



Staff Report

Planning & Building Services – Planning Division

Report To: COW - Operations, Planning and Building Services
Meeting Date: Meeting Date
Report Number: PBS.26.067
Title: Zoning by-law amendment - Railway St
Prepared by: Diksha Marwaha, Senior Planner

A. Recommendations

THAT Council receive Staff Report PBS.26.067, entitled “Zoning by-law amendment - Railway St”;

AND THAT Council enact a By-law to amend Zoning By-law 2018-65 to rezone the lands known as Railway St PI 811 Collingwood; The Blue Mountains (PIN 37309-0370) and Blk B PI 811 Collingwood; The Blue Mountains (PIN 37309-0366) from the Open Space (OS) and Residential One (R1-1) Zones to the Residential One Exception 154 with Holding Symbol 51 (R1-1-154-H51) Zone, as shown in Attachment 1 to Staff Report PBS.26.067

B. Relationship to Strategic Plan

Objective 1.1: Deliver transparent, effective, and evidence-based governance and decision-making.

This report advances Objective: “Deliver transparent, effective, and evidence-based governance and decision making” by presenting Council with an evidence-based planning recommendation supported by the applicable legislative and policy framework; the Ontario Land Tribunal decision; agency review comments; and the statutory public consultation process.

Objective 1.2: Build and continue to strengthen community trust through proactive communications and consultation

The report also supports Objective: “Build and continue to strengthen community trust through proactive communications and consultation” through transparent July 2026, statutory public meeting, circulation to relevant agencies, and the inclusion of received comments within the report attachments.

C. Executive Summary

Blue Birch Properties Inc. has applied to rezone the Railway Street Road Allowance and 1 foot reserve, located south of Highway 26 and the Georgian Trail, from the Open Space (OS) and

Residential One (R1-1) Zones to the Residential One Exception 154 with Holding Symbol 51 (R1-1-154-H51) Zone.

The amendment is proposed to align the zoning of the road allowance with the adjacent Blue Birch lands, which were rezoned through an Ontario Land Tribunal decision to permit a limited residential development envelope and associated access from Railway Street. No additional development is proposed through this application.

The Town has approved the closure and transfer of the road allowance to Blue Birch Properties Inc., subject to completion of the transaction, at which time the lands are intended to merge with the adjacent property and be used for driveway and access purposes.

Staff recommend that Council enact the proposed Zoning By-law Amendment, which will establish a consistent zoning framework for the consolidated property while retaining the Ontario Land Tribunal-approved development limits and conditions associated with Holding Symbol 51.

D. Public Engagement

The topic of this Staff Report has been the subject of a Public Meeting which took place on July 14, 2026. Those who provided comments at the Public Meeting, including anyone who requested notice regarding this matter, have been provided with notice of this Staff Report. Any comments regarding this report should be submitted to Diksha Marwaha, planning@thebluemountains.ca.

No written or verbal comments were received from members of the public in response to the application or at the Public Meeting. Comments were received from Grey County and Grey Sauble Conservation Authority. The agency comments have been considered through staff review and are summarized in Attachment 2. Full written agency comments are included in Attachment 3.

E. Background

The subject lands, Railway Street Road allowance, are located south of Highway 26 and the Georgian Trail.

The subject road allowance was recently closed by the Town and approved for transfer to Blue Birch Properties Inc. The Blue Birch property is a large interior parcel generally bounded by Railway Street to the north, Barclay Boulevard to the west, existing residential lands fronting on James Street to the east, and Hidden Lake Road to the south. Refer to Figure 1.



Figure 1: Aerial Photo of the Subject Land

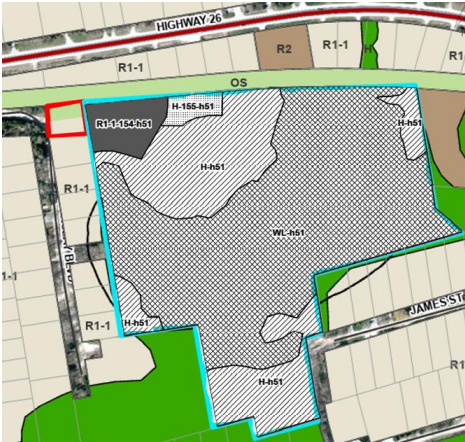
The application relates to the former Blue Birch Zoning By-law Amendment application; Request to Purchase Railway Street Road Allowance; and a Consent Application to create 3 lots.

