

PLANNING REPORT – 15/26

TO: ECONOMIC DEVELOPMENT COMMITTEE

FROM: KELSEY LANG, PLANNING ASSOCIATE

MEETING DATE: April 1, 2015

**SUBJECT: COMPREHENSIVE ZONING BY-LAW REVIEW –
REPORT 4: AGRICULTURAL ZONE DIVERSIFICATION**

**ATTACHMENTS: 1 – PROPOSED REGULATIONS
2 – DRAFT OMAFRA “GUIDELINES ON PERMITTED
USES IN ONTARIO’S PRIME AGRICULTURAL AREAS”**

SUMMARY:

Uses that are permitted in the Agricultural Zone have been identified by Township of Guelph/Eramosa Council and the general public, as a topic of interest in the Comprehensive Zoning By-law Review. This report provides the policy background on the topic, before proposing options for discussion and consideration.

RECOMMENDATION:

It is recommended that the Economic Development Committee of the Township of Guelph/Eramosa:

1. Receive Planning Report 15/26 regarding Comprehensive Zoning By-law Review Report 4: Agricultural Zone Diversification”;
2. Provide direction to staff on the permitted uses in the Agricultural zone to act as input to the Comprehensive Zoning By-law Review; and
3. Provide direction to staff on comments for OMAFRA’s Draft Guidelines for Permitted Uses on Prime Agricultural Lands.

DISCUSSION TOPICS:

What uses should be permitted in the Agricultural zone of the Township, and what regulations should apply?

The Township's Zoning By-law 57/1999 currently allows for a number of uses in the Agricultural (A) Zone. These uses include:

- Agricultural Use;
- An Accessory Use;
- Bed And Breakfast Establishment;
- Conservation;
- Detached Dwelling Unit;
- Farm Produce Sales Outlet;
- Grain Drying;
- Group Home In The Detached Dwelling House;
- Home Occupation;
- Mixing, Sale, and Distribution Of Fertilizer;
- Portable Asphalt Plant;
- Rental of Fertilizer Related Equipment;
- Rural Home Industry;
- Sale of Seed and Farm Chemicals; and
- Wayside Pit or Quarry.

There are two categories of uses to consider in permitting diversification in the Agricultural zone: agricultural/farm-related uses, and non-agricultural/farm related uses. Agricultural/farm-related are those uses that are directly related to agriculture or the farm, and are required to be in an agricultural area. Non-agricultural/farm related uses are uses that are not directly related to agriculture, but support the rural economy and benefit from being in the rural area. It should be noted that while the Township may support both categories of uses in principle, it may be prudent to regulate some non-agricultural related uses through site specific Zoning By-law Amendments, rather than permit them as-of-right, in order to allow for appropriate consideration of the suitability of the use for the site.

As all of the agricultural land in the Township is classified as Prime Agricultural Land in the Wellington County Official Plan, the Township's Zoning By-law must comply with Provincial and County policy to protect this non-renewable resource.

Given the policy environment, as described in the following sections, the Township has three options:

OPTION A: Continue with the current permitted uses in the Zoning By-law, and make no changes to any of the regulations.

OPTION B: Continue with the current permitted uses in the Zoning By-law, and make changes to the regulations.

OPTION C: Amend the Zoning By-law to permit additional uses in the Agricultural zone, and create regulations to govern these uses.

The format of this report includes summaries of each component, with sections of the relevant document inset for reference purposes.

PROVINCIAL POLICY/LEGISLATION:

THE PROVINCIAL POLICY STATEMENT (PPS, 2014):

The PPS (2014) provides guidance on topics of Provincial interest, such as agricultural land. As presented in early 2014, the PPS permits three categories of uses on Prime Agricultural Lands in Section 2.3.3.1: Agricultural Uses, Agriculture-Related Uses, and On-Farm Diversified Uses.

While these uses have been defined by the PPS, OMAFRA has received multiple requests for further guidance on how these uses should be implemented and regulated. In response, the Province has expanded upon Section 2.3.3.1 through a set of guidelines that are intended to help all parties interpret the policies.

