On-Farm Diversified Use

Technical Review and Issues Identification Report

November 2026

TABLE OF CONTENTS

1 INTRODUCTION 1

1.1 Review Background 1

1.2 Project Objectives 2

1.3 Scope of Work 2

2 POLICY AND REGULATORY REVIEW 3

2.1 Provincial Policy Framework 3

2.1.1 Planning Act 3
2.1.2 Provincial Planning Statement (2024) 3
2.1.3 Greenbelt Plan (2017) 4
2.1.4 Niagara Escarpment Plan (2017) 6
2.1.5 Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas (Publication 851) 8
2.1.6 Minimum Distance Separation Document (Publication 853) 8

2.2 Niagara Planning Framework 9

2.2.1 Niagara Official Plan 9
2.2.2 Grown in Niagara: Agriculture Economic Development Action Plan 9

2.3 Town of Niagara-on-the-Lake Planning Framework 9

2.3.1 In-Force Official Plan (2017 Consolidation) 10
2.3.2 Adopted 2026 Official Plan 10
2.3.3 Zoning By-laws 500A-74 and 4316-09 12

3 COMPARATIVE JURISDICTIONAL SCAN 14

3.1 Niagara Comparators 14

3.2 Other Ontario Comparators 15

3.3 Comparison of OFDU Approaches 16

3.4 Key Findings 19

4 GAP ANALYSIS 21

4.1 Policy Gaps and Challenges 21

5 ENGAGEMENT SUMMARY 23

5.1 Engagement Overview 23

5.2 In-Person Stakeholder Workshop Summary 23
5.3 Virtual Stakeholder Workshop Summary 24
5.4 Key Themes..... 24
6 KEY ISSUES ANALYSIS..... 26
6.1 Use Classification and Zoning Permissions 26
6.2 Agri-Tourism, Events and Public-Facing Uses 27
6.3 Development Area and Cumulative Scale 28
6.4 Wineries, Hospitality, Food Service and Accommodation 29
6.5 Development Review and Agricultural Compatibility..... 32
6.6 Coordination of Existing Permissions and Review Requirements 33
7 PRELIMINARY POLICY DIRECTIONS..... 35
8 NEXT STEPS..... 37
APPENDIX A: DETAILED POLICY AND REGULATORY FRAMEWORK 38
APPENDIX B: FIGURES..... 50
APPENDIX C: COMPARATIVE JURISDICTIONAL SCAN..... 54
APPENDIX D: STAKEHOLDER ENGAGEMENT RECORD 58
APPENDIX E: SOURCE AND INSTRUMENT STATUS REGISTER..... 60

1 INTRODUCTION

The Town of Niagara-on-the-Lake initiated the On-Farm Diversified Uses Review to assess how on-farm diversified uses (OFDUs) are defined, permitted and regulated in the Town. This *Technical Review and Issues Identification Report* (the "Report") draws on a policy and regulatory review, a comparative jurisdictional scan, stakeholder engagement and an analysis of key issues. It considers the applicable Provincial, Niagara Region and Town planning frameworks, including:

- the in-force Official Plan (1994, 2017 office consolidation);
- the adopted 2026 Official Plan;
- Zoning By-law 500A-74;
- Zoning By-law 4316-09; and
- related regulatory tools.

The Report identifies policy and implementation gaps, examines key issues and outlines preliminary directions for Phase 3. Its findings will inform potential refinements to the adopted 2026 Official Plan, implementing zoning and related planning tools. The issues and directions identified here do not predetermine the final recommendations.

1.1 Review Background

Niagara-on-the-Lake's agricultural lands form part of the Niagara Peninsula Tender Fruit and Grape Specialty Crop Area. They support vineyards, tender fruit, greenhouse operations, wineries and other agricultural businesses. Agriculture is a significant part of the Town's economy and land-use structure. In 2021, the Town's farms generated approximately $220.9 million in revenue, or 21.8% of Niagara's total farm revenue. The Town also had 31 greenhouse operations covering about 5.24 million square feet, or 24.4% of Niagara's greenhouse area.[1]

The *Provincial Planning Statement, 2024* defines an OFDU as a use that is secondary to the principal agricultural use of a property and limited in area. Examples include home occupations, home industries, agri-tourism and value-added agricultural production. OFDUs let farmers diversify their income while agriculture remains the principal use of the property.

The Town currently regulates comparable activities through agricultural, winery and accommodation provisions in its Official Plan and Zoning By-laws, together with property-specific permissions. The adopted 2026 Official Plan provides updated direction but is not yet in force. It will need to be implemented through zoning and related tools.

[1] Niagara Region Economic Development, Niagara Agriculture Profile, December 2022, based on Statistics Canada's 2021 Census of Agriculture, Tables 8 and 15.

1.2 Project Objectives

The OFDU Review seeks to clarify how OFDUs are classified, permitted and reviewed in the Town. It supports appropriately scaled farm diversification that keeps agriculture as the principal use and protects specialty crop lands and surrounding farm operations. The Review also aligns the Town's framework with current Provincial and Niagara policy and provides a consistent basis for evaluating future proposals.

1.3 Scope of Work

This Report forms part of Phase 2, which establishes the planning context and identifies matters requiring further consideration. Phase 3 will use these findings and the completed engagement record to prepare draft policy recommendations and will include an online survey and Public Information Centre. Phase 4 will present draft recommendations to the Committee of the Whole – Planning and final recommendations to Town Council.

2 POLICY AND REGULATORY REVIEW

Town planning decisions must:

- comply with the *Planning Act*;
- be consistent with the *Provincial Planning Statement, 2024*;
- conform with applicable Provincial plans; and
- conform with the applicable Official Plan policies.

This section summarizes how each instrument affects the OFDU Review. Detailed policy references are provided in Appendix A, and figures are provided in Appendix B.

2.1 Provincial Policy Framework

The Provincial framework permits agricultural uses, agriculture-related uses and OFDUs in prime agricultural areas while protecting the agricultural land base and surrounding farm operations. In Niagara-on-the-Lake, the *Greenbelt Plan* and, where applicable, the *Niagara Escarpment Plan* add more specific requirements.

2.1.1 Planning Act

The *Planning Act*, R.S.O. 1990, c. P.13, establishes Ontario's legislative framework for municipal land-use planning. Section 2 of the *Planning Act* identifies matters of Provincial interest, including the protection of agricultural resources. Section 3 of the *Planning Act* requires planning decisions to be consistent with Provincial policy statements. The *Planning Act* also provides authority for Official Plans, Zoning By-laws, Site Plan Control and other tools used to permit and regulate OFDUs.

2.1.2 Provincial Planning Statement (2024)

The *Provincial Planning Statement, 2024* (PPS) came into effect on October 20, 2024. Section 4.3 of the PPS requires prime agricultural areas to be protected for long-term agricultural use, with specialty crop areas given the highest priority. Within prime agricultural areas, permitted uses are limited to agricultural uses, agriculture-related uses and OFDUs, which must be compatible with and not hinder surrounding agricultural operations.

The PPS allows OFDU criteria to be based on Provincial guidance or municipal approaches that achieve the same objectives. The *Greenbelt Plan* expands on this and provides more specific direction. Policy 3.1.2.1 of the *Greenbelt Plan* requires OFDUs in specialty crop areas, such as those in Niagara-on-the-Lake, to be permitted based on the Province's *Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas* (Publication 851). Accordingly, the municipal flexibility provided by the PPS must be applied in conformity with the *Greenbelt Plan*. Where a Provincial plan, such as the *Greenbelt Plan*, and the PPS conflict, the Provincial plan prevails, except where legislation provides otherwise. Publication 851 is discussed in Section 2.1.5 of this Report.

2.1.3 Greenbelt Plan (2017)

The *Greenbelt Plan, 2017*, as amended, applies to the Town's rural area outside its urban settlement areas. This rural area is designated Protected Countryside and forms part of the Niagara Peninsula Tender Fruit and Grape Area. All of the Town's agricultural land outside the Niagara Escarpment Plan Area is specialty crop area, so the specialty crop policies in Section 3.1.2 govern. Within the Niagara Escarpment Plan Area, the Greenbelt's Protected Countryside policies do not apply and the *Niagara Escarpment Plan* governs instead (Section 2.2 of the *Greenbelt Plan*; see Section 2.1.4 of this Report).

Policy 3.1.2.1 establishes the baseline for OFDUs:

- all types, sizes and intensities of agricultural uses and normal farm practices are promoted and protected;
- a full range of agricultural uses, agriculture-related uses and OFDUs is permitted, based on Publication 851; and
- proposed agriculture-related uses and OFDUs must be compatible with, and must not hinder, surrounding agricultural operations.

OFDUs are therefore permitted in principle, provided they meet the Publication 851 criteria.

A use that does not qualify as an OFDU is a non-agricultural use. Under Policy 3.1.2.2, non-agricultural uses are generally discouraged in specialty crop areas. They may be permitted only under Sections 4.2 to 4.6 of the *Greenbelt Plan* and following an agricultural impact assessment, and lands may not be redesignated in Official Plans for these uses. Clear classification therefore matters because a use outside the OFDU criteria is subject to a higher policy test, not merely a larger rezoning.

New land uses, including OFDUs, must comply with the Minimum Distance Separation formulae (Policy 3.1.2.4). The application of MDS to OFDUs is discussed in Section 2.1.6 of this Report. Where agricultural and non-agricultural uses meet, adverse impacts on the Agricultural System must be avoided or, where avoidance is not possible, minimized and mitigated based on Provincial guidance (Policy 3.1.2.5). The prime agricultural area policies in Section 3.1.3 also permit agricultural uses, agriculture-related uses and OFDUs, subject to compatibility with surrounding agricultural operations and continued protection of the agricultural land base.

Policy 3.2.2.1 confirms that agricultural uses, agriculture-related uses and OFDUs are permitted within the Natural Heritage System, subject to the applicable natural heritage policies. The *Greenbelt Plan's* natural heritage and hydrologic policies may therefore affect where OFDU buildings, parking and servicing can be located.

New buildings for agricultural uses, agriculture-related uses and OFDUs are exempt from key hydrologic area requirements where total impervious surface does not exceed 10% of the lot (Policy 3.2.4.2). In the Niagara Peninsula Tender Fruit and Grape Area, these buildings may also be located within 30 m of a stream that functions as a municipal drain, roadside ditch or agricultural swale, subject to a 15 m vegetation protection zone and other applicable conditions (Policy 3.2.5.8).

Detailed policy references are provided in Appendix A. Figure 1 shows Niagara-on-the-Lake within the Niagara Peninsula Tender Fruit and Grape Area, while the broader Greenbelt context is shown in Figure B-1 in Appendix B.

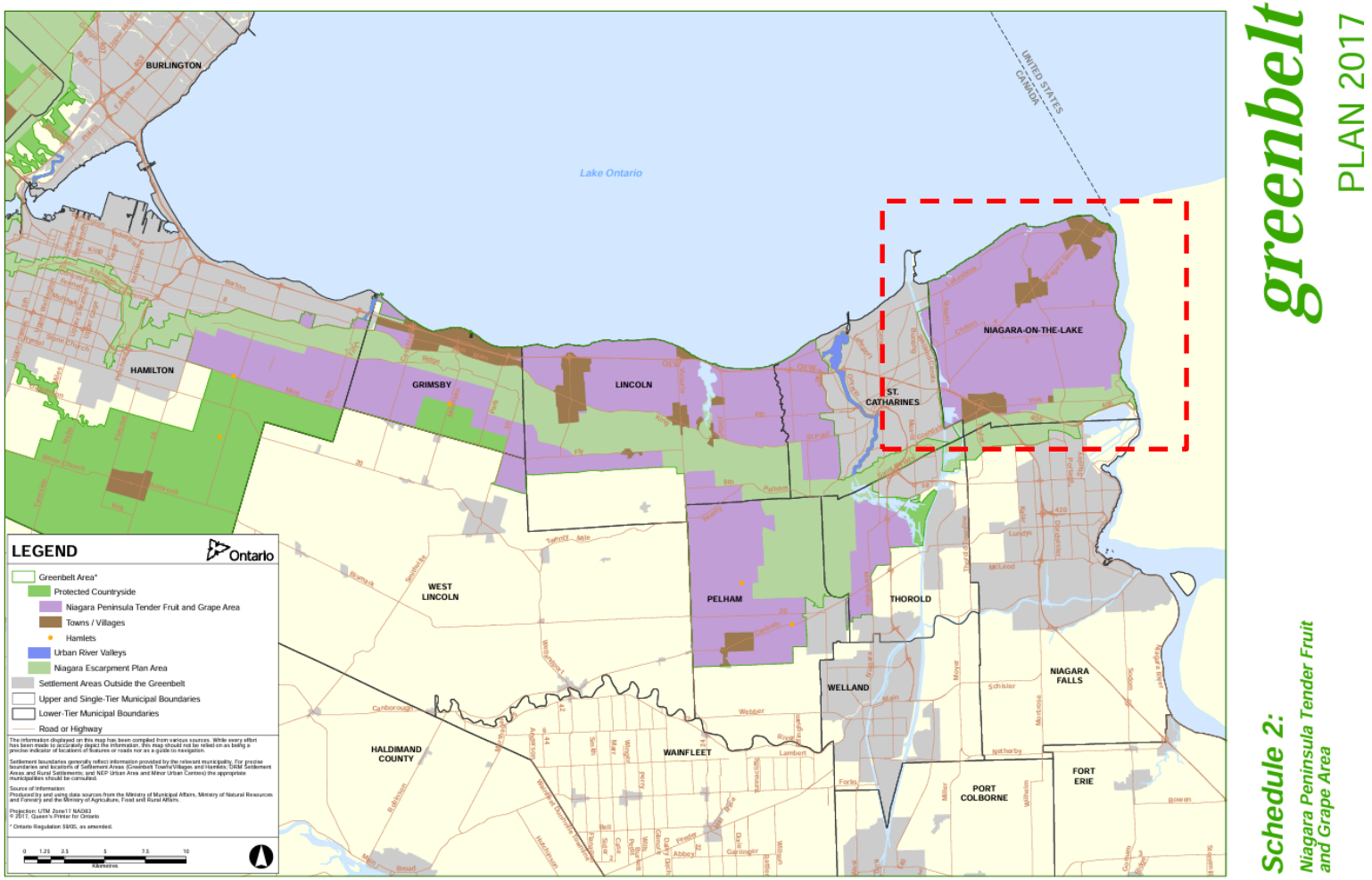


Figure 1: Niagara Peninsula Tender Fruit and Grape Area within Niagara-on-the-Lake

Source: Province of Ontario, Greenbelt Plan, 2017, Schedule 2: Niagara Peninsula Tender Fruit and Grape Area. Excerpted and cropped by WSP to show Niagara-on-the-Lake.

