



Staff Report

Planning & Building Services – Planning Division

Report To: COW - Operations, Planning and Building Services
Meeting Date: November 18, 2025
Report Number: PBS.25.091
Title: Recommendation Report – Request to Purchase portion of Railway Street
Prepared by: Diksha Marwaha, Senior Planner

A. Recommendations

THAT Council receive Staff Report PBS.25.091, entitled “Recommendation Report – Request to Purchase portion of Railway Street”;

AND THAT Council enact a By-law to lift the 0.3 metre reserve described as Block B on Registered Plan 811;

AND THAT Council enact a By-law to Stop Up and Close the Railway Street Road Allowance and deem the lands surplus to the needs of the Corporation;

AND THAT Council direct staff to proceed with the following Option:

- Option 4 – Transfer Entire Road Allowance to Applicant

THAT Council approve the transfer of the entire Railway Street Road Allowance to the applicant, with the lands to be merged with the purchaser’s property and used for driveway/access purposes only, and at the purchase price set at the proposed value of \$300,000, reflective of the intended use;

AND THAT the transfer agreement include a restriction on use limiting the use of the conveyed lands to driveway and access purposes only;

AND THAT Council authorize the Mayor and Clerk to execute the Agreement of Purchase and Sale and all documentation required to complete the sale;

AND THAT all costs associated with the transfer of the lands be the responsibility of the purchaser.

B. Overview

Subject Lands: Railway Street Unopened Road Allowance

Owner of the subject lands: Town of the Blue Mountains

Applicant: Blue Birch Properties Inc.

Zoning By-law 2018-65: Surrounding Lands are zoned Residential One (R1-1), Open Space (OS), Residential One-Exception (R1-1-154-h51)

Town of the Blue Mountains Official Plan 2016 Designation: Surrounding Lands are designated Residential Recreational Area

Area: Approx. 1398 sq. m. (0.34 acres)

For the purposes of this report, staff have referred to the road allowance in question as the “**subject lands**” and the lands to the east of the road allowance as the “**Blue Birch Lands.**”

The Town has received a request from Blue Birch Properties Inc. to purchase a portion of the Railway Street Road Allowance. The Blue Birch Lands are currently landlocked and require access from the municipally maintained portions of Railway Street and Barclay Boulevard.

This request relates to a previous zoning by-law amendment for Blue Birch Lands, where the Ontario Land Tribunal (OLT) considered providing access from Railway Street to allow a building envelope and the potential creation of three future residential lots. Access from Railway Street is now a key factor in enabling this future development.

The purpose of this report is to provide Council with options and analysis regarding the potential transfer of the Railway Street Road Allowance, and to seek Council’s direction and authorization for staff to proceed with the one of the options for transfer. These options are also discussed in detail in the analysis section of this report.

Option	Description	Key Consideration
1: Construct a Municipal Road to Municipal Standard	Applicant constructs a municipal road within the unopened road allowance; Town assumes ownership and maintenance.	Creates long-term financial and maintenance obligations for the Town; less economically practical.
2: Enter into a Municipal Land Use Agreement	Town grants private access over the road allowance without transferring ownership.	Avoids immediate construction costs but introduces long-term challenges regarding access and maintenance and other unforeseen issues.
3: Transfer Minimum Land Required for Access and Retain Remaining Parcel as Buildable Land	Only the minimum portion required for driveway access is transferred; remaining land is retained under Town ownership.	Could complicate access arrangements for future lots. May provide the highest potential value of the Town lands but would require additional steps and associated costs to the Town (ie. ZBA, etc).

Option	Description	Key Consideration
4: Transfer the Entire Road Allowance to the Applicant	Town transfers ownership of the road allowance to the applicant, providing direct access to the landlocked parcel and enabling future residential lots subject to consent application process.	Provide adequate access and certainty regarding ownership, access rights, and responsibilities.
5: Defer Decision on the Transfer Until the Associated Consent Application and Configuration of the Future Lots Has Been Approved	Transfer of land for driveway access would follow based on approved lot layout and submitted appraisals.	Allows transfer of only the portions approved for driveway access. Consent for a landlocked parcel may need to be conditional on provision of access.

C. Background

The subject lands are located south of Highway 26 and the Georgian Trail, and north of Barclay Boulevard, forming an extension of the municipally maintained portion of Railway Street. The subject lands are currently vacant and are primarily surrounded by residential lots. A location map and aerial photograph of the subject lands are shown in Figures 1 and 2.

