



Staff Report

Planning & Building Services – Planning Division

Report To: COW - Operations, Planning and Building Services
Meeting Date: May 20, 2025
Report Number: PBS.25.015
Title: Recommendation Report – Zoning By-Law Amendment for 808108 24th Sideroad (Spy Cider House and Distillery)
Prepared by: Diksha Marwaha, Senior Planner

A. Recommendations

THAT Council receive Staff Report PBS.25.015, entitled “Recommendation Report – Zoning By-Law Amendment for 808108 24th Sideroad (Spy Cider House and Distillery)”;

AND THAT Council defer enactment of a By-law to rezone a portion of the subject lands so as to permit an even space as an on-farm diversified use until such time as a site specific Official Plan Amendment or the 2025 Draft Official Plan 5-year Review is approved by the County of Grey.

B. Overview

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| Municipal Address | 808108 24th Sideroad |
| Zoning By-law 2018-65: | Special Agricultural (SA) and Hazard (H) |
| Town of the Blue Mountains Official Plan 2017 Designation: | Special Agricultural and Hazard |
| Town of the Blue Mountains Official Plan Draft Official Plan 2024 Designation: | Special Agricultural and Hazard |
| Grey County Official Plan Designation: | Special Agricultural and Hazard Lands |
| Water and Sewer Servicing: | Private water and septic system |

The purpose of this report is to provide Council with a recommendation on a proposed Zoning By-law Amendment for the lands municipally known as 808108 24th Sideroad.

The application proposes the following:

- To rezone a portion of the subject lands from the Special Agricultural (SA) Zone to a Special Agricultural Exception Hold (SA-156-h52) Zone to permit a new two-storey

building intended for multi-purpose events and associated uses. The proposed building incorporates washrooms, offices, a kitchen, a bar, storage rooms, a staff room, office space and a covered patio;

- To permit the existing structures and uses that currently do not meet zoning requirements including seasonal outdoor kitchen, existing patio adjacent to the existing cidery, and the outdoor lawn area incorporating the airstream trailer and a converted grain silo used as an outdoor bar; and
- To increase the maximum permitted floor area for the sale of liquor and alcohol that is produced off-site.

The new building and associated uses are intended to support agricultural-related uses and on-farm diversified uses by providing space for a variety of events and activities related to apple farming and cider production. In addition to event use, the building will accommodate storage for apples and farm equipment. Anticipated events include corporate functions, weddings, cider festivals, town-wide events (such as Open Fields, the Blue Mountain Film Festival, and the Apple Pie Trail), and collaborations with organizations like Feast On, which promotes culinary tourism.

Planning Staff are generally supportive of the proposed zoning and recommend that the Zoning By-law Amendment provided as Attachment 1 be approved.

Planning Staff provide the following options to Council for consideration:

1. **Approve the Zoning By-law Amendment** as outlined in Attachment 1 to rezone the subject lands from Special Agricultural (SA) Zone to the Special Agricultural Exception Hold (SA-156-h52) Zone with the recommended exceptions.
2. **Modify the requested Zoning By-law Amendment** to the satisfaction of Council.
3. **Refuse the requested Zoning By-law Amendment** and require a resubmission of an alternative development proposal.
4. **Defer the requested Zoning By-law Amendment application** at this time for reasons provided by Council which may include requirements for additional information, a future staff report, and Council consideration.

C. Background

The subject lands are approximately 31.29 hectares (77.34 acres) in size with frontage on 24th Sideroad and are zoned Special Agricultural (SA) and Hazard (H). An aerial photograph of the subject lands is shown in Figure 1. The property is surrounded by agricultural lands on all sides.

