



# Staff Report

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## Planning & Building Services – Planning Division

**Report To:** COW - Operations, Planning and Building Services  
**Meeting Date:** December 9, 2025  
**Report Number:** PBS.25.112  
**Title:** Information Report – Proposed Official Plan Amendment, Zoning By-Law Amendment and Draft Plan of Subdivision 372 Grey Road 21 (1000925296 Ontario Inc.)  
**Prepared by:** Adam Farr, Senior Planner

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### A. Recommendations

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THAT Council receive for information Staff Report PBS.25.112, entitled “Information Report – Proposed Official Plan Amendment, Zoning By-Law Amendment and Draft Plan of Subdivision 372 Grey Road 21 (1000925296 Ontario Inc.).”

### B. Overview

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This report provides a status report on the review of applications filed by Rhemm Properties to facilitate a proposed 53 unit residential development located on the westerly portion of lands addressed as 372 Grey Road 21 in Craigeith.

The related Official Plan Amendment, Zoning By-law Amendment, and Draft Plan of Subdivision applications are actively under review and, based on the issues identified to date, staff are not in a position to issue a recommendation at this time. Pursuant to the Planning Act, the applicant will be in a legal position to appeal lack of a decision on these applications after January 5, 2026.

Town staff have consulted with the applicant who is supportive of taking additional time to address and respond to questions and issues raised through the Public Meeting and from circulation of the applications to the Town, County and commenting agencies. Town staff intend to continue to work with the applicant to seek to resolve and or scope any related issues in advance of a future recommendation report to Council.

### C. Background

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The subject development proposal seeks various approvals (Official Plan Amendment, Zoning By-law Amendment and Draft Plan of Subdivision) in support of a 53 unit residential development on the westerly portion of lands addressed as 372 Grey Rd 21 in Craigeith.

### Site and Surrounding Area

This 6.96 HA property is located east of Lakeshore Road, south of the Georgian Trail, Timmons Street and Highway 26 and west of Grey Rd 21 separated by the easterly parcel carrying the same property address and the Georgian Trail. The property is currently vacant and is situated directly east of the Eden Oak Trailshead development that is now under construction.

**Figure 1: Air Photo**



Surrounding properties are:

**To the north:** the Georgian Trail on Town owned lands, residential lots fronting Timmons Street and, beyond that, Highway 26

**To the west:** the Eden Oak Trailshead development, lands owned by MacPherson homes and father to the west Lakeshore Road

**To the south:** Undeveloped lands owned by Denis Martinek and beyond that Monterra Road

**To the east:** the Georgian Trail on Town-owned lands and other lands owned by the same property owner comprised of a Provincially Significant Wetland and residential development and, beyond that, Grey Road 21

### Current Land Use

The property is currently designated Resort Recreational Area in the County Official Plan, Residential Recreation Area (RRA), Wetland (W) and Hazard (H) in the Town Official Plan, and is zoned Development (D) Zone and Wetland (WL) in the Comprehensive Zoning By-law. The property also carries the Holding -One (H1) zoning provision which requires issuance of a Grey Sauble Conservation Authority (GSCA) permit before it can be lifted from the property to allow development. Portions of the property are regulated by the Grey Sauble Conservation Authority. The property falls within the Niagara Escarpment Plan area and carries the Escarpment Area designation.

**Site Constraints**

There are various environmental and site constraints that frame the immediate development potential of the subject lands including, but not limited to:

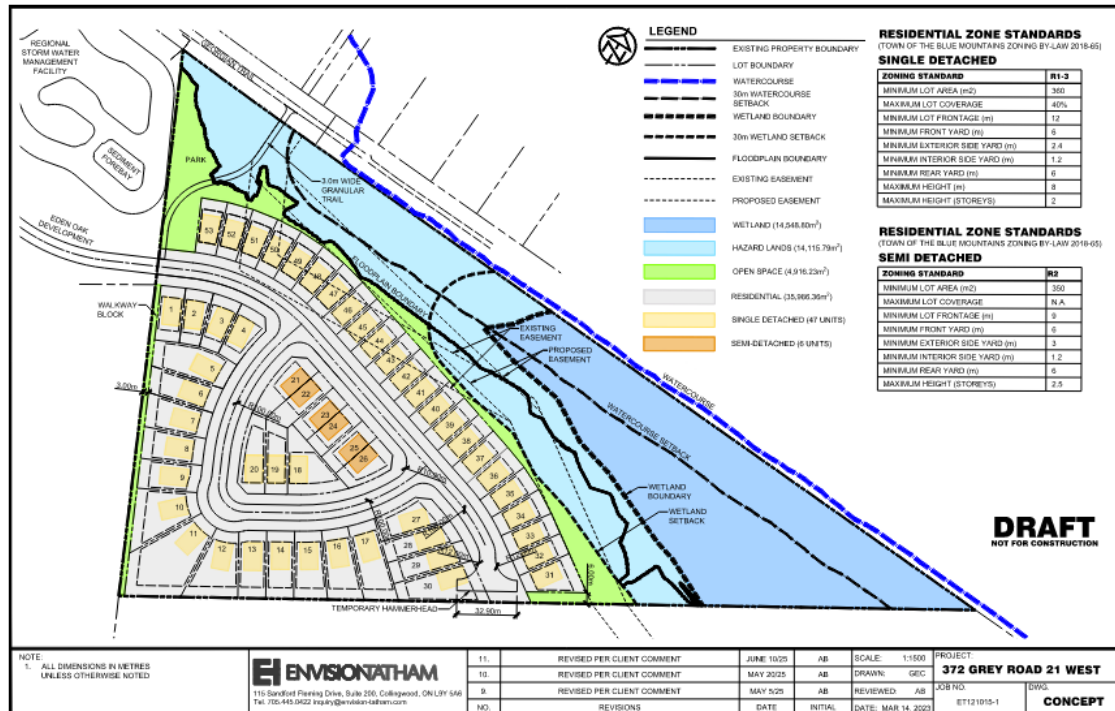
- Significant wetlands on the northeastern corner of the property,
- Significant woodlands throughout
- Watercourse 6 which crosses the eastern portion of the property and runs along the northern property boundary
- High water table and bedrock conditions
- Dependency on adjacent development for road and infrastructure access
- Requirement for downstream drainage works
- Mapped flood plain across the property

**Complete Application Submission**

The OPA, ZBA and Draft Plan of Subdivision applications were deemed complete on September 5, 2025.

The proposal is for a 53 unit residential development with a public road system connected through the adjacent development to the west which is currently under construction. Note that basements are proposed on units 31-55 (the proposed north eastern most lots). Wetland, woodland, watercourse and hazard and buffer lands are proposed to be conveyed to the Town along with open space and a public park. A trail connection is proposed to the Georgian Trail and a trail block for future trail connection to the south is proposed on the western side of the property. Removal of a portion of significant woodlands on the south west side of the development is proposed to accommodate the development design and offsetting compensation is proposed on the north and east sides.

**Figure 2: Draft Plan and details**



### **Proposed Official Plan Amendment**

The proposed OPA seeks to revise the boundaries of the Residential Recreation Area (RRA), Wetland and Hazard designations and seeks to increase the permitted density in the RRA area from a maximum of 10 units/gross HA to 12.96 units/gross HA.

### **Proposed Zoning By-law Amendment**

The proposed ZBA seeks to introduce residential zoning permissions to the property through the Residential One-Three (R1-3-H) Holding Zone and Residential Two (R2-H) Holding Zone, introduce Open Space (OS) and Hazard (H) Zones and revise the boundaries of the existing Wetland (WL) Zone. The applications also seek to lift the H1 provisions from the property on the basis that the wetland areas will have been defined and that these and related buffer and hazard lands would be conveyed to the Town as part of the 40% Open Space dedication requirements in the Residential Recreation Area Official Plan designation which applies to the property.

