Town of Thessalon
Official Plan Review

BACKGROUND REPORT

August 2025

Prepared By: Powell Planning & Associates

TABLE OF CONTENTS

1 INTRODUCTION

Located in Algoma District, the Town of Thessalon sits at the junction of Highway 17 (the Trans-Canada Highway) and Highway 129 on the northern shore of Lake Huron. The Town serves as a key service centre to surrounding communities and offers access to both natural amenities and essential community services.

Powell Planning & Associates has been retained by the Town of Thessalon to complete a five-year Official Plan Review for the Town of Thessalon Official Plan, 2020 (the Official Plan). The current Official Plan provides a comprehensive policy framework to guide future growth and land use planning in a manner that supports sustainability, livability, and economic resilience.

The Official Plan is divided into five parts:

- **Part A (Vision)** identifies the Town's long-term vision, core values, and goals and provides a Population, Housing, and Servicing Strategy to guide future development.
- **Part B (General Planning and Development Policies)** addresses town-wide matters such as servicing, transportation, cultural heritage, and land division.
- **Part C (Land Use Designations)** sets out specific land use policies for the following land use designations: Residential, Central Area District, Highway Commercial, Institutional, Industrial, Parks and Open Space, Environmental Protection, Rural, Island and Hazard Lands Overlay.
- **Part D (Plan Implementation)** explains how the policies in the Official Plan will be implemented.
- **Part E (Interpretation)** provides guidance for interpreting the Official Plan.

The current Official Plan also includes 'Schedule A - Town of Thessalon Official Plan', which identifies the land use designations throughout the Town of Thessalon and locations of town roads, provincial highways, lakes and rivers, and water and wastewater infrastructure facilities.

This Background Report is the first key deliverable that concludes Phase 1: Background Review of the Official Plan Review process. This Background Report provides an overview of the current policy framework and forms the foundation for identifying key issues, gaps, opportunities, and areas for potential policy updates which will be further developed and refined in Phase 3: Policy Directions of the Official Plan Review (the project).

Insights from the Background Review will inform work completed through future phases of the project and ultimately the preparation of an updated official plan that reflects the evolving needs and priorities of the Town of Thessalon.

1.1 PURPOSE OF THE OFFICIAL PLAN REVIEW

The Town of Thessalon Official Plan is a land use planning policy document that is intended to guide growth and development in a manner that reflects the unique character and values of Thessalon, a small northern community. Rooted in the Town's identity as a welcoming service-oriented centre along Lake Huron and the Trans-Canada Highway, the Official Plan highlights the community's key attributes such as a diverse and well-maintained housing stock, modern health facilities, schools, a strong commercial base, and a variety of religious, cultural and recreational amenities. The key objectives of the Official Plan are to support a high quality of life for residents, workers, and visitors by encouraging economic diversity, providing a range of housing options, and promoting access to open spaces and shorelines. These guiding principles help ensure that future development respects and enhances the qualities that make Thessalon a desirable and livable community.

The current Official Plan was adopted by Thessalon Council on June 15, 2020, and approved by the Ministry of Municipal Affairs and Housing on November 5, 2020. The updated Official Plan is being prepared as an Official Plan Amendment under Section 26 of the *Planning Act*. The *Planning Act* requires that councils of municipalities revise their official plan no less frequently than 10 years after it comes into effect as a new official plan and every five years thereafter, unless the plan has been replaced by another new official plan.

The *Planning Act* requires that an official plan be reviewed to ensure it conforms with provincial plans or does not conflict with them, has regard to the matters of provincial interest listed under Section 2 of the *Planning Act* and is consistent with provincial policy statements issued under Section 3 (1) of the *Planning Act.*

The purpose of this Official Plan Review is to fulfill the requirements of the *Planning Act* by ensuring the Official Plan conforms with applicable provincial plans, does not conflict with them, has appropriate regard for matters of provincial interest prescribed by Section 2 of the *Planning Act*, and is updated for consistency with the Provincial Planning Statement, 2024. The Official Plan Review also provides an opportunity to revisit the vision, goals, and objectives of the Official Plan to confirm alignment with Council's current priorities and the long-term needs of the community. Additionally, the updated Official Plan will include

policies that reflect changes to provincial legislation and conform with the latest provincial planning framework. The updated Official Plan will serve as a long-term policy framework to guide land use planning and development for a time horizon of at least 20 years, while supporting sustainable growth, protecting community assets, and enhancing the overall quality of the Town of Thessalon.

