

**The Corporation of the
City of Sault Ste. Marie**

C O U N C I L R E P O R T

October 14, 2025

TO: Mayor Matthew Shoemaker and Members of City Council
AUTHOR: Jonathan Kircal, Intermediate Planner
DEPARTMENT: Community Development and Enterprise Services
RE: Official Plan Update

Purpose

The purpose of this report is to provide an update on the Official Plan (OP), highlighting the major policy directions added or modified since the release of the Draft Official Plan in April 2022, as well as next steps for this project.

Background

On September 27, 2021, Council received the Official Plan Background Report as information – Agenda Item 7.7.4.

On April 11, 2022, (Agenda Item 7.26) Council received the Draft Official Plan as information and instructed staff to submit the Draft OP to the Province, through the Ministry of Municipal Affairs' One Window Service, to receive preliminary comments on the Draft OP.

On October 24, 2023, Planning Staff had a meeting with MMAH staff where verbal comments were provided. To date, comprehensive written comments, which are customarily provided by MMAH, have not been received. It is noted that the Province is the ultimate approval authority for new OP's, therefore preliminary comments from the Province are critical in minimizing any Ministerial modifications, which cannot be appealed.

On August 20, 2024, the new Provincial Planning Statement was published, resulting in a number policy amendments.

Analysis

The Official Plan (OP) is the City's primary land use policy document. It guides growth, infrastructure, and development decisions. Cities are provincially required to maintain and update their OP. Furthermore, Official Plans shall be consistent with the Provincial Planning Statement 2024.

Sault Ste. Marie's in-force OP dates back to 1996. Since then, provincial policy, best practices, infrastructure planning, and demographics have changed

significantly. A new OP is therefore required to align with current policy and community needs.

The revised Draft OP (attached) has been amended to recognize recent Provincial and local policy changes, as well as recommendations received during public consultation.

General Updates

A number of updates have been made to the draft Official Plan (OP) to reflect changes to provincial policy and to address preliminary comments from the Province's review. These updates include:

- Alignment with the policies and terminology of the new Provincial Planning Statement, 2024.
- Updates to reflect a number of recent local policy initiatives, such as Gentle Density regulations, the establishment of Strategic Development Areas (SDAs), affordable housing policies, and the Active Transportation Master Plan.
- Clearer land use compatibility criteria, including impact assessment guidance.
- Revised policy requiring ALL development applications to screen for endangered species, which is the result of verbal comments received from the Province and requirements of the Provincial Planning Statement.

Specific Updates

Secondary Mineral and Mineral Aggregate Resource Areas

Mineral and aggregate resources are identified as a provincial interest, critical to the construction and development industry. In Sault Ste. Marie, primary aggregate resource areas are already protected through land use designations that restrict incompatible development and safeguard long-term access to these materials.

Recent changes to provincial policy require municipalities to identify and protect secondary aggregate resource areas, which are generally of a lower quality than the resources in primary deposits. Having said this, they remain an important part of Ontario's overall aggregate supply.

Secondary Mineral and Mineral Aggregate Resource Areas have been mapped and are shown on Appendix 1 – Natural Heritage Features and Areas. The secondary mineral and mineral aggregate resource areas are generally located south of the primary resource areas. At present, there are no pits or quarries located within the secondary mineral and mineral aggregate area.

Under the revised policy framework, new lot creation and new sensitive uses within Secondary Resource Areas will only be permitted where a study, prepared by a qualified professional, demonstrates that extraction is not feasible due to factors such as resource depth, quality, surrounding land uses, or other limitations.

This approach is less restrictive than the policies relating to primary aggregate areas, where residential severances are prohibited.

Protection of Locally Significant Agricultural Areas (LSAA)

The new PPS 2024 requires municipalities to undertake a specific analysis to determine the presence of Prime Agricultural Lands.