### **Proposed Draft Plan of Subdivision**

The Draft Plan of Subdivision proposes:

- Single detached houses on 47 lots
- Semi-detached houses on 6 lots
- Wetland
- Hazard Land
- Open Space (includes trail and proposed park area)
- 2 roads (Street A, Street B)
- Trail block

These applications include a draft plan of subdivision that falls under the jurisdiction of and requires approval from Grey County. The following materials were provided with the applications:

County of Grey Draft Plan Application	Geotechnical Investigation Report
TBM Draft Plan Application	Supplemental Test Pit Investigation
Official Plan Amendment Application	Archaeology Report
Zoning By-law Amendment Application	Feature Based Water Balance
Draft Plan	Tree Inventory and Protection Plan
Frontage and Areas (July 2025)	Traffic Impact Study
Draft Official Plan Amendment	Topographical Survey
Draft Zoning By-law Amendment	Hydrogeological Study
Concept Plan (July 2025)	Architectural Control Guidelines
Planning Justification Report	Housing Needs Report
Stormwater Management Report	Landscape Analysis Report (July 2025)
Environmental Impact Study Update (July 2025)	Urban Design Report
Functional Servicing Report	Comment Response Matrix (Pre-consultation to First Submission)
Flood Assessment Brief	

Full submission details can be found at the following link:

<https://www.thebluemountains.ca/planning-building-construction/current-projects/planning-development-projects/372-grey-road-21-west>

A number of items were flagged as missing from the application materials based on pre-consultation comments or the preliminary review of the submission and additional information was requested for further review by the applicant through review of the full submission:

- High water table, fill requirements and review of related implications
- Consideration of the impact of proposed routing of sanitary service extension through hazard land and watercourse buffer and retention of the existing sanitary service within the wetland buffer
- Access controls within the wetland and watercourse buffers
- Detail and extent of parkland and distinction from Open Space required under the Residential Recreation Area designation of the Official Plan
- Urban Design materials related to community design and architectural control provisions.

To date, staff have further raised these questions and reflected them in first submission comments. Staff are awaiting additional information to address related questions and the applicant has stated this will be contained in the second submission. It is not possible to evaluate some aspects of the development without this information. Additional details are provided in the Analysis section under the issues review.

### **Public Meeting**

A public meeting was held on October 21, 2025. Town staff and the applicant provided presentations. The Town received 12 written comments. A summary list of comments includes the following:

- **Flooding and Environmental Concerns:** Multiple speakers, including Council and public participants, questioned the adequacy of floodplain studies, the impact of basement construction on hydrology, and the sufficiency of environmental assessments, particularly regarding species identification and woodland removal. Concerns were raised about the long-term effects of altering wetlands and the effectiveness of compensation planting.
- **Housing Affordability and ADU Effectiveness:** Questions were raised about the claim that the development would provide affordable housing, noting high projected home prices (\$1–1.4 million) the limited impact of ADUs on affordability, and the likelihood that new homes would serve as second homes or investment properties rather than primary residences for local workers or young families.
- **Traffic and Infrastructure Issues:** Concerns were raised about increased traffic, the need for traffic control measures such as stoplights, and the adequacy of road and utility infrastructure to support the new development, especially in relation to existing and future traffic volumes on Highway 26 and local streets.
- **Process and Transparency:** Questions were asked about the availability of presentation materials, the accuracy of technical reports, and the transparency of the planning process.

The Chair and staff clarified that all comments would be included in the public record and that the process was ongoing, with further opportunities for input before any decision is made.

Issues identified in written submissions were generally summarized as follows:

- Overdevelopment in the Craigeith area;
- Stormwater management impacts on surrounding properties and water quality;
- Concerns regarding the overall ecological integrity of the watershed and the Silver Creek Wetland complex;
- Protection of wetlands, watercourses and woodlands and the related flora and fauna; and,
- Suitability of land for development.

The applicant noted at the public meeting their intent to respond to the related issues:

- **Parkland Dedication Clarification:** Provide an addendum letter confirming the open space block breakdown and how the 5% Parkland dedication requirement will be met, ensuring agreement with staff prior to the second submission.
- **Environmental Assessment Concerns:** Review and address public concerns regarding the adequacy of the environmental assessment, specifically regarding unaccounted species and the extent of fieldwork conducted, and provide a response in the next submission.
- **Traffic Control Request at Mountain View Road:** Consider and respond to the request for a stoplight or other traffic control measures at the intersection of the development access and Mountain View Road, due to safety concerns for local residents.
- **Flooding and Hydrology Report Clarification:** Review and clarify the floodplain and hydrology reports to explicitly address the impact of basements and the relocation of the trunk sewer on local drainage and flooding risks, and provide further detail in the next submission.
- **Affordable Housing and ADU Feasibility:** Reassess and clarify the projected affordability of the proposed homes and ADUs, including realistic rental rates and construction costs, and address public concerns about the likelihood of these units providing affordable housing for local residents.
- **Eden Oak Development Coordination:** Obtain and provide documentation or confirmation of cooperation and alignment with Eden Oak regarding road access, stormwater management, and other shared infrastructure for the proposed development.