2.1.4 Niagara Escarpment Plan (2017)

The *Niagara Escarpment Plan, 2017*, as amended (NEP), applies to portions of the Town, and municipal planning documents must conform with it. Two of its three parts apply to OFDUs:

- **Part 1 (Land Use Policies)** establishes the land-use designations and the uses permitted in each. Agriculture-related uses and OFDUs are permitted in the Escarpment Protection, Escarpment Rural and Escarpment Recreation Areas, and in the Mineral Resource Extraction Area. In the Escarpment Natural Area, only existing OFDUs are permitted. Within the St. Davids and Queenston Minor Urban Centres, permitted uses are guided by the Town's Official Plan and Zoning By-laws, subject to the applicable *Niagara Escarpment Plan* policies and Part 2 development criteria. Outside the Minor Urban Centre boundaries, the applicable Escarpment land-use designation governs.
- **Part 2 (Development Criteria)** sets the standards a permitted use must also meet.

Part 3 addresses the Niagara Escarpment Parks and Open Space System, which covers public parks and the Bruce Trail. It does not apply to OFDUs on private farmland.

Under Part 2, Policy 2.8.7, an OFDU must:

- be on a farm that is actively in agricultural use;
- remain secondary to the principal agricultural use;
- be compatible with surrounding agriculture and other land uses, and suited to available rural services;
- maintain the area's agricultural and rural character; and
- not be severed from the farm lot.

The policy also sets numerical limits. An OFDU may occupy up to 2% of the farm lot, to a maximum of 10,000 m², and the gross floor area of its buildings may not exceed 20% of that maximum. Existing buildings no longer needed for agriculture should be used where possible. All buildings and parking must be sited to limit their impact on agriculture and on the Escarpment's open landscape character.

Wineries may be agriculture-related uses or OFDUs (Policy 2.8.8). Accessory uses may include a retail sales and tasting area and the sale of related gift and local agricultural products (Policy 2.8.10). A single accessory facility for wine sales with limited food service is also permitted, subject to two conditions (Policy 2.8.9):

- it must be within the winery building, on an attached deck or patio, or in an existing building; and
- new or expanded parking or vehicle access is permitted only if justified.

Within the Niagara Escarpment Development Control Area, development is regulated by the Niagara Escarpment Commission under the *Niagara Escarpment Planning and Development Act*, and a Niagara Escarpment development permit is required unless an exemption applies. Municipal zoning does not apply in this area. Detailed policies are summarized in Appendix A. A Town-focused extract of the Niagara Escarpment Plan designations is provided in Figure 2, and the full regional map is included as Figure B-2 in Appendix B.

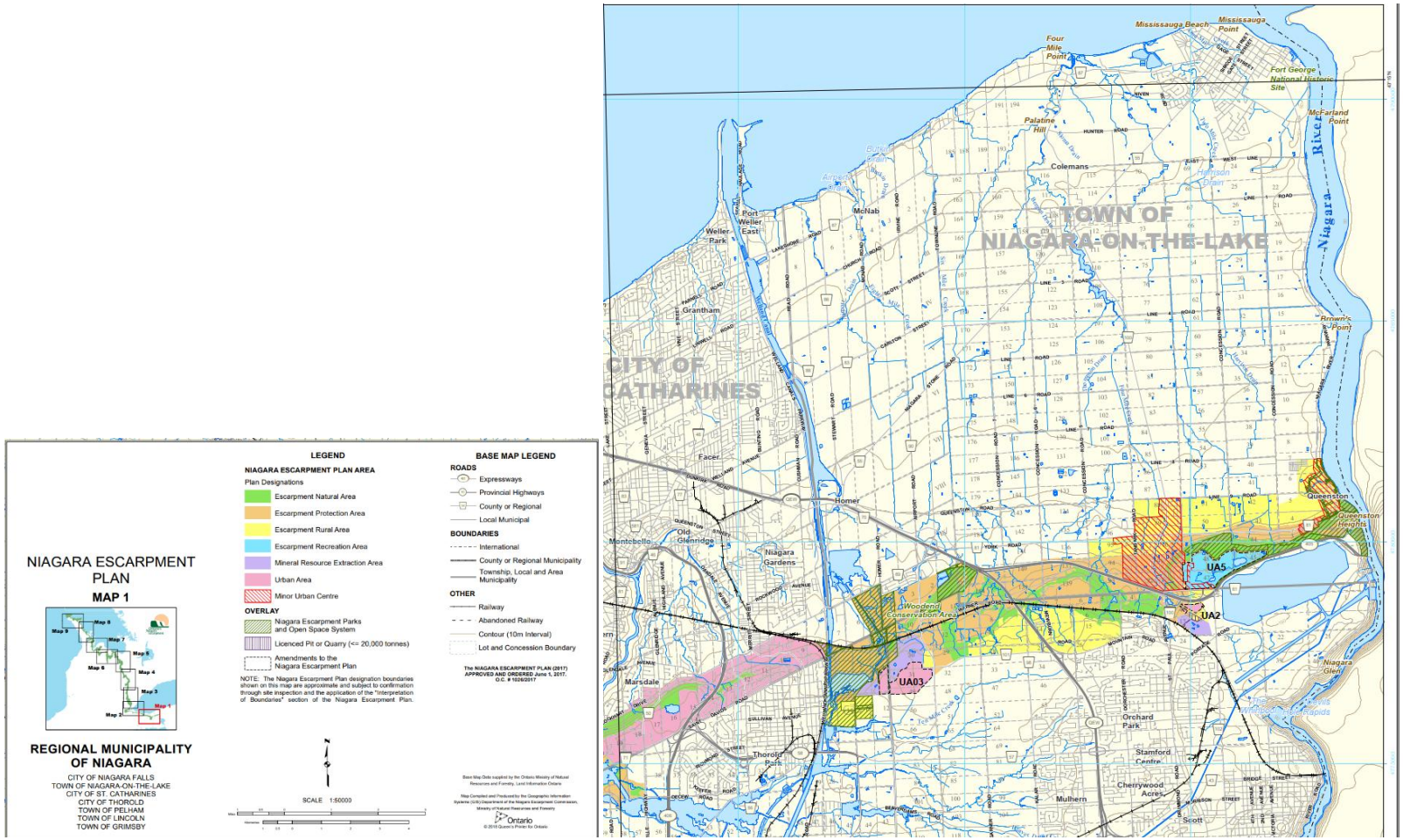


Figure 2: Niagara Escarpment Plan Area and Designations within Niagara-on-the-Lake

Source: Niagara Escarpment Commission, Niagara Escarpment Plan, 2017, Plan Map 1: Niagara Region. Excerpted and cropped by WSP to show Niagara-on-the-Lake.

2.1.5 Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas (Publication 851)

Publication 851 is the Province's guidance for distinguishing agricultural uses, agriculture-related uses and OFDUs. It was issued in 2016 by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA). The current ministry is the Ministry of Agriculture, Food and Agribusiness (OMAFA). The *Greenbelt Plan* requires OFDUs in the Town's specialty crop area to be permitted based on this guidance, as discussed in Section 2.1.3.

An OFDU must be located on a farm, remain secondary to the principal agricultural use, be limited in area and be compatible with surrounding agricultural operations. The planning authority may require evidence that the property is actively farmed, such as confirmation that it qualifies for the Farm Property Class under the *Assessment Act*.

Publication 851 recommends that all OFDUs on a farm together occupy no more than 2% of the farm parcel, to a maximum of one hectare. Existing shared laneways may be excluded. The footprint of buildings constructed before April 30, 2014, when the *Provincial Policy Statement, 2014* came into effect, may be discounted, for example by 50%. New buildings, parking, storage, landscaping and servicing are counted in full.

Detailed calculation guidance is provided in Appendix A. Examples of activities that may qualify as OFDUs, subject to all applicable criteria, are shown in Figure B-3 in Appendix B.

2.1.6 Minimum Distance Separation Document (Publication 853)

Publication 853 sets out the formulae used to separate livestock facilities, manure storages and anaerobic digesters from surrounding land uses:

- **MDS I** applies to new development near existing livestock facilities; and
- **MDS II** applies to new or altered livestock facilities near existing development.

Implementation Guideline 35 provides that MDS I is generally not required for agriculture-related uses or OFDUs. A municipality may apply MDS I to specified uses with higher occupancy or significant public visitation, such as food service, accommodation, agri-tourism and retail operations. The affected uses must be identified in the Zoning By-law and are treated as less sensitive Type A land uses. MDS I does not apply between an OFDU and a livestock facility on the same lot.

Publication 853 identifies examples such as a winery patio offering light meals, an on-farm tearoom and a bed and breakfast with a cooking school. Industrial-type OFDUs with limited public attendance, such as a welding shop, are considered less sensitive.

Based on these distinctions, MDS I should not apply to all OFDUs. It should be considered for specified uses involving higher occupancy, significant public visitation or overnight stays, including food service, accommodation, event or assembly uses and higher-attendance agri-tourism or retail activities. Phase 3 will assess which uses should be identified in the Town's Zoning By-laws and how the required setback would be measured.

2.2 Niagara Planning Framework

2.2.1 Niagara Official Plan

The *Niagara Official Plan* was adopted by Niagara Regional Council on June 23, 2022. Since March 31, 2025, Niagara Region no longer has planning authority, and the Plan now forms part of the Town's planning framework. The Town is responsible for implementing it until the applicable policies are amended or revoked.

The Plan establishes an Agricultural System made up of the agricultural land base and the agri-food network. The land base is made up of prime agricultural areas, including specialty crop areas, and rural lands. Specialty crop areas receive the highest priority for protection (Policy 4.1.1.2). Agricultural uses, agriculture-related uses and OFDUs are permitted in the agricultural land base (Policy 4.1.7.3).

Policy 4.1.7.6 requires an OFDU to:

- be located on a farm;
- remain secondary to the principal agricultural use;
- be limited in area; and
- be compatible with and not hinder surrounding agricultural operations.

The Plan does not set a numerical area limit for OFDUs. Within the Niagara Escarpment Plan Area, OFDUs must also meet the permitted uses and development criteria of the NEP (Policy 4.1.7.8). Policy 4.1.7.9 encourages the use of Site Plan Control for OFDUs.

2.2.2 Grown in Niagara: Agriculture Economic Development Action Plan

The *Grown in Niagara: Agriculture Economic Development Action Plan*, dated October 21, 2024, establishes a five-year economic development framework for Niagara's agriculture and agri-food sector. It identifies agri-tourism and on-farm diversified uses as opportunities for sector growth and includes actions to review regulatory barriers, clarify land-use information, improve coordination and prepare plain-language guidance for agricultural businesses.

The Action Plan is an economic development strategy rather than a statutory planning instrument and does not establish land-use permissions. Its relevance to this Review lies in its support for clearer use classification, coordinated review and more accessible information for proponents.

2.3 Town of Niagara-on-the-Lake Planning Framework

This section reviews the Town's planning framework for OFDUs, including the in-force Official Plan, as consolidated in 2017; the adopted 2026 Official Plan; and Zoning By-laws 500A-74 and 4316-09. It considers how these instruments protect agricultural land, regulate diversified farm activities and address scale, compatibility, servicing and development review.

2.3.1 In-Force Official Plan (2017 Consolidation)

The Town's Official Plan was adopted on March 14, 1994 through By-law 2735-94 and is applied through its 2017 office consolidation (the "2017 Official Plan"). It has been amended over time, including through property-specific amendments addressing agri-tourism and events. It remains in force pending Provincial approval of the Official Plan adopted by Council on May 26, 2026.

Agricultural lands. Section 7 protects tender fruit and grape lands and establishes agriculture as the principal use within the Agricultural designation. The Plan does not use the current OFDU classification. Activities that may function as OFDUs are addressed through separate policies for:

- roadside produce outlets and agricultural markets;
- Farm Wineries, Estate Wineries and Escarpment Wineries; and
- home occupations and home industries.

Agri-tourism and events are largely addressed through property-specific policies and exceptions. These establish controls for individual properties rather than generally applicable Town-wide standards. The Non-Farm Rural designation in Section 8 recognizes established non-farm areas but does not provide general permissions for new agriculture-related uses or OFDUs.

