

Planning & Development Report to
SPC on Planning and Urban Development
2019 April 03

ISC: UNRESTRICTED
PUD2019-0289

Enabling Urban Agriculture and Local Food Sales

EXECUTIVE SUMMARY

As Calgary grows, demand for local food production, food processing, grocery stores, restaurants, and farmers' markets grows as well. This in turn creates jobs and helps build strong local businesses and attractive opportunities for both small business entrepreneurs and larger agribusiness investment in the city. Urban food production provides many benefits such as improved biodiversity, green infrastructure, making use of under-utilized spaces and producing food closer to home.

The Council-endorsed vision of the CalgaryEATS! Food System Assessment and Action Plan encourages different types and scales of urban food production and distribution. The CalgaryEATS! Food Action Plan identified a need for The City of Calgary to support an increase in local food production and an increase in consumption of local food as part of building a more sustainable and resilient food system for all Calgarians. This report continues the implementation of The City of Calgary actions within the CalgaryEATS! Food Action Plan that began in 2016 with a review of the Land Use Bylaw to identify opportunities for increasing local food production and consumption. In 2017 September, Council approved amendments that accommodated indoor food production.

Proposed amendments to the Land Use Bylaw (Attachment 1) and the adoption of *Urban Agriculture Best Practices for Growing and Selling Local Food* (The Best Practices) (Attachment 2) provide opportunities for small-scale outdoor urban agriculture and food distribution throughout the city. The amendments propose a new "Urban Agriculture" use for growing food outdoors for commercial sale and will enable vacant land to be utilized for business opportunities. The amendments will also increase opportunities for businesses in the agribusiness sector and promote building a diversified economy that attracts a range of business investment. The Best Practices set the framework for the development of these activities while mitigating impacts to surrounding neighbourhoods. They indicate the intention of the use and will include best practice standards on siting, design and operation.

Further, this report proposes minor refinements to the Brewery, Winery and Distillery use to accommodate current trends and business models. These will ensure that the types of ancillary activity that is needed for these businesses to succeed is able to occur.

Enabling Urban Agriculture and Local Food Sales

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Planning and Urban Development:

1. Direct Administration to:
 - a. prepare an amending bylaw to the Land Use Bylaw 1P2007 as outlined in the proposed text in Attachment 1; and
 - b. forward the proposed bylaw, to accommodate the required advertising, and this report, directly to the 2019 April 29 Combined Meeting of Council.
2. Recommend that Council hold a Public Hearing for the proposed amending bylaw and give three readings to the proposed Land Use Bylaw Amendment in Attachment 1.

RECOMMENDATION OF THE STANDING POLICY COMMITTEE ON PLANNING AND URBAN DEVELOPMENT, 2019 APRIL 03:

That Council hold a Public Hearing and give three readings to **Proposed Bylaw 33P2019** (Attachment 1).

PREVIOUS COUNCIL DIRECTION / POLICY

This report relates to the implementation of the Council-endorsed CalgaryEATS! Food Action Plan. Details of previous reports linked to the implementation of the CalgaryEATS! Food Action Plan are contained in Attachment 3.

BACKGROUND

The City of Calgary Food Action Plan – CalgaryEATS! is a shared plan between The City of Calgary (The City) and community partners and contains both City-led actions and community-led actions. The CalgaryEATS! Food Action Plan (the Food Action Plan) goals focus on increasing urban and regional food production and consumption, ensuring access to healthy and nutritious food for all Calgarians, and ensuring a secure supply of food for all Calgarians.

Calgary's food system consists of food produced locally, regionally and from afar, and food system activities are comprised of the growing of food, food processing, food distribution, food retail, consumption, and waste management.

Greater attention is now being paid to food production within the urban area. Existing growing methods have improved and new methods of growing food in urban areas have emerged. In 2016, Alberta's food and beverage processing sales totaled a record \$14.6 billion and the sector employed more than 22,400 Albertans, while small scale local food sales in direct-to-consumer channels (farmers' markets, restaurants and retail) have more than doubled since 2008 and are expected to exceed \$1.2 billion in 2017. As well, in 2017 there were more than a dozen farm businesses growing food at sites across Calgary. Calgary has experienced strong growth in beverage manufacturing, namely breweries and distilleries, and Calgary Economic Development

Enabling Urban Agriculture and Local Food Sales

(CED) has played a pivotal role in connecting agri-food entrepreneurs with financial investors which has helped to advance the level of interest in commercial food system activities in Calgary.

