

Committee Report

To:	Warden Matrosovs and Members of Grey County Council
Committee Date:	September 24, 2026
Subject / Report No:	PDR-CW-43-26
Title:	Approval of City of Owen Sound Updated Official Plan (2026)
Prepared by:	Liz Buckton, Senior Policy Planner
Reviewed by:	Scott Taylor, Director of Planning
Lower Tier(s) Affected:	City of Owen Sound

Recommendation

1. That Report PDR-CW-43-26 regarding the approval of the City of Owen Sound's Updated Official Plan (2026) be received; and,
2. That the Committee of the Whole hereby approves the updated City of Owen Sound Official Plan (2026) as adopted by By-law No. 2026-029, subject to those modifications attached as Appendix 1.

Executive Summary

In April 2026, the City of Owen Sound adopted an updated official plan. The updated plan considers recent changes to the *Planning Act*, the Provincial Planning Statement, the Grey County official plan, as well as input from members of the public and agencies. County staff are recommending approval of the official plan, subject to several minor modifications as described within this report. The proposed modifications have been shared with the City of Owen Sound.

Background and Discussion

The City of Owen Sound adopted an updated official plan (OP) on April 13, 2026. A link to the adopted updated plan has been included at Appendix 2, to this report.

As part of the development of the official plan, the City hosted public consultation sessions and circulated draft amendments to the required agencies. The OP was changed between the initial drafts and the updated adopted version to reflect feedback received. The final adopted version of 2026 official plan incorporates much of the feedback received, as detailed within City of Owen Sound staff/recommendation report CS-26-023, included as Appendix 3. The local staff report also includes an appended 'track changes' version of the 2026 official plan and details the specific ways that the prior 2021 official plan has been amended.

The County of Grey is the delegated authority for approving comprehensive updates and new local municipal official plans. Since adoption, County and City staff have been working together to explore some very minor changes to the adopted plan, and also obtaining updated comments from the Saugeen Ojibway Nation Environment Office for consideration as part of the County's review. Proposed modifications to the plan are being recommended to ensure conformity and consistency with planning legislation and policy. The proposed modifications have been shared with the City staff, in advance of this report. County staff understand that an update will be provided to City Council on September 23, 2026 by City staff, with any arising comments to be shared back to County staff, as may then inform a verbal update to County Council, alongside receipt of this written report.

Should the County approve the updated official plan for the City of Owen Sound, notice would be given to agencies and the public who requested notice, and there would be a 20-day appeal period, per the provisions of the *Planning Act*. Approval of the plan would also have the effect of formally repealing the former 2021 City of Owen Sound official plan, upon coming into force/effect of the updated 2026 OP.

Public and Agency Comments

There were several public and agency comments submitted as part of the development of the updated Owen Sound official plan. These comments are discussed within City of Owen Sound Staff/Recommendation Report CS-26-023, included as Appendix 3 to this report and dated March 23, 2026.

Staff note that much of the input received appears to have directly informed the content of the adopted plan, where City staff and Council found the input to be appropriate and changes warranted. Comments offered through the consultation process by County staff, have been addressed by subsequent edits to the plan, prior to adoption.

Analysis of Planning Issues – Legislation & Provincial Policy

Planning authorities must have regard for matters of provincial interest, as set out under the *Planning Act*, and must be consistent with the Provincial Planning Statement (PPS) 2024. Decisions must also conform to the County of Grey OP and any provincial plans that are in force and effect.

The updated City of Owen Sound OP (2026) has been revised to reflect recent changes to provincial policy, the *Planning Act* (various) and other related legislation, among other pertinent housekeeping matters.

Section 2 of the *Planning Act* sets out the matters of provincial interest which all land use decisions shall have regard for. The matters under this section of the Act cover a broad spectrum of interests, which will not be explored in detail in this report but form the basis for many of the policies within the City's OP.

Chapter 2.1 of the PPS speaks to planning for people and homes, directing that appropriate growth management be undertaken to ensure sufficient land supply is available to accommodate anticipated growth over a time horizon of at least 20 years, and to ensure appropriate designated lands for residential development. The Owen Sound OP aligns its growth horizon with that of the Grey County OP. The OP references the City's intent to achieve

the growth allocation targets established for the City as within the County OP, while not including the growth allocations specifically within the text of the local plan. Growth management is an upper-tier municipal responsibility, and a recent update has been undertaken by the County extending growth forecasts and allocations to 2051 and assessing land needs to accommodate this growth. The updated growth forecasts and allocations arising from the recent Growth Management Strategy update will be embedded into the Grey County OP through a future amendment process. Owen Sound was found through this recent exercise to have sufficient designated lands to meet growth expectations over the extended planning horizon.