The “Guidelines on Permitted Uses in Ontario’s Prime Agricultural Areas” was released in draft form in February 2015 and comments are requested by May 13, 2015. While some of the details may change, we can expect the general guidance to remain the same, as the policies have already been implemented.

Within these guidelines, criteria are provided for each category of use, along with examples of what would and would not fit within the category. A summary of each use category, as described in the guidelines, is copied below.

AGRICULTURAL USES:

To be considered an Agricultural Use in the PPS the follow criteria must be met:

1. The growing of crops, raising of livestock and raising of other animals for food, fur or fibre.
2. Includes associated on-farm buildings and structures, such as livestock facilities, manure storage and value-retaining facilities, and accommodation for full-time farm labour when additional labour is required.
3. All types, sizes and intensities of these uses are promoted and protected.
4. Normal farm practices are promoted and protected in accordance with provincial standards.

Agricultural Uses have no limit to the amount of space they can occupy on a lot. Example uses include: value-retention facilities (ie: cold storage or grain drying), greenhouses, pasture, barns, and feed storage.

AGRICULTURE-RELATED USES:

To be considered an Agriculture-Related Use in the PPS the follow criteria must be met:

1. Farm-related commercial and farm-related industrial uses.
2. Compatible with and shall not hinder surrounding agricultural operations.
3. Directly related to farm operations in the area.
4. Supports agriculture.
5. Provides direct products and/or services to farm operations as a primary activity.
6. Benefits from being in close proximity to farm operations.

Agriculture-Related Uses can be located on a farm, or on a separate lot. There is no limit to the amount of space they can occupy on a lot. These uses must be appropriate for the rural area, and private servicing. Example uses include: food processing plant for local produce, grain drying serving several local farmers, winery using local grapes, farm equipment repair shop, and auction for local produce.

ON-FARM DIVERSIFIED USES:

To be considered a On-Farm Diversified Use in the PPS the follow criteria must be met:

1. Located on a farm.
2. Secondary to the principal agricultural use of the property.
3. Limited in area.
4. Includes, but is not limited to, home occupations, home industries, agri-tourism uses and uses that produce value-added agricultural products.
5. Compatible with, and shall not hinder, surrounding agricultural operations.

On-Farm Diversified Uses must be located on a farm, and be secondary to that farm. The draft guidelines limit these uses to 2% of the total lot area, to a maximum of one hectare. These uses must be appropriate for the rural area, and private servicing. Example uses include: retail shops, cafés, petting zoos, home occupations, wineries, sawmills, or bed and breakfasts.

PRELIMINARY STAFF COMMENTS REGARDING THE DRAFT GUIDELINES:

Township Staff generally feel that these guidelines are appropriate for supporting uses in the Prime Agricultural Areas. Staff suggest that some additional criteria should be added through implementation in relation to Agriculture-Related Uses that do not occur on a farm. Once these guidelines have been finalized, the Wellington County Official Plan may be updated to reflect the provided detail.

At this time, some of the aspects described in the guidelines are not present in the Wellington County Official Plan, with the guidelines appearing more permissive than the Official Plan. Township staff will be working with the County staff to implement the Provincial guidance to the extent possible under the current Official Plan.

Section 2.3.1 “Prime agricultural areas shall be protected for long-term use for agriculture.”

*Section 2.3.3.1 “**In prime agricultural areas, permitted uses and activities are: agricultural uses, agriculture-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.”*

Section 2.3.3.2 “In prime agricultural areas, all types, sizes and intensities of agricultural uses and normal farm practices shall be promoted and protected in accordance with provincial standards.”