1.2 OFFICIAL PLAN REVIEW PROCESS

The Official Plan Review consists of five phases of work and is targeted for completion in Spring 2026. The five phases of the Official Plan Review process are:

PHASE 1: BACKGROUND REVIEW

This phase involves a comprehensive review of the existing Official Plan policies and schedule to evaluate strengths, identify areas for revision, and assess conformity and consistency with current provincial legislation, policies, plans and with other relevant municipal documents. It will also determine whether the existing vision and goals remain aligned with Council's evolving priorities and long-term direction. This Background Report is the key deliverable of Phase 1, alongside the launch of the project and on-going public engagement, and concludes the Background Review phase. This report provides a review of the provincial legislative framework and key policy drivers for the updates required to the Official Plan. It also identifies the key gaps in the existing Official Plan and, at a high-level, identifies opportunities to strengthen the policy framework. This Background Report provides also an overview of the Phase 2: Public Engagement work, including the Public Engagement Strategy for the Official Plan Review project, summarizes the feedback received from public engagement opportunities held in Phase 1 and concludes with next steps in the Official Plan Review process. This Background Review will also inform the recommendations made in Phase 3: Policy Directions.

PHASE 2: PUBLIC ENGAGEMENT

Public engagement is a vital component of the Official Plan Review process. It provides opportunities for residents, community members, and collaborators to share feedback about local interests, priorities, and community needs. Through open dialogue, individuals can express concerns, share their vision, and contribute ideas for shaping policies that will guide the future growth and development of the Town.

Phase 2 commenced with the launch of the:

- Official Plan Review webpage on the Town's website to provide important information and updates about the project,
- a dedicated project email address for outreach and to receive feedback throughout the duration of the project,
- a public survey to gather feedback to better understand what is important to the community of Thessalon; and
- Community posters and Notices on the project's launch in the community and on social media.

As required under Section 26 (3) of the *Planning Act*, a Special Meeting of Council open to the public was held on July 21, 2025, for the statutory initiation of the Official Plan Review process to discuss the potential updates that may be required to the Official Plan. In accordance with requirements of the *Planning Act*, a Notice of the Special Meeting of Council was published in the Town's local newspaper, the North Shore Sentinel, at least 30 days prior to the meeting in each of two separate weeks on June 11th and 18th, 2025. The Notice was also provided to the Ministry of Municipal Affairs and Housing (the approval authority) and prescribed public bodies, including Metis Nation of Ontario and Thessalon First Nation, to initiate engagement regarding the revisions that may be required to the Official Plan. Phase 2 continues throughout the duration of the project to ensure meaningful participation and opportunities to receive ongoing input from residents, community and collaborators. This input will play an important role in shaping policies within the updated Official Plan to reflect the values and aspirations of the community. Engagement will continue until the final draft is presented to Council for consideration and adoption.

Public Engagement Summary Reports will be completed to provide periodic updates throughout the Official Plan Review process and will outline the public engagement activities completed and summarize the feedback received. These reports may include an overview of the Public Engagement Strategy, details of Indigenous engagement, descriptions of engagement events (including focus areas, target audiences, and participation levels), and a summary of the input gathered to-date.

PHASE 3: POLICY DIRECTIONS

Phase 3: Policy Directions will build upon the Background Review and input received through public engagement opportunities to develop recommended policy directions to update the Official Plan. These recommendations will be compiled in a Policy Directions Report which will conclude Phase 3 of the project.

The purpose of the Policy Directions Report is to provide recommendations for the updates and new policies required in preparation of the draft Official Plan Amendment (the updated Official Plan). It will also summarize how public engagement has informed the overall vision, propose potential policy changes, and describe how the vision shapes the recommended policy directions and updates. Furthermore, the Policy Directions Report will address how legislative amendments to the *Planning Act*, the revocation of the Provincial Policy Statement, 2020, and the introduction of the Provincial Planning Statement, 2024, have influenced the update to the Official Plan.