Through the Zoning By-law Amendment application, the Ontario Land Tribunal (OLT) approved residential development within the northwest portion of the property and contemplated access from Railway Street, as the Blue Birch property is landlocked. To facilitate the development, the property was rezoned to Residential One Exception 154 with Holding Symbol 51 (R1-1-154-H51). Detailed review of the application can be found in the [OLT Decision](#) of March 20, 2025.

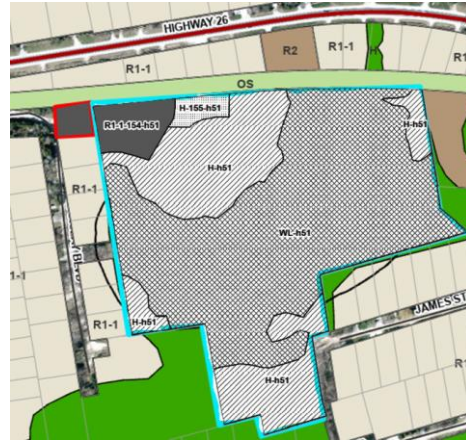
Following the Tribunal decision, Blue Birch Inc. submitted a request to purchase Railway Street Road allowance to provide access to the Blue Birch Parcel, as contemplated by the OLT's decision. Through this application, the transfer of the Railway Street Road allowance to the applicant was approved, with the lands to be merged with the applicant's property for driveway and access purposes. Detailed analysis can be found in the [Staff Report PBS.25.091](#). The Consent application associated with the Blue Birch lands recently received conditional delegated approval to create three residential lots and three related access parcels from the Railway Street Road Allowance.

Under Zoning By-law 2018-65, the road allowance currently has split zoning, the northern portion is zoned Open Space (OS), while the southern portion is zoned Residential One (R1-1). This reflects the Zoning By-law provision that where a zone boundary follows a lot line abutting an unopened road allowance, the boundary follows the centerline of the road allowance.

The current application proposes to apply the same R1-1-154-H51 Zone approved for the adjacent Blue Birch lands to the Railway Street Road Allowance. This will provide a consistent zoning framework and avoid having multiple zones on the consolidated property once the road allowance is transferred and merged with the Blue Birch property.



**Figure 2: Existing Zoning of Railway Street:
Open Space (OS), and Residential One (R1-1)**



**Figure 3: Proposed Zoning of Railway Street:
Residential One Exception 154 with Holding Symbol 51
(R1-1-154-H51)**

F. Analysis

The proposed Zoning By-law Amendment would rezone the Railway Street Road Allowance from Open Space (OS) and Residential One (R1-1) to Residential One Exception 154 with Holding Symbol 51 (R1-1-154-H51).

The Railway Street Road Allowance is intended to be transferred to and merged with the adjacent Blue Birch Properties Inc. lands. The proposed R1-1-154-H51 Zone is the same site-specific zone approved by the OLT for the adjacent Blue Birch lands. Applying this zoning to the road allowance will replace the existing split zoning and create a consistent zoning framework for the future consolidated property, providing a clearer and more uniform planning framework. The amendment does not approve additional residential lots, buildings, or any expansion of the OLT approved development envelope.

Should the application be approved, the resulting property would remain subject to the applicable provisions of the R1-1 Zone, the site-specific R1-1-154 Zone, and the Holding (H-51) Symbol.

Comments received identified no objections. The Grey Sauble Conservation Authority has no concerns or comments. Grey County advised that it had no objection, provided that the existing Holding Symbol remains in place and that a stormwater management plan and report be submitted. The stormwater management requirements have been addressed through the associated consent application, which received conditional approval and included the submission of a stormwater management plan as one of the conditions of approval.

Staff reviewed the proposal against the Planning Act, Provincial Planning Statement, Niagara Escarpment Plan, Grey County Official Plan, Town Official Plan, and Zoning By-law 2018-65. Detailed analysis is provided in Attachment 4. The proposal is consistent with the applicable planning framework, and it does not introduce new development permissions beyond the established site-specific zoning. Holding Symbol 51 will continue to apply, and development cannot proceed until all required conditions, approvals, and agency requirements have been satisfied.