This policy exists to protect prime agricultural lands from development that may fragment farm parcels, replace agricultural uses, pose land use compatibility issues, or impede the long-term viability of agricultural operations. According to current provincial soils and agricultural mapping, no lands in Sault Ste. Marie are identified as “*prime agricultural land*”, specifically, lands having high-quality soils, large parcels, and a predominance of existing agricultural uses. However, policy also supports municipal discretion in identifying *locally significant agricultural* systems beyond what is mapped provincially. While lands within the City do not meet the threshold for provincially identified prime agricultural areas, there are rural parcels that have meaningful local agricultural potential.

To assist in identifying these lands, Planning staff undertook a strategic review of the rural area using the provincially recognized Land Evaluation and Area Review (LEAR) methodology. LEAR is a standardized approach that assigns scores to land based on soil quality and other factors such as existing agricultural activity, size of contiguous farmland blocks, and degree of fragmentation.

Currently, only one congruent area is proposed for designation as a Locally Significant Agricultural Area (LSAA), as shown on Appendix 2 – Locally Significant Agricultural Areas. The LSAA is a large area located west of the Urban Settlement Area between Leigh’s Bay Road and Carpin Beach Road, that measures 954 hectares (2,357 acres) and encompasses 186 lots. 11 out of 19 lots that are classified as ‘farm property tax’ are located within this area. In general, the farm property tax class, which is a lower tax rate, is eligible to properties that are used for a farm business that generates an annual gross farm income of at least \$7,000.

The Draft Official Plan proposes to prohibit rural estate subdivisions within the LSAA. Rural lot severances will continue to be permitted, with a maximum of two new lots plus the retained parcel. For residential consent/severances, a maximum lot area of 1 hectare (2.47 acres) is proposed, and for lots intended for agricultural purposes, a minimum lot area of 4 hectares (9.88 acres) will apply.

The proposed minimum and maximum lot sizes are intended to keep agricultural parcels large enough to accommodate agricultural operations and minimize fragmentation. By identifying and protecting LSAA’s, the City aims to strengthen the local food system, provide clarity to landowners and developers, and support agri-business and farm viability. It is noted that during the formal public

consultation program, targeted information will be mailed to landowners within the LSAA to better understand their overall opinion on this proposed local approach.

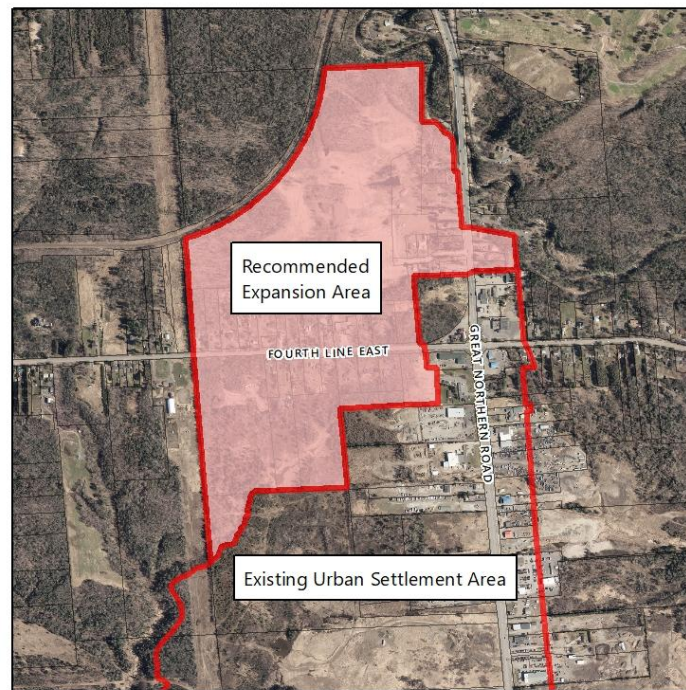
Additional Urban Settlement Area (USA) Expansions

The Urban Settlement Area (USA) is proposed to be expanded to include two new areas, in addition to those that were proposed in the initial Draft Official Plan.