Chapter 2.3 of the PPS speaks to the provision of housing, directing planning authorities to provide for an appropriate range and mix of housing options and densities to meet project needs of the community, now and over time. The updated City OP includes a substantially revised Section 3.1.5 ('Affordable Housing'), as;

- includes updated definitions of affordability;
- provides support for the goal of 30% of new housing as affordable housing; and,
- encourages the use of various tools such as Community Improvement Plans, Zoning By-laws, and other incentive programs to support affordable housing creation and maintenance within the City.

The updated plan also supports the use of land-banking of public lands and/or housing first disposal of surplus lands, as may dovetail with other supports or incentives towards affordable housing supply and achievement of an appropriate range and mix of housing options to meet community needs.

Chapter 2.3 of the PPS promotes settlement areas as the focus of growth and development. Owen Sound is designated as Primary Settlement Area within the Grey County OP. Chapter 2.3 further promotes the efficient use of land, resources, infrastructure, and public service facilities, and promotes intensification and redevelopment to support the achievement of complete communities and the provision of a range and mix of housing options. The updated City OP provides policy that requires new development to be serviced appropriately, at (increased) densities that provide for the efficient use of land and infrastructure and contemplates a range of land uses and mix of housing types to support the community's needs, as it continues to grow.

Chapter 2.8 of the PPS speaks to employment and economic development, and together with definitions of the *Planning Act*, was revised from the PPS 2020. The new framework;

- establishes specific use prohibitions for employment areas (i.e., no residential uses, institutional uses, or non-ancillary retail and office uses are permitted), and
- ensures that development on lands within 300 metres avoids, minimizes or mitigates potential impacts on the long-term viability of those employment lands.

The updated City OP incorporates updated definitions and policies to address these changes, being a key focus of the revisions to the OP. More specifically, the updated plan establishes a new 'Flexible Employment Area' in addition to the 'Employment Area' core designation (as defined within the PPS, 2024). Within the new flexible designation, a broader range and mix of uses are permitted, while the core designation offers scoped employment use permissions per the PPS/Act, specifically excluding non-ancillary retail/office use and any residential or institutional uses.

Chapter 2.9 directs that planning authorities shall plan to reduce greenhouse gas emissions and prepare for the impact of a changing climate, through various recommended approaches. The updated City OP includes policies that address these matters, more specifically found within Section 6.1.2 of the plan ('Climate Change and Action Plan') which includes policies and commitments relating to climate action planning, greenhouse gas reduction, and impact mitigation approaches and objectives with respect to infrastructure and development proposals.

Chapter 4.1 of the PPS provides for the protection of natural heritage features and areas. It directs development and site alteration away from certain sensitive features, unless it has been demonstrated that there will be no negative impacts on those features or their ecological functions. The updated OP contains various policies to support implementing the PPS direction. At Section 6.1 of the plan (Environmental Management and Sustainability) policies are included to;

- support protection and enhancement of the health of the natural heritage system and adjacent lands;
- develop and protect the urban forest;
- guide the preparation of Environmental Impact Studies; and
- highlight required considerations relating to ecological offsetting, lake filling, soil contamination, air quality, water quality & conservation, and energy conservation.

Chapter 4.6 of the PPS provides policy direction around cultural heritage and archaeology. The OP includes policy regarding these resources and encourages consultation with Indigenous communities through the development process and to ensure their interests are considered when identifying, protecting and managing archaeological and cultural heritage resources, and in relation to other interests such as potential impacts to the Natural Heritage System, etc. For example, Section 6.1.5.8 of the City OP now identifies that where an Environmental Impact Study is required, the City will consult with Indigenous communities and consider their rights and interests.

Chapter 5.2 of the PPS speaks to directing land away from areas of natural hazard. The Grey Sauble Conservation Authority (GSCA) has reviewed the proposed amended policies and mapping and have provided their comments to the City, given their related mandate. As noted above, these comments have generally been incorporated within the OP.

County Planning staff are satisfied that the updated OP, with the proposed modifications in Appendix 1 to this report;

- has regard for matters of provincial interest under the *Planning Act*, and
- is consistent with the Provincial Planning Statement.