PHASE 4: DRAFT OFFICIAL PLAN AMENDMENT

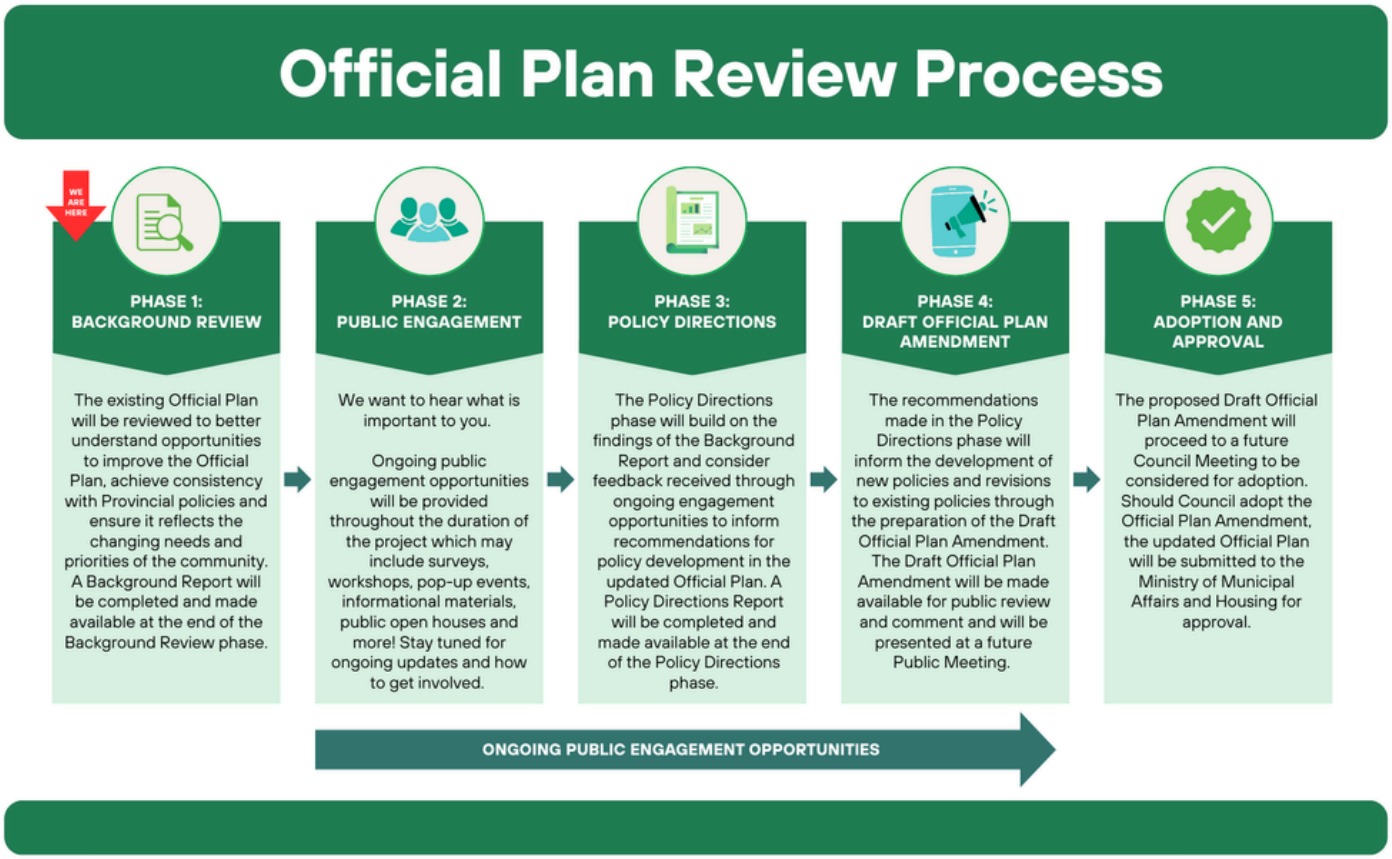
Phase 4: Draft Official Plan Amendment focuses on preparing the draft Official Plan Amendment in accordance with the recommendations made in the Policy Directions Report. The draft Official Plan Amendment will be made publicly available for review and comment and a statutory Public Meeting will be held to present the draft Official Plan Amendment to Council and members of the public. Feedback gathered through a statutory Public Open House and the statutory Public Meeting, as required by the *Planning Act*, will inform further refinements to the draft Official Plan Amendment. A Council Working Session may be held if needed to review any additional changes before the draft Official Plan Amendment is proposed to Council for adoption.