The request to purchase the road allowance has been made by Blue Birch Properties Inc., the owners of the land legally described as CON 4 PT LOT 25 RP 16R1936 PART 1, located immediately east of the Railway Street Road Allowance. The purpose of this request is to provide access from the municipally maintained portions of Railway Street and Barclay Boulevard to the Blue Birch Lands (see Figure 2).



Figure 1: Aerial Photo of Railway Steet Road Allowance

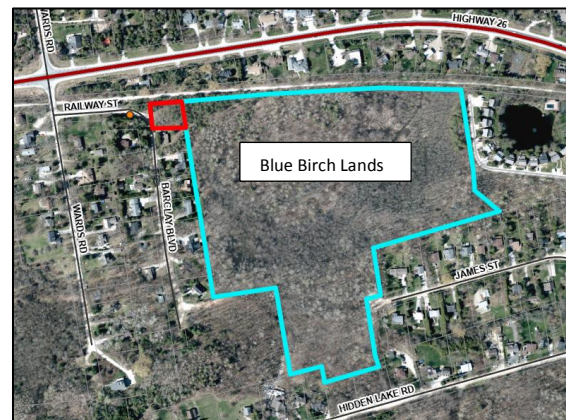


Figure 2: Aerial Photo of Blue Birch Lands

In the prior zoning report (PDS.24.019), Town staff noted that a municipal land use agreement to provide access through this road allowance would not be supported, as such agreements

have historically been difficult to enforce. As an alternative, staff indicated that the sale of the road allowance may be a preferred option for providing access.

In March 2025, OLT approved the Zoning By-law Amendment with a holding symbol on the Blue Birch property to allow for a proposed building envelope with a reduced lot frontage of 10 metres in the northwest quadrant of the site (see Figure 3). The primary purpose of the OLT Hearing was to clearly identify and establish the developable portion of the subject lands. It is noted that the lands are substantially covered by wetland and hazard features that were subject to a lengthy environmental and engineering review. A Holding 'h' symbol was also placed on the lands with one of the conditions to remove the holding symbol is the availability of access from Railway Street to the Blue Birch lands.

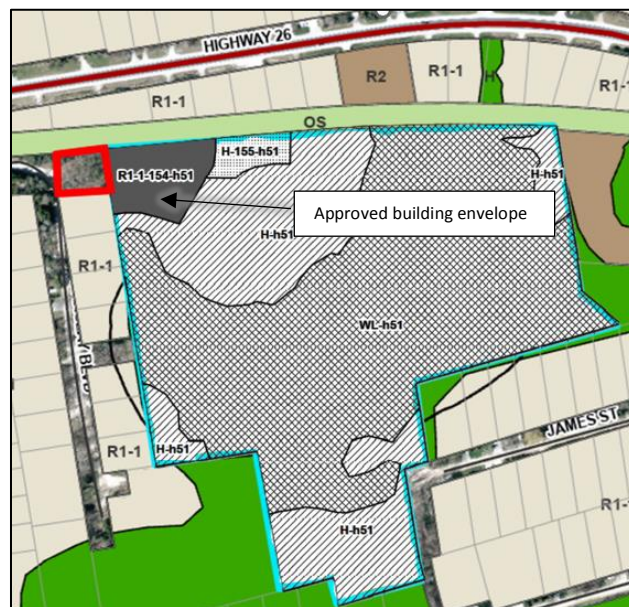


Figure 3: OLT Approved Zoning

Public Comments

This matter was the subject of a public meeting on September 30, 2025, during which comments were received from public agencies and area residents. Concerns were raised regarding driveway entrances, environmental impacts, tree removal, and potential effects on the Georgian Trail. One resident also expressed interest in acquiring all or part of the subject lands adjacent to the southern property line to help protect the trees and wildlife in this area.

Hydro One Networks Inc. confirmed that they have utility infrastructure (guy wire) located on subject lands and advised that an easement will be required to protect their infrastructure prior to closure and sale of the subject lands.



A more detailed summary of comments and staff responses is provided in Attachment 1. Full comments are included as Attachment 2.

D. Analysis

The Railway Street Road Allowance appears to have been created through the registration of Plan 881, Plan 772 (James Street and Barclay Boulevard) and Plan 811 (Barclay Boulevard). Plan 811 also established a one-foot reserve. Together, the Railway Street Road Allowance and the one-foot reserve currently prohibit direct access to the approved northwest quadrant of the Blue Birch Lands (see Attachment 3).

The applicant has expressed interest in purchasing the entire road allowance parcel to provide access to three future lots. It should be noted that a consent application for these lots has not yet been submitted. The applicant has also provided a concept plan with the application showing three proposed driveways and lots, which have not yet been reviewed by the Town at this stage and will be assessed during a consent application process.