Options for Council:

Option 1: Approve the Zoning By-law Amendment (Recommended)

The proposed amendment would replace the existing split zoning with a single zoning that is consistent with the neighboring Blue Birch lands, providing a clearer and more uniform planning framework that aligns with the site-specific provisions approved by the OLT.

Option 2: Defer the application

A deferral could be considered if Council identifies a specific outstanding planning or other matter requiring further review. Staff and agency review have not identified any unresolved issues requiring deferral. This option would delay the zoning process without an identified planning benefit.

Option 3: Do nothing /Refuse the application

This would retain the existing OS and R1-1 split zoning on the Railway Street Road Allowance, which is intended to be transferred to and merged with the Blue Birch property. Driveways would still be permitted on the Railway Street Road Allowance. However, following consolidation of the two properties, different portions of the same property would be subject to different zoning permissions, resulting in a less uniform planning framework.

If Council refuses the application, the owner may appeal the decision to the Ontario Land Tribunal for a decision.

Conclusion

Staff recommend Option 1. The proposed amendment aligns the Railway Street Road Allowance with the existing OLT-approved zoning framework for the Blue Birch lands. It provides clarity for the future merged parcel while preserving the Holding Symbol, environmental protection measures, development limits, and agency approval requirements

G. Community Impacts

The proposed amendment does not approve additional residential development or introduce new public uses and does not expand permitted development into identified wetland, woodland, karst, or other hazard areas. Therefore, there are no adverse community impacts associated with the approval of the recommendations within this report.

H. Financial Impacts

There are no direct financial implications for the Town associated with the approval of the recommendations within this report. All costs associated with the application and any future development approvals are the responsibility of the applicant.

I. RACI (Responsible, Accountable, Consulted and Informed)

R: Diksha Marwaha, Senior Planner

A, C, I: Shawn Postma, Manager of Planning
Tim Murawsky/Brian Worsley, Acting Director of Planning

J. Attached

1. Attachment 1- Railway Street Road Allowance - Draft Zoning By-law
2. Attachment 2 - Public Meeting Comments (Summary)
3. Attachment 3: Public Meeting Comments (Original)
4. Attachment 4: Detailed Analysis

Respectfully submitted,
Diksha Marwaha
Senior Planner

For more information, please contact:

Diksha Marwaha, Senior Planner
planning@thebluemountains.ca
519-599-3131-263

Report Approval Details

Document Title:	PBS.26.067 Zoning by-law amendment - Railway St.docx
Attachments:	- Attachment 1- Railway Street Road Allowance - Draft Zoning By-law.docx - Attachment 2-Public Meeting Comments (Summary).docx - Attachment 3-Public Meeting Comments (Original).pdf - Attachment 4-Detailed Analysis.docx
Final Approval Date:	Sep 3, 2026

This report and all of its attachments were approved and signed as outlined below:

No Signature - Task assigned to Shawn Postma was completed by delegate Brian Worsley

Shawn Postma - Sep 3, 2026 - 2:46 PM

No Signature - Task assigned to Tim Murawsky was completed by delegate Brian Worsley

Tim Murawsky - Sep 3, 2026 - 3:04 PM

The Corporation of the Town of The Blue Mountains

By-Law Number 2026 –

Being a By-law to amend Zoning By-law No. 2018-65 which may be cited as "The Blue Mountains Zoning By-law".

Whereas the Council of The Corporation of the Town of The Blue Mountains deems it necessary in the public interest to pass a by-law to amend By-law No. 2018-65;

And Whereas pursuant to the provisions of Section 34 of the Planning Act, R.S.O. 1990, c. P.13, the By-law may be amended by Council of the Municipality;

Now Therefore Council of The Corporation of the Town of The Blue Mountains hereby enacts as follows:

1. That Schedule ‘A’ to The Blue Mountains Zoning By-law 2018-65 is hereby amended by rezoning the lands known as Railway St Pl 811 Collingwood; The Blue Mountains (PIN 37309-0370) and Blk B Pl 811 Collingwood; The Blue Mountains (PIN 37309-0366) from Residential One (R1-1) Zone and Open Space (OS) Zone to Residential One Exception 154 with Holding Symbol 51 (R1-1-154-h51) Zone as shown on Schedule ‘A1’ to this By-law.
2. That Schedule ‘A1’ affixed hereto is declared to form part of this By-law.