The draft Official Plan Amendment may include updates to the vision, goals, and guiding principles, remove outdated or conflicting policies, add new policies to support implementation and reflect community input, include revisions to existing policies and schedules, make potential changes to land use designations where appropriate, and provide design enhancements to improve the document's accessibility, readability, and overall useability.

PHASE 5: ADOPTION AND APPROVAL

The final draft Official Plan Amendment will be presented at a future Council meeting and proposed for adoption in Phase 5: Adoption and Approval. If adopted, the draft Official Plan Amendment (updated Official Plan) will be submitted to the Ministry of Municipal Affairs and Housing for final approval.

FIGURE 1. OFFICIAL PLAN REVIEW PROCESS



1.3 PURPOSE OF THIS BACKGROUND REPORT

The purpose of this Background Report is to provide a comprehensive review of the Town of Thessalon's current Official Plan. This report evaluates the current policy framework to identify the Official Plan's strengths, highlight areas for improvement, and ensure alignment with recent updates to provincial legislation, policies, and plans such as the Provincial Planning Statement, 2024, and legislative changes to the *Planning Act*.

A key objective of the Background Review is to assess whether the current policies continue to reflect the community's needs and Council's direction, while also identifying any inconsistencies or gaps in conformity with the updated provincial planning framework. The Background Report explores opportunities to strengthen policy direction across key topic areas such as housing, infrastructure, implementation, and the natural environment. Findings from the Background Review, as detailed in this report, will inform the development of updated policy language, and lay the foundation for drafting the Official Plan Amendment to ensure the updated Official Plan is clear, consistent with provincial policy, and reflects the needs of present and future residents.

2 POLICY CONTEXT

2.1 PROVINCIAL FRAMEWORK

The *Planning Act* is a provincial statute that sets out the ground rules for land use planning in Ontario. Under the *Planning Act*, the Minister of Municipal Affairs and Housing may issue provincial policy statements related to matters of provincial interest as prescribed under the *Planning Act* which includes the Provincial Planning Statement, 2024. This section of the Background Report reviews the *Planning Act* and Provincial Planning Statement, 2024 and describes the provincial legislative and policy framework that is applicable when updating the Official Plan.

2.1.1 PLANNING ACT, R.S.O, C. P.13

The purpose of the *Planning Act i*s to ensure that planning processes are fair and transparent, include consultation and coordination with various public bodies, integrate matters of provincial interest and are consistent with the Provincial Planning Statement and conform to, and do not conflict with, provincial plans.

Section 2 of the *Planning Act* sets out the provincial interests that the Minister, municipalities, planning boards and the Tribunal must have regard to when making decisions under the *Planning Act.* Matters of provincial interest include, but are not limited to, the orderly development of safe and healthy communities, the adequate provision of a full range of housing options including affordable housing, the protection of ecological systems including natural areas, features and functions, and the appropriate location of growth and development.

Notably, Section 16 of the *Planning Act* sets out the contents an official plan shall contain such as policies related to the social, economic, built and natural environment of the municipality or area the official plan applies to. Section 17 of the *Planning Act* sets out the process required for approving an official plan which requires consultation with the public and prescribed public bodies and providing an opportunity for the public to review and provide feedback on the official plan prior to its approval.