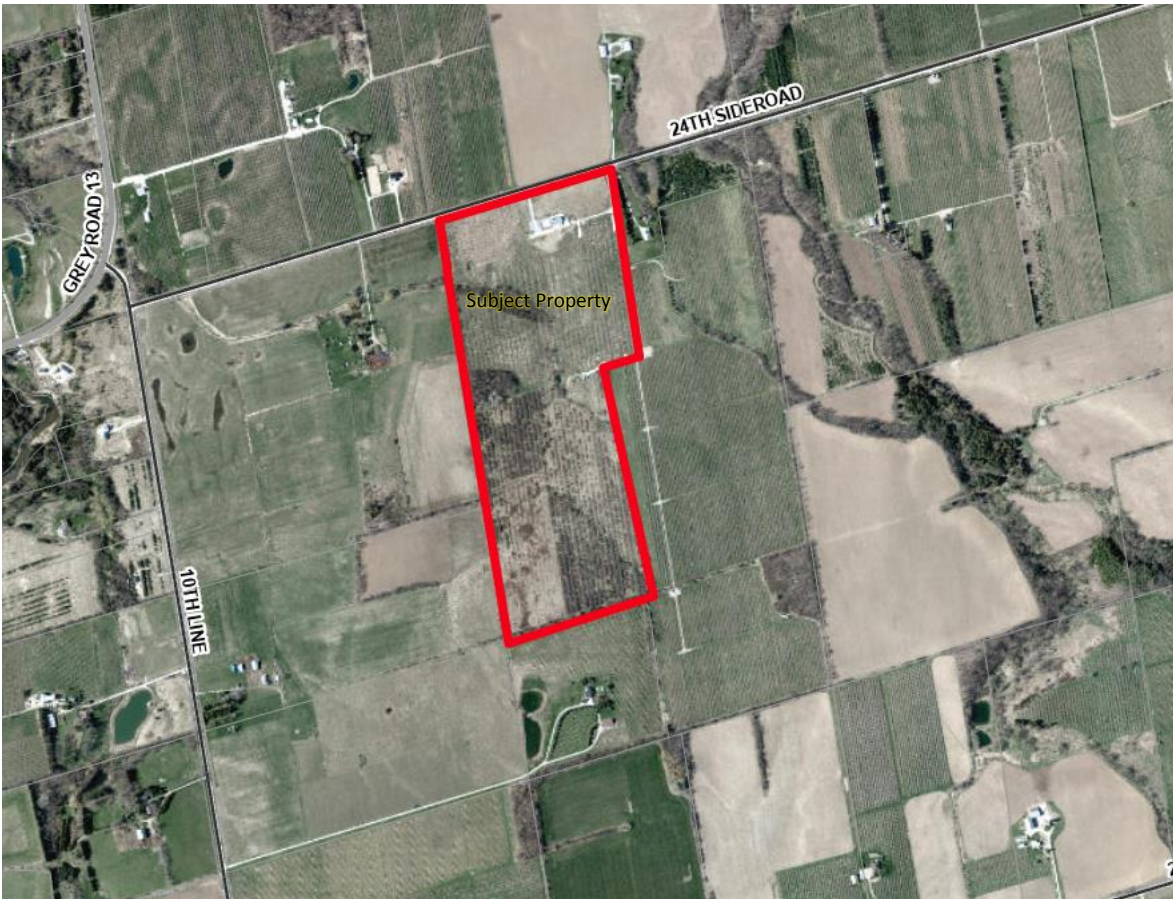


Figure 1: Aerial Photo

The subject property contains approximately 29 hectares (71.6 acres) of apple orchards and a farm winery operation known as Spy Cider House and Distillery. The Distillery includes an approximately 279 m² building, with approximately 56 m² dedicated to a tasting room and retail space, and the remainder of approximately 223 m² used for cider production and processing. A patio is located adjacent to the building and is used seasonally for the service of beverages and light meals.

A cluster of existing accessory buildings and structures is located south of the patio area. These include an airstream trailer used for guest seating, a grain silo that has been converted into an outdoor bar, and several shipping containers used for agricultural storage. A gravel parking area is situated to the west of the main building, with the existing septic system situated to the south. A concept plan is provided as Attachment 2.

The property has previously hosted a variety of events, including the Cider Festival, Open Fields, and events associated with the Culinary Tourism Alliance's 'Feast On' program.

In 2019, the Town approved a temporary use on the subject property that permitted a trailer for office use and a maximum of two shipping containers for outdoor storage. The temporary zoning by-law amendment remained in effect until July 15, 2022. As noted in the previous

report, the intent of the temporary use was to allow the business to become operational without the need to immediately construct permanent additions to the main building.

The application proposes to amend Special Agricultural (SA) Zone of the Zoning By-law 2018-65, as amended, to permit the development of a new two-storey building with a gross floor area of 650 m² to accommodate multi-purpose events as on-farm diversified uses. The proposed building includes a covered entry and patio, an event space with seating for up to 165 guests, washrooms, a kitchen, and a bar with indoor and outdoor service access. The second floor provides office and staff space, mechanical and storage rooms, and a staff washroom. A new septic system is proposed to service the building. The existing gravel parking area is proposed to be expanded to meet the required parking needs. Refer to Figure 4 for the proposed Site Plan.

The proposed uses are intended to complement the farm winery operation through both agriculture-related and on-farm diversified uses. Agricultural related uses will include apple storage and distribution during the harvest season, and use of the building as a research centre to study cider apple varieties.