The applicant has submitted two appraisals* in support of the application, summarized as follows:

Details	Valuation	Reference Figure
Appraisal 1 – Entire subject property (1,398 sq. m.) valued as surplus residential land	\$60,000	
Appraisal 2 – Subject lands divided into two components for valuation 1. driveway access (815 sq. m) 2. and building lot (583 sq. m)	<ul style="list-style-type: none"> • Driveway Access: \$36,000 • Building Lot: \$337,000 Total: \$373,000.	

*The Town has not conducted a peer review of these appraisals.

Applicant’s proposed price: The applicant has submitted a letter requesting that the purchase price reflects the intended use of the lands for driveway access only.

The applicant has proposed a value of \$300,000 (\$100,000 per driveway), noting that this represents five times the appraised value of \$60,000 per driveway.

Staff have considered several options for providing access to the Blue Birch Lands, as summarized below:

Option 1: Construct a Municipal Road to Municipal Standard

Under this option, the applicant would construct a new municipal road within the unopened road allowance in accordance with the Town’s standards to provide access to the Blue Birch Lands. Once completed and accepted, the Town would assume ownership and ongoing maintenance of the road.

Consideration: This option is not preferred, as it would create long-term maintenance and financial obligations for the Town and is not considered economically practical for 1 to 3 residential lots.

Option 2: Enter into a Municipal Land Use Agreement

Under this option, the Town and the applicant would enter into an agreement allowing private access over the unopened road allowance without transferring ownership.

Consideration: While this approach avoids immediate construction costs, it may give rise to long-term challenges, such as questions about maintenance and other unforeseen issues. These challenges can evolve over time and may be difficult to fully anticipate or manage, creating uncertainty for both the Town and the property owner.

Staff are not recommending this option, as the potential uncertainties may be difficult to manage over time. More efficient and cost-effective alternatives are available and are described below.

Option 3: Transfer Minimum Land Required for Access and Retain Remaining Parcel as Buildable Lot

Under this option, the Town would transfer only the minimum portion of the road allowance required for driveway access to the approved northwest building envelope of the Blue Birch Lands, while retaining the remaining land under Town ownership as a potential future buildable lot.

Consideration: This option is available and appears to provide the highest value of the lands but will require additional steps and costs to the Town. This option will allow the transfer of a minimum of 10 metres to Blue Birch for a driveway or future shared driveway to one or more lots.

If Council wishes to advance with Option 3 to transfer Minimum Land Required for Access and retain the remaining buildable lot, it will require additional steps by the Town to establish the building lot and proceed through the future sale of the building lot. A Zoning By-law Amendment will be required to permit development. The sale or disposal of the remaining parcel would follow Town Policy POL.COR.07.02 - Sale and Other Disposition of Land, which allows Council, at its discretion, to advertise and request sealed tenders or bids for the sale of land, engage a real estate firm or broker, or utilize an alternative method of sale or disposal as determined by Council.

It should also be noted that the actual area of the building lot or driveway access may differ slightly from the figures shown in the appraisal. If Council wish to proceed with this option, further review of the property layout will be required to confirm an appropriate configuration for both the access parcel and new lot parcel.

Transferring only the minimum portion of land and a single driveway to serve up to three lots could create challenges regarding ownership, access rights, and responsibilities.

A resident to the south has expressed interest in purchasing all or part of the lands adjacent to the southern property line to help protect existing trees and wildlife. The Environmental Impact Study (EIS) prepared for the subject lands, including the unopened road allowance, identifies appropriate mitigation measures. These measures support environmental protection and will be incorporated into future development approvals. Tree removal, buffers, and driveways will be addressed through the consent application process.

Option 4: Transfer the entire road allowance to Applicant

Under this option, the Town would transfer ownership of the subject lands to the applicant. This transfer would provide proper access to the applicant's existing landlocked parcel and enable the creation of up to three future residential lots, each with its own 10 metres of frontage and direct access from Railway Street via private driveways.

Consideration: This option provides a clear and practical solution to address access requirements for the landlocked Blue birch property, ensures proper access for future lot creation (up to 3 lots), removes uncertainties related to long-term challenges with other options, and represents good planning.

Under this Option, Council can consider the most appropriate value for the subject lands. It is noted that two appraisals have been proposed ranging from \$60,000 to \$373,000 based on the value of land as driveway access, and the value of land as driveway access and a potential building lot.

After closure, the former road allowance will assume the zoning of the adjacent properties as per the Town's Zoning By-law. The northern portion will be designated as Open Space (OS), and the southern portion as Residential One (R1-1), in accordance with the By-law provision that boundaries following a lot line abutting an unopened road allowance shall follow the centerline of the road.