Urban agriculture differs from gardening as it is a commercial food production activity. Benefits of urban agriculture include supporting green infrastructure such as increasing natural areas that provide habitat, flood protection, cleaner air, and cleaner water, improving biodiversity, utilizing vacant land and shortening the food supply chain. As well, urban agriculture creates employment opportunities in food retail and distribution which supports the local economy.

As part of the implementation of the Food Action Plan, a review of the Bylaw was conducted to identify opportunities to increase local food production and consumption. In 2017 September, bylaw amendments were approved by Council to enable indoor models of food production such as aquaponics (a closed loop system such as a water tank containing aquatic species and an accompanying vertical hydroponic system containing plants, that share a symbiotic relationship, providing food and cleaning functions), and vertical farms in urban areas. The amendments provided new economic opportunities for both small and large-scale indoor food growing businesses in the commercial and industrial districts. As part of the 2019 City Planning and Policy Priorities, under the Toward the one Calgary Plan: Renewing the Municipal Development Plan/Calgary Transportation Plan, the Bylaw review continued with the proposed amendments to enable urban agriculture in this report. The Bylaw amendments provide an implementation mechanism to realize the local food and urban agriculture policy statements in the Municipal Development Plan (MDP) under Complete Communities, Strong Residential Neighbourhoods, and Green Infrastructure.

This report also provides an opportunity to make some minor refinements to the Brewery, Winery and Distillery definition. The definition of Brewery, Winery and Distillery accommodates breweries and other manufacturers of alcoholic beverages in both the commercial and industrial districts. It also accommodates manufacturers that operate their businesses in different ways. The use Brewery, Winery and Distillery, and its rules, clarify that breweries and other manufacturers of alcoholic beverages can provide a small drinking area available to the general public for consumption of beverages made on the premises, as well as tasting areas for organized tours, and can retail the beverages made on the premises. Some manufacturers will operate in a traditional way, producing beverages, packaging and shipping the product to a distributor or a retailer for sale and eventual consumption by the consumer. Other manufacturers may operate similar to the brew pub format, where beverages are manufactured and sold for consumption on the premises, with some also being sold in bottles, cans or filled into reusable growlers and consumed off the premises. Over the past 18 months we have heard from Industry that for some businesses, onsite consumption provides an important revenue stream. The proposed amendments address this opportunity.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Allowing outdoor commercial urban agriculture in more areas would provide more opportunities for local food production. However, any expansion of commercial urban agriculture needs to consider impacts on neighbours and surrounding land uses that may come with an increase in intensity of agricultural activities. Accordingly, supportive policies need to be in place that enable more outdoor urban agriculture opportunities while ensuring responsible growing and farming practices in the

Enabling Urban Agriculture and Local Food Sales

city. Other cities throughout Canada and North America have enabled urban agriculture through various regulatory approaches. A brief summary of the methods used by other cities is outlined in Attachment 4.

Enabling More Opportunities for Commercial Urban Agriculture

Context

Commercial food production is currently managed by the Bylaw through the Extensive Agriculture, Intensive Agriculture and Food Production uses. These are typically intended to be large scale commercial operations like crop and hay production or indoor vertical farms. In other cases, smaller food growing businesses are accommodated through the Home Occupation – Class 2 use, where a resident can grow food to sell from their parcel, as long as it is contained within a building (such as a garage). Existing uses within the Bylaw do not accommodate small outdoor urban agriculture businesses that would like to take advantage of leftover spaces, outside, on existing parcels, such as rooftops or landscaped areas, or under-utilized vacant land within the urban area, particularly in the commercial and industrial districts.

Urban Agriculture is where plants are grown outdoors (vacant parcels, rooftops) for a commercial business. These plants are then sold, to be consumed by someone other than the grower. It does not include the raising of animals, nor does it include the growing of food as a hobby or for personal consumption, known as gardening, which is a usual and customary use of land.

Land Use Bylaw Amendment Recommendation

Administration recommends creating a new use definition called “Urban Agriculture” to enable commercial outdoor food growing as a use in all multi-residential, commercial, industrial, special, centre city, commercial residential and mixed-use districts. (See Attachment 5).

Development Permit Requirement

1. It is recommended that Urban Agriculture be exempt from needing a development permit where there is:
 - No required landscaping being removed;
 - No local food sales on-site; and
 - A maximum of one ancillary building that is 10 square metres or less in area (i.e. a small shed that does not require a building permit).
2. Greenhouses are key to extending the growing season. Where a greenhouse is larger than 10 square metres, a development permit and a building permit will be required.

Finally, Administration has developed Urban Agriculture Best Practices for Growing and Selling Local Food (The Best Practices) to inform the development and operation of safe, neighbourly and productive Urban Agriculture uses in Calgary (Attachment 2). The Best Practices will create a consistent approach to urban farm inquiries, clarify City of Calgary process and provide best practice guidance.