And Further that this By-law shall come into force and take effect upon completion of the Agreement of Purchase and Sale dated May 19, 2026.

Enacted and passed this ____ day of _____, 2026

Andrea Matrosovs, Mayor

Corrina Giles, Town Clerk

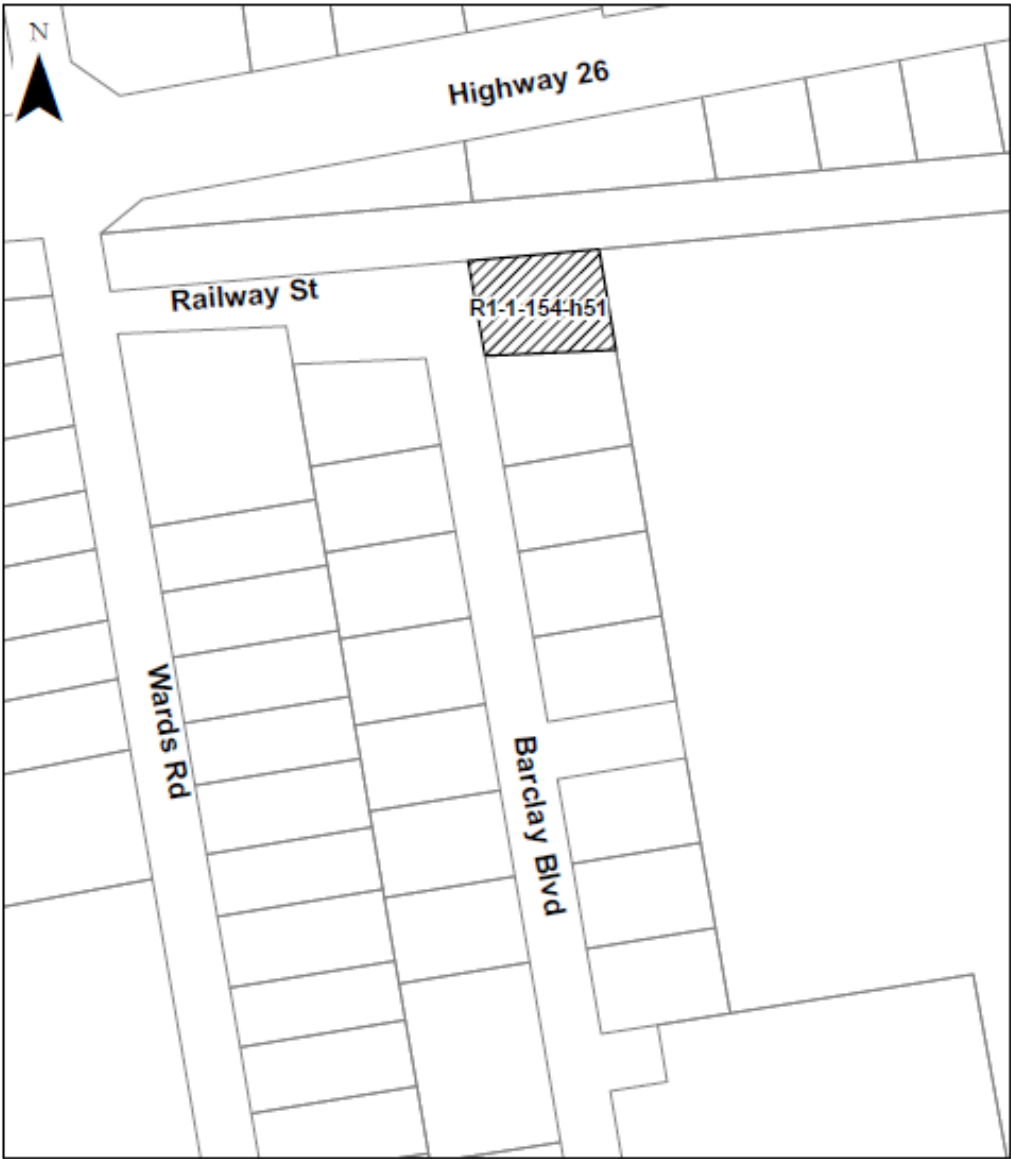
Town of The Blue Mountains

Schedule A1

By-law No. 2026-_____

Legend

-  Subject Lands of This Amendment
-  Area to be Rezoned from OS and R1-1 to R1-1-154-h51