Fourth Line and Great Northern Road Area

The northern extent of the USA will be expanded northward to encompass the lands located generally northwest of Great Northern Road and Fourth Line East.

This location provides a logical, urban expansion that is defined by significant features such as Root River and its associated steep slopes, the Canadian National Railway, and Great Northern Road (Trans-Canada Highway 17). It enables efficient extension of municipal services. The expansion is supported by the City's land needs analysis, which identifies accommodating a portion of greenfield growth in contiguous, serviceable locations.



Korah Road and Rossmore Road Area

The previously recommended USA addition northeast of Korah Road and Rossmore Road has been modified to extend further north. The initial boundary followed the land contours and provided extra separation from the Canadian National Railway. Further review suggests that the grades do not present significant development constraints, and any interface with the rail corridor can be addressed through a comprehensive land use compatibility study.



Rural Residential Subdivisions

Policy Context

The current Official Plan prohibits the development of new rural residential subdivisions, which are characterized as rural subdivisions with larger lots to accommodate on-site well and septic systems. The rationale for these regulations has generally been to:

- Control the location of growth and manage the financial impacts associated with servicing lower-density residential developments in the face of a declining population.
- Address the abundance of vacant rural estate lots that previously existed.

Since 2014, rural residential development has been subject to two key policies:

- Subdivisions: Not permitted in rural area.
- Severances/consents: Limited to the creation of 2 new lots, plus the remnant or retained parcel.

Since 2014, the City's population has grown, and housing demand has increased. A large proportion of vacant rural estate subdivision lots have been developed with virtually no new supply since the early 2000's. Therefore, allowing limited rural residential development, in the form of estate subdivisions, is recommended, however a carefully controlled and phased approach is necessary.

According to building permit data, since 2011, 16% of housing starts have been in the rural area (357 rural, 1,851 urban). More recently, since 2021, the rural share

has decreased to 10.5% (112 rural, 951 urban). Severance activity has also slowed. An average of 4.6 rural lots were created by severance per year over the past 10 years.

With a projected population increase of 6,151 people by 2031, and assuming the 89.5% vs 10.5% urban-rural split remains, rural housing starts are expected to average 30 units per year through to 2031.

There are approximately 182 developable vacant lots in the rural area; 79 of these are within rural subdivisions, but only 9 (11%) are actively listed on MLS. The number of developable rural lots equates to a 6-year supply, utilizing a 30-lot per year estimate. This supply is lower when accounting for the number of lots that are not actively listed on the MLS and therefore, not on the market. In other cases, lots may have remained vacant due to development challenges such as unsuitable soils or topography.

From a land use policy perspective, subdivisions can be an appropriate approach for rural development. Severances can lead to scattered and unplanned development, fragmenting the land base. Therefore, consent policies, which are already subject to limitations, are proposed to remain the same.

While rural estate subdivisions typically rely on private wells and septic systems, they still trigger municipal investments through road maintenance, snowplowing, waste collection, emergency services, and other services that may or may not be directly supplied by the municipality (e.g. power distribution, school bus service). As residential development expands outward with lower population densities, it costs the municipality more to provide these services per kilometre compared to denser, urban areas of the city. Further, rural estate subdivisions also compete with the urban area of the city by drawing population and investments outward. This has implications for the City's broader growth strategy of optimizing existing city urban infrastructure and establishing complete communities that can support an array of different land uses within walkable proximity to each other. Fragmentation of the urban land reserve, agricultural areas, and natural environment and resource impacts are also factors that need to be carefully reviewed by staff to ensure they are appropriately mitigated.

When kept limited and evaluated against land use best practices, rural estate subdivisions can provide community benefits. They expand housing supply and choice for those seeking a rural lifestyle. Compared with scattered, piecemeal lot creation by individual severances/consents, planned subdivisions can foster a neighbourhood feel and sense of place, unlike many other types of rural residential development, particularly those that front on higher speed rural roads.