The facility is also anticipated to host a wide range of events, both indoor and outdoor such as:

- Corporate Events and Celebrations – The owner anticipates renting out the facility for a variety of corporate events and celebrations, attracting both local and provincial attendees.
- Cider Festival – In June 2024, Spy Cider House and Distillery hosted its first annual Cider Festival, drawing over 400 people to The Blue Mountains to experience local cider.
- Ontario Craft Cider Association AGM – The owner intends to host the Ontario Craft Cider Association's Annual General Meeting, expected to bring 100 attendees to the area.
- Town-Wide Events – the owner plans to participate in events like Open Fields, and other regional events such as the Blue Mountains Film Festival and Apple Pie Trail.
- Culinary Tourism Alliance – the owner intends to collaborate with the Culinary Tourism Alliance on events that celebrate the area's agricultural and culinary heritage.
- Private Events and Celebrations – Weddings, reunions, and other celebrations.

Pre-consultation for the proposed zoning by-law amendment took place in April 2024. The application was deemed complete by the Town on January 10, 2025. A Notice of Complete Application and Public Meeting was circulated to agencies and the public and was posted to the Town website. In support of the application, the following materials were submitted, reviewed by Town Staff, and made available to the public on the project page of the Town website:

- Concept Plan
- Planning Justification Report

- Noise Impact Study
- Traffic Opinion Letter
- Lot Grading Plan

This Zoning By-law Amendment application is the first step in this process. If the Zoning By-law Amendment is approved, Site Plan Control and building permit processes are also required to ensure compliance with the applicable policies prior to any use of the facilities.

Public Comments

A public meeting was held on February 11, 2025, with comments received from public agencies and area residents. Comments in support of the proposed amendment were received from a variety of local residents from all areas of the Town. Concerns were raised by immediate neighbors with regards to noise, traffic, and general impact on the quiet enjoyment of their rural properties. More detailed summary of comments and Staff responses are included as Attachment 3 to this report. Full comments are included as Attachment 4.

D. Analysis

Planning Act

The Ontario Planning Act grants municipal Councils the authority to pass zoning by-laws and amend existing zoning by-laws under Section 34 and 36 of the Act. The Planning Act also mandates that, in making planning decisions, Councils must have regard for the matters of provincial interest outlined in Section 2 of the Act. An additional commentary on matters of provincial interest is provided below.

Provincial Planning Statement, 2024 (PPS)

The PPS provides policy direction on matters of provincial interest related to land use planning and development and provides for appropriate development while protecting the province's resources, public health and safety, and the quality of both the natural and built environments. Decisions on planning matters made by a planning authority must be consistent with the PPS.

Section 4.3 of the PPS provides policy direction for prime agricultural areas, with Section 4.3.1 2. stating that, "Prime agricultural areas shall be protected for long-term use for agriculture." Section 4.3.2. 1. further specifies that, in prime agricultural areas, permitted uses and activities include agricultural uses, agriculture-related uses, and on-farm diversified uses, in accordance with provincial policies. These proposed uses must be compatible with, and must not hinder, surrounding agricultural operations.

The subject proposal is being considered as an on-farm diversified use and agriculture-related uses, which is defined in the PPS. The PPS defines these as follows:

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, uses that produce value-added agricultural products, and electricity generation facilities and transmission systems, and energy storage systems."

Agri-tourism uses: “means those farm-related tourism uses, including limited accommodation such as a bed and breakfast, that promote the enjoyment, education or activities related to the farm operation.”

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.”

The Ministry of Agriculture, Food and Rural Affairs (OMAFRA) has developed a guidance document, *Guidelines on Permitted Uses in Ontario’s Prime Agricultural Areas* (Publication 851), to assist in interpreting the policies and permissions within the PPS related to prime agricultural areas. The guideline indicates that on-farm diversified uses should be related to or support agriculture; however, they may also include uses that demonstrate the ability to coexist with agriculture without conflict. Although there is a range of uses that can be considered under the criteria of on-farm diversified uses, the guidelines clearly state that large-scale uses, such as those with high water and sewage needs, those generating significant traffic, large-scale recurring events, or permanent structures, are not to be considered under this use. These uses are intended to offer opportunities for farmers to diversify and supplement their income while ensuring that the primary use remains agricultural. The Guidelines provide several examples of on-farm diversified uses and agricultural related uses. A list of these examples is included in Attachment 5 for reference.

For a use to be considered an on-farm diversified use, in accordance with the PPS, five specific criteria must be met. Planning staff have reviewed the subject proposal under the on-farm diversified uses permissions and the applicable criteria, and offer the following for consideration:

Criteria #1 - Located on a farm

This requirement is intended to ensure that On-farm diversified uses must be located on a farm property, so that the farm operation remains the primary use of the property.