### **Circulation**

The applications were circulated for comment to Town departments, Grey County, Grey Sauble Conservation Authority, Ministry of Transportation, the Niagara Escarpment Commission, indigenous communities, utilities and others. Detailed consolidated comments have been provided to the applicant on November 12, 2025 and staff met with the owner and their consulting team on November 13, 2025. An additional meeting was held to discuss Engineering and Operations issues on November 26, 2025. Staff have provided additional correspondence as appropriate relative to other issues. Town staff are awaiting a second submission to respond to Town and Agency comments from Grey Sauble Conservation Authority were not available in time to present at the public meeting but have been provided here for information as Attachment 1 – Grey Sauble Conservation Authority Comments.

### **Issues identified to date**

There are a range of issues under review at this time that are captured within Town and agency comments. A more detailed review of some of the key issues is provided in the analysis section below.

## **D. Analysis**

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The subject applications for Official Plan and Zoning By-law Amendments and for Conditions of Draft Plan of Subdivision continue to be in active review. Town and agency staff are awaiting a second submission to address the issues that have been identified to date.

Generally, these issues impact the proposed development intensity and composition along with the boundaries of the proposed Official Plan designations which, in turn, impact the proposed Zoning By-law Amendment. Detailed provisions of the Zoning By-law Amendment are also impacted by and informed by the subdivision design and related submissions. The proposed draft plan of subdivision requires further review to address the various Town and agency requirements, confirm the proposed lotting details and subdivision design, provide sufficient information that demonstrates the viability of the development and that conditions of approval can be crafted to allow for the detailed design of the subdivision to the satisfaction of the Town and commenting agencies.

Pursuant to the Planning Act, the applicant will be in a legal position to appeal lack of a decision on these applications after January 5, 2026. However, the applicant has communicated to the Town that they wish to continue to work with the Town beyond the appeal date in order to arrive at a development concept and details that results in an approval recommendation for Council consideration.

Town staff are supportive of working with the applicant beyond the lapsing of the decision making date (January 5, 2026) in order to seek resolution of issues and/or scope them to the greatest extent possible before making a recommendation. The alternative would be to refuse the application within the decision making period in order to gain a record or the Council decision to support the municipal position in the event of an appeal by the applicant. Given the extent of unresolved issues at this time, the expectation that the next submission will respond to these, and the applicants stated commitment to work to resolve issues staff have not further considered this option at this time.

Approvals, conditions and/or clearances are required from the following agencies:

### **Ministry of Transportation**

The Town is awaiting MTO comments. The development in this area was dependent on road widening and construction of turning lanes which was completed/undertaken by Eden Oak (developer of the adjacent lands). The extent of construction was dependent upon these works. The subject development proposal connects to the public roads proposed in the Eden Oak development and is dependent on the same off-site works for entry and exit.

### **Niagara Escarpment Commission**

The subject lands are within the Niagara Escarpment Plan (NEP) area and the Town is required not to be in conflict with the related NEP direction.

### **Grey Sauble Conservation Authority**

Any development on the property is subject to permitting based on the Conservation Authority Act (GSCA) Generic Regulations. GSCA has provided comment (attached).

### **County of Grey**

The County of Grey has approval authority over draft plans of subdivision in Grey County and has final approval authority over Official Plan Amendments. The County of Grey ecologist is a peer reviewer to the Town in the review of natural heritage matters.

### **Town of The Blue Mountains**

The Town of the Blue Mountains will make decisions on all of the applications informed by staff and agency review and forward any OPA, if approved, to the County for ratification by County Council and make recommendations on the related Draft Plan of Subdivision which County Council will consider in delivering a final approval.