Planning Staff Comment Matrix

Project File: P3589

Public Meeting Date: July 14, 2026

Comments Received By:	Date Received:	Comments / Concerns / Questions Summary:	Staff Response:
Agency Comments			
Grey County	June 30, 2026	Grey County Planning Staff note that: - the mitigation measures listed in the EIS be added as planning approval conditions or be implemented by a zoning holding provision, or by other planning means suitable for the Town of Blue Mountains. - a stormwater management report and plan, lot grading and drainage plan including sediment and erosion controls be required	- The existing Holding Symbol addresses the requirements related to the EIS and associated mitigation measures. - Stormwater management, lot grading and drainage, including sediment and erosion control measures, have been addressed through the associated consent application through conditions of approval.
Grey Sauble Conservation Authority	July 7, 2026	GSCA staff have no comments regarding this application.	Noted

Grey County Comments

From: planning@grey.ca
Sent: Tuesday, June 30, 2026 10:33 AM
To: Planning General
Subject: County comments for P3589 Blue Birch Properties Inc.

County comments for P3589 Blue Birch Properties Inc.



Hello TBM,

Please note that Grey County is taking steps to streamline development review by limiting planning policy comments on some development applications. Unless otherwise requested by municipal staff, County planning comments will be limited for the following applications:

- All minor variance and site plan applications; and
- zoning by-law amendments and consents within settlement areas.

County planning staff may continue to provide comments where the above applications are connected to a County application.

Grey County Ecology staff will continue to review all applications with regards to natural heritage matters. Other County departments will continue to be circulated through our 'one-window' approach and will provide comments as needed.

Given the above, a formal planning policy review of the subject application has not been undertaken. Please be advised that all planning decisions shall conform with the County's Official Plan. County planning staff can assist with specific questions in this respect.

Grey County Planning Ecology staff have reviewed the application and provided the following comments:

Natural Heritage

The property contains and/or is adjacent to significant woodlands, significant wildlife habitat, potential habitat for threatened and/or endangered species, other wetlands and fish habitat. It is staffs understanding that the proposed development will be located within and adjacent to the features. Staff have reviewed the Environmental Impact Study (EIS) submitted by Birks (October, 2023) and find the report generally acceptable. Staff recommend the following mitigation measures listed in the EIS be added as planning approval

conditions or be implemented by a zoning holding provision, or other by other planning means suitable for the Town of Blue Mountains:

- 1) Additional review of the assessment shall be completed by a qualified ecologist to ensure compliance with the Species Conservation Act (SCA).*
- 2) Additional information regarding species at risk bats and maternity roosting habitat shall be submitted through an addendum to the report.*
- 3) All Black Ash trees within an area of 28 meters of the altered lands shall be documented to identify any negative impacts to Black Ash trees in accordance with the Species Conservation Act.*
- 4) The limit of site alteration shall be clearly defined prior to any site alteration to ensure no impacts to Butternut tree specimens .*
- 5) A restoration plan shall be submitted to address the temporary and permanent loss of natural heritage features. The plan shall be submitted under separate cover by a qualified ecologist.*
- 6) Tree cutting shall not be conducted between March 31 and November 1 of any given year.*
- 7) All recommendations within section 7.5 General Operations shall be implemented.*
- 8) All machinery, vehicles, and equipment shall be cleaned prior to entering the site. Should accident encroachment or sediment breaching occur, a seed mixture shall be applied to the exposed soils. The mixture shall contain seeds of a native species variety that are suitable for the landscape.*

Stormwater Management

It is staffs understanding that stormwater management is needed for the proposal. As such, a stormwater management report and plan must be prepared which demonstrates an acceptable level of outlet water quality as per the standards within the Stormwater Management Planning and Design Manual (MECP, 2003). At minimum, a fulsome lot grading and drainage plan including a sediment and erosion controls will be required.

Source Water Protection

It is staffs understanding that the property does not contain protection areas that are subject to policies of the Source Water Protection Act.