Agricultural uses: *means the growing of crops, including nursery, biomass, and horticultural crops; raising of livestock; raising of other animals for food, fur or fibre, including poultry and fish; aquaculture; apiaries; agro-forestry; maple syrup production; and associated on-farm buildings and structures, including, but not limited to livestock facilities, manure storages, value-retaining facilities, and accommodation for full-time farm labour when the size and nature of the operation requires additional employment.*

Agriculture-related uses: *means those farm-related commercial and farm-related industrial uses that are directly related to 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.*

On-farm diversified uses: *means uses that are secondary to the principal agricultural use of the property, and are limited in area. On-farm diversified uses include, but are not limited to, home occupations, home industries, agri-tourism uses, and uses that produce value-added agricultural products.*

WELLINGTON COUNTY OFFICIAL PLAN:

The Wellington County Official Plan implements the PPS through limiting uses on Prime Agricultural Land. The Official Plan is supportive of accessory activities so long as they support agriculture and the agricultural community, add value to agricultural products grown on the property, and are permitted by the Township Zoning By-law. As mentioned previously, Township staff will be working with County staff to determine the extent that the Zoning By-law can reflect the components of the draft OMAFRA Guidelines.

Section 6.4.2 “Land use activities which support agriculture will be encouraged and land use activities which do not support agriculture will be discouraged.”

*Section 6.4.3 “Permitted uses and activities in Prime Agricultural Areas may include: **a) agricultural uses; b) secondary uses including home businesses and farm businesses; c) agriculture-related uses; d) existing uses; e) single detached homes; f) accessory residential uses; g) forestry uses; h) wayside pits and quarries, portable asphalt plants and portable concrete plants used on public authority contracts; i) licensed aggregate operations; j) community service facilities; k) group homes on existing lots of records; l) kennels on existing lots of record. All uses permitted by this section must be compatible with and not hinder surrounding agricultural uses.”***

Section 6.4.4 “Home businesses are home occupations and home industries that are secondary to the principal use of the property and may be allowed ... as a means of supplementing farm incomes and providing services in agricultural areas and may include: small home occupations conducted from the main residence with employment normally limited to the occupants of the property – examples include bed and breakfast, day care, hairdresser, and professional services; home industries which are small in scale with a limited number of employees, and minimal off-site impacts – examples include minor equipment repair, woodworking, crafts, and welding. **Farm businesses are small scale businesses that provide value-added products from the farm and may be allowed subject to zoning provisions including: farm vacation enterprises; cottages wineries; value-added processing or packaging; sales outlets for agricultural products produced on the farm; seed cleaning; and pick-your-own, catch-your-own operations.”**

Section 6.4.5 “Small scale agriculture-related businesses as required to serve agriculture and directly related to farm operations may be allowed in appropriate locations and subject to zoning provisions, where they are needed in close proximity to farms – examples include: livestock assembly; grain drying; cold storage; custom spraying; animal husbandry.”

CURRENT TOWNSHIP ZONING BY-LAW 57/1999:

The Township's Zoning By-law 57/1999 currently allows for Agricultural Uses, Farm Produce Sales Outlets, Home Occupations, and Rural Home Industries. The first two permitted uses are directly agricultural/farm related, while the second two uses are non-agricultural/farm related.

A Farm Produce Sales Outlet, a Home Occupation, and a Rural Home Industry have regulations to limit the uses, such that they remain accessory uses to the principle use of the lot. Farm Produce Sales Outlets and a Rural Home Industries are only permitted in the Agricultural zone; however Home Occupations are permitted in all zones that residential uses are permitted. As such, no changes to the Home Occupation regulations will be proposed in this report.

“Agricultural Use”, means a use of land, buildings or structures for farming or agriculture and includes apiaries; aviaries; berry or bush crops; breeding, raising or training horses or cattle; greenhouses; farms devoted to the hatching, raising and marketing of chickens, turkeys, or other fowl or game birds, animals, fish or frogs; farms for grazing; flower gardening; muck farms; field crops; research and/or breeding station; mushroom farms; nurseries; orchards; riding stables; the raising of sheep or goats, the raising of swine; or the breeding, boarding or sale of domestic animals; tree crops; truck gardening; woodlots; and such uses or enterprises as are customarily carried on in the field of general agriculture, and may include accessory packing, treating, storing, and sale of produce produced on the premises but does not include an abattoir, a kennel, or a rendering plant. A farm includes a detached dwelling house accessory to the main farming or agricultural use.