### **Utilities**

The various utilities provide conditions of approval with respect to development applications.

### **Indigenous Communities**

The Town also seeks comment from and consultation with indigenous communities. Typically this includes requests for completion of and/or involvement in archaeological studies and comments on natural heritage matters.

### **Issue discussion**

The applicant has advised that they are intent on responding to the issues raised by the Town to date. Staff are awaiting a second submission that will address the related questions. A list of the key issues and a brief discussion of each is provided below:

- **Policy and regulatory framework:** Applications are required to demonstrate conformity with the Provincial planning framework, Conservation Authority generic regulations, Niagara Escarpment Plan and MTO requirements. At this time the applicant is not demonstrating compliance with the Provincial Planning Statement (see Attachment 1 GSCA comments) relative to proposed works in the flood plain. The applicant has also not sufficiently demonstrated that alternatives to significant woodland removal have been explored to justify removal and compensation elsewhere on site. Town staff have relayed various other comments related to the policies and provisions of the planning framework with a particular emphasis on the local Official Plan. A more detailed review will be undertaken on receipt of the second submission.
- **Fill and subdivision design:** This development is proposing to import fill in some locations that would increase the existing grade by up to 3 and 4 m (9-12 ft). The proposed change is greatest for lots 31-55, the north eastern-most lots, where, staff have learned, the applicant is proposing walkout basements. This would effectively raise rear building elevations to a

height beyond 11 m or 3 storeys which is generally the maximum building height in the Town. The Town defines height in the zoning by-law as the vertical dimension between finished grade of the wall of the building or structure facing the front lot line which allows variation on the height limit from grade at the rear. Currently there is no significant slope that would necessitate basement walkouts; instead the applicant is proposing grading that would create that condition. Town staff are requesting confirmation of the engineering conditions that result in the need to create these walkout conditions along with additional details including cross sections and also an assessment of the view impact on surrounding areas. While the applicant is proposing to offer basement design packages that would allow them to accommodate Additional Dwelling Units in the basements of these lots it is unclear at this time whether it may be more appropriate to not allow basements in this portion of the development given site conditions.

- **Park block:** A park block has not been delineated on the property. The proposal currently does not distinguish between 40% open space requirements in the Residential Recreation Area designation and 5% parkland dedication requirements of the Planning Act.
- **Parkland and open space design:** Parkland design does not address the related design criteria of the Official Plan and staff have requested that a further analysis be undertaken. Staff have also requested that lot 53, the northwestern most lot be removed to accommodate a larger park frontage on the proposed public road. Staff are also requesting additional details on design of the overall open space area.
- **Rehabilitation and landscape planting:** A compensation and invasive species management plan has been proposed. Staff have requested the additional planting of more mature deciduous and coniferous trees be undertaken to enhance proposed planting. Staff have also requested that enhanced landscaping be undertaken, as a separate measure from any ecological plantings, to increase the visual buffer between the proposed development and the Georgian Trail.
- **Dependency on adjacent lands:** This development is dependent, notably, on the adjacent Eden Oak development for access and infrastructure. Staff have requested that the applicant demonstrate the necessary agreements to travel over the Eden Oak lands, tie into their infrastructure and complete various works on those lands as necessary before the Town assumes the roads and infrastructure within the Eden Oak development.
- **Portion of sanitary trunk relocation:** The proposal seeks to relocate a portion of the sanitary trunk main that travels across the subject lands such that more lands are available for development and a portion of the trunk is moved to the east within the lands to be conveyed to the Town where the existing trunk would otherwise remain. The Town had considered whether or not that sanitary trunk should be relocated within the street network as has been proposed for the water trunk. The result will be that a service access is required to enable maintenance of the trunk as required and how public access will be managed and designed. This will alter the initial plan and require revised landscaping, open space design and strategies for effecting rehabilitation of these lands that do not interfere with the sub-surface infrastructure. Notably, the existing trunk main is located within the 30 m wetland buffer and the proposed extension encroaches into a small portion of the watercourse buffer.
- **Construction methodology – fill and excavation:** Staff have requested confirmation of the construction methodology which appears to include either or both of excavation of the

bedrock and importation of fill. The Hydrogeology study has noted some factors which may require further investigation relative to the proximity of potential excavation in proximity to the wetland, watercourse and surrounding residential development. Additionally, as noted above the proposal includes importation of fill that would result in design impacts that have not yet been described or addressed in the related engineering and urban design and architectural control submissions;