The overall goal is to ensure that rural lot creation remains limited, especially within the context of rural subdivisions. Some Municipalities have implemented a quota system, whereby developments are approved until such time that a pre-determined

number of new lots is reached. While this ensures rural lot creation remains limited, it results in a first-come-first-serve scenario, where less desirable developments proceed and more desirable developments do not, based solely on the timing of the application.

Planning staff is recommending a 2-step process, consisting of the following:

Stage 1 – Rural Subdivision Request for Submissions Intake Window

Developers and landowners will be invited to submit high-level submission packages outlining the overall design and layout of a potential rural estate subdivision. City staff and relevant agencies will provide pre-consultation services in the same way as they are currently provided, prior to a final submission. Planning staff will assess submissions against published scoring criteria (see Figure 1), which includes among other things, an assessment of the rural estate subdivision lot quota for that particular year. At this stage, costly technical reports are not required.

Submissions that are deemed to be appropriate will be recommended to proceed with submitting a complete Draft Plan of Subdivision application.

Stage 2 – Submit a Complete Draft Plan of Subdivision Application

Successful applicants from Stage 1 will be invited to prepare and submit a complete *Planning Act* application for a Draft Plan of Subdivision.

If a complete application is not received within 12 months of a Stage 2 invitation, the eligibility lapses and the applicant must re-apply to the Stage 1 intake window. This prevents the annual lot quota from being allocated to inactive proposals. Extensions may be granted where legitimate reasons for delay are demonstrated or the delay is very minor in nature.

Applications that are not successful or wish to bypass the Stage 1 submission process are not prohibited from filing a Draft Plan of Subdivision application; however, staff will not recommend approval. Under the *Planning Act*, 'anyone can apply for anything', therefore staff must accept, and process complete *Planning Act* applications and Council is the ultimate approval authority.

Scoring Criteria to Advance to Stage 2

The scoring criteria to be used in the Stage 1 intake window consists of 5 streams that capture land use planning policy. They include criteria related to growth management, land use compatibility, natural hazards, limiting impacts to natural heritage features, and agricultural protection.

This scoring criteria will be published and easily accessible to ensure a fair and transparent process. The 'must-pass' categories ensure that key planning interests are not inadvertently traded off as a result of higher scores in other streams. This

criteria also allows for better comparisons between each application and against planning and local policies.

Planning Act approvals in Stage 2 may not be recommended where full technical studies identify constraints that cannot be mitigated to appropriate standards. For example, unstable slopes preventing structural support for development or inadequate water quantity to support on-site wells. Such issues are often site-specific and require costly, detailed studies, therefore it is not reasonable to require them at Stage 1, which is focused on preliminary feasibility. Having said this, through the pre-consultation process, known risks will be flagged. As with any development application, this type of risk is borne by applicants, who are responsible for due diligence by qualified professionals.

Figure 1 – Rural Residential Subdivision Proposal Evaluation Criteria

Criteria Streams		Scoring
Land Use Policy and Growth Management	<ul style="list-style-type: none"> Located in the Rural Precambrian Uplands, Aggregate Extraction or Locally Significant Agricultural Areas. Scale and phasing exceeds the annual rural residential subdivision lot quota. 	<p>Yes – Proposal does not advance</p> <p>No – Proceed to other criteria</p>
Land Use Compatibility	<ul style="list-style-type: none"> Adequate separation from noxious land uses, such as industrial uses and aggregate operations, livestock facilities and other major facilities such as railways. 	<p>0 – Proposal does not advance</p> <p>1 – Requires revisions</p> <p>2 – Requires mitigation</p> <p>3 – Meets minimum</p> <p>4 – Strong</p> <p>5 – Excellent</p>
Natural Heritage Features	<ul style="list-style-type: none"> Avoids natural heritage features and adjacent lands, including wetlands, fish habitat and significant wildlife habitat, wooded areas/forests. 	<p>0 – Proposal does not advance</p> <p>1 – Requires revisions</p> <p>2 – Requires mitigation</p> <p>3 – Meets minimum</p> <p>4 – Strong</p> <p>5 – Excellent</p>
Hazards	<ul style="list-style-type: none"> Outside of built and natural hazards such as mining hazards, floodplains, steep slopes, including adjacent lands. 	<p>0 – Proposal does not advance</p> <p>1 – Requires revisions</p> <p>2 – Requires mitigation</p> <p>3 – Meets minimum</p> <p>4 – Strong</p> <p>5 – Excellent</p>
General	<ul style="list-style-type: none"> Alignment with Provincial Planning Statement, Growth Plan for Northern Ontario and Official Plan. 	<p>0 – Proposal does not advance</p> <p>1 – Requires revisions</p> <p>2 – Requires mitigation</p>