Accommodation. Sections 6.2 and 6.3 address Bed and Breakfast Homes and Country Inns in agricultural areas, subject to compatibility with surrounding farms and applicable development standards. The Plan does not clearly address how accommodation should be treated when combined with agri-tourism, hospitality, events or other diversified activities.

Niagara Escarpment Plan Area. Section 17 requires the Official Plan to be read with the *Niagara Escarpment Plan* within the Plan Area. The separate requirements applying within the Niagara Escarpment Development Control Area are described in Section 2.1.4 of this Report.

Overall assessment. The 2017 Official Plan protects agricultural land and provides direction for several established secondary and visitor-oriented uses. However, the relevant permissions are distributed across agricultural, winery, accommodation and property-specific policies and are not organized according to the current distinctions among agricultural uses, agriculture-related uses and OFDUs. These permissions will need to be considered when assessing the adopted 2026 Official Plan and its future implementation. Detailed policy references are provided in Appendix A.

2.3.2 Adopted 2026 Official Plan

Council adopted a new Official Plan on May 26, 2026 (the "adopted 2026 Official Plan"). The Plan remains subject to Provincial approval and is not yet in force. It therefore represents the Town's intended policy framework rather than the basis for current planning decisions.

Use classification and general criteria. Section 2.2.6 introduces the current Provincial categories for agricultural uses, agriculture-related uses and OFDUs. Classification is based on the Plan, the implementing Zoning By-laws and Publication 851. Agriculture-related uses and OFDUs must avoid constraints on existing farm operations and address servicing, drainage, access, parking, loading, outdoor storage, operating hours and natural and cultural heritage resources. Site Plan Control may also apply.

OFDUs, including agri-tourism uses, home industries and home occupations, must remain secondary to the principal agricultural use, be limited in area and be compatible with the farm and surrounding agricultural operations. Criteria may follow Provincial guidance or municipal approaches that achieve the same objectives, subject to conformity with the *Greenbelt Plan*.

Development threshold. Development exceeding 500 m², including buildings, structures, parking and driveways, requires a Zoning By-law Amendment. The review must consider whether the use would be more appropriately located in a nearby settlement area, whether proximity to the farm is necessary, compatibility with agricultural operations and conformity with the Plan. A scoped agricultural impact assessment may also be required.

Agri-tourism and events. Agri-tourism directly related to agriculture is intended to be permitted through the implementing Zoning By-laws. Indirectly related agri-tourism requires a Zoning By-law Amendment and must be limited in scale, compatible with surrounding farms and neighbouring properties, capable of being privately serviced and accommodated without significant infrastructure improvements, and protective of agricultural land and cultural heritage resources.

Special events associated with indirectly related agri-tourism must be occasional rather than regularly recurring and must not hinder agricultural operations or neighbouring properties. Where applicable, events must also comply with the Town's *Special Event By-law No. 2026-005*. The Special Event By-law regulates event operations but does not independently establish land-use permission.

Wineries. Farm Wineries and Estate Wineries may be considered agriculture-related uses, OFDUs or a combination of the two.

- **Estate Wineries** require a site-specific Zoning By-law Amendment and are generally contemplated on a contiguous parcel of at least eight hectares. Smaller parcels may be considered where the rural setting is maintained. The majority of arable land must be planted and in production. Most wine must be produced from locally grown fruit, with most of that fruit grown and crushed on site. Ancillary uses may include retail sales of wine made on site, a hospitality area where food and wine are prepared and served, limited events, an agricultural market selling products from the Town and overnight accommodation. Floor space for these uses is to be limited through zoning.
- **Farm Wineries** are intended to be permitted through zoning on parcels of at least four hectares that are predominantly in vineyard production. Wine must be produced from locally grown fruit, with most of the fruit grown on site, and retail floor space is to be limited.

Breweries and distilleries in the specialty crop area require an Official Plan Amendment.

Other relevant policies. The Plan encourages the adaptive reuse of surplus farm buildings for agriculture-related uses, OFDUs and agri-tourism, including to conserve cultural heritage resources. New development must comply with the applicable Minimum Distance Separation formulae. Site-specific Official Plan and zoning approvals granted before December 16, 2004 may continue to be recognized.

Overall assessment. The adopted 2026 Official Plan provides a more current policy basis for OFDUs and anticipates updated policies following this Review. Matters requiring further consideration include:

- how the 500 m² threshold is calculated;

- how “occasional” events are distinguished from recurring activities;
- how active farming is demonstrated for OFDUs;
- differences between the Plan and existing zoning provisions for Farm Wineries; and
- consistency between the roadside produce outlet policy and its definition.

These matters are examined in Section 6. Detailed policy references are provided in Appendix A.

2.3.3 Zoning By-laws 500A-74 and 4316-09

Zoning By-law 500A-74 was adopted in 1974 and applies primarily outside the Town’s urban boundaries. It has been amended over time to address agricultural markets, produce stands, wineries, patios and property-specific permissions. The By-law predates the current Provincial OFDU framework and does not define OFDUs. Activities that may function as OFDUs are instead regulated through accessory-use provisions, individually defined uses, zone permissions and property-specific exceptions. The zoning by-law’s definition of a farm refers to land used for growing crops or raising livestock but does not establish a separate test of active or commercial farming.

Agricultural zones and farm retail. The Rural (A) Zone permits farms and several related activities, including nurseries, commercial greenhouses, home industries, farm-produce storage, seasonal produce outlets, Farm Wineries and small-scale tourist accommodation. The Agricultural Only (AO) and Agricultural Purposes Only (APO) Zones provide narrower agricultural permissions.

Seasonal produce stands are limited to 18.5 m² and to non-processed Canadian-grown produce. Agricultural markets may sell specified fresh and processed farm products that are primarily domestic in origin, together with limited accessory products. These provisions establish different product-source and retail rules but do not form a coordinated OFDU framework.

Home-based uses and accommodation. Home occupations are limited to the dwelling and may not include retail sales or food preparation. Home industries must operate from an accessory building and may not include outdoor storage. Small-scale tourist accommodation is limited to three rented rooms, while a Country Inn requires a site-specific Zoning By-law Amendment.

Wineries. Farm Wineries and Estate Wineries are defined and regulated separately:

- **Farm Wineries** are permitted in the Rural (A) and Rural Residential (RR) Zones. Wine must be produced from fruit grown, crushed and fermented on site and bottled on site. Wine-sales floor area is limited to 18.5 m².
- **Estate Wineries** may use locally grown fruit, with sourcing prioritized from the Town, Niagara Region and Ontario. They require a site-specific Zoning By-law Amendment and are generally contemplated on a contiguous parcel of at least eight hectares, mostly in vineyard production. Permitted secondary uses may include wine retail, a hospitality room and an agricultural market, generally limited to 400 m² in total and 139.3 m² for any individual use. A hospitality room may serve wine and food but may not contain commercial cooking equipment.

Food service, patios and events. Where a restaurant is otherwise permitted, an outdoor patio may occupy up to 50% of the restaurant floor area, to a maximum of 90 m². Patio provisions also address setbacks from residential zones, operating hours, seasonal operation and outdoor entertainment. Zoning By-law 500A-74 does not establish generally applicable standards for recurring on-farm events. Winery hospitality, restaurants, patios, event tents and outdoor event areas have instead been addressed through property-specific exceptions with varying standards.

Existing uses and site design. Lawfully established uses may continue, subject to the applicable non-conforming-use provisions. The By-law also establishes parking, loading, access and drainage requirements that may affect diversified farm activities.

Zoning By-law 4316-09. Zoning By-law 4316-09 applies within the urban boundaries of Virgil, Old Town, Queenston, St. Davids and Glendale. Its Agricultural Community Zoning District in Section 12 is not in effect. Lands that would otherwise be addressed through that district therefore remain subject to Zoning By-law 500A-74.

Within its area of application, Zoning By-law 4316-09 contains more detailed winery and event provisions:

- **Estate Wineries** are subject to vineyard-production, secondary-use and event standards. Secondary uses are limited to wine retail, a hospitality room, an outdoor event tent and an agricultural market, with maximum individual and combined floor areas. Outdoor-event provisions address frequency, attendance, operating hours, amplified music, event tents, parking and mobile food trucks.
- **Farm Wineries** require a minimum lot area of four hectares. A value-added use, such as a hospitality patio, requires a Zoning By-law Amendment and Site Plan Control.
- **Agricultural markets and produce stands** are subject to product-source requirements.
- **Occasional uses** are limited to four consecutive weeks or 28 days in a calendar year.

Overall assessment. The two Zoning By-laws regulate several activities that may overlap with OFDUs, but primarily through named uses and property-specific exceptions. Neither provides a complete Town-wide framework for active-farm status, secondary use, cumulative development area or recurring events on agricultural lands. Winery, hospitality, event and product-source standards also differ between the two By-laws and from the adopted 2026 Official Plan. These differences are examined in Section 6. Detailed zoning provisions are provided in Appendix A.

3 COMPARATIVE JURISDICTIONAL SCAN

The comparative jurisdictional scan examines how 12 Ontario municipalities address OFDUs through their Official Plans, Zoning By-laws, development review processes and applicant guidance. The comparators comprise:

- the Niagara municipalities of St. Catharines, Thorold, Lincoln, Pelham, Welland and Grimsby;
- Ottawa, Brant and King; and
- the North Durham townships of Brock, Scugog and Uxbridge.

Several municipalities are reviewing their Official Plans or have adopted plans that are not yet in force. The scan therefore distinguishes between current requirements from adopted, proposed and draft material. Tables 1 and 2 summarize the planning context and status of the applicable instruments. Table 3 compares the municipalities' approaches to OFDUs. Detailed profiles and sources are provided in Appendix C.

3.1 Niagara Comparators

As of March 31, 2025, the *Niagara Official Plan* forms part of the Official Plan framework of each lower-tier municipality in Niagara Region. This is a transitional context because several municipalities are preparing, or seeking approval of, new or updated Official Plans that incorporate Niagara Official Plan policies. The Niagara comparators therefore currently share elements of the Niagara-wide policy framework but differ in their municipal Official Plans, zoning provisions and emerging policy direction.

Table 1 Niagara Comparators – Context and Instrument Status

Municipality	Greenbelt	Contains Specialty Crop	Official Plan	Zoning By-law	Emerging Direction
St. Catharines	Partial	Yes	Garden City Plan (2012), in force	2013-283 (2013), in force	Official Plan update underway
Thorold	Partial	Yes	2016, in force	60-2019, OFDU provisions in force	None identified
Lincoln	Partial	Yes	2016, in force	2022-50 (2022), in force	Official Plan review underway

Pelham	Partial	Yes	2014, in force	4481 (2022), in force	New Official Plan adopted in 2026; not in force
Welland	No	No	2011, in force	2017-117 (2017), in force	Proposed Official Plan released in 2026; not in force
Grimsby	Partial	Yes	2012, in force	14-45 (2014), in force	**Envision Grimsby 2051** adopted in 2026; not in force

The Niagara Official Plan currently forms part of each Niagara municipality's Official Plan framework. Replacement local Official Plans are identified separately where applicable. "Partial" means that the Ontario Greenbelt applies to part of the municipality. The extent and proportion of land designated as Specialty Crop Area vary among municipalities. Official Plan years identify approval or coming-into-force dates, while Zoning By-law years identify enactment dates. Full dates, instrument status and sources are provided in Appendix C.

3.2 Other Ontario Comparators

The other Ontario comparators were selected for their established or recently developed OFDU frameworks. Ottawa and Brant are outside the Ontario Greenbelt. King and the North Durham municipalities contain lands within the Greenbelt, the Oak Ridges Moraine or both.

Table 2 Other Ontario Comparators – Context and Instrument Status

Municipality	Greenbelt	Contains Specialty Crop	Official Plan	Zoning By-law	Emerging Direction
Ottawa	No[2]	No	2022, in force	2026-50 (2026), mostly in force and subject to applicable transition and	None identified

[2] Ottawa's National Capital Greenbelt is a separate federal greenbelt and is not part of Ontario's Greenbelt.

				appeal provisions	
Brant	No	No	2024, in force; amended in 2026	61-16, in force	Zoning implementation of the 2026 Official Plan amendment not confirmed
King	Partial	Yes, Holland Marsh	2020, in force, subject to site-specific deferrals	2022-053 (2022), subject to applicable appeal and transition provisions	Official Plan review underway
Brock	Partial	No	Amended in 2026; enacted	287-78-PL, amended in 2026; enacted	None identified
Scugog	Partial	No	Amended in 2025; in force	Amended in 2025; in force	None identified
Uxbridge	Partial	No	Existing Official Plan in force	81-19, consolidated in 2023; in force	Draft Official Plan released in 2026; not in force

"Partial" means that the Ontario Greenbelt applies to part of the municipality. Official Plan years identify approval or amendment dates, while Zoning By-law years identify enactment or consolidation dates. Full dates, by-law numbers, instrument status and sources are provided in Appendix C.

3.3 Comparison of OFDU Approaches

Table 3 compares the current Official Plan direction, zoning implementation, treatment of specific activities and development review approaches used by the selected municipalities. Adopted, proposed and draft provisions are identified where they are not yet in force.