Outcome

Enabling Urban Agriculture and Local Food Sales

The new Urban Agriculture use increases opportunities for local food production and consumption of local food for all Calgarians. Calgary follows other cities across Canada (Edmonton, Vancouver, Victoria, Toronto, Montreal and Halifax) and North America (Denver, Baltimore, Boston, Portland and San Francisco) in adopting similar enabling regulations for Urban Agriculture.

Promoting Local Food Distribution and Consumption

Context

An important aspect of promoting Urban Agriculture and the consumption of local food is providing more opportunities for urban growers to distribute their produce and more places for Calgarians to purchase local food. Small local producers often have limited market opportunities to sell their vegetables due to the scale of what they produce. Pathways to market traditionally include selling direct to restaurants, at community markets, or through produce box subscriptions. Local food sales provide small businesses needed pathways to market while at the same time enabling more healthy food to be sold directly to Calgarians.

Land Use Bylaw Amendment Recommendation

Administration recommends creating a new definition “local food sales” to create an opportunity for local food producers to operate a temporary outside stand to sell their produce either on the parcel where it was grown, or on City-owned land with permission.

Development Permit Requirement

1. When occurring as part of the new Urban Agriculture use, the location, hours of operation and other policies of an outside stand located on the urban agriculture parcel (whether privately or publicly owned) and the selling of food grown on the parcel will be managed through the development permit process. This process will give adjacent landowners and the neighbourhood the opportunity to provide input on these aspects of the development.
2. The amendments propose that “local food sales” should be exempt from a development permit when occurring on select City-owned land or at City-owned facilities, and only with permission by The City. In this case, the location and hours of operation and other policies will be managed through the permission process.

Business Licence Requirement

Business Licences are required for some, but not all, types of businesses. These requirements are based on the Licence Bylaw which is designed for mostly permanent businesses. The Chief License Inspector has some abilities to waive licensing requirements where they are satisfied that other steps are in place which assure public safety and compliance. The Chief License Inspector is willing to waive the licensing requirement for local food sales of whole fruits and vegetables occurring on City-owned land with permission from The City. This enables and supports small local food growers the opportunity to incubate their businesses while at the same time providing more local healthy food to Calgarians.

Outcome

Administration believes that a new “local food sales” definition applied to specific uses in The Bylaw will increase opportunities for economic incubation and development in the important

Enabling Urban Agriculture and Local Food Sales

agribusiness sector. Calgary follows other cities like Toronto, Vancouver and Victoria in providing more opportunities for small-scale local food sales throughout the city.

Growing Food in Community Gardens

Context

Introducing a new Urban Agriculture use prompts the need to differentiate between food growing for commercial purpose and food growing for communal benefit.

Land Use Bylaw Amendment Recommendation

Community gardens have always been allowed as part of the Park use. However, Administration recommends the definition of Park should be amended to specifically acknowledge that parks can be used for community gardens, as long as they are for social, educational and community purposes and not commercial purposes. Commercial growing of food should not be done on Reserve land (as defined by section 671 of the Municipal Government Act and specific sections in the City of Calgary Charter 2018), as the land is restricted for the uses of a public park, recreation area or school board purposes, etc.

Outcome

The amendment to the Park use will provide clarity for the development and use of community gardens in parks and differentiates the use from Urban Agriculture and Food Production where the primary purpose is commercial.

Enabling Insect Farms as part of the Food Production use

Context

Administration has worked closely with CED to follow agribusiness trends and to ensure that The City regulations align and enable emerging opportunities in agribusiness. Insect farming is a new sector to agriculture in Canada with only two farms currently in operation; a \$30 million facility in Balzac, Alberta set to open Spring 2019, and the Midgard Cricket Farm facility currently in full operation in Nova Scotia. This new type of food production business involves the raising of insects, such as larvae, which are used as a protein supplement or a feed ingredient for the fish, poultry and pet food industry. This type of high protein feed is sometimes used to replace soybean and fish meal. The existing Food Production use does not include the raising of livestock, such as chickens, cattle or pigs, as such activities are considered Intensive Agriculture, and due to their potential impacts, require a Council-approved land use specific to the site (Direct Control District) to accommodate them.

Land Use Bylaw Amendment Recommendation

Administration recommends that this activity, the raising of insects, be added to the "Food Production" use in the Industrial – General (I-G) and Industrial – Heavy (I-H) districts.

Development Permit Requirement

The Food Production use is a discretionary use and a Development Permit is required.