““Farm Produce Sales Outlet”, means a building, structure or use accessory to an operating farm or permitted agricultural use for the sale of agricultural products, produced on or by the farm or agricultural use, to the general public.

“Home Industry, Rural”, means any occupation which is carried on within a farm as an accessory use and only by a farmer and/or by the members of the family residing on the farm, provided that:

- a) this definition shall include a retail outlet for farm produce or farm supplies, an insurance or real estate office, contractors and tradesmen establishment, or a service shop but shall not include any use otherwise defined or classified herein.*
- b) there are no persons employed other than members of the family and one additional employee;*
- c) there is no display, other than a sign, to indicate to persons outside, that any part of the dwelling house, or accessory structure or lot is being used for such purposes;*
- d) such rural home occupation is clearly secondary to the main agricultural use and does not change the agricultural character of the farm unit nor create or become a public nuisance, in particular in regard to noise, traffic, or parking;*
- e) there shall be no open storage of materials, supplies, tools, equipment or goods which are used for, or result from, the rural home occupation;*
- f) all buildings, structures, parking and loading areas used for the purpose of a rural home industry shall not occupy an area exceeding 0.4 hectares in area.*

“Home Occupation”, means any occupation for gain or support conducted entirely within a dwelling house or unit by members of the family residing in such dwelling house or unit provided that:

- a) there is no external display or advertising other than a fascia or ground sign having a maximum area of 0.2 m² which does not include changeable copy or internal illumination;*
- b) there is no external storage or display of goods or materials;*
- c) there are no persons employed other than members of the family and one additional employee;*
- d) there is no mechanical or other equipment used except that which is customarily employed in dwellings for domestic or household purposes or for use by a dentist, drugless practitioner, physician, or other professional persons;*
- e) not more than 25% of the gross floor area of the dwelling house or unit is used for the purposes of home occupation uses;*
- f) such home occupation is clearly secondary to the main residential use and does not change the residential character of the dwelling house or unit nor create or become a public nuisance in particular in regard to noise, traffic or parking;*
- g) the parking requirements of this By-law shall apply to any home occupation use;*
- h) notwithstanding any other provisions contained in this By-law, no accessory buildings or yards can be used in conjunction with a home occupation.*

OPTIONS:

Given the Provincial policy and the current Official Plan, the options that exist are listed below:

OPTION A: Continue with the current permitted uses in the Zoning By-law, and make no changes to any of the regulations.

OPTION B: Continue with the current permitted uses in the Zoning By-law, and make changes to the regulations.

OPTION C: Amend the Zoning By-law to permit additional uses in the Agricultural zone, and create regulations to govern these uses.

ANALYSIS:

A summary of the permitted uses on Prime Agricultural Lands at each government level is included in the table below:

Province	Agricultural Uses	Agriculture-Related Uses <i>(Can be on-farm or off-farm; must serve agricultural community)</i>	On-Farm Diversified Uses <i>(On-farm, secondary to agriculture, compatible with agriculture)</i>
County	Agricultural Uses	Agriculture-Related Uses <i>(Must be on-farm and serve agricultural community)</i>	Secondary Uses including Home Businesses and Farm Businesses
Township	Agricultural Uses	-Farm Produce Sales Outlet -Grain Drying -Mixing, sale, and distribution of fertilizer -Rental of fertilizer-related equipment -Sale of seed and farm chemicals	-Home Occupation -Rural Home Industry -Bed & Breakfast Establishment -Accessory uses -Conservation -Detached Dwelling Unit -Group Home -Portable Asphalt Sales -Wayside Pit or Quarry

The Province provides guidance through policy, which is then reflected in the County Official Plan. The Zoning By-law then, implements the Official Plan through permitted uses and regulations.

CONSIDERING CHANGING THE REGULATIONS OF EXISTING USES:

If no changes were made to the regulations, no impacts to agricultural land would be expected. The regulations that are currently in place are intended to limit the uses, in order to ensure that they remain accessory to agriculture.

The majority of inquiries about received by the Township are about permitting uses that exceed the regulations for Rural Home Industries, or inquiring about farm/agriculture-related uses such as a winery.