Table 3 Comparison of OFDU Approaches

Municipality	Official Plan Direction	Zoning Permission and Scale	Specific Activities	Review and Guidance
Niagara comparators				

St. Catharines	Agri-tourism and value-added uses are secondary to the farm	Up to 93 m² on all farm lots; up to 464.5 m² on lots over 6 ha	Limits apply to off-farm sales and winery-related uses	Site Plan Control applies above 93 m²
Thorold	Supports value-added agricultural activity	OFDUs are permitted as accessory uses in the Agricultural (A), Specialty Crop (AS) and Rural (RU) Zones	Zone-specific permissions and standards	No separate guidance identified
Lincoln	Uses a 500 m² threshold to distinguish as-of-right uses from uses requiring rezoning	OFDU activity area is limited to 2% of the lot, to a maximum of 4,000 m²	Wineries are addressed through the agricultural provisions	Site Plan Control applies
Pelham	The in-force Plan supports secondary agricultural uses; the adopted 2026 Plan provides updated OFDU direction but is not in force	Up to three OFDUs; 2% of the lot, to a maximum of 1 ha; combined floor area up to 500 m²	Limits apply to retail floor area, off-farm products and outdoor display	Site Plan Control applies
Welland	The in-force framework addresses agri-tourism; the proposed 2026 Plan introduces the OFDU category but is not in force	Agri-tourism is subject to building floor-area limits	Permitted agri-tourism activities are identified in zoning	The proposed Plan would expand Site Plan Control requirements
Grimsby	The in-force Plan regulates individual secondary uses; the adopted 2026 Plan introduces a comprehensive OFDU framework but is not in force	In-force farm markets are limited to 500 m²; the adopted Plan proposes a 2% or 1 ha OFDU limit and a separate building-area limit	Wineries, cafés and markets are addressed in the adopted Plan	Current and adopted requirements must be distinguished

Municipality	Official Plan Direction	Zoning Permission and Scale	Specific Activities	Review and Guidance
Other Ontario comparators				
Ottawa	Supports compatible rural economic diversification	OFDUs are limited to 2% of the lot, to a maximum of 1 ha; building area is limited to 20% of the OFDU area, to a maximum of 600 m²	Assembly, instructional and restaurant uses are subject to a combined floor-area limit	Site Plan Control and a public applicant guide
Brant	Requires an active farming operation and distinguishes occasional activities from event venues	OFDUs are limited to 2% of the lot, to a maximum of 1 ha; building area is limited to 20% of the OFDU area	Winery and other beverage uses, food service and accommodation are addressed	Public applicant guide
King	Requires farm diversification to remain secondary to agriculture	Minimum 4 ha lot; OFDU area limited to 2% of the lot or 1 ha, whichever is less; individual buildings generally limited to 500 m²	Zone-specific permissions distinguish agri-tourism and more intensive event uses	Use-specific zoning and development standards
Brock	Requires a farm, secondary use, limited area and compatibility	OFDUs are limited to 2% of the lot, to a maximum of 1 ha; building area is limited to 20% of the permitted area; qualifying older farm buildings receive partial area treatment	Limits apply to event venues and on-farm accommodation; specified intensive uses are excluded	Exempt, minor and standard Site Plan review
Scugog	Requires an existing farm operation, secondary use, limited area and compatibility	OFDUs are limited to 2% of the lot, to a maximum of 1 ha	A valid Farm Business Registration number is required for the property	Exempt, minor and standard Site Plan review; North Durham toolkit

Uxbridge	The draft 2026 Official Plan proposes the coordinated North Durham framework but is not in force	Current zoning does not establish a general OFDU category	The draft Plan proposes limits for event venues and on-farm accommodation	North Durham toolkit provides non-statutory guidance

3.4 Key Findings

The approaches of the municipalities referenced above use different mixes of Official Plan policy, zoning standards, Site Plan Control and applicant guidance. In most cases, the Official Plan sets the policy tests for OFDUs (the use must remain secondary to agriculture, be limited in area and be compatible with surrounding operations), zoning then supplies the definitions and measurable standards. The scan also identifies in-force instruments and adopted, proposed and draft ones, because they are not yet in effect and may be subject to change through the approval process. Several municipalities are also in the process of reviewing or updating their Official Plans, which may result in future changes to OFDU policy frameworks and implementation approaches. Five themes are most relevant to Niagara-on-the-Lake.

Active farm status. Most frameworks require an OFDU to be on a farm, but they do not use the same test. Brock defines a farm through farmland assessment and a valid Farm Business Registration number or equivalent. Scugog requires a Farm Business Registration number for the property. Brant requires an active farming operation but does not name the verification needed. Eligibility can therefore rest on definitions, supporting documents or review at application, and Phase 3 will consider which combination suits the Town of Niagara-on-the-Lake.

Development area and building scale. Brant, King, Brock, Scugog and Pelham set separate limits for total OFDU area and for building floor area. Ottawa adds use-specific floor-area caps, such as its 300 m² combined limit for assembly, instructional and restaurant uses. Lincoln keeps its 500 m² Official Plan approval threshold separate from a zoning-based maximum activity area. The numbers differ, but each framework defines what is counted, including parking, access, servicing, outdoor areas and existing farm buildings. The Town's 500 m² threshold has no such definition yet.

Visitor-oriented uses. Several municipalities add specific standards where an activity draws regular public attendance. Brock caps event venues at 200 m² and limits on-farm accommodation. King and Brant separate occasional farm activities from recurring event venues. Pelham limits retail floor area and off-farm products. St. Catharines sets separate limits for agri-tourism, value-added and winery-related commercial uses. These examples suggest that a general OFDU permission is usually not enough for events, food service, accommodation and expanded retail.

Development review. Brock and Scugog assign proposals to exempt, minor or standard Site Plan review based on their scale and likely effects. The Town already differentiates Site Plan review through its procedures and fee schedule. The question for Niagara-on-the-Lake is therefore whether those tools give clear and proportionate review requirements for different OFDU types. Fixed review streams do not need to be built into Official Plan policy.

Applicant guidance. Ottawa and Brant publish guides explaining eligibility, area calculations and related approvals, and the North Durham toolkit does the same for Brock, Scugog and Uxbridge. A similar Town resource could bring together zoning, property-specific permissions, Site Plan Control, servicing, licensing and Niagara Escarpment Commission requirements. It would explain the framework without changing the legal effect of any instrument.

Overall assessment. No single municipality provides a complete model for Niagara-on-the-Lake. The scan's value is in the range of options it shows, not a preferred set of standards. Phase 3 will test these approaches against the Town's specialty crop context, winery sector, existing permissions, private servicing conditions and Niagara Escarpment Plan requirements. Detailed comparator provisions and sources are provided in Appendix C.

4 GAP ANALYSIS

This section identifies the principal gaps between the adopted 2026 Official Plan and the Town's current implementation framework, including the 2017 Official Plan, Zoning By-laws 500A-74 and 4316-09, and property-specific permissions. Because the adopted Plan is not yet in force, its direction for agriculture-related uses, OFDUs, agri-tourism and wineries has not been implemented through the Town's zoning and review tools. The gaps identified below are examined further in Section 6.

4.1 Policy Gaps and Challenges

Table 4 Policy Gaps and Challenges

Gap or Challenge	Brief Explanation
Use classification	Neither Zoning By-law uses the current categories of agricultural use, agriculture-related use and OFDU or distinguishes directly related agri-tourism from indirectly related or more intensive activities. Clear classification is important because a use that does not qualify as an OFDU is subject to the policies for non-agricultural uses under the Greenbelt Plan.
Active-farm status	The adopted Plan requires OFDUs to remain secondary to the principal agricultural use but does not identify the evidence needed to demonstrate active farming. A Farm Business Plan may be required for an agriculture-related use, but no equivalent requirement is established for OFDUs. Publication 851 identifies Farm Property Class eligibility as one form of evidence, while comparator frameworks use Farm Business Registration, farmland assessment or other documentation.
Development area and cumulative scale	The adopted Plan's 500 m² rezoning threshold does not have a corresponding calculation method or establish an overall limit on OFDU development. The treatment of multiple OFDUs, existing farm buildings, parking and driveways, servicing, outdoor storage and activity areas, and facilities shared with the farm is not specified.
Farm retail, hospitality and food service	Seasonal produce outlets, agricultural markets, winery hospitality areas, patios and restaurants are regulated through separate provisions. The framework does not provide common criteria for distinguishing limited farm retail, tasting and hospitality from broader commercial activity. Product-source requirements also differ among Zoning By-law 500A-74, Zoning By-law 4316-09 and the adopted 2026 Official Plan.
Events	The adopted Plan requires special events associated with indirectly related agri-tourism to be occasional rather than regularly recurring but does not define "occasional." Zoning By-law 4316-09 defines an occasional use and establishes numerical standards for Estate Winery

	events, but those provisions do not apply to agricultural lands governed by Zoning By-law 500A-74, where event permissions vary by property.
Wineries	Farm Wineries and Estate Wineries may combine wine production with retail, tasting, hospitality, food service, events, agricultural markets and accommodation. The framework does not provide a consistent method for classifying or measuring these components. Vineyard, lot-size, fruit-source, hospitality and event standards also differ between the two Zoning By-laws and the adopted Plan. The continued planning purpose of the separate Farm Winery and Estate Winery categories requires further assessment.
Accommodation	Bed and Breakfast Homes, Country Inns, small-scale tourist accommodation and winery accommodation are addressed through separate policy and zoning provisions. Their relationship to agri-tourism, OFDUs and the cumulative scale of visitor-oriented development is not clearly established.
Review requirements	The adopted Plan identifies Zoning By-law Amendments, Site Plan Control and scoped agricultural impact assessments as implementation tools but does not specify when each should apply to different types and scales of OFDU proposals. Further direction is also needed on supporting information and the application of compatibility criteria where outdoor events or regular visitor activity are proposed near residential dwellings or farm operations.
Existing permissions	Winery and diversified-use permissions have been established through property-specific amendments using different terminology and standards. The adopted Plan also recognizes certain approvals granted before December 16, 2004. Future implementation will need to distinguish lawful existing and property-specific permissions from provisions intended to apply generally across the Town.
Information for proponents	Requirements may arise from either Zoning By-law, property-specific amendments, Site Plan Control, building and servicing requirements, licensing, event regulation and, where applicable, the *Niagara Escarpment Plan*. No single resource currently explains how these requirements apply to an OFDU proposal. Phase 3 should consider whether a public-facing guide or pre-consultation checklist could explain use classification, development-area calculations, typical submission requirements, agency involvement and the general review sequence. Any guide would be explanatory and would not establish or alter land-use permissions.

These gaps concern how the adopted Plan's direction is carried into the Town's implementing tools. Section 6 examines the issues in greater detail, and Phase 3 will assess whether they are best addressed through Official Plan policy, zoning, Site Plan Control, procedural tools or information for proponents.

5 ENGAGEMENT SUMMARY

5.1 Engagement Overview

Phase 2 engagement included:

- a project launch news release issued on September 14, 2026;
- a dedicated project webpage;
- invitations to stakeholder groups identified by the Town;
- an in-person stakeholder workshop held on September 23, 2026; and
- a virtual stakeholder workshop held on October 1, 2026.

Each workshop included an overview of the Technical Review and a facilitated discussion on the existing planning framework, farm viability, agricultural-land protection, development scale, compatibility and review requirements. Participants at the in-person workshop also provided written responses.

An overview of the feedback has been included in this section, and detailed workshop summaries, written feedback and the workshop presentation are provided in Appendix D.

5.2 In-Person Stakeholder Workshop Summary

The in-person workshop was attended by 14 participants representing agricultural, agri-tourism, winery, orchard, event and related business communities. In addition to in-person commentary, written feedback was collected from participants through workshop workbooks.

Participants identified OFDUs as a means of diversifying farm income, supporting agricultural employment and helping families retain farms across generations. The value of on-farm education, direct sales, value-added production and visitor experiences were also recognized.

Participants indicated that the current policy framework does not consistently explain how emerging or combined activities are classified, measured or approved.

Discussion focused on four key themes:

- **Use classification.** Participants sought clearer distinctions among agricultural uses, agriculture-related uses, OFDUs and commercial or industrial uses, including the relationship between diversified activities and products grown or produced on the farm.
- **Development scale.** Participants raised questions about whether buildings, parking, access, septic systems and outdoor areas should be included in the calculation of OFDU development area.
- **Review requirements.** Some participants described the development review process as lengthy and costly and sought clearer submission requirements, less duplication among required studies and different requirements for temporary, seasonal and permanent activities.

- **Compatibility concerns.** Participants noted concerns including traffic, parking and rural-road safety and interactions among visitors, cyclists and farm machinery. Servicing, drainage, noise and lighting near working farms were also raised.

Participants supported continued opportunities for agricultural innovation and diversification where agriculture remains the principal use and the scale and physical effects of the activity are addressed. Differing views were expressed on the appropriate degree of flexibility. Some participants supported broader permissions for emerging activities, while others emphasized measurable limits to protect agricultural land and avoid unrelated commercial or industrial development.

Overall, the feedback emphasized the need for clearer definitions, predictable permissions, measurable scale standards and review requirements proportionate to the type, scale and potential effects of the proposed activity.

5.3 Virtual Stakeholder Workshop Summary

The virtual workshop was attended by approximately seven members of the public. Discussion focused primarily on wineries, visitor-oriented activities and the Town's review process for development proposals.

Participants described on-site retail, food service, patios and events as contributing to winery operations and year-round tourism activity. At the same time, participants emphasized that agricultural land should remain protected and discussed the relationship between winery permissions, property size and the agricultural use of the land.

Participants raised concerns about the length of the development review process, limited flexibility for minor site or building changes and the absence of a clear application checklist. Clearer requirements for small or temporary events and a proportionate approach to limited vine removal or relocation were requested.