Outcome

Enabling Urban Agriculture and Local Food Sales

This will enable more opportunities for businesses in Calgary in the important agribusiness sector.

Supporting Calgary's Thriving Craft Brewery, Winery and Distillery Sector

Context

Council adopted the Brewery, Winery and Distillery use in 2016 to accommodate, manage and promote the increased interest in small brewery businesses. At that time, the new rules accommodated an unlimited private hospitality area, direct retail sales to the public, a 75.0 square metre public area for consumption of beverages made at the business, and the preparation and sale of food.

Land Use Bylaw Amendment Recommendations

As the number of Brewery, Winery and Distillery uses has increased considerably, Administration recommends several refinements to the use. These are in response to the way the use has evolved and feedback from operators.

Firstly, many of these uses, in addition to manufacturing alcoholic beverages, are including public areas for onsite consumption, along with the sale of food. Administration recommends the use be amended to allow a public area of 10 square metres to provide entertainment. This is the same area allowed in restaurants.

Secondly, Administration recommends the maximum public area should be enlarged from 75.0 square metres to 150.0 square metres. This new maximum public area is the same as a Restaurant: Neighbourhood, and it would allow a Brewery, Winery and Distillery to expand to a larger size without need of an additional development permit.

Finally, Administration recommends the use should be amended to clarify that the sale of alcoholic beverages made off-site during an initial start-up period or made in collaboration with a different Brewery, Winery and Distillery should be allowed.

Outcome

These amendments will allow Calgary's craft beverage industry to continue to expand and thrive by providing potential for additional revenue streams.

Comments from Calgary Planning Commission (See Attachment 7)

This report was presented to Calgary Planning Commission (CPC) for review and comments at the meeting of 2019 March 7. Overall comments were very positive and focused on the economic development opportunity and community benefit that these amendments will support. Specific themes included the increased economic opportunity that Local Food Sales will provide small businesses, and the role The City of Calgary can have in providing vacant City-owned land for urban agriculture activities as an interim use. There were no changes to the report resulting from CPC's comments.

Conclusion

City-led initiatives contribute towards the Food Action Plan vision of providing all Calgarians with access to local, healthy and a secure supply of food, while ensuring the food system is

Enabling Urban Agriculture and Local Food Sales

environmentally sustainable and supporting economic development. A table summarizing the five proposed bylaw amendments, and associated changes to approvals can be found in Attachment 8.

Departments across the corporation have collaborated on CalgaryEATS! initiatives. and the next progress report on the implementation of the Food Action Plan will go to Council in 2021. However, as opportunities and issues arise, interim reports such as this may be presented to Council.

Stakeholder Engagement, Research and Communication

Throughout 2017 and 2018, Administration convened several stakeholder engagements and discussions with The New Urban Farm Partnership; a non-profit organization dedicated to increasing local farms and food production in Calgary, and YYC Growers; a cooperative of more than 25 urban and peri-urban farmers. Administration also heard from industry stakeholders a need for The City to provide legitimacy to the urban farming sector for commercial food growing and sales by including this activity in the Bylaw. This would provide the stability to grow an emerging sector.

Administration met with the Calgary Economic Development (CED) Agribusiness Advisory Committee to receive advice and feedback on the proposed Bylaw amendments in 2017, and again in 2018. The CED Agribusiness Advisory Committee supports the amendments to broaden opportunities for growing food in Calgary.

In 2017, more than 300 Calgarians, as well as community and industry stakeholder groups were invited to two public open houses held in old city hall in 2016 November. The engagement was positioned to gather input on thirteen themes that were developed collaboratively with industry stakeholders, and the proposed amendments constituted two phases of work. The engagement covered discussions regarding the need to be flexible with requirements for Urban Agriculture in a variety of land use districts, as well as the need to accommodate more space for local commercial food growing.

In early 2016 internal consultation and best practice research was undertaken in conjunction with meetings with external stakeholders. A public online survey was undertaken from 2016 March 3 to March 18.

Based on the comments received at the open house and those received directly from stakeholders, there was strong support to legitimize urban farm operations in The Bylaw and to put policy in place that would enable urban farms and farmers to prosper. Attachment 6 contains letters of support from Industry.

Strategic Alignment

The City of Calgary has a goal to increase urban food production and consumption. imagineCALGARY contains three targets on increasing urban food production and consumption: By 2036 Calgarians support local food production; by 2036 Calgary increases sustainable urban food production to five percent of total food flow; and the consumption of urban and regional food produced for Calgarians to 30 percent.