County staff have no further comments at this time. Please let us know if you have any questions.

Best regards,

Derek McMurdie

Grey Sauble Conservation Authority Comments

From: Clinton Stredwick - Environmental Planner <c.stredwick@greysauble.on.ca>
Sent: Tuesday, July 7, 2026 9:47 AM
To: Julie Pendergast
Cc: Planning General
Subject: P3589 Zoning of Road Allowance- Blue Birch

Hello,

The GSCA has reviewed the subject lands and has no concerns or comments as there are no Natural Hazards or areas under Regulation 41/24 on the subject lands.

Kind regards,

Clinton Stredwick, BES, MCIP, RPP
Environmental Planner

1.548.877.0592
237897 Inglis Falls Rd.
Owen Sound, ON
N4K 5N6
www.greysauble.on.ca



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For after-hours non-911 emergencies please call 226-256-8702. Please do not use this number for planning related inquiries. For information regarding properties, visit our website at www.greysauble.on.ca.

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Planning Act

The Planning Act requires approval authorities to have regard for matters of Provincial Interest, as outlined by Section 2 of the Act and the Provincial Policy Statement. Council must also have regard for the policies of the Official Plan which apply to the lands. S.34 of the Act provides authority to municipal councils to enact land-use zoning by-laws.

Planning Staff are satisfied that the requirements of the Planning Act have been met.

Provincial Planning Statement

The Provincial Planning Statement (PPS) provides policy direction on matters of provincial interest related to land use planning and development and provides for appropriate development while protecting the resources of the province, public health and safety, and the quality of the natural and built environment.

The subject lands are designated Recreational Resort Area in the County of Grey Official Plan, which is recognized as a Settlement Area. The PPS identifies Settlement Areas as the focus of growth and development (section 2.3.1.1) and supports land use patterns that efficiently use land and resources (section 2.3.1.2(a)). The PPS also supports intensification and redevelopment to assist in achieving complete communities (section 2.3.1.3).

The proposed rezoning will result in zoning that is consistent with the abutting Blue Birch lands, which will be merged with the subject lands.

Planning Staff are satisfied that the proposal is consistent with the policy direction of the PPS and do not raise any concerns of provincial significance, subject to the conditions of the Holding (H) Symbol being satisfied prior to development.

Niagara Escarpment Plan

The subject lands are not located within an area of development control administered by the Niagara Escarpment Commission (NEC); however, they are designated Escarpment Recreation Area under the Niagara Escarpment Plan (NEP).

It should be noted that the NEC was involved with the original OLT appeals process related to the Zoning By-law, and that the NEC was ultimately satisfied with the lot development limits and environmental protection boundaries as implemented in the Zoning By-law Amendment. If Council approves this application, same zoning as approved by OLT will be applied to the subject lands.

Based on the foregoing, the proposed rezoning is considered to conform to the applicable policies of the Niagara Escarpment Plan.

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Ministry of Transportation (MTO)

MTO has indicated that the subject property is located in close proximity to Highway 26, which is a Provincial Arterial Highway and designated as a Controlled Access Highway. As such, all applicable MTO requirements, guidelines, and best practices associated with this designation apply. MTO Building and Land Use permits will be required prior to any demolition, grading, construction, site alteration, or other development on the subject lands. Any future owner(s) will also be responsible for obtaining all required MTO permits and approvals prior to the commencement of any works.

Grey County Official Plan

The County of Grey Official Plan (CGOP) provides overarching policy direction for land use and development within Grey County. The subject lands are designated Recreational Resort Settlement Area on Schedule A of the CGOP.

As the subject lands are located within a Recreational Resort Settlement Area that is also subject to the Niagara Escarpment Plan, the policies of Section 6.1 of the CGOP are applicable. Section 6.1 recognizes Escarpment Recreation Areas and Recreational Resort Settlement Areas as important locations for growth and development within the County. The CGOP further requires that local official plans provide detailed land use policies and development criteria that are consistent with, and do not conflict with, the provisions of the Niagara Escarpment Plan.

Grey County is satisfied with the rezoning proposal subject to the application of existing holding symbol 51 on the subject lands.