Outdoor or tented events were identified as potentially requiring different treatment from indoor activities because of differences in noise, lighting, parking and effects on adjacent properties. Separation distances, planting, site design and the location of loading areas were identified as measures that could address these matters.

Overall, the discussion indicated support for a framework that distinguishes minor changes and smaller activities from proposals involving new construction, recurring public attendance, additional servicing or more substantial effects on neighbouring properties and agricultural operations.

5.4 Key Themes

The workshops identified the following recurring themes:

- maintaining agriculture as the principal use and protecting productive agricultural land;
- supporting farm viability, agricultural employment and appropriate business diversification;
- clarifying the distinction among agricultural uses, agriculture-related uses, OFDUs, agri-tourism and commercial uses;

- defining development area, including the treatment of buildings, parking, access, servicing and outdoor areas;
- distinguishing temporary and seasonal activities from permanent development;
- distinguishing occasional activities from recurring events and more intensive visitor-oriented uses;
- clarifying the treatment of winery retail, hospitality, food service, events and accommodation;
- addressing traffic, servicing, drainage, noise, lighting and compatibility with working farms;
- providing clearer submission requirements and review pathways;
- relating the level of review to the scale and potential effects of a proposal; and
- allowing appropriate agricultural innovation within clear limits on scale and compatibility.

Overall, the feedback emphasized the need for clearer definitions, measurable scale controls, predictable approval pathways and review requirements proportionate to the type, scale and potential effects of the proposed activity.

The feedback will inform the Key Issues Analysis in Section 6 and the Phase 3 policy work. It represents stakeholder input and does not establish future permissions or standards.

6 KEY ISSUES ANALYSIS

This section builds on the gaps identified in Section 4 and the engagement findings summarized in Section 5. Each subsection describes the current planning context, identifies the key issue and outlines matters for further assessment in Phase 3.

The analysis considers implementation of the adopted 2026 Official Plan, which is not yet in effect but reflects the Town's intended future policy framework, through zoning and related review tools. It addresses Zoning By-laws 500A-74 and 4316-09, including their winery provisions, together with lawful existing and property-specific permissions. It also reflects the Town's specialty crop context and the need to protect agricultural land and surrounding farm operations.

The matters identified below do not establish final permissions, standards or regulatory wording.

6.1 Use Classification and Zoning Permissions

Current planning context. The 2017 Official Plan and the Town's Zoning By-laws regulate farm-based activities through named uses, including seasonal produce stands, agricultural markets, home occupations, home industries, Farm Wineries, Estate Wineries and small-scale tourist accommodation. Hospitality, event and other visitor-oriented uses have also been permitted through property-specific amendments.

Zoning By-law 4316-09 defines terms such as "agriculture-related use" and "secondary use." However, its Agricultural Community Zoning District is not in effect. Lands that would otherwise be addressed through that district remain subject to Zoning By-law 500A-74, which does not use the current Provincial classifications.

The adopted 2026 Official Plan introduces the categories of agricultural uses, agriculture-related uses and OFDUs. It also distinguishes agri-tourism directly related to agriculture, which is intended to be permitted through zoning, from indirectly related agri-tourism, which requires a Zoning By-law Amendment. Under the *Greenbelt Plan*, a use that does not qualify as an agricultural use, agriculture-related use or OFDU is subject to the policies for non-agricultural uses.

Key finding. Neither Zoning By-law translates the adopted Plan's use categories into corresponding definitions, permissions and development standards. The relationship among existing named uses, winery provisions, property-specific permissions and the adopted classifications is therefore not clearly established.

The Town's current framework also does not identify the criteria required to demonstrate that an OFDU is located on an active farm. Zoning By-law 500A-74 defines a farm by reference to land used for crops or livestock but does not establish a separate active-farm test. The adopted Plan allows a Farm Business Plan to be required for agriculture-related uses but does not establish an equivalent requirement for OFDUs. Publication 851 identifies eligibility for the Farm Property Class under the *Assessment Act* as one possible form of evidence, while the Niagara Official Plan identifies farm operation and ownership information as a complete-application requirement for a secondary use to agriculture.

Further direction may also be needed for activities that combine agricultural production with retail, hospitality, food service, events or accommodation.

Challenge and opportunity. Phase 3 will assess how the adopted classifications are carried into both Zoning By-laws while recognizing lawful existing and property-specific permissions. Updated definitions, use tables and standards could distinguish:

- uses permitted as of right;
- uses permitted subject to additional standards; and
- uses requiring a Zoning By-law Amendment or other property-specific review.

Phase 3 will also assess how active farming is demonstrated. Relevant evidence may include Farm Business Registration, Farm Property Class eligibility, information on farm operation and ownership, or evidence of agricultural production. The appropriate requirement may vary according to the proposed use and planning application.

Thorold, Brock and Pelham provide examples of zoning frameworks that distinguish agricultural uses, agriculture-related uses and OFDUs. These approaches can inform the Town's review and will be assessed against Niagara-on-the-Lake's specialty crop context, existing zoning structure and lawful permissions.

6.2 Agri-Tourism, Events and Public-Facing Uses

Current planning context. Agri-tourism, hospitality and events are regulated through winery provisions, accommodation policies, property-specific amendments and the Town's Special Event By-law. The adopted 2026 Official Plan requires special events associated with indirectly related agri-tourism to be occasional rather than regularly recurring.

The only generally applicable numerical event standards identified in the Town's zoning are in Zoning By-law 4316-09. Its Estate Winery provisions:

- permit up to 24 outdoor events each year, with no more than 75 guests at each event;
- require events to end by 10 p.m. and prohibit amplified music;
- permit event tents only from May 1 to October 31; and
- allow one mobile food truck in an approved outdoor event area for one 24-hour period each week.

Zoning By-law 4316-09 also defines an occasional use as a use lasting no more than four consecutive weeks or 28 days in a calendar year. These provisions do not apply to agricultural lands governed by Zoning By-law 500A-74. Under that By-law, events are addressed through property-specific exceptions with standards that vary by property.

Publication 851 recognizes that temporary events may be addressed through a temporary use zoning by-law where they do not involve permanent physical changes and the land returns to agricultural use immediately afterward. It also indicates that large-scale, recurring events involving permanent structures are generally not OFDUs.

Key finding. The adopted Official Plan distinguishes directly related from indirectly related agri-tourism but does not identify which activities fall within each category. It also does not define when an occasional activity becomes a recurring event. Zoning By-law 500A-74 provides no generally applicable standards for event frequency, attendance, duration, operating hours, temporary structures or outdoor activity areas.

Challenge and opportunity. Phase 3 should assess how the framework distinguishes farm tours, educational activities, tastings, farm markets, temporary or occasional events, recurring events and places of assembly. It should also clarify the respective functions of:

- **zoning**, which establishes land-use permission, scale and physical extent;
- **Site Plan Control**, which addresses site layout and development matters; and
- **licensing and event regulation**, which address operational matters after the underlying land use is permitted.

The event provisions in Zoning By-law 4316-09 provide a local reference for considering the meaning of "occasional" and the treatment of event frequency, attendance, hours and temporary structures. The approaches used in St. Catharines, Lincoln and Pelham provide additional references for linking agri-tourism activities to floor-area, activity-area and Site Plan Control requirements.

6.3 Development Area and Cumulative Scale

Current planning context. The adopted 2026 Official Plan requires a Zoning By-law Amendment where development associated with an agriculture-related use or OFDU exceeds 500 m². The development area includes buildings, structures, parking and driveways, but the Plan does not provide a calculation method or establish an overall maximum.

Publication 851 recommends that all OFDUs on a farm together occupy no more than 2% of the farm parcel, to a maximum of one hectare. Existing shared laneways may be excluded, and the footprint of buildings constructed before April 30, 2014 may be discounted, for example by 50%. New buildings, parking, storage, landscaping and servicing count in full.

Within the Niagara Escarpment Plan Area, binding numerical limits apply. Policy 2.8.7 of the Niagara Escarpment Plan limits OFDUs to 2% of the farm lot, to a maximum of 10,000 m². The gross floor area of buildings used for OFDUs is limited to 20% of the maximum area permitted for OFDUs. The policy also encourages the reuse of buildings and facilities no longer required for agricultural use.

The Town's Zoning By-laws contain scale limits for individual uses rather than a general OFDU calculation. Examples include:

- an 18.5 m² limit for Farm Winery retail and seasonal produce stands;
- a combined 400 m² limit on Estate Winery secondary uses under both Zoning By-laws; and
- limits on secondary uses under Zoning By-law 4316-09.

The Zoning By-laws also establish parking requirements for individual uses. These requirements affect the overall development area, but the adopted Plan does not explain how parking and other shared facilities are to be measured or allocated among the farm operation and one or more diversified uses.

Key finding. The 500 m² threshold identifies when a Zoning By-law Amendment is required but does not explain how the development area is calculated. It also does not establish a maximum cumulative scale outside the Niagara Escarpment Plan Area. Further direction is needed on:

- existing buildings converted to a diversified use;

- access, parking and servicing shared with the farm operation;
- outdoor storage, display, sales and activity areas;
- multiple existing and proposed OFDUs on the same property; and
- the relationship between development area and building floor area.

Challenge and opportunity. Phase 3 should assess a Town-wide calculation method that identifies:

- the components included in the development area;
- the treatment of existing and demolished farm buildings;
- the treatment of shared access, parking and servicing;
- the cumulative assessment of all OFDUs on a property;
- the relationship between activity area and building floor area;
- whether an overall activity-area limit is appropriate; and
- how the Town-wide framework relates to the binding Niagara Escarpment Plan requirements.

King, Pelham and Brock demonstrate how a building floor-area limit can operate alongside a broader activity-area limit. Lincoln separates its 500 m² approval threshold from a zoning-based maximum activity area. These approaches provide references for assessing how the Town's 500 m² threshold should be calculated and whether a separate cumulative limit is warranted.

6.4 Wineries, Hospitality, Food Service and Accommodation

Current planning context. The in-force 2017 Official Plan provides the operative policy context for Farm Wineries, Estate Wineries and Escarpment Wineries and is summarized in Section 2.3.1. The adopted 2026 Official Plan is not yet in effect but reflects the Town's intended future policy framework. Table 5 compares the more detailed winery provisions in the adopted 2026 Official Plan and Zoning By-laws 500A-74 and 4316-09 to identify differences relevant to future implementation. The adopted 2026 Official Plan and both Zoning By-laws distinguish Farm Wineries from Estate Wineries, but their definitions, permissions and standards are not fully aligned.

Table 5 Comparison of Winery Provisions

Matter	Adopted 2026 Official Plan	Zoning By-law 500A-74	Zoning By-law 4316-09
Farm Winery fruit source	Wine must be made from locally grown fruit, with the majority grown on site	Wine must be produced from fruit grown, crushed and fermented on site and bottled on site	Fruit must be grown on site
Farm Winery minimum lot	Minimum 4 ha, predominantly in vineyard production	No minimum identified in the general Farm Winery provision	Minimum 4 ha
Farm Winery associated uses	Retail of wine produced on site, with floor space limited through zoning	Wine retail up to 18.5 m²; additional uses require property-specific permission	Value-added uses, such as a hospitality patio, require a Zoning By-law Amendment and Site Plan Control
Estate Winery minimum lot	Generally, 8 ha; smaller parcels may be considered, and existing smaller wineries may be recognized	Generally, 8 ha	Generally, 8 ha
Estate Winery vineyard requirement	Majority of arable land planted and in production	Most of the property in vineyard production	At least 75% of the property in vineyard production
Estate Winery fruit source	Majority of wine from locally grown fruit, with the majority of the fruit grown and predominantly crushed on site	Locally grown fruit, sourced first from the Town, then Niagara and Ontario; crushed and fermented on site	Locally grown fruit
Hospitality	Hospitality area where food and wine may be prepared and served	Hospitality room; no commercial cooking equipment	Hospitality room, patio or tent; no commercial cooking equipment

Estate Winery associated uses	Wine retail, hospitality, limited events, agricultural market selling Town products and overnight accommodation; floor space to be limited through zoning	Wine retail, hospitality room and agricultural market; generally, 400 m² combined and 139.3 m² for each use	Wine retail, hospitality room, outdoor event tent and agricultural market; 400 m² combined and 140 m² for each use
Events	Limited events controlled through a regulatory by-law	Addressed through property-specific permissions	Up to 24 outdoor events annually, with up to 75 guests per event and a 10 p.m. end time

Both Zoning By-laws distinguish winery hospitality from a restaurant through restrictions on commercial cooking equipment. Zoning By-law 500A-74 also establishes standards for restaurant patios where a restaurant is otherwise permitted. These address patio size, separation from residential zones, hours, seasonal operation and outdoor entertainment.

Product-source requirements also differ. Zoning By-law 500A-74 permits produce stands to sell non-processed Canadian-grown produce and agricultural markets to sell products that are primarily domestic in origin.

Zoning By-law 4316-09 requires products sold at agricultural markets and produce stands to be locally grown and produced on the property. The adopted Plan allows roadside produce outlets to sell products from the farm or surrounding farms, requires Estate Winery agricultural-market products to come from the Town and establishes a Town-based sourcing test for agriculture-related uses.

Bed and Breakfast Homes, small-scale tourist accommodation and Country Inns are regulated separately from winery accommodation. Breweries and distilleries within the specialty crop area require an Official Plan Amendment. Within the Niagara Escarpment Plan Area, a winery may be an agriculture-related use or an OFDU. Limited food service is permitted within one accessory facility, subject to Niagara Escarpment Plan criteria.