Enabling Urban Agriculture and Local Food Sales

Two objectives of the MDP are to create a city attractive to people and business. The Plan's policies include providing "...safe and healthy communities with a variety of housing choices, employment opportunities, local retail and services and mobility options" (MDP Policy 2.1.1 a.) and attracting and retaining "...suitable business and industry in Calgary by fostering economic diversification and providing a climate that supports and enhances economic activity (MDP Policy 2.1.2 a.). Urban Agriculture and local food sale opportunities will contribute to community economic development.

Finally, CED identified agribusiness as one of five key areas for economic diversification in *Building on Our Energy; An Economic Strategy for Calgary* (November 2014). CED recognizes the agri-food sector as a major element of Calgary's food system, contributing to the production of food that Calgarians eat while also providing key employment and economic growth opportunities through domestic sale and export and value-added processing.

Social, Environmental, Economic (External)

The Food Action Plan is based on six principles that support the vision of a sustainable and resilient food system: Local, Accessible, Secure Supply, Environmentally Sustainable, Healthy, and Economic Development. Goals focus on increasing urban and regional food production and consumption, ensuring access to healthy and nutritious food for all Calgarians, and ensuring a secure supply of food for all Calgarians.

Local food sales and small-scale urban agriculture provide opportunities for education, place-making and community building. Increasing access to healthy local food in neighbourhoods is an important outcome.

Benefits of urban agriculture include green infrastructure such as increasing natural areas that provide habitat, flood protection, cleaner air, and cleaner water, improving biodiversity, utilizing vacant land and shortening the food supply chain.

Urban Agriculture and local food sales will provide increased employment and business opportunities for small scale-urban food production and sales. The amendments will also increase opportunities for businesses in the agribusiness sector and promote building a diversified economy that attracts a range of business investment.

Financial Capacity

Current and Future Operating Budget

No impacts have been identified.

Current and Future Capital Budget

No impacts have been identified.

Risk Assessment

Not providing opportunities for urban agriculture and mechanisms for small growers to distribute their products will mean that Calgary may not be able to achieve the goals of the MDP local food

Enabling Urban Agriculture and Local Food Sales

and urban agriculture policy statements under Complete Communities, Strong Residential Neighbourhoods, and Green Infrastructure, the imagineCALGARY targets for increasing local food production and consumption, and the Food Action Plan targets to increase urban and regional food production and consumption, ensure access to healthy and nutritious food for all Calgarians, and ensure a secure supply of food for all Calgarians.

Growing food in an urban environment can pose risk if proper measures are not taken to ensure urban impacted soils are safe for food growing. Administration encourages all urban farms use raised beds with clean imported soil and a geo-textile cloth barrier for growing food. This aligns with existing procedure under the Parks Community Garden program and with best practices from other municipalities across Canada.

Expanding opportunities for urban agriculture could cause impacts to neighbours and surrounding land uses due to an increase in intensity of agricultural activities or local food sales. The Best Practices document is intended to provide specific information to businesses that will support responsible growing and farming practices in the city. Administration recognizes that with a new use, there is a need for ongoing monitoring, assessment, and adaptation. As such, any issues or impacts that this activity may have will inform future recommendations for amendments or policy suggestions.

REASONS FOR RECOMMENDATION:

Administration recommends approval of the amendments to the Land Use Bylaw because:

1. Urban agriculture provides numerous health, environmental, economic and social sustainability benefits through improved access to local food, employment opportunities, enhanced biodiversity, green infrastructure and increased social cohesion through educational opportunities and face-to-face interactions between farmers and consumers.
2. The proposed Urban Agriculture use and Brewery, Winery and Distillery use amendments support Municipal Development Plan policy that promotes opportunities for businesses to help build a diverse and resilient economy, and supports the CalgaryEATS! objective to promote and build a sustainable and resilient local food system.
3. The other minor food-related amendments support enhanced opportunities for the Brewery, Winery and Distillery and Food Production uses, helping to support Calgary's food and beverage, and agribusiness industries.

Planning & Development Report to
SPC on Planning and Urban Development
2019 April 03

ISC: UNRESTRICTED
PUD2019-0289

Enabling Urban Agriculture and Local Food Sales

ATTACHMENTS

1. **Proposed Bylaw 33P2019**
2. Proposed Urban Agriculture Best Practices for Growing and Selling Local Food
3. Details on Previous Council Direction Linked to CalgaryEATS
4. Outdoor Food Growing Rules in Other Cities
5. Food Production, Brewery, Winery and Distillery, and Urban Agriculture Uses – District Listings
6. Letters of Support from Industry
7. Calgary Planning Commission Review and Administration's Response PUD2019-0289
8. Summary of Land Use Bylaw Amendments and Approvals
9. **Commissioner Comments**