

Report PDR-CW-08-17

To: Warden Barfoot and Members of Grey County Council
From: Philly Markowitz and Scott Taylor
Meeting Date: January 26, 2017
Subject: **Agricultural Lot Sizes Study**
Status: Recommendation adopted by Committee as presented per Resolution CW-14-17; Endorsed by County Council February 9, 2017 per Resolution CC07-17;

Recommendation

1. That Report PDR-CW-08-17 regarding the '*County of Grey Official Plan Policies – Review of Minimum Lot Size Requirements and Impact on Agricultural Operations*' Study, prepared by University of Waterloo Planning Students, be received for information; and
2. That County Planning and Economic Development staff consider the findings of this study as part of the Recolour Grey Official Plan Review process and future Economic Development initiatives.

Background

As part of Recolour Grey, the County is reviewing our Official Plan to ensure it is current and serving the needs of residents and businesses. Through the public consultation that has occurred to date, County staff have received questions and feedback on the minimum agricultural lot sizes permitted in the County Official Plan. Concern has been raised that the current 40 hectare minimum lot size is overly restrictive on new farmers seeking entry into the market, and on niche farming operations which require less land.

In response to these comments the County partnered with students (Jacob Mitchell, Nicole Goodbrand, Katherine Belshaw, and Nicholas Godfrey) from the University of Waterloo Masters Planning program to further research this topic. This topic is also of interest to County Economic Development staff who partnered with Planning staff on this Study.

As part of this project, the student consulting team;

- visited the County,
- met with County Economic Development and Planning staff,
- conducted a survey with Grey County farmers of varying operation sizes,
- interviewed local planners, economic development officers, elected officials, and Ontario Ministry of Agriculture, Food and Rural Affairs staff,
- researched other municipal approaches to minimum farm lot sizes,
- researched farm land values in Grey and across the province, and
- provided recommendations for the County to consider moving forward with Recolour Grey and economic development initiatives.

A copy of this Study has been posted on the County website at the below link.

[Link to Lot Size Study](#)

Existing Planning Policy

The Provincial Policy Statement (PPS) requires the County to map and protect farmland and to ensure that farm lots are “*sufficiently large to maintain flexibility for future changes in the type and size of agricultural operations.*” The County of Grey currently has three land use designations across the countryside; Agricultural, Special Agriculture, and Rural. Within the Agricultural designation, the minimum lot size is generally 40 hectares. The Special Agriculture designation allows for lots with a minimum agriculturally productive area of 10 hectares. The Rural designation has the most flexibility and allows for a wide range of lot sizes from non-farm lots of 0.8 hectares, to hobby farm lots (under 20 hectares), to farm lots (over 20 hectares).

Findings of the Minimum Lot Size Study

As part of their research the student consulting team came to the following conclusions:

1. A 40 hectare minimum lot size would appear to be reasonable, and is consistent with most other municipal approaches across Ontario. The students noted;

“There is little evidence to suggest that reducing the 40 hectare minimum would be of benefit to farming, especially when looking into the future. What the study team has found, is that the issues farmers are facing are not necessarily related to land size. Some of the biggest issues that farmers are currently facing include the cost of farmland and farming equipment and the necessity for off-farm employment to supplement farm income.”

The student team also cited the existing land inventory in Grey County of lots less than 40 hectares, as rationale for not changing the minimum lot size at this time.

2. Allowing smaller lot sizes adjacent to urban boundaries may be a way to support trends in the local food movement.
3. By allowing severances less than 40 hectares, it does not increase agricultural land affordability for young or niche farmers. Although farmland prices have been dramatically increasing across the province, the research shows that on a cost per hectare basis, the costs increase significantly the smaller the parcel size. Smaller parcel sizes are also attractive to estate residential development, which has the ability to take land out of production, result in land use conflict, and increase land values.
4. If the County wants to consider smaller farm lot sizes on a case-by-case basis there should be some criteria in the Official Plan for doing so. The students highlighted Norfolk, Lambton, and Huron Counties as policy examples to draw from in this regard.
5. There may be opportunities to support farming through incentive or alternative tenure-ship arrangements. The students cited agricultural Community Improvement Plans, such as the plan recently passed by the Municipality of Meaford, as well as the possibility for municipal 'land banking' as examples of such opportunities in this regard.

Following their research the student consulting team provided the following recommendations:

1. "Permit the establishment of small farm operations and creation of small lots to lands at the periphery of designated settlement areas as defined by Grey County.
2. Do not allow severances of less than 40 hectares as they are not a solution to increase farmland affordability.
3. Implement policies which maintain a 40 hectare minimum, but allow reductions to lot size with certain requirements such as: proof of diverse and economically viable agricultural operations.
4. Create a Community Improvement Plan that supports agriculture in a variety of ways.
5. Create a land bank that is municipally owned and leased out to local farmers."

Financial/Staffing/Legal/Information Technology Considerations

At this point there are no financial, staffing, legal or information technology considerations directly stemming from this report. County Planning and Economic Development staff will consider the findings of this Study and implement some of them into Recolour Grey and Economic Development initiatives, where appropriate. County

staff will provide future updates to Council on moving forward with some of the recommendations to further support our agricultural economy.

The work completed by the student consulting team was completed without cost to the County, and was done as part of the coursework for their master's degree. County staff are grateful to the students' efforts in this regard, and would note that having to pay a consultant to complete a similar study would likely cost between \$30,000 - \$35,000.

Link to Strategic Goals/Priorities

Supporting agriculture has always been a key priority for the County, and a priority that spans multiple departments. Having the ability to partner with universities and students is a 'win-win' for the County and the schools/students.

Attachments

County of Grey Official Plan Policies – Review of Minimum Lot Size Requirements and Impact on Agricultural Operations Study

Respectfully submitted by,

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and

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Director Sign Off: *Randy Scherzer*