

EXECUTIVE SUMMARY

Comprehensive Update to Zoning By-law 2004-50

Statutory Public Meeting Follow-up | Council Decision Report

Why This Report

The comprehensive update to Zoning By-law 2004-50 is a statutory requirement under Section 26 of the *Planning Act*. Following the April 27, 2026 statutory public meeting (peak attendance ~150), this report summarizes public input and presents Council with clear options on the outstanding contentious issues. No decision was made at the public meeting — its purpose was to gather input.

Three Decision Points for Council

#	Issue	What Council Needs to Decide
1	H2 / H5 Holding Provisions	How to treat Natural Heritage (H2) and Karst (H5) overlays in the final by-law. Dominant theme of the public meeting.
2	On-Farm Diversified Uses	Whether to adopt a tiered OFDU framework that defines as-of-right limits, ZBA-with-criteria thresholds, and a hard ceiling at County maximums.
3	Downtown Height & Density	Whether 6 storeys as-of-right (now 22.0 m) and reduced minimum lot sizes / increased lot coverage in Markdale and Flesherton reflect the community vision.

Issue 1 — H2 (Natural Heritage) & H5 (Karst) Holding Provisions

What we heard at the public meeting

- **Scope:** H2 captures very large portions of properties, including long-established cultivated fields.
- **Methodology:** The 2014–2017 County study was desktop-based, not field-verified.
- **"Sledgehammer vs. scalpel":** A blanket hold across an entire parcel where the feature occupies a small portion.
- **Process burden:** Cost and delay for routine projects (sheds, garages, accessory structures).
- **Equity:** Existing building envelopes and recent purchasers captured by new overlay.

Two findings since the meeting reshape the recommendation:

County of Grey position	County staff support an approach that reduces administrative burden and removes the holding provisions (with the exception of PSW Hold), on the understanding that environmental review continues to be triggered when a <i>Planning Act</i> application is submitted. County NHS policies continue to apply regardless.
Comparator scan	No lower-tier municipality in Grey County applies a holding provision to Significant Woodlands, Significant Wildlife Habitat, Natural Linkages, or identified karst. Retaining H2/H5 would make Grey Highlands an outlier.

Options for Council

Option	Approach	Process Burden	Defensibility	Status
1	Eliminate H2 & H5; add karst awareness notice at building permit	Low	High — aligns with County & comparators	STAFF RECOMMENDED
2	Retain H2/H5; delegate lift-of-hold to staff with reduced fee	Moderate	High	Alternative

Option	Approach	Process Burden	Defensibility	Status
3	Parcel-by-parcel mapping refinement (1,500–2,000 properties)	Very High — not deliverable	High in theory	Not recommended
4	Technical revision mechanism (modelled on Hazard Zone approach)	Moderate	Moderate–High	Alternative
5	Status quo — every lift-of-hold processed as a full ZBA	Highest	Same as Option 2	Not recommended

What "karst awareness" means under Option 1

At building permit intake on a property identified on the County karst layer, the Chief Building Official issues a written notification describing the nature of karst, the health-and-safety implications, and the recommendation to obtain a geotechnical assessment. **Informational, not regulatory.** No study required, no fee, no permit condition. Risk allocation shifts to the informed landowner; County OP policies continue to apply at the *Planning Act* application stage.

Issue 2 — On-Farm Diversified Uses (OFDU)

The Current Problem

~20 ZBA applications per year. 98% approved. The case-by-case review does not filter or differentiate proposals — it delays them, increases costs, and consumes staff and Council time.

The risk of a single-number fix: Raising the as-of-right threshold at 250m² without a ceiling shifts the volume of applications upward — operators will simply ask for buildings above the new line. The solution is structure, not a bigger number. Recommending a tiered framework, as proposed below.

Proposed Tiered Framework

Tier	Lot Size	Max Indoor	Max Outdoor	Pathway
Tier 1 — Permitted As-of-Right (no ZBA, no OPA)				
1a	5 to <20 ha	100 m ²	Not permitted	Home Industry only
1b	20 to <40 ha	400 m ²	750 m ²	All OFDU types + SPC
1c	≥ 40 ha	750 m ²	1,250 m ²	All OFDU types + SPC
Tier 2 — ZBA Required, Evaluated Against Published Criteria				
2a	20 to <40 ha	401 – 750 m ²	Up to 1,500 m ²	ZBA + SPC; studies as required
2b	≥ 40 ha	751 m ² – 2% of lot, max 8,000 m ² combined	Included in combined area	ZBA + SPC; studies as required
Tier 3 — Not Permitted Locally (Requires County OPA)				
3	Any	Exceeds County maximums	Exceeds County maximums	County OPA required

Why this framework works

- **Meaningful gaps between tiers** — no ambiguous middle ground that generates applications just above the line.
- **Lot-size proportionality** — scales with farm size, mirrors County and provincial direction.
- **Site plan control is universal** — applies at every tier, regardless of pathway.
- **Published ZBA criteria** — drawn from County OP (s.5.2.2(19)) and OMAFRA Guidelines.

- **Hard ceiling at County maximums** — no open-ended upper range; pressure for unlimited negotiation is removed.

Issue 3 — Downtown Height, Step-Backs & Density

Standard	Previous Draft	Version 6	Status
Max height (C1, RM zones)	20.0 m	22.0 m	Technical adjustment — supports a functional 6-storey building
Step-back above 11.0 m	2.5 m	3.0 m	Technical adjustment — better street-level outcome

The Council question

Both density and height permissions are well-grounded in the PPS and County growth management framework. The policy question is whether 6 storeys as-of-right and smaller lots / higher lot coverage are visually and contextually appropriate for Markdale and Flesherton (both small, low-density urban centres with established streetscapes). Council may also wish to consider whether additional built-form standards (setbacks, landscaping minimums, design guidelines) should accompany the density permissions.

Staff Recommendations at a Glance

H2 / H5 Holding Provisions	Option 1 — Eliminate both holding provisions, paired with a karst awareness notification at the building-permit stage. <i>Aligns with County position, consistent with all comparator municipalities, directly responds to the dominant public concern, preserves health-and-safety rationale for karst, deliverable within existing capacity.</i>
On-Farm Diversified Uses	Adopt the three-tier framework with as-of-right ceilings tied to lot size, ZBA-with-criteria pathway, and a hard ceiling at County maximums. Universal site plan control at every tier. <i>Resolves the inefficiency of 20 ZBAs/year at 98% approval; pairs expansion with stronger, more visible enforcement framework.</i>
Height & Density	Technical adjustments completed in V6 (height 22.0 m, step-back 3.0 m). Council policy direction sought on whether 6 storeys as-of-right and increased density permissions reflect the community vision for Markdale and Flesherton.

Next Steps

Following Council direction on the three decision points above, staff will incorporate the feedback into a revised draft of the Zoning By-law and the related Official Plan modifications. The revised by-law will be brought back to Council for formal adoption at an upcoming meeting.