Option 5: Defer Decision on the Transfer Until the Associated Consent Application and Configuration of the Future Lots Has Been Approved

Under this option, Council would defer its decision on the transfer of the Railway Street Road Allowance until the associated consent application has been reviewed and approved. This approach would allow the final configuration of the future lots and driveways to be established through the consent process before determining the exact extent of land required for access.

The applicant has submitted a request for Council to consider a more appropriate value of the Road Allowance lands for their intended purpose of individual driveway accesses, with it being noted that the value of the lands for driveway purposes is substantially less than the value of land for a future residential lot. It is further noted that the applicant has no intention of creating a new residential lot on the Road Allowance lands.

At this time, it is not known if any additional lots can be approved on the main Blue Birch property. Applicant's intent is to create 3 lots (two severed and one retained), however all new lot creation must first go through the lot creation requirements under the Planning Act

including providing notice, receiving public comments, and a decision. If the consent application(s) are approved, Planning Staff would recommend the addition of conditions that require a final decision on the Road Allowance lands, and at that time it would be appropriate for the Town to consider the transfer of the road allowance required for driveway access.

Consideration: This option would allow Council to withhold a final decision on the transfer of the lands until the associated consent application and configuration of future lots have been approved. Depending on the final lot layout, Council may wish to consider what portions of the Road Allowance could be transferred.

It should be noted that, as per Town policy, before considering an application to create a new lot, the Town must be satisfied that the lot fronts on and is directly accessed by a public road maintained year-round. Accordingly, granting consent for a landlocked parcel will need to be conditional on the provision of access.

Conclusion

Under the Town's Policy POL.COR.07.02 – Sale and Other Disposition of Land, municipal lands are generally expected to be sold at fair market value. This ensures the Town receives appropriate compensation.

In this case, the applicant has requested that the purchase price reflect the intended use of the lands for driveway and access purposes only, rather than as a potential residential building lot. While this proposed price is lower than the highest appraised value for a residential lot, it reflects the limited use of the lands at this time.

Staff recommend that Council approve the transfer of the entire Railway Street Road Allowance to the applicant, with the lands to be merged with the purchaser's property and used for driveway/access purposes only. The purchase price is set at the proposed value of \$300,000, reflective of the intended use. The transfer agreement should include a restriction limiting the use of the conveyed lands to driveway and access purposes only. The transfer and registration of the lands can occur immediately so that the subject lands and Blue Birch lands can be merged and consent application(s) can follow at some point in time in the future.

Should Council decide not to proceed with the any of the options, further Council direction will be required to determine the appropriate next steps.

The transfer of the subject lands shall not be interpreted as support for the creation of additional residential lots. Any new lot creation will be subject to the formal application process.

The following steps are required to advance and finalize the transfer process in accordance with Town policy:

1. Approval of a by-law to lift the one-foot reserve described as Block B on Registered Plan 811.

2. Approval of a by-law to stop up and close the road allowance and declare the lands surplus.
3. Submission of a Reference Plan to the Town, setting out the lands to be transferred and delineating Hydro One's easement requirements.
4. Execution of the Agreement of Purchase and Sale and receipt of all required payments.
5. Transfer of the subject lands to the applicant, with the lands to be merged with the Blue Birch Lands, for driveway and access purposes only.

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

There are no anticipated Environmental Impacts related to this Staff Report.

G. Financial Impacts

The Town will receive revenue from the sale of the land. All costs associated with the transfer of the subject lands will be the responsibility of the potential purchaser.

H. In Consultation With

Shawn Postma, Manager of Community Planning – Planning Services

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 September 9, 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

J. Attached

1. Attachment 1 - Comments Summary
2. Attachment 2 - Public Meeting Comments (Original)
3. Attachment 3 - Survey Plan
4. Attachment 4 - Draft By-law to Lift 1' (0.3m) Reserve
5. Attachment 5 - Draft Stop-Up and Close By-law

Respectfully submitted,

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Senior Planner

For more information, please contact:

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Report Approval Details

Document Title:	PBS.25.091 Recommendation Report - Request to Purchase portion of Railway Street.docx
Attachments:	- PBS-25-091-Attachment-1.pdf - PBS-25-091-Attachment-2.pdf - PBS-25-091-Attachment-3.pdf - PBS-25-091-Attachment-4.pdf - PBS-25-091-Attachment-5.pdf
Final Approval Date:	Nov 7, 2025

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

Shawn Postma - Nov 6, 2025 - 10:34 PM

Tim Murawsky - Nov 7, 2025 - 8:33 AM