- **Integration of studies:** The results of the Hydrogeology study do not appear as references to the engineering studies and have not been shown to have been considered in those documents. The engineering studies are key documents informing the environmental impact study. Staff have requested interdisciplinary review and consideration of studies such that they are consistent and reflect consideration and integration of relevant details from one to the other. This requirement for coordination also applies to other studies.
- **Urban design and architectural control:** A range of revisions are required in the urban design and architectural control guidelines. Some of the issues include the following. Currently there are conflicts between the statements of compliance with the Town's Community Design Guidelines and the information provided. Additionally, there is no content on the proposed 12 m lots (lots 31-53) or the proposed semi-detached lots. Key lots mapping is not provided and the associated provisions are not referenced. No mechanisms for implementing architectural control are stated. Overall community design content is missing to demonstrate that urban design has been addressed in and integrated within the proposed draft plan and in the associated Official Plan and Zoning By-law Amendments.
- **No off-site impacts:** Staff have requested that the applicant demonstrate that no off site impacts or works are imposed on adjacent property owners or on lands to be conveyed to the Town except as agreed.
- **Housing needs:** Additional information has been requested to support the content of the applicant's housing needs assessment relative to how the proposed housing mix targets local housing needs. The question of the optional ADUs, the viability of the basement construction and the implications for overall development design would also need to be considered pending the response to other issues noted above.
- **Parking and street design:** Staff have requested on street parking details coordinated with driveway locations be completed, that the applicant demonstrate that fire access is sufficient and that the proposed Street A terminus be designed to include a cul de sac.

### Next Steps

The next steps on the file are:

- Relay to the applicant any outstanding agency comments;
- On receipt of the second submission from the applicant, Town staff will circulate for review and provide or forward comment and/or conditions of approval as may be applicable;
- On receipt of the applicants' response, Town and agency staff will consider and/or undertake any further reviews, seek modifications to development proposal as may be required to resolve or scope issues and finalize conditions as may be applicable;
- Prepare recommendation or information report for Council consideration as appropriate.

The applicant has expressed a desire to move expeditiously to the completion of the planning approvals process. Town staff are looking forward to the advancing this file through the development approvals/review process.

## **E. Strategic Priorities**

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The content of this report is consistent with the following 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**

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There are no direct environmental impacts resulting from the preparation of this report.

The subject property carries a number of environmental constraints. The applicant seeks to establish development potential on the subject lands through various studies that are subject to expert review including an Environmental Impact Study, Tree Inventory and Protection Plan, Functional Servicing Report, Stormwater Management Plan, Hydrogeological and Geotechnical Studies. These studies are under review.

## **G. Financial Impacts**

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There are no direct financial impacts resulting from the preparation of this report.

## **H. In Consultation With**

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Shawn Postma, Manager of Community Planning  
Tim Murawsky, Acting Director of Planning and Building Services

## **I. Public Engagement**

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The topic of this Staff Report has been the subject of a Public Meeting and/or Public Information Centre which took place on October 21, 2025. Those who provided comments at the Public Meeting 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 Adam Farr, [planning@thebluemountains.ca](mailto:planning@thebluemountains.ca)

## **J. Attached**

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1. Attachment 1: Grey Sauble Conservation Authority Comments

Respectfully submitted,

Adam Farr  
Senior Planner

For more information, please contact:  
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### Report Approval Details

Document Title:	PBS.25.112 Information Report - Proposed OPA, ZBA and Draft Plan of Sub - 372 Grey Road 21 (1000925296 Ontario Inc.).docx
Attachments:	- PBS-25-112-Attachment-1_Redacted.pdf
Final Approval Date:	Nov 28, 2025

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

**Shawn Postma - Nov 27, 2025 - 12:30 PM**

**Tim Murawsky - Nov 28, 2025 - 9:49 AM**