The proposed on-farm diversified uses are located on agricultural lands that are actively used for apple orchards. No change to the farming operation is proposed.

Criteria #2 - Secondary to the principle agricultural use of the property

This requirement is to ensure that On-farm diversified uses are secondary to the agricultural use and that the primary use remains the agricultural operation. The Guidelines allow this criterion to be evaluated both temporally and spatially. Spatially, the use must be secondary relative to the agricultural use of the property, while temporal considerations apply to uses that are temporary or intermittent, such as events.

The subject property will continue to be primarily used for agriculture. The proposed building and on-farm diversified uses are secondary to the agricultural use of the property. The building is intended to support both agriculture-related uses and on-farm diversified uses. The proposed building and gravel parking area are kept to a size to minimally impact the agricultural

area, are directed away from the existing tillable agricultural land, and will not remove any agricultural land from production. While the uses involve a permanent structure, the building will also support agricultural-related activities and will not be used solely for on-farm diversified uses. It is also noted in the Planning Justification Report that the Special events will be scheduled seasonally, occurring outside of the harvesting and processing window.

Criteria #3 - Limited in area

This criterion is intended to minimize the amount of land taken out of agricultural production, ensure that agriculture remains the main land use on-site and within the overall prime agricultural areas, and promote land use compatibility by limiting off-site impacts. When considering "limited in area," the intent is also to evaluate the amount of land rendered unavailable for agricultural purposes due to the proposed use. The Guidelines recommend that the area calculation for on-farm diversified uses should include all components related to the use, such as buildings, outdoor storage, landscaped areas, berms, wells, septic systems, parking areas, and new access roads. The Guidelines also recommend that the acceptable area occupied by on-farm diversified uses should not exceed 2% of a farm parcel, with a maximum of 1 hectare.

No land will be removed from agricultural production as a result of the proposal. The proposed area complies with the province's recommended maximum of 2% for on-farm diversified uses.

As provided by the applicant, the proposed development will allocate a total of 0.32 hectares to the on-farm diversified use, relative to the 31.29-hectare property, which equates to 1% of the subject property. This area includes the new building, covered porch, expanded parking area and loading area, septic system, and seasonal outdoor kitchen.

As provided by the applicant, the gross floor area of buildings used for on-farm diversified uses including existing and proposed is approximately 837m² which equates to be 13.37% of the total property area. This is well below the 20% area recommended in the Guidelines.

Criteria #4 – Includes, but is noted limited to, uses such as agri-tourism, home occupations etc.; and uses that produce value-added agricultural products.

The PPS definition provides several examples of on-farm diversified uses. Beyond these examples, other uses may also be suitable, subject to meeting all PPS criteria. The PPS language related to uses that are not related to agriculture (e.g., home occupations, home industries) suggests that in prime agricultural areas, these operations must be at a reasonable scale, as discussed under the "secondary to..." and "limited in area" criteria.

The property is currently being used as a farm, cider house and distillery, and for events. The proposed uses will be limited in area and will not result in the removal of any lands that are currently in agricultural production.

Criteria #5 - Shall be compatible with, and shall not hinder, surrounding agricultural operations.

When considering permissions for on-farm diversified uses, a range of factors must be evaluated to determine land use compatibility, including but not limited to the level of impact

on the existing agricultural operation or operations within the area; the ability of the use to be serviced by rural infrastructure; and the maintenance of the agricultural and rural character of the area. This ensures that surrounding agricultural operations can continue without disruption. While on-farm diversified uses may not always be subject to Minimum Distance Separation (MDS) requirements, proximity to livestock facilities should still be considered to avoid conflicts related to odor, noise, trespass, dust, or increased traffic.

Normal farm practices for the area are permitted to continue and may result in potential conflicts between uses. These normal farm practices will not be limited with the approval of this By-law, and the subject lands will need to be aware that impacts may occur from time to time. It is the opinion of Planning Staff that these impacts will not hinder surrounding agricultural operations.

The proposed uses will utilize existing areas of the property that also support the ongoing agricultural and agriculture-related uses, such as farm and winery. To further demonstrate the appropriateness of the proposal in relation to existing road infrastructure and nearby sensitive land uses, the applicant has submitted a supporting Noise Impact Study and a Traffic Opinion Letter. The studies were based on the proposed building and an occupancy of 165 people. The studies conclude that the proposed uses can be adequately serviced by the surrounding road network. Furthermore, the proposed event venue is expected to comply with the MECP's NPC-300 noise guidelines at all times of the day, evening, and night, provided that appropriate design measures are incorporated into the building facade, and that air conditioning and loudspeaker limiters are used.