Analysis of Planning Issues – Niagara Escarpment Plan

Comments were offered by Niagara Escarpment Commission staff relating to the plan and reflecting policy considerations arising within the Niagara Escarpment Plan. City staff have addressed the NEC's submission within the Staff/Recommendation Report at Appendix 3, though generally did not implement all suggestions offered, preferring not to duplicate or reiterate NEP policy direction within the official plan.

One matter raised through the NEC review related to the wording of the Environmental Impact Study test for demonstrating “no negative impacts” on natural heritage features and functions. In the recommendation report, City staff noted that this wording reflects that within the County OP. County staff note that this wording is grounded in specific Provincial Planning Statement direction (Section 4.1 (5)) relating to development and site alteration in/near certain significant natural heritage features. County staff are satisfied that, in practice, this can be appropriately reconciled with Niagara Escarpment Plan direction for “minimal or temporary impacts” through the scoping of study requirements, consideration of mitigation measures, and the application of the more protective policy test where applicable.

County Planning staff are satisfied that the updated OP, with the proposed modifications in Appendix 1 to this report, conforms, or does not conflict, with the Niagara Escarpment Plan.

Analysis of Planning Issues – County of Grey Official Plan

The City’s OP must conform to the County’s OP; however, the local plan may also provide more detailed or restrictive policies than may be provided for in the upper-tier plan. The County OP provides a broad policy framework for Primary Settlement Areas, but defers to municipalities to implement their own community specific vision within their municipal OP. In this regard, the City’s OP addresses and conforms to the designation-specific County policies applicable to Primary Settlement Areas. It also successfully implements general policies of the County’s OP. In some cases, it directly refers to expanded policy or more detailed mapping as found in the County OP, rather than duplicating within the City OP (e.g., growth forecasts; Natural Heritage System linkage policies; Significant Woodlands policies; Source Water Protection mapping, etc.). This approach appears to align well with the provincial and County initiatives to streamline official plans and avoiding duplication between plans.

The majority of the modifications recommended in Appendix 1 to this report are minor in nature, largely correcting/updating Ministry references. One modification arose based on further consultation with Saugeen Ojibway Nation Environment Office staff regarding the Official Plan. This modification is detailed as Item #1, within the modifications table at Appendix 1, and reflects the siting of the City of Owen Sound within ‘Saukiing Anishnaabekiing’, the ancestral, treaty lands and territories of the Chippewas of Nawash Unceded First Nation and the Saugeen First Nation, together known as the Saugeen Ojibway Nation (SON). A modification is also included relating to a further minor update to Schedule A to capture an inadvertent omission of a small area of mapped Hazard, as is recommended for inclusion on the schedule by the Conservation Authority. An updated Schedule A, inclusive of the recommended County modifications, is attached as Appendix 4 to this report.

Draft modifications and staff commentary/rationale were shared in advance with City staff and discussed/refined together. County staff understand that an update will be provided to local Council on September 23, 2026 with any arising comments to be shared back to County staff, as may inform a verbal update to County Council on September 24, alongside presentation of this written report.

Subject to the detailed modifications in Appendix 1, County staff consider the updated City of Owen Sound OP to conform to the County of Grey official plan.

Legislated Requirements

Sections 17(34) and 21(1) of the *Planning Act* requires that the County approve, modify, or refuse local official plans and plan amendments for which the County is the designated approval authority.

Following a decision by County Council, a Notice is to be issued per Section 17(35) of the *Planning Act*, beginning a 20 day 'appeal period'.

Financial and Resource Implications

At this time there are no expected financial or staffing considerations beyond those normally encountered in processing an official plan update. While there is always the possibility that the OP could be appealed to the Ontario Land Tribunal, County staff are of the opinion that the City of Owen Sound has appropriately addressed the various comments that have been brought forward through public outreach and consultation and via circulation of notice within the scope of their discretion.

Relevant Consultation

- ☒ Internal: Planning Staff;
- ☒ External: City of Owen Sound; Saugeen Ojibway Nation, Grey Sauble Conservation Authority, Notices to public and agencies as required per the *Planning Act*.

Appendices and Attachments

Appendix 1 – [Recommended Modifications to updated Owen Sound Official Plan \(2026\)](#)

Appendix 2 – [As Adopted City Official Plan \(2026\)](#)

Appendix 3 – [Owen Sound Staff Recommendation Report CS-26-023](#)

Appendix 4 – [Revised Schedule A, inclusive of recommended County modifications](#)