Key finding. There is no consistent method for classifying or measuring winery production, retail, tasting, hospitality, food service, events and accommodation where these activities operate together. Fruit-source, vineyard, lot-size, hospitality, event and product-source standards differ between the two Zoning By-laws and the adopted Plan.

The adopted Plan permits food and wine to be prepared and served in an Estate Winery hospitality area, while the Zoning By-laws prohibit commercial cooking equipment in specified winery hospitality spaces. The implementing framework will need to distinguish winery hospitality from restaurant use.

The review has not established that the Farm Winery and Estate Winery categories should be consolidated. It has identified a need to assess whether the categories continue to serve distinct planning purposes and how their standards should be coordinated.

Challenge and opportunity. Phase 3 should assess:

- whether separate Farm Winery and Estate Winery categories remain appropriate;

- how production, retail, tasting, hospitality, food preparation, patios, restaurants, events, agricultural markets and accommodation are classified;
- how agriculture-related and OFDU components are measured separately and cumulatively;
- how winery standards are coordinated across both Zoning By-laws and the adopted Plan; and
- how lawful property-specific permissions are recognized without treating them as generally applicable standards.

The approaches used in St. Catharines and Pelham provide relevant references for assessing separate winery limits and integrated OFDU standards.

6.5 Development Review and Agricultural Compatibility

Current planning context. The adopted 2026 Official Plan identifies Zoning By-law Amendments, Site Plan Control, development agreements and scoped agricultural impact assessments as potential implementation tools. It also requires agriculture-related uses and OFDUs to address servicing, drainage, access, parking, operating hours, heritage resources and compatibility with surrounding agricultural operations.

The Town's Zoning By-laws contain use-specific compatibility controls. Zoning By-law 500A-74 establishes setbacks, operating hours, seasonal limits and restrictions on outdoor entertainment for restaurant patios. Zoning By-law 4316-09 establishes event hours, limits amplified music and requires separation from municipal drains and irrigation channels.

Publication 853 generally exempts agriculture-related uses and OFDUs from MDS I. A municipality may, however, apply MDS I to specified uses with higher occupancy or public visitation if those uses are identified in zoning.

Key finding. The adopted Plan identifies the available review tools but does not specify when each should apply to different types and scales of OFDU proposals. The relationship among the 500 m² rezoning threshold, Site Plan Control and scoped agricultural impact assessments also requires clarification.

A proposal involving the reuse of an existing farm building may not require the same supporting information as one involving new construction, expanded parking, private servicing or regular public attendance. Outdoor events and other visitor-oriented activities also require particular attention where they are close to residential dwellings or surrounding farm operations.

Challenge and opportunity. Phase 3 should assess how review and supporting-information requirements relate to:

- conversion of an existing building or construction of a new one;
- proximity to dwellings and other sensitive uses;
- outdoor events, patios and public activity areas;
- separation, buffering and site orientation;
- access, traffic and parking;
- private water and sewage servicing;

- grading, stormwater, agricultural drainage and irrigation;
- public attendance and operating characteristics;
- effects on surrounding agricultural operations; and
- natural and cultural heritage resources.

Compatibility criteria for nearby dwellings could address the location of activity areas, separation, hours, noise, lighting, screening, loading and traffic. Phase 3 should also determine whether MDS I should apply to specified OFDUs with regular public attendance, food service or overnight accommodation and, if so, which uses should be identified in zoning.

Comparator review approaches should be assessed within the Town's existing Site Plan Control, procedural and fee framework rather than prescribed as fixed Official Plan review categories.

6.6 Coordination of Existing Permissions and Review Requirements

Current planning context. Agricultural and winery properties may be subject to Zoning By-law 500A-74, Zoning By-law 4316-09 or a property-specific amendment. Building, private servicing, public health, licensing and event requirements may also apply.

Within the Niagara Escarpment Development Control Area, development is regulated by the Niagara Escarpment Commission under the *Niagara Escarpment Planning and Development Act*. A Niagara Escarpment development permit is required unless an exemption applies, and municipal zoning does not apply.

The Town's existing property-specific amendments use different definitions, permissions and development standards. The adopted 2026 Official Plan also recognizes specified Official Plan and zoning approvals granted before December 16, 2004.

Key finding. Applicable permissions and review requirements are distributed across several planning and regulatory instruments. Property-specific permissions remain relevant to the properties for which they were approved but do not establish generally applicable Town-wide standards.

The framework must distinguish among:

- generally applicable permissions and standards;
- lawful existing and property-specific permissions;
- approvals recognized under the adopted Plan's pre-December 16, 2004 provisions;
- the provisions of Zoning By-laws 500A-74 and 4316-09;
- lands subject to Niagara Escarpment Commission control; and
- related municipal and agency requirements.

Challenge and opportunity. Phase 3 should assess how updated definitions and standards can be coordinated across both Zoning By-laws without affecting lawful existing or property-specific permissions. It should also clarify the respective roles of zoning, Site Plan Control, building requirements, private servicing, public health, licensing, event regulation and Niagara Escarpment Commission review.

A Town-specific guide or pre-consultation checklist could explain:

- how a proposed use is classified;
- which planning instrument applies;
- how development area is calculated;
- which Town and agency reviews may be required;
- typical supporting information; and
- the general sequence of review.

The Ottawa, Brant and North Durham guidance documents provide procedural references for presenting this information. Any Town guide would be explanatory and would not alter the legal effect of the applicable planning and regulatory instruments.

The findings in this section will inform Phase 3 policy and implementation options. They do not establish final permissions, standards or regulatory wording.

7 PRELIMINARY POLICY DIRECTIONS

Sections 4 to 6 of this report help to inform the following directions for Phase 3. The final recommendation report will be based on feedback received on these policy directions from Town staff, stakeholders and members of the general public.

Table 6 Preliminary Policy Directions.

Direction	Phase 3 Consideration	Section
Align use classifications	How consistent definitions and permissions for agricultural uses, agriculture-related uses, OFDUs and agri-tourism should be established across the adopted Plan and both Zoning By-laws	6.1
Define active-farm eligibility	What evidence should be used to demonstrate active agricultural use, such as Farm Business Registration, Farm Property Class eligibility, farm operation and ownership information, or evidence of agricultural production	6.1
Distinguish visitor-oriented uses	How directly related agri-tourism, indirectly related agri-tourism, temporary or occasional events, recurring event venues and other public-facing uses should be distinguished	6.2
Define development area and cumulative scale	How the 500 m² rezoning threshold should be calculated, how existing and shared facilities should be treated and whether an overall activity-area limit is appropriate	6.3
Review winery categories and standards	Whether Farm Winery and Estate Winery categories continue to serve distinct planning purposes and how fruit-source, vineyard, lot-size, hospitality, event and associated-use standards should be coordinated across both Zoning By-laws and the adopted Plan	6.4
Relate review requirements to scale and potential effects	When Site Plan Control, scoped agricultural impact assessments and other supporting information should apply, including compatibility requirements for nearby dwellings and farm operations	6.5
Assess MDS application	Whether MDS I should apply to specified OFDUs with higher occupancy or public visitation and, if so, which uses should be identified in zoning	2.1.6 and 6.5
Protect agricultural and environmental systems	How the framework should address specialty crop land, agricultural production, drainage, irrigation, servicing, maintenance access and natural and cultural heritage resources	6.3 and 6.5

Coordinate existing permissions	How updated general provisions should relate to lawful existing uses, property-specific permissions and approvals recognized under the adopted Plan	6.6
Improve information for proponents	Whether a public-facing guide or pre-consultation checklist should be prepared once the implementation framework is confirmed	6.6

Phase 3 will determine whether each direction is best addressed through Official Plan policy, zoning, Site Plan Control, procedural tools or information for proponents.

8 NEXT STEPS

Phase 3 will develop policy and implementation options based on the directions in Section 7. It will also seek wider public input through an online survey and a Public Information Centre. The options will be tested against:

- Provincial and Niagara policy;
- protection of specialty crop lands;
- agricultural compatibility;
- servicing constraints;
- existing permissions; and
- Niagara Escarpment Plan requirements.

The results will form the Draft Recommendations Report. That report will be presented to the Committee of the Whole – Planning before final recommendations go to Town Council in Phase 4. This Review is limited to policy evaluation and recommendations. Preparing and enacting amendments to the Official Plan, Zoning By-laws or related regulations is outside its scope.

APPENDIX A: DETAILED POLICY AND REGULATORY FRAMEWORK

This appendix summarizes the provisions referred to in Section 2. The summaries are for reference only. Readers should consult the original instruments for the exact policy and regulatory wording.

Table A-1: Planning Act and Provincial Planning Statement, 2024

Instrument and provision	Summary and relevance
Planning Act, R.S.O. 1990, c. P.13, Section 2	Identifies matters of Provincial interest, including the protection of agricultural resources.
Planning Act, Section 3	Requires planning decisions to be consistent with the applicable Provincial policy statement.
Planning Act, Sections 16, 34 and 41	Provides authority for Official Plans, Zoning By-laws and Site Plan Control.
Provincial Planning Statement, 2024, Sections 2.5 and 2.6	Supports viable rural areas and a diversified rural economy.
Provincial Planning Statement, 2024, Section 4.3	Requires prime agricultural areas to be protected for long-term agricultural use, with specialty crop areas given the highest priority. Permitted uses are limited to agricultural uses, agriculture-related uses and OFDUs.
Provincial Planning Statement, 2024, Definitions	Defines an OFDU as a use that is secondary to the principal agricultural use of a property and limited in area. Criteria may be based on Provincial guidance or on municipal approaches that achieve the same objectives.

Table A-2: Greenbelt Plan, 2017

Policy	Summary and relevance
Section 2.2	The Protected Countryside policies do not apply within the Niagara Escarpment Plan Area, where the Niagara Escarpment Plan applies.
3.1.2.1	Permits a full range of agricultural uses, agriculture-related uses and OFDUs in specialty crop areas, based on Publication 851. Agriculture-related uses and OFDUs must be compatible with and must not hinder surrounding agricultural operations.
3.1.2.2	Prohibits redesignation for non-agricultural uses. Non-agricultural uses are generally discouraged and require an agricultural impact assessment. A use that does not qualify as an agricultural use, agriculture-related use or OFDU is subject to this higher policy test.
3.1.2.3	Prohibits the expansion of Towns and Villages into specialty crop areas.
3.1.2.4	Requires new land uses and new or expanding livestock facilities to comply with the Minimum Distance Separation formulae.
3.1.2.5	Requires adverse effects where agricultural and non-agricultural uses interface to be avoided or, where avoidance is not possible, minimized and mitigated based on Provincial guidance.
3.1.2.6	Requires the agricultural land base and its functional and economic connections to the agri-food network to be maintained and enhanced.
3.1.3	Establishes comparable permissions and compatibility requirements for prime agricultural areas elsewhere in the Protected Countryside.
3.2.4.2	Provides specified treatment for agricultural, agriculture-related and OFDU buildings in key hydrologic areas where applicable requirements, including limits on impervious surfaces, are met.
3.2.5.7 and 3.2.5.8	Establish conditions for locating agricultural, agriculture-related and OFDU buildings near specified natural heritage and hydrologic features, including streams that also function as municipal drains, roadside ditches or agricultural swales.

Table A-3: Niagara Escarpment Plan, 2017

Provision	Summary and relevance
Part 1, Land Use Policies	Establishes the land-use designations and permitted uses. Existing OFDUs may continue in the Escarpment Natural Area. Agriculture-related uses and OFDUs may be permitted in the Escarpment Protection, Escarpment Rural, Escarpment Recreation and Mineral Resource Extraction Areas, subject to the applicable designation policies and Part 2 criteria.
Part 2, Policy 2.8.7	Requires an OFDU to be located on a farm actively in agricultural use, remain secondary, be compatible, be appropriate to rural services and maintain the agricultural and rural character of the area. The use is limited to 2% of the farm lot, to a maximum of 10,000 m². Building floor area is limited to 20% of the maximum OFDU area. Existing buildings should be reused where possible, and the OFDU may not be severed from the farm.
Part 2, Policy 2.8.8	Allows wineries to be considered agriculture-related uses or OFDUs.
Part 2, Policy 2.8.9	Permits one accessory winery facility for wine sales and limited food service within a winery building, on an attached deck or patio, or in an existing building. New or expanded parking or access must be justified.
Part 2, Policy 2.8.10	Permits a winery retail and tasting area and the sale of wine-related promotional products and local agricultural products.
Part 3	Addresses the Niagara Escarpment Parks and Open Space System, including public parks and the Bruce Trail.
Development Control	Within the Niagara Escarpment Development Control Area, development is regulated under the *Niagara Escarpment Planning and Development Act*. A Niagara Escarpment development permit is required unless an exemption applies, and municipal zoning does not apply.