Based on the above comments, Planning Staff are satisfied that the proposed Zoning By-law Amendment is consistent with the provincial guidelines provided the Noise Study recommendations are incorporated into the building design at the site plan application stage.

Staff note that, at the time of writing this report, a Minimum Distance Separation (MDS) Report has not been submitted. Confirmation of compliance with MDS requirements will be required at the site plan application stage.

Grey County Official Plan

The County of Grey Official Plan (2018) designates the subject lands as *Special Agricultural* and *Hazard*. The area which is subject to this development proposal and associated Zoning By-law Amendment, is entirely within the 'Special Agricultural' designation. The Special Agricultural land use type applies to areas of the County suited for the cultivation of fruits and vegetables. Section 5.3.2.1 requires Special Agricultural lots to have a minimum of 10 ha of agriculturally productive land, excluding hazard lands, ravines, or built area. Section 5.2.2 outlines that on-farm diversified uses must remain secondary to the principal agricultural use, be limited in size and scale, and demonstrate compatibility with surrounding uses. The total area allocated for on-farm diversified uses is capped at 2% of the lot area or 8,000 m², whichever is less. For the subject property, the limit is 6,262 m², with a maximum gross floor area of 1,252 m². Section 5.2.2.19 sets forth the evaluation criteria for new on-farm diversified uses, including noise, servicing, compatibility, and scale.

The County Official Plan defines Agri-Tourism Uses as *“those farm-related tourism uses, including limited accommodation such as a bed and breakfast, that promote the enjoyment, education or activities related to the farm operation; such uses may also include farm vacation suites, hay rides, petting zoos, farm-themed playgrounds, horse trail rides, corn mazes, seasonal events, small scale special event venues, equine events, or wine/cider tasting.”*

The subject property encompasses 29 hectares of agriculturally productive land. The proposed on-farm diversified use complies with the size requirements, with the total area for the proposed uses being 3,157 m² and the gross floor area at 837 m², both within the allowable limits. County ecological staff have waived the requirement for an Environmental Impact Study (EIS), as the development is located within or adjacent to features on previously disturbed and developed land. The Noise Impact Study prepared in support of the application confirms that the proposed operation will meet MECP noise guidelines, with appropriate noise control measures in place to ensure compatibility with surrounding uses. The Traffic Opinion Letter has determined that the surrounding road network can adequately accommodate the proposed use. The development will be serviced by a private well and septic system and will be subject to further review through the Site Plan Control process, through a holding provision.

The proposed Zoning By-law Amendment Application is deemed to conform to the policies of the Grey County Official Plan

Town of The Blue Mountains Official Plan 2016

The in-effect Town of The Blue Mountains Official Plan establishes the vision for growth and development in the Town and contains policies supporting the Goals and Objectives of the Plan to achieve that vision. The policy framework builds on Provincial and County policy as described above.

The subject lands are designated Special Agricultural and *Hazard* in the Official Plan. The proposed development is outside of the hazard land. The intent of the Special Agricultural Designation is to maintain and protect lands capable of producing apples and tender fruits; recognize the role of specialty croplands in the region and enhance their capacity to contribute to the economy of the Town; and maintain the character of the Town created by the presence of orchard lands. Section B4.3.3 of the Official Plan establishes permitted uses, which includes, but is not limited to: agricultural uses and related buildings and structures; a farm residence; an estate or farm winery; agri-tourism uses; retail sales of farm produce accessory to an agricultural use, etc. provided they are compatible with and do not hinder surrounding agricultural use and conform to the other policies of the Official Plan.

Farm wineries

Farm wineries are permitted in the Special Agricultural designation provided at least 2 hectares of fruit trees are planted, most fruit is grown in Grey County, and on-site tasting room and retail is limited to 100 m² or 25% of the total winery floor area, with non-Grey County products not exceeding 5%.

The subject property consists of over 29 hectares of apple orchards, which are part of the Spy Cider House and Distillery operation. The cider produced at the subject property is made using apples predominantly grown within the County of Grey. The facility includes an on-site tasting room and retail space of approximately 56 m², representing around 25% of the total winery building area.

Currently, the patio adjacent to the existing cidery, along with the outdoor lawn area, including the Airstream trailer, grain silo tasting bar, are used in conjunction with the cidery for tastings and dinner events. The applicant also proposes the sale of liquor and alcohol produced off-site, as well as on-site retail floor space for non-Grey County agricultural products, including liquor retail, up to 15% of the total floor area.