Section 26 of the *Planning Act* prescribes the process for updating an official plan. An official plan must be reviewed regularly and revised to ensure it conforms to provincial plans or does not conflict with them, has regard for matters of provincial interest and is consistent with policy statements issued by the Province. An official plan must be revised no less frequently than 10 years after it comes into effect as a new official plan and reviewed every five years thereafter, unless the plan has been replaced by another new official plan. The Town of Thessalon Official Plan was approved in 2020, and as such, the Town is currently undertaking a five-year Official Plan Review to update the current official plan, as required by the *Planning Act.*

Since the approval of the Official Plan, the Province has introduced several Bills that have amended the *Planning Act* and must be incorporated into the updated Official Plan. A summary of the legislative changes is provided below.

MORE HOMES FOR EVERYONE ACT, 2022 (BILL 109)

Bill 109, the *More Homes for Everyone Act, 2022*, received royal assent on April 14, 2022, in response to the Ontario Housing Affordability Task Force Report's recommendation to increase the housing supply to 1.5 million homes over the next 10 years. A number of statutes were amended, including the *Planning Act*, which included amendments such as:

- Requiring municipalities to refund zoning by-law amendment and site plan application fees if a decision is not made on the application within a prescribed timeframe.
- Mandating the delegation of site plan approval authority to municipal staff.
- Establishing complete application requirements for site plan applications.

MORE HOMES BUILT FASTER ACT, 2022 (BILL 23)

Bill 23, the *More Homes Built Faster Act, 2022*, received royal assent on November 28, 2022. The *More Homes Built Faster Act* was introduced to support the Province's goal to increase housing supply by streamlining the development approval process and reducing barriers, in accordance with Ontario's Housing Supply Action Plan. Several amendments were made to various statutes including the *Planning Act*, the *Conservation Authorities Act,* the *Ontario Heritage Act*, the *Ontario Land Tribunal Act*, and the *Development Charges Act*, all of which need to be considered when updating the Town's Official Plan.

Some notable amendments made through the *More Homes Built Faster Act, 2022*, include:

- The removal of planning responsibilities from certain upper-tier municipalities.
- Redefining the scope of review and/or commenting on development applications by conservation authorities.
- Encouraging gentle density by permitting up to three residential units per lot as-of-right on a parcel of urban residential land.
- Removing the ability for a municipality to regulate matters of exterior design through the site plan control process.
- Exempting residential development up to 10 residential units from the site plan control process.
- Limiting third-party appeals to the Ontario Land Tribunal for consent and minor variance applications.
- Changes to maximum parkland dedication rates and incentivizing affordable and attainable housing by capping the required parkland dedication for affordable and attainable housing developments.

HELPING HOMEBUYERS, PROTECTING TENANTS ACT, 2023 (BILL 97)

Bill 97, the *Helping Homebuyers, Protecting Tenants Act, 2023* received royal assent on June 8, 2023, with the goal of increasing the Province's housing supply and facilitating Ontario's Housing Supply Action Plan. Bill 97 introduced key amendments to the *Planning Act* such as further amending the fee refund provision introduced previously by Bill 109 to delay the commencement of the fee refund provisions and amending the definition of "area of employment" in the *Planning Act* to narrow the scope to exclude institutional and non-associated commercial uses.

PLANNING STATUTE LAW AMENDMENT ACT, 2023 (BILL 150)

Bill 150, the *Planning Statute Law Amendment Act, 2023* received royal assent on December 6, 2023, and enacted the *Official Plan Adjustments Act, 2023* that reversed provincial modifications to official plans and official plan amendments to 12 municipalities in Ontario, unless the modification was expressly excluded by the *Official Plan Adjustments Act, 2023*, or a building permit had already been obtained in accordance with the policies of the provincially modified official plan. The provincial modifications that were not reversed were majorly related to protecting the Greenbelt and safe drinking water, compatibility for industrial land uses, strengthening indigenous relations and the proposed development of Highway 413. Amendments were also made to introduce immunity provisions to limit lawsuits related to Minister's Zoning Orders.

GET IT DONE ACT, 2024 (BILL 162)

Bill 162, the *Get It Done Act, 2024* received royal assent on May 16, 2024, to accelerate the construction of transit, infrastructure and housing projects in Ontario. Bill 162 repealed the version of the provincial modifications that were expressly excluded by the *Official Plan Adjustments Act, 2023* through Bill 150, and replaced it with a new list based on municipal responses to the removal of the provincial modifications through Bill 150.