Table A-4: Publication 851 and Publication 853

Guidance	Summary and relevance
Publication 851, OFDU criteria	An OFDU must be located on a farm, remain secondary to the principal agricultural use, be limited in area and be compatible with surrounding agricultural operations. A planning authority may require evidence that the property is actively farmed, such as Farm Property Class eligibility under the *Assessment Act*.
Publication 851, development-area calculation	Recommends that all OFDUs on a farm together occupy no more than 2% of the farm parcel, to a maximum of one hectare. Existing shared laneways may be excluded. The footprint of buildings constructed before April 30, 2014 may be discounted, for example by 50%. New buildings, parking, storage, landscaping and servicing count in full.
Publication 851, events	Recognizes that temporary events may be addressed through a temporary use zoning by-law where no permanent physical changes are made and the land returns to agricultural use. Large-scale, recurring events involving permanent facilities are generally not OFDUs.
Publication 853, MDS I and MDS II	MDS I applies to new development near existing livestock facilities, manure storages and anaerobic digesters. MDS II applies to new or altered livestock facilities and anaerobic digesters near existing development.
Publication 853, Implementation Guideline 35	MDS I is generally not required for agriculture-related uses or OFDUs. A municipality may apply it to specified uses with higher occupancy or public visitation if those uses are identified in zoning. Such uses are treated as Type A land uses.
Publication 853, Implementation Guideline 14	MDS I does not apply between an OFDU and a livestock facility or anaerobic digester on the same lot.

Table A-5: Niagara Planning Framework

Instrument and provision	Summary and relevance
Niagara Official Plan, Agricultural System	Establishes an Agricultural System comprising the agricultural land base and the agri-food network. The agricultural land base includes prime agricultural areas, including specialty crop areas, and rural lands.
Niagara Official Plan, Policy 4.1.1.2	Gives specialty crop areas the highest priority for protection.
Niagara Official Plan, Policy 4.1.7.3 and Table 4-1	Permits agricultural uses, agriculture-related uses and OFDUs within the agricultural land base, subject to the applicable policies.
Niagara Official Plan, Policy 4.1.7.6	Requires an OFDU to be located on a farm, remain secondary to the principal agricultural use, be limited in area and be compatible with and not hinder surrounding agricultural operations.
Niagara Official Plan, Policy 4.1.7.8	Requires OFDUs within the Niagara Escarpment Plan Area to satisfy the applicable permitted-use and development criteria of that Plan.
Niagara Official Plan, Policy 4.1.7.9	Encourages Site Plan Control for OFDUs.
Niagara Official Plan, Table 7-1	Identifies farm operation and ownership information as a complete-application requirement for a secondary use to agriculture.
Niagara Official Plan, status	Adopted by Regional Council on June 23, 2022. Since March 31, 2025, it forms part of the Official Plan framework of each Niagara lower-tier municipality and is implemented locally until replaced or amended.
Grown in Niagara: Agriculture Economic Development Action Plan	Dated October 21, 2024 and establishes a five-year economic development framework. Supports reviewing regulatory barriers, clarifying land-use information, coordinating review and preparing plain-language guidance. It is not a statutory planning instrument.

Table A-6: In-Force Official Plan (1994, 2017 Consolidation)

Section	Summary and relevance
6.2 and 6.3	Address Bed and Breakfast Homes and Country Inns, including guest rooms, parking, amenity areas, landscaping, heritage, access, servicing and Site Plan Control. Accommodation is regulated separately from agri-tourism and other diversified activities.
7	Protects tender fruit and grape lands and establishes agriculture as the principal use in the Agricultural designation. Separate policies address roadside produce outlets, agricultural markets, Farm Wineries, Estate Wineries, Escarpment Wineries, home occupations and home industries.
8	Recognizes established Non-Farm Rural areas but does not establish general permissions for new OFDUs.
17	Requires the Official Plan to be read with the Niagara Escarpment Plan within the Plan Area.
Property-specific policies	Establish individual permissions and standards for agri-tourism, winery hospitality and events. These are not generally applicable Town-wide standards.

Table A-7: Adopted 2026 Official Plan (May 26, 2026; Awaiting Provincial Approval)

Policy	Summary and relevance
2.2.6.1	Supports appropriately scaled agriculture-related uses and OFDUs, including agri-tourism.
2.2.6.2	Bases use classification on the Plan, the implementing Zoning By-laws and Publication 851.
2.2.6.3	Establishes criteria related to farm operations, water and sewage servicing, drainage, access, parking and loading, outdoor storage, hours of operation, zoning, development agreements, natural and cultural heritage and Site Plan Control.
2.2.6.4	Requires a Zoning By-law Amendment for development exceeding 500 m², including buildings, structures, parking and driveways. Review considerations include settlement-area alternatives, proximity to the farm, compatibility and conformity with the Plan.
2.2.6.5	Allows the Town to require a scoped agricultural impact assessment or equivalent analysis.
2.2.6.6 a) i)	Requires agriculture-related uses to relate directly to farm operations. Generally, at least 75% of products must come from farm operations in the Town. A Farm Business Plan may be required.
2.2.6.6 a) ii)	Limits roadside produce outlets and pick-your-own facilities to products from the host farm or nearby farms and requires parking and structures to remain limited in area.
2.2.6.7 a)	Requires OFDUs to remain secondary, limited in area and compatible, in accordance with Publication 851. Allows municipal approaches that achieve the same objectives.
2.2.6.7 b)	Provides for directly related agri-tourism through zoning. Indirectly related agri-tourism requires a Zoning By-law Amendment and is subject to criteria for scale, compatibility, servicing, infrastructure, agricultural land and cultural heritage. Associated events must be occasional rather than regularly recurring.
2.2.7.1 and 2.2.7.2	Allows wineries to be agriculture-related uses, OFDUs or a combination of the two and anticipates updated policies following the OFDU Review.

2.2.7.3	Requires Estate Wineries to obtain site-specific zoning and generally be located on at least eight hectares. Establishes vineyard, fruit-source, production and ancillary-use criteria, including retail, hospitality, limited events, an agricultural market and overnight accommodation.
2.2.7.4	Allows Farm Wineries through zoning on at least four hectares predominantly in vineyard production. Wine must be produced from locally grown fruit, with most fruit grown on site. Retail floor space is to be limited.
2.2.8.1	Requires an Official Plan Amendment for breweries and distilleries in the specialty crop area.
2.2.9.1	Encourages adaptive reuse of surplus farm facilities for agriculture-related uses, OFDUs and agri-tourism.
2.2.10	Requires applicable development and livestock facilities to comply with MDS.
2.2.13	Recognizes specified Official Plan and zoning approvals granted before December 16, 2004.

Table A-8: Zoning By-law 500A-74 (Lands Outside Urban Boundaries)

Section	Summary and relevance
2.2	Defines an accessory use as incidental and subordinate to the principal use.
2.2AA	Defines an Agricultural Market and limits the types of products that may be sold. Products must be primarily domestic in origin.
2.16.1 and 2.73A	Distinguish Country Inns from small-scale tourist accommodation. Small-scale accommodation is limited to three rented rooms; a Country Inn requires site-specific zoning.
2.29A-1 and 2.43A	Define an Estate Winery and locally grown fruit, with sourcing prioritized from the Town, Niagara Region and Ontario.
2.31	Defines a farm by its use for growing crops or raising livestock but does not establish a separate active-farm test.
2.32-1	Defines a Farm Winery using fruit grown, crushed and fermented on site and wine bottled on site.
2.40 and 2.41	Regulate home industries and home occupations, including location, retail, food-preparation and outdoor-storage restrictions.
2.41B	Allows food and wine to be served in a hospitality room but prohibits commercial cooking equipment.
2.68-1	Limits a seasonal produce stand to 18.5 m² and non-processed Canadian-grown produce.
3.10	Allows lawful non-conforming uses to continue and regulates changes of use.
3.19 and 3.20	Establish parking and siting requirements for agricultural markets, produce stands and restaurants.
3.31	Establishes standards for restaurant outdoor patios where a restaurant is otherwise permitted, including size, separation, hours, seasonal limits and outdoor entertainment.
3.33	Requires site-specific zoning for an Estate Winery and establishes minimum-lot, vineyard and secondary-use standards.

3.34	Permits Farm Wineries in specified zones and limits wine-sales floor area to 18.5 m².
21A	Contains property-specific permissions for winery hospitality, restaurants, patios, event tents and outdoor event areas.

Table A-9: Zoning By-law 4316-09 (Urban Areas; August 2016 Consolidation)

Section	Summary and relevance
Introduction and 1.2	Applies within the Town's urban boundaries. The Agricultural Community Zoning District in Section 12 is not in effect. Lands that would otherwise be addressed through that district remain subject to Zoning By-law 500A-74.
Section 5	Defines agricultural markets, produce stands, agriculture-related uses, secondary uses, hospitality patios and tents, micro-breweries, Country Inns and occasional uses.
6.13	Establishes Estate Winery vineyard, secondary-use and event standards, including limits on floor area, event frequency, attendance, operating hours, amplified music, tents and mobile food trucks.
6.16	Establishes Farm Winery fruit-source, retail and minimum-lot requirements. Value-added uses require a Zoning By-law Amendment and Site Plan Control.
6.23	Limits home industries by floor area, building location and number per property.
6.30	Requires separation from municipal drains and irrigation channels.
6.34	Defines occasional use by reference to duration in a calendar year.
6.49	Limits secondary uses by floor area and requires them to remain subordinate and compatible.

APPENDIX B: FIGURES

Figure B-1: Greenbelt Plan Area and Niagara-on-the-Lake Context

Source: Province of Ontario, Greenbelt Plan, 2017, Schedule 1: Greenbelt Area. Niagara-on-the-Lake identified and outlined in red by WSP.

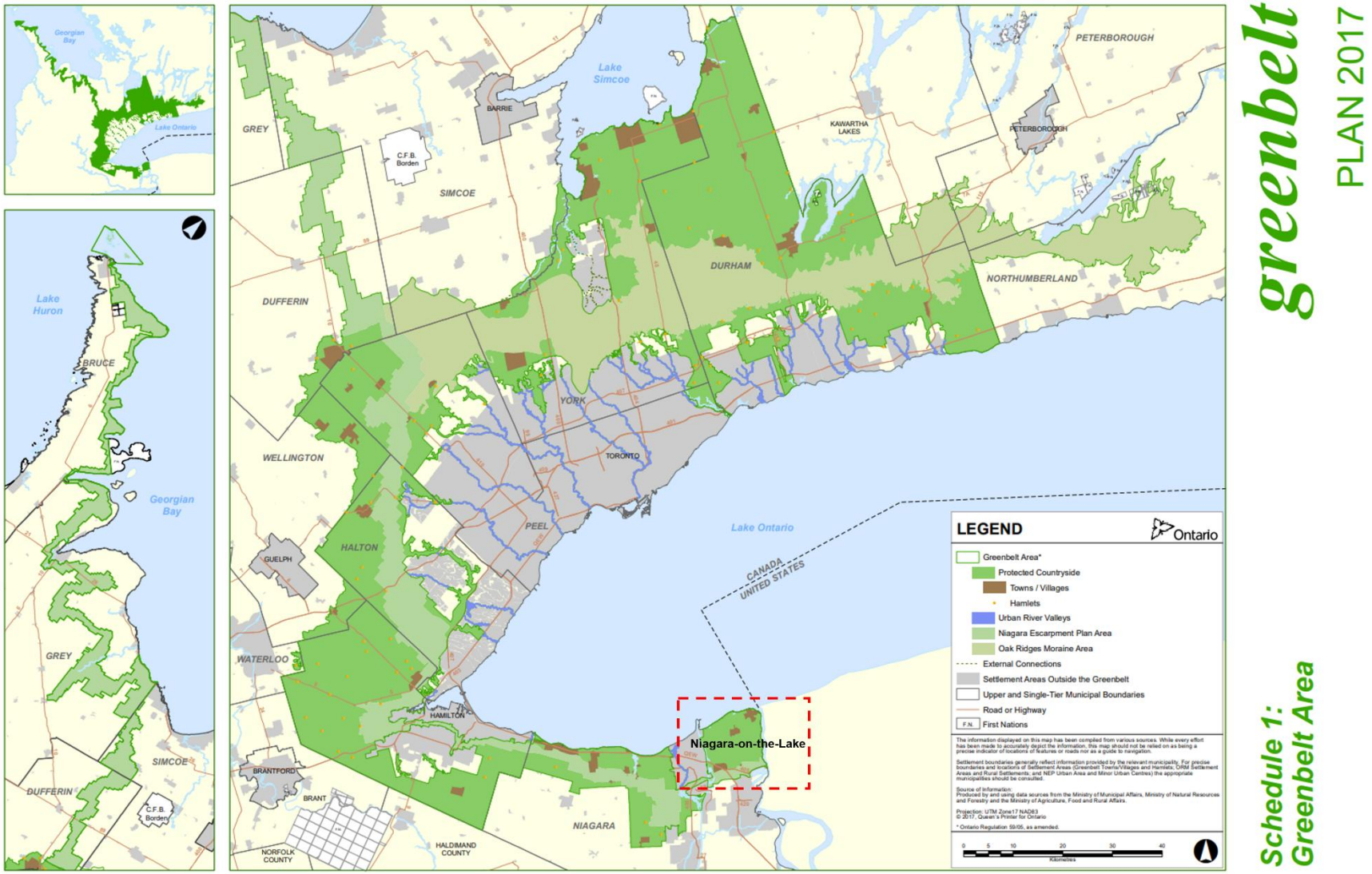


Figure B-2: Niagara Escarpment Plan Area and Designations in Niagara Region

Source: Niagara Escarpment Commission, Niagara Escarpment Plan, 2017, Plan Map 1: Niagara Region. Niagara-on-the-Lake is shown in the northeastern portion of the map.