While the area of these features exceeds the winery floor area and non-agricultural and/or non-Grey agricultural area limits outlined Section B4.1.4, Farm Winery, of the Town's Official Plan 2016, they fall within the permitted area limits for on-farm diversified uses.

Staff are of the opinion that these uses can be permitted under on-farm diversified uses, as they do not meet the area requirements of the Official Plan.

On-Farm Diversified Use and Agri-tourism

The proposed event space aligns with the definition of an On-farm Diversified Use, which the Official Plan identifies as a secondary use to the principal agricultural operation and one that is limited in scale. Section A1.1 (Guiding Principles) and Section A3.6.2 (Strategic Objectives) emphasize the importance of supporting small-scale on-farm diversified uses as a way to enhance farm viability and maintain the rural character of the area.

The Town Official Plan defines Agri-tourism uses as: *“those farm-related tourism uses, including limited accommodation such as a bed and breakfast, that promote the enjoyment, education or activities related to the farm operation.”*

Further, section B4.1.2 supports the establishment of agri-tourism uses *such as farm machinery and equipment exhibitions (on a temporary basis), farm tours, petting zoos, hay rides and sleigh rides, processing demonstrations, pick your-own produce establishments, small-scale farm theme playgrounds and small-scale educational establishments that focus on farming instruction, including small-scale educational and recreational uses*, provided they protect neighboring privacy, offer safe access and parking, are compatible with surrounding uses, are appropriately serviced, and are located within the farm cluster where possible.

Section C13 further requires that land use compatibility be assessed and potential impacts, such as noise, odor, or vibration, be mitigated through appropriate studies, such as a Noise Impact Study, in accordance with Ministry guidelines.

The proposed building is located within the existing farm cluster, centrally positioned on the property and provides increased setbacks from adjacent lands. A Noise Impact Study submitted separately confirms compliance with MECP NPC-300 guidelines at all times, subject to recommended design measures such as facade treatment, air conditioning, and speaker

limiters. Existing gravel parking is proposed to be expanded to support the proposed use, and a Traffic Opinion Letter concludes that the site can be appropriately serviced by the surrounding road network. The building will be serviced by a private well and septic system. Architecturally, it complements the rural character and surrounding buildings.

Staff are of the opinion that these uses are permitted under Provincial Policies, the County of Grey Official Plan and the Town of The Blue Mountains Draft Official Plan. Although the By-law does not meet the requirements of the current Official Plan, Planning Staff recommend that an Official Plan Amendment should be submitted and approved (or wait for the County to approve the new 5-Year Review Official Plan). Should Council wish to approve a Zoning By-law Amendment at this stage, Planning Staff has provided a draft version for your consideration.

Town of The Blue Mountains Draft Official Plan 2025 (the Draft OP)

The subject lands are designated *Special Agricultural* and *Hazard* in the Draft OP. The policies applicable to the proposed development are primarily located in Sections B4.3.3 (Special Agricultural Designation), B4.2.3 and B4.2.3.1 (Permitted Uses in Agricultural Designations), B4.1.2 (Agri-tourism Uses), B4.1.3 (Wineries, Cideries and Distilleries), and B4.1.8 (On-Farm Diversified Uses).

Section B4.1.3 of the Draft Official Plan permits wineries, cideries, distilleries, and similar uses within the Special Agricultural designation. However, it does not set any area requirements for tasting rooms or non-Grey County products, as outlined in the 2016 Official Plan. These uses are subject to a Zoning By-law Amendment and Site Plan Agreement approval by the Town.

The Draft Official Plan allows on-farm diversified uses and agri-tourism use that promote the value of agriculture, subject to further policy criteria to ensure that such uses remain secondary to the principal agricultural operation. These uses must be limited in size and scale, with a maximum of 2% of the property area or 8,000 square metres, whichever is less, and the total gross floor area of associated buildings must not exceed 20% of the diversified use area, compatible with surrounding land uses, supported by existing infrastructure, and not interfere with active farming operations.

The application conforms to, as well as maintains the overall intent of the Town of The Blue Mountains Draft Official Plan 2025.

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

The subject lands are zoned Special Agricultural (SA) and Hazard (H) Zone under the Town's Zoning By-law. The SA Zone permits a broad range of uses, including agricultural uses, agri tourism uses, accessory farm employee accommodation, farm produce outlet and farm winery. A portion of the property is zoned 'H'; which buffers a watercourse traversing the subject property. Lands within the H Zone are under the jurisdiction of the Grey Sauble Conservation Authority (GSCA).