There have been three Zoning By-law Amendments in the past 10 years to permit Farm Produce Sales Outlets which sell products from other farms. There is anecdotal evidence that other establishments may exist. There is also evidence through enforcement that Rural Home Industries exist which exceed the regulations.

Other municipalities in the County have been examined for their regulations in the Agricultural zone, and a range of regulations found:

- Home Industry:
 - Most municipalities limit this to specific types of business and allow 1-2 additional employees who do not live on the property. In addition, some municipalities have a minimum lot size, and/or a maximum area of the lot that can be used for the farm business.
- Farm Sales Outlet (ie: Farm Produce Sales Outlet):
 - Some municipalities permit this as of right, while an Amendment is required in others. Of those that permit it, some limit the size or permanence of the outlet (ie: seasonal only), while others allow the sale of items from other properties with the same owner, and include value-added sales.

Potential changes to the regulations in the existing Zoning By-law text are included in Attachment 1. These should be considered as example regulations for the purposes of discussion and consideration for use in the Comprehensive Zoning By-law Review.

Potential changes to the Rural Home Industry regulations include:

- Changing the term from “Rural Home Industry” to “Home Industry”,
- Allowing 2 non-tenant employees,
- Scaling the amount of area that can be used for the Home Industry as a percentage of the lot area up to a maximum, rather than a standard area,
- Expanding the uses that can be considered a Home Industry,
- Clarifying that the use must be appropriate for rural servicing, and comply with all by-laws and regulations.

Other potential changes include limiting the area that a Farm Produce Sales Outlet can occupy, and limited the total area on a lot which can be devoted to non-agricultural uses.

CONSIDERING ADDITIONAL PERMITTED USES:

If no changes were made to the permitted uses, no impacts to agricultural land would be expected.

If additional uses were permitted, these uses may include Farm Businesses (cottage wineries, value-added processing or packaging, pick-your-own operations, etc.), or additional Agriculture-Related Businesses (cold storage, custom spraying, animal husbandry), as currently permitted in the Wellington County Official Plan. If additional uses were to be permitted, it is recommended that regulations be created to ensure these uses maintain an appropriate scale.

There is a fine balance between permitting uses as-of-right, and ensuring that the use remains secondary. As stated in Site Plan Control By-law 61/2010, all uses that are commercial or industrial in nature, regardless of zoning, require a Site Plan Application to regulate different aspects of the development (ie: traffic movement, storm water management, lighting, and safety). This would be enforced for all uses which do not meet the definition of an agricultural use, or a detached dwelling unit, in order to minimize the impact of diversified uses on agricultural land.

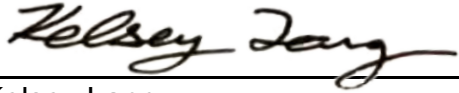
Potential uses that could be permitted in the Zoning By-law are included in Attachment 1. These should be considered as examples for the purposes of discussion and consideration for use in the Comprehensive Zoning By-law Review. If it is desired to permit additional uses in this zone, potential regulations will be brought back for consideration.

As previously stated, Township Staff will be working with Wellington County Planning Staff to determine to what extent the Zoning By-law can permit diversification within the Agricultural zone under the current Official Plan.

CONCLUSION:

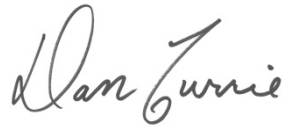
Township Staff have reviewed the Provincial and County policy surrounding the uses that are permitted on Prime Agricultural Lands and bring forward for discussion potential changes and regulations, as listed in Attachment 1.