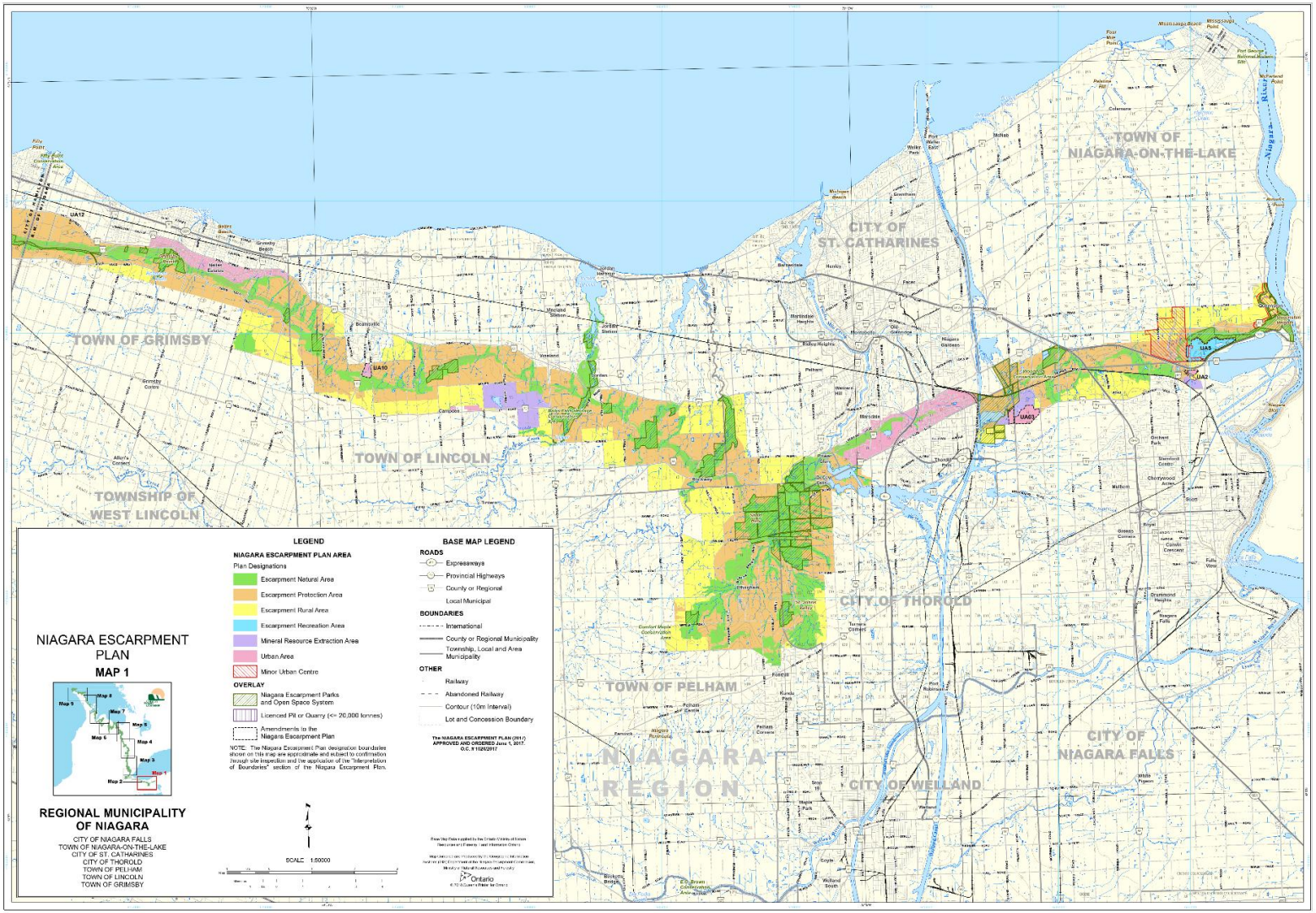


Figure B-3: Examples of Activities That May Qualify as On-Farm Diversified Uses

Source: Ontario Ministry of Agriculture, Food and Rural Affairs, Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas, Publication 851, Figure 3.



Value-added uses that could use feedstock from outside the surrounding agricultural area (e.g., processor, packager, winery, cheese factory, bakery, abattoir)



Home occupations (e.g., professional office, bookkeeper, land surveyor, art studio, hairdresser, massage therapist, daycare, veterinary clinic, kennel, classes or workshops)*



Home industries (e.g., sawmill, welding or woodworking shop, manufacturing/ fabrication, equipment repair, seasonal storage of boats or trailers)



Agri-tourism and recreation uses (e.g., farm vacation suite, bed and breakfast, hay rides, petting zoo, farm-themed playground, horse trail rides, corn maze, seasonal events, equine events, wine tasting, retreats, zip lines)*



Retail uses (e.g., farm market, antique business, seed supplier, tack shop)*



Café/small restaurant, cooking classes, food store (e.g., cheese, ice cream)*

Figure 3. Examples of *on-farm diversified uses* provided all PPS criteria are met.

* Source: Shutterstock

APPENDIX C: COMPARATIVE JURISDICTIONAL SCAN

These tables give the instrument details and calculation rules that support Tables 1 to 3. Status is as of October 2026.

Table C-1: Niagara Comparators

Municipality	Official Plan	Zoning By-law	Selected Implementation Provisions
St. Catharines	**Garden City Plan**, in force; reviewed 2025 consolidation. Official Plan update underway	By-law 2013-283, passed December 16, 2013; reviewed consolidation includes amendments to April 2024	Agri-tourism and value-added uses are subject to floor-area limits based on lot size. Separate limits apply to off-farm product sales and winery-related uses. Site Plan Control applies in accordance with the City's applicable by-law.
Thorold	Approved April 28, 2016; consolidated October 2025	By-law 60-2019; OFDU-related provisions in force	OFDUs and agriculture-related uses are permitted in the Agricultural, Agricultural Specialty Crop and Rural Zones, subject to zone permissions and standards.
Lincoln	Adopted July 7, 2014; approved in 2015 and 2016; consolidated December 2018. Official Plan review underway	By-law 2022-50, passed July 11, 2022	OFDUs are directed to existing building clusters. The zoning calculation addresses existing lanes, crop-producing land used concurrently for agri-tourism and buildings existing before April 30, 2014. The Official Plan approval threshold and zoning activity-area limit operate separately.
Pelham	Current Official Plan adopted April 2, 2012, and approved July 18, 2014. New Official Plan adopted May 20, 2026 through By-law 26-2026; not in force	By-law 4481 (2022), as amended	Zoning establishes limits on the number of OFDUs, total development area, combined floor area, retail floor area, off-farm products and outdoor display. Separate standards apply to Farm Wineries.
Welland	Current Official Plan adopted in 2010 and approved in part in 2011. Final proposed Official Plan released in February 2026; not in force	By-law 2017-117, as amended	Current zoning regulates agri-tourism through zone-specific permissions and floor-area limits. The proposed Official Plan would introduce the OFDU category and additional Site Plan Control direction.

Grimsby	Current Official Plan adopted in 2009, approved May 12, 2012 and consolidated November 2025. **Envision Grimsby 2051** adopted July 13, 2026 through By-law 26-44; not in force	By-law 14-45, as amended; consolidated November 2025	The current framework regulates farm markets, agri-tourism buildings, home industries and farm vacations separately. The adopted Official Plan would introduce a comprehensive OFDU area and building-scale framework.

The adopted Envision Grimsby 2051 Official Plan remains subject to Ministerial approval and is not yet in force.

Table C-2: Other Ontario Comparators

Municipality	Official Plan	Zoning By-law	Selected Implementation Provisions
Ottawa	Official Plan adopted through By-law 2021-386 and approved with modifications on November 4, 2022	By-law 2026-50 enacted March 11, 2026; subject to applicable transition and appeal provisions	OFDU standards distinguish total activity area, building area and use-specific floor area. The framework also addresses older buildings, crop-based agri-tourism land, parking, storage and screening. The City provides applicant guidance.
Brant	**A Simply Grand Plan, 2023**, approved October 18, 2024. OPA3-D-25 adopted June 9, 2026 through By-law 46-26	By-law 61-16; reviewed August 2025 consolidation. Zoning implementation of OPA3-D-25 not confirmed	The framework requires an active farm operation and distinguishes temporary or occasional activities from regular or higher-attendance venues. Zoning addresses OFDU area, building area and qualifying existing buildings. Applicant guidance is available.
King	**Our King Official Plan, 2019**, approved in 2020 with modifications and site-specific deferrals. Official Plan review underway	Countryside Zoning By-law 2022-053, subject to applicable appeal and transition provisions	Zoning establishes a minimum lot area, an overall OFDU area limit, individual building limits and use-specific permissions. More intensive or recurring event uses may require additional planning approval.
Brock	Official Plan Amendment No. 5 adopted through By-law 3395-2026 on January 26, 2026	By-law 287-78-PL, amended by By-law 3396-2026 on January 26, 2026	The framework uses farmland assessment and a valid Farm Business Registration number or equivalent to establish farm status. Zoning addresses OFDU area, building area, qualifying existing farm buildings, event

			venues, accommodation and excluded uses. Site Plan review is differentiated by proposal type.
Scugog	Official Plan Amendment enacted through By-law 53-25 on December 15, 2025; in force	Zoning By-law Amendment 54-25, passed December 15, 2025; in force	A Farm Business Registration number is required for the property. Site Plan review is differentiated by proposal type, and the North Durham toolkit provides non-statutory applicant guidance.
Uxbridge	Existing Official Plan remains in force. Draft Official Plan released in June 2026; not adopted or in force	By-law 81-19, consolidated December 2023; current zoning does not establish a general OFDU category	The draft Official Plan proposes the North Durham approach to OFDU area, building area, qualifying existing buildings, event venues and on-farm accommodation. The North Durham toolkit remains guidance only.

Status note: Adopted, proposed and draft instruments are included as emerging direction only and are not treated as current requirements unless they have been approved and brought into force.

APPENDIX D: STAKEHOLDER ENGAGEMENT RECORD

Table D-1: Engagement Activities

Activity	Date	Notes
Project launch news release	September 14, 2026	Town news release
Project webpage	Ongoing	Town website
In-person stakeholder workshop	September 23, 2026	14 participants from invited agricultural, agri-tourism, winery, orchard, event and related business interests; written responses collected through workshop workbooks.
Virtual stakeholder workshop	October 1, 2026	About seven members of the public

Discussion questions (both workshops)

Round 1: Current framework

1. What works well in the current framework?
2. What barriers do operators face?
3. Are the definitions, permissions and standards clear and workable?
4. What compatibility issues should be considered?
5. What changes to application and review requirements would help?

Round 2: Future direction

6. What opportunities do OFDUs create?
7. How can OFDUs be supported while protecting farmland?
8. Which types or scales of OFDU need a different approach?
9. What should the Town avoid?
10. What would a successful framework achieve?

APPENDIX E: SOURCE AND INSTRUMENT STATUS REGISTER

Table E-1: Sources Reviewed

Source	Issuing authority	Date	Status	Report sections
Planning Act, R.S.O. 1990, c. P.13	Province of Ontario	Current consolidation reviewed	In force	2.1.1
Provincial Planning Statement, 2024	Province of Ontario	Effective October 20, 2024	In force	2.1.2
Greenbelt Plan, 2017, as amended	Province of Ontario	2017, as amended	In force	2.1.3, 6
Niagara Escarpment Plan, 2017, as amended	Province of Ontario / Niagara Escarpment Commission	2017, as amended	In force	2.1.4, 6
Guidelines on Permitted Uses in Ontario's Prime Agricultural Areas (Publication 851)	Ontario Ministry of Agriculture, Food and Rural Affairs	2016	Provincial guidance	2.1.5, 6.1 to 6.4
Minimum Distance Separation Document (Publication 853)	Ontario Ministry of Agriculture, Food and Rural Affairs	2016	Provincial guidance applied through planning policy	2.1.6, 6.5
Niagara Official Plan	Niagara Region; implemented by the Town since March 31, 2025	Adopted June 23, 2022; May 2024 office consolidation reviewed	In force as part of the Town's Official Plan framework	2.2.1, 4, 6
Grown in Niagara: Agriculture Economic Development Action Plan	Niagara Region	Dated October 21, 2024	Non-statutory economic development strategy	2.2.2

Town of Niagara-on-the-Lake Official Plan, By-law 2735-94	Town of Niagara-on-the-Lake	Adopted March 14, 1994; 2017 office consolidation reviewed	In force	2.3.1
Adopted Town of Niagara-on-the-Lake Official Plan	Town of Niagara-on-the-Lake	Adopted May 26, 2026	Adopted; subject to Provincial approval and not in force	2.3.2, 4, 6
Zoning By-law 500A-74, as amended	Town of Niagara-on-the-Lake	1974 office consolidation and relevant amendments reviewed, including By-laws 500GH-91, 500GV-92 and 500IO-94	In force	2.3.3, 4, 6
Zoning By-law 4316-09, as amended	Town of Niagara-on-the-Lake	August 2016 office consolidation and relevant amendments reviewed	In force within its applicable area; Agricultural Community Zoning District in Section 12 not in effect	2.3.3, 4, 6
By-law 4316AR-13	Town of Niagara-on-the-Lake	Passed December 16, 2013	In force; incorporated into the reviewed consolidation	2.3.3, 6.2, 6.4
Special Event By-law No. 2026-005	Town of Niagara-on-the-Lake	2026	In force	2.3.2, 6.2
Comparator Official Plans, Zoning By-laws and related guidance	Respective municipalities	Versions identified in Appendix C	Status identified separately in Appendix C	3, 6
Stakeholder workshop records	Town of Niagara-on-the-Lake / WSP	September and October 2026	Engagement record	5