The proposed development consists of a two-storey event space intended to support agricultural-related and on-farm diversified use activities, such as corporate events,

celebrations, and festivals. The building is proposed to be located within the already developed portion of the property, set back from natural features and outside of the Hazard (H) Zone.

As a banquet hall, and an event venue are not currently permitted within the SA Zone, a site-specific Zoning By-law Amendment is required to rezone a portion of the subject lands from Special Agricultural (SA) to the Special Agricultural Exception Hold (SA-156-h52) Zone.

The patio adjacent to the existing cidery, along with the outdoor lawn area, including the Airstream trailer, grain silo tasting bar, are used in conjunction with the cidery for tastings and dinner events exceeds the area requirement of Section 4.25.2 Farm Wineries.

The proposed sale of liquor and alcohol produced off-site, as well as on-site retail floor space for non-Grey County agricultural products, including liquor retail, up to 15% of the total floor area.

The following zoning compliance table outlines the provisions of the existing SA Zone and the proposed amendments:

| Provision | Required | Provided | Compliance |
|--|---------------|--|------------|
| Minimum lot area (ha) | 10.0 | ~31.29 | Yes |
| Minimum Lot Frontage (m) | 150.0 | ~389.5 | Yes |
| Minimum Exterior Side Yard (m) | 15.0 | n/a | n/a |
| Minimum Interior Side Yard (m) | 8.0 | >8.0 | Yes |
| Minimum Rear Yard (m) | 15.0 | >15.0 | Yes |
| Maximum height (m) | 11.0 | 7.5 | Yes |
| 4.25.1 Agri-Tourism Uses - Temporary or seasonal Agri-Tourism uses are permitted accessory to an agricultural use on lots of at least 10 hectares in size. | | | |
| Minimum lot size required for temporary or seasonal Agri-Tourism uses | 10 ha | ~31.29 ha | Yes |
| a) Retail sales permitted in conjunction with Home Industry, Seasonal Agricultural Stand, Farm Produce Outlet, or Farm Winery | Farm Winery | Farm winery | Yes |
| b) Restaurant, banquet hall, or accommodation component | Not permitted | New "event venue" use proposed in the 2-storey 650 m ² event building | No |
| d) maximum gross floor area (square meters) for associated buildings/structures | 75 | >75 | No |
| 4.25.2 Farm Wineries | | | |
| a) Min. Area (hectares) Planted (fruit trees/vines) | 2.0 | 29 | Yes |

| Provision | Required | Provided | Compliance |
|---|---|--|------------|
| b) Max. Retail + Tasting Room Area | the lesser of 100 m ² or 25% of the total winery floor area (25% of 223 sqm=55.75 m ²) | > the lesser of 100 m ² or 25% of the total winery floor area | No |
| b) Max. Retail Area (non-Grey County agricultural products) | 5% of total floor area which is (5% of 223 sqm = 11.5m ²) | >5% | No |

The comparison table above illustrates that while several existing and proposed uses align with the permissions granted under the SA Zone in the Town Zoning By-law and OMAFRA Guidelines for Agriculture-Related and On-Farm Diversified Uses, certain elements of the proposed development, most notably the event venue, and existing outdoor spaces require site-specific zoning permissions.

The proposed loading areas are located well within the required setback from the street and comply with the applicable zoning provisions regarding minimum width, length, and vertical clearance. These elements meet the functional requirements of the proposed use and are not anticipated to create adverse impacts on-site circulation or access.

Certain components of the site, such as the Airstream trailer, outdoor shipping containers, seasonal outdoor kitchen, and grain silo bar, do not comply with the provisions of the Town Zoning By-law. These are not permitted within the Special Agricultural Zone, and their cumulative area exceeds the permitted limits under the Farm Winery provisions. Their inclusion will require site-specific provisions through the zoning by-law amendment process.

Planning Staff have reviewed the application and are generally supportive of the intent to permit an event venue use as a site-specific on-farm diversified use, provided it remains clearly secondary to the principal agricultural operation. This approach is consistent with both Provincial and Town planning policy frameworks, which encourage agri-tourism and value-added uses that support long-term agricultural viability. The proposed location of the new building, scale of development, and continued agricultural use on the remaining lands reflect the intent of the Zoning By-law to preserve and enhance agricultural land use while allowing for complementary diversified activities.

To facilitate the proposed development, the Zoning By-law Amendment introduces a new defined use: "Special Event Venue." This use is intended to accommodate activities such as weddings, corporate events, celebrations and farm-related festivals. Planning Staff have drafted a site-specific by-law (see Attachment 1), which includes a formal definition of the Special Event Venue, along with performance standards that limit its scale and intensity. These standards include restrictions on the total number of events permitted per calendar year, and maximum occupancy limits.

