities currently in production and requested more clarification on the matter. Mr. Doane indicated Leviathan is a public company and cannot answer the question currently. He did indicate Leviathan is currently acquisition oriented and looking at opportunities.

Councillor Ciolfi inquired how many cannabis plants Leviathan plans to grow in Phase 1. In response, Dan Grady, Master Grower indicated Leviathan intends to grow two to three thousand plants.

Councillor Ciolfi inquired how many plants would be grown during full production and how much water each plant requires. In response, Dan Grady, Master Grower indicated Leviathan would grow approximately thirty-thousand cannabis plants in full production and that each plant requires roughly three litres of water.

Councillor Ciolfi asked how the water required would be provided? In response, Mr. Doane indicated the water would be supplied from the on-site ponds.

Councillor Ciolfi directed a question to Ms. Wiens, Director of Community Planning and Development to ask which development approval applications the applicant would have to undergo to launch the proposed application. In response, Ms. Wiens indicated the Planning Department has discussed with the

Leviathan the possibility of the applicant entering into a Site Plan Control Agreement. Currently, Leviathan is open to this option. She further states, the Town's current Site Plan Control By-law exempts greenhouses from site plan control.

Councillor Ciolfi expressed concerns regarding the sewer system in that area, stating the Town infrastructure is already at capacity.

Councillor Ciolfi asked if the Town could accept the petition which was referenced by Mr. Jeffs. Holly Willford, Deputy Clerk indicated the Clerk's office is willing to accept the original petition. No petition was filed at this meeting.

5. Adjournment

Moved By Mike Ciolfi

THAT this Special Committee of the Whole, Public Meeting Under the Planning Act, be adjourned.

Carried

Mayor: Marvin Junkin

Deputy Clerk: Holly Willford