	<ul style="list-style-type: none">Does not impact future urban growth – Not located in very close proximity to the Urban Settlement Area.	3 – Meets minimum 4 – Strong 5 – Excellent
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Policy Implementation and Phasing Cap

To implement the rural subdivision procedure and policy direction, the Official Plan is proposed to be amended by replacing the blanket prohibition on rural residential subdivisions with a policy that generally limits rural estate subdivisions to not more than 10% of the total number of dwelling units constructed in any year. Furthermore, policy will prohibit new rural estate subdivisions that have not been recommended through the rural estate subdivision intake review window. This approach supports the city's urban growth framework and keeps rural estate subdivision development limited.

The 10% quota will be determined based upon the previous 5-year average of total housing starts. Pent-up demand is expected in the initial years of this new policy and therefore, as not to exclude appropriate developments, the cap in the first two years will double the lot limit cap. Therefore, for the initial years would be around 60 lots annually, before reverting to 30.

The 10% quota reflects recent rural residential housing starts and will permit meaningful yet limited rural residential subdivision development. Staff will continually monitor rural residential starts and modify as necessary, with the overall goal of avoiding a large surplus of vacant registered lots. Draft approvals will be subject to an expiry date – a 'use it or lose it' approach that is common throughout most municipalities in Ontario.

To prevent a single subdivision application from taking up the entire intake quota, a 40% per-application allotment is proposed to be applied in any year with two or more eligible proposals. If only one eligible proposal is submitted, the per-application allotment does not apply. For example, if the annual quota is 30 lots, any one application would be limited to 12 lots (40% of 30), but if it is the only eligible application, it may be allocated the full 30 lots. Larger proposals that exceed the per-application limit or the annual window cap would be recommended to be draft approved in phases.

Once implemented, Planning staff will continually monitor rural residential housing starts, as well as vacant draft approved and registered rural subdivision lots, and amend as necessary.

Next Steps

This report summarizes key proposed revisions and policy directions in the Draft Official Plan, subject to public consultation, Council adoption and ultimately Provincial approval.

Planning staff will undertake a final round of public and stakeholder engagement sessions throughout late October and November and submit a final Draft OP for Council adoption in December, 2025. It is likely that such engagement will result in alterations to the Draft OP, including changes to the key proposed revisions discussed in this report.

If Council chooses to adopt the Draft Official Plan in December, it will be submitted to the Province for final approval. Provincial approval timelines are anticipated to be lengthy. During this period, staff will bring specific Official Plan Amendments forward to implement critical policies such as the Urban Settlement Area expansions and rural subdivision development framework.

Financial Implications

This is an information only report and therefore has no financial implications.

Strategic Plan / Policy Impact / Climate Impact

The draft Official Plan supports the Corporate Strategic Plan's focus areas by directing growth to appropriate locations in the city to drive community development and economic vitality, strengthening quality of life with complete, mixed-use neighbourhoods, housing choice, and safe active transportation, and promoting infrastructure stewardship through phased, fiscally responsible servicing and lifecycle planning. It also supports the City's climate and environmental goals by protecting natural systems and encouraging compact forms of development that are associated with lower emissions.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Intermediate Planner dated October 14, 2025 concerning the Official Plan Update be received as information.

Respectfully submitted,

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