The Noise Study submitted in support of the application notes that “concurrent events will not occur and tasting room and retail store, will continue to operate while an event is taking place at the new venue building on the Spy grounds.” Further, it confirms the compliance with MECP NPC-300 guidelines at all times, subject to recommended design measures such as facade treatment, air conditioning, and speaker limiters.

No development or site alteration is proposed within the H Zone. Any future works within or adjacent to the H Zone will remain subject to the review and approval of the Grey Sauble Conservation Authority (GSCA), in accordance with applicable regulations.

A Holding (-h) provision is recommended to ensure that the development remains subject to Site Plan Control. The Hold will not be lifted until a Site Plan Agreement has been executed with the Town. This will allow for detailed review and implementation of technical matters, including site layout, servicing, parking, access, buffering, noise mitigation measures, and the location and capacity of on-site washrooms, prior to the commencement of development.

Servicing

The proposed development will be serviced by private on-site water and sewage systems. A private well and septic system are proposed, with their locations identified on the Concept Plan submitted with this application. Further technical details regarding services will be addressed through the Site Plan Approval (SPA) process.

Conclusion

Planning staff are of the opinion that the subject proposal and the proposed amending By-law are consistent with the Provincial Planning Statement, 2024; maintain the intent and purpose of the Grey County Official Plan, Town of the Blue Mountains Draft Official Plan (2025); and maintain the intent and purpose of the Town of The Blue Mountains Comprehensive Zoning By-law 2018-65, as amended. However, it does not meet the requirements of the current Official Plan, and Planning staff recommend that an Official Plan Amendment be submitted and approved (or that the County’s new 5-Year Review Official Plan be approved). Should Council wish to approve a Zoning By-law Amendment at this stage, Planning staff has provided a draft version for your consideration as follows:

AND THAT Council enact a By-law to rezone a portion of the subject lands from Special Agricultural (SA) Zone to the Special Agricultural Exception Hold (SA-156-h52) Zone so as to permit an event space as an on-farm diversified use.

The proposal provides an opportunity for the farm operator to diversify and supplement their income by permitting special events. Planning staff are further satisfied that the proposed development represents appropriate development, as it is located on an active farm, is secondary to the primary agricultural use, is limited in area and frequency, and is compatible with surrounding land uses.

To ensure the details of the proposal are appropriately addressed, a holding symbol is in place to require Site Plan Control prior to development proceeding. The proposed area to be rezoned is shown in Attachment 6.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

No adverse environmental impacts are anticipated as a result of the recommendations contained within this report

G. Financial Impacts

This application is subject to appeal to the Ontario Land Tribunal, which may result in costs to the Town that are not covered by the fees that have been paid by the applicant.

H. In Consultation With

Shawn Postma, RPP, MCIP, Manager of Community Planning

I. Public Engagement

The topic of this Staff Report has been the subject of a Public Meeting and/or Public Information Centre which took place on **February 11, 2025**. Those who provided comments at the Public Meeting and/or Public Information Centre, including anyone who has asked to receive notice regarding this matter, has been provided notice of this Staff Report. Any comments regarding this report should be submitted to Diksha Marwaha, planning@thebluemountains.ca

Attached

1. Attachment 1: Draft By-law
2. Attachment 2: Concept Plan
3. Attachment 3: Public Meeting Comments (Summary)
4. Attachment 4: Public Meeting Comments (Original)
5. Attachment 5: Examples of On-Farm Diversified Uses and Agriculture-Related Uses
6. Attachment 6: Proposed On-farm Diversified Use Area

Respectfully submitted,

Diksha Marwaha
Senior Planner

For more information, please contact:

Diksha Marwaha
planning@thebluemountains.ca
519-599-3131 extension 262

Report Approval Details

| | |
|----------------------|---|
| Document Title: | PBS.25.015 Recommendation Report - Zoning By-Law Amendment for 808108 24th Sideroad (Spy Cider House and Distillery).docx |
| Attachments: | <ul style="list-style-type: none">- PBS-25-015-Attachment-1.pdf- PBS-25-015-Attachment-2.pdf- PBS-25-015-Attachment-3.pdf- PBS-25-015-Attachment-4.pdf- PBS-25-015-Attachment-5.pdf- PBS-25-015-Attachment-6.pdf |
| Final Approval Date: | May 12, 2025 |

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

Shawn Postma - May 12, 2025 - 11:53 AM

No Signature - Task assigned to Adam Smith was completed by delegate Tim Murawsky

Adam Smith - May 12, 2025 - 12:27 PM