The proposed application has been reviewed in the context of the applicable County Official Plan policies and Planning Staff are satisfied that the proposal is consistent with the Grey County Official Plan.

Town of The Blue Mountains Official Plan

The Town of The Blue Mountains Official Plan designates the surrounding lands as Residential/Recreational Area and Hazard. Based on the Official Plan mapping, if the subject road allowance were designated, it would be expected to reflect the Residential/Recreational Area and Hazard designations. The subject lands contain significant woodlands.

The Residential/Recreational Area designation recognizes areas of the Town that contain a mix of seasonal and permanent residential uses and recreational development, as well as areas where residential uses support and provide access to resort and recreational amenities.

Section B3.7.3 identifies single detached dwellings as a permitted use within the Residential/Recreational Area designation. Section B3.7.4.2 permits the creation of new residential lots through consent, provided the proposal satisfies the Infill Development policies of Section B3.1.5. These policies require that new development be compatible with the

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character of the existing neighborhood with respect to building form, scale, massing, setbacks, and lot coverage.

Hazard features, including the wetland and karst features, are located on the adjacent Blue Birch lands but are located outside the OLT-approved development envelope. The OLT, in its decision (OLT-24-000196), noted that the management of the existing natural features and hazard areas on the Blue Birch lands had been appropriately addressed through the supporting technical studies, including the Flood Hazard Study (Tatham Engineering, 2023), Environmental Impact Study (Birks Natural Heritage Consultants, 2023), and Functional Servicing Report (Tatham Engineering, 2023).

The proposal does not include the construction of new buildings or structures. Rather, it proposes to rezone the subject lands to align their zoning with the adjacent Blue Birch lands. The proposed Residential One Exception 154 with Holding Symbol 51 (R1-1-154-h51) Zone, as approved by the OLT, conforms with the land use policies of the Residential/Recreational Area designation of the Town's Official Plan and does not conflict with the applicable Official Plan policies.

Planning staff are satisfied that the Zoning By-law amendment conforms with the land use policies of Residential/Recreational Area designation the Town's Official Plan, and as such an Official Plan Amendment is not required.

Town of The Blue Mountains Zoning By-law 2018-65

The subject lands are zoned as Residential One (R1-1) and Open Space (OS). As noted in the previous sections, this application is related to a previous land disposition process where the Town approved the closure and transfer of the Railway Street Road Allowance to the neighboring Blue Birch Properties Inc. lands. The Agreement of Purchase and Sale has been executed by both parties. The applicant is currently working through the conditions required to close the transaction. Once closed, the subject lands will be merged with the Blue Birch parcel. The proposal is to rezone the lands to Residential One Exception 154 with Holding Symbol 51 (R1-1-154-h51), so that the zoning is consistent with the neighboring Blue Birch lands.

The effect of the proposed amendment is to establish zoning consistent with the adjacent Blue Birch lands and facilitate the intended residential use and access. Once the transfer of the Railway Street Road Allowance is completed, the lands will become part of the adjacent Blue Birch property. The rezoning will ensure that the consolidated property is subject to a consistent zoning framework rather than multiple zones. No additional development is proposed through this Zoning By-law Amendment application.

Residential One Exception 154 with Holding Symbol 51 (R1-1-154-h51) zone was approved by the OLT to facilitate residential development within the northwest portion of the Blue Birch parcel and contemplated access from Railway Street as the Blue Birch property is landlocked.

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The OLT Decision also confirmed the limits of development and limits of environmental protection on the Blue Birch Parcel.

The site-specific zoning by-law amendment applies a Holding (H) Symbol to the lands. The Holding (H) provision requires that specified conditions be satisfied to the satisfaction of the applicable agencies prior to the removal of the Holding (H) symbol and before development may proceed. Until the Holding (H) symbol is removed, the use and development of the lands remain restricted, except for those works expressly permitted by the Zoning By-law 2025-24. All the conditions outlined in the holding symbol will also apply to the subject lands as the same OLT approved zoning will be applied on the subject lands.

Planning Staff are therefore satisfied that the proposed Zoning By-law Amendment is an appropriate modification to Zoning By-law 2018-65. The amendment will ensure that, once the Railway Street Road Allowance is transferred and merged with the Blue Birch parcel, the consolidated property is subject to a consistent zoning framework rather than split zoning.