Respectfully Submitted By:



Kelsey Lang
Planning Associate

Reviewed and Approved By:



Dan Currie, RPP, MCIP
MHBC Planning

Reviewed By:

Kim Wingrove
CAO

ATTACHMENT 1 - POTENTIAL CHANGES:

RURAL HOME INDUSTRY:

Existing, in Section 3 – Definitions:

“Home Industry, Rural”, means any occupation which is carried on within a farm as an accessory use and only by a farmer and/or by the members of the family residing on the farm, provided that:

- a) this definition shall include a retail outlet for farm produce or farm supplies, an insurance or real estate office, contractors and tradesmen establishment, or a service shop but shall not include any use otherwise defined or classified herein.
- b) there are no persons employed other than members of the family and one additional employee;
- c) there is no display, other than a sign, to indicate to persons outside, that any part of the dwelling house, or accessory structure or lot is being used for such purposes;
- d) such rural home occupation is clearly secondary to the main agricultural use and does not change the agricultural character of the farm unit nor create or become a public nuisance, in particular in regard to noise, traffic, or parking;
- e) there shall be no open storage of materials, supplies, tools, equipment or goods which are used for, or result from, the rural home occupation;
- f) all buildings, structures, parking and loading areas used for the purpose of a rural home industry shall not occupy an area exceeding 0.4 hectares in area, subject to Section 6.2.10.

Proposed, in Section 3 – Definitions

“Home Industry”, means an occupation which is carried on a farm as an accessory use, in accordance with the provisions of this by-law.

Proposed, in Section 5 – General Provisions

5.___ - Home Industry Regulations:

1. A Home Industry must be located on a farm, and shall be secondary to the agricultural use.
2. A Home Industry shall include a carpentry shop, a contractor’s yard, a welding shop, a machine shop, a plumbing shop, an electrical shop, furniture fabrication, assembly and repair, tool and equipment repair shop, small engine repair, farm implement repair; or a use of a similar nature to those listed above.

3. The Home Industry may only employ the tenants of the property and two additional employees;
4. All buildings, structures, parking and loading areas used for the Home Industry shall not occupy an area exceeding 2% of the lot, to a maximum of 0.4 hectares in area.
5. A Home Industry must be appropriate for rural servicing and be compatible with agriculture.
6. There shall be no open storage of materials, supplies, tools, equipment or goods which are used for, or result from, the Home Industry.
7. A Home Industry must comply will all applicable by-laws and regulations such as Noise and Parking.

FARM PRODUCE SALES OUTLET:

Existing, in Section 3 - Definitions:

“Farm Produce Sales Outlet”, means a building, structure or use accessory to an operating farm or permitted agricultural use for the sale of agricultural products, produced on or by the farm or agricultural use, to the general public.

Proposed, in Section 3 - Definitions:

"Farm Product Sales Outlet", means an accessory use to an agricultural operation that includes a building or structure with commercial retail space for the sale of value-added products produced from the farm.

Proposed, in Section 5 – General Provisions

5.____ - Farm Product Sales Outlet Regulations:

1. A Farm Product Sales Outlet must be located on a farm, and shall be secondary to the agricultural use.
2. All buildings, structures, parking and loading areas used for the Farm Product Sales Outlet shall not occupy an area exceeding 2% of the lot, to a maximum of 0.4 hectares in area, subject to Section 6.2.10.

AGRICULTURAL ZONE:

Proposed, in Section 6 – Agricultural Zone

6.2.10 – On-Farm Diversified Uses:

For all uses which do not fit the definition of an 'Agricultural Use': the associated buildings, structures, parking and loading areas of these uses shall not occupy a combined area exceeding 2% of the lot, to a maximum of 0.4 hectares in area. A Farm Product Sales Outlet shall be subject to this regulation. A Detached Dwelling Unit and its associated structures shall not be subject to this regulation.

ADDITIONAL USES:

Additional Uses that could be permitted under the current Official Plan:

- Farm Businesses
 - cottage wineries
 - value-added processing or packaging
 - pick-your-own operations
 - agri-tourism operations

- Agriculture-Related Businesses
 - cold storage
 - custom spraying
 - animal husbandry
 - farm equipment repair
 - large animal vet
 - farm input supplier
 - produce distribution centre/auction
 - agricultural research centre
 - livestock assembly

ATTACHMENT 2 - DRAFT OMAFRA “GUIDELINES ON PERMITTED USES IN ONTARIO’S PRIME AGRICULTURAL AREAS”:

The draft guidelines can be found online at:

<http://www.omafra.gov.on.ca/english/landuse/permitteduses.pdf>

DRAFT