CUTTING RED TAPE TO BUILD MORE HOMES ACT, 2024 (BILL 185)

Bill 185, the *Cutting Red Tape to Build More Homes Act, 2024* received royal assent on June 6, 2024, to speed up government processes with the goal of building 1.5 million homes by 2031. Among amendments to other statutes, the *Planning Act* was significantly amended, by:

- Limiting third-party appeals to the Ontario Land Tribunal to specific parties for Official Plan Amendment and Zoning By-law Amendment applications.
- Prohibiting municipalities from including official plan policies or zoning by-law provisions that require minimum vehicular parking requirements in Protected Major Transit Station Areas.
- Repealing sections of the *Planning Act* that were introduced by Bill 23 related to councils' ability to request a "Community Infrastructure and Housing Accelerator" zoning order.
- Providing appeal rights to applicants respecting settlement area boundaries for Official Plan Amendment and Zoning By-law Amendment applications provided they are not within the Greenbelt Plan area.
- Removing the ability to impose mandatory pre-consultation meeting requirements.
- Removing the requirement for municipalities to refund application fees where a decision has not been made within a prescribed timeframe.

PROTECT ONTARIO BY BUILDING FASTER AND SMARTER ACT, 2025 (BILL 17)

Bill 17, the *Protect Ontario by Building Faster and Smarter Act, 2025* received royal assent on June 5, 2025, to accelerate the Province's goal of building more homes, businesses and infrastructure, including development around transit-oriented communities and accelerating provincial transit and critical infrastructure projects. Amendments were made to a number of statutes, including amendments to the *Planning Act*, to simplify and standardize municipal development approval processes.

Some of the key amendments are summarized below:

- New provisions restrict an official plan or zoning by-law from prohibiting the use of a parcel of urban residential land for an elementary school, secondary school or use ancillary to an elementary school/secondary school.
- Minister's approval is required before making certain amendments to an official plan as it relates to complete application requirements for development applications.
- Required information or material is now deemed to meet the applicable requirement for completeness if the information or material is prepared by a prescribed professional.
- The Minister has the authority to pass regulations regarding the information or material that may be required in support of a complete application for an Official Plan Amendment, Zoning By-law Amendment, Site Plan Application, Draft Plan of Subdivision Approval or Consent. This will take effect on a future date once the Minister files a regulation under the *Planning Act*.
- Once an enabling regulation has been filed under the *Planning Act*, the legislative amendments will allow for as-of-right reductions to minimum setbacks.

The Official Plan will be updated to ensure that all legislative requirements and regulations are incorporated and reflected in the updated policy framework.

2.1.2 PROVINCIAL PLANNING STATEMENT, 2024

The Provincial Planning Statement, 2024 (PPS 2024) is a streamlined province-wide land use planning policy framework that provides policy direction on matters of provincial interest related to land use planning and development and provides the foundation for planning decisions in Ontario. The PPS 2024 came into effect on October 20, 2024, and replaced the Provincial Policy Statement, 2020 and A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019.

The PPS 2024 provides direction for appropriate development, with an emphasis on building more homes, and supports development to increase housing supply across the province that aligns with the development of infrastructure, while protecting agricultural lands, the environment and public health and safety. The PPS 2024 recognizes that local context is important and provides flexibility in the implementation of its policies provided that provincial interests are upheld.

The key changes introduced through the PPS 2024 include:

- Employment land conversions to non-employment lands and the expansion and/or creation of new settlement areas may be permitted at any time rather than through a municipal comprehensive review process.
- Municipalities are no longer required to plan for population and employment forecasts to an identified horizon year, as previously required by the Growth Plans, and population and employment growth forecasts shall be based on Ontario Population Projections provided by the Province.
- When preparing a new official plan or updated official plan, sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but no more than 30 years, informed by provincial guidance. Infrastructure, public service facility, strategic growth area and employment area planning may extend beyond the 30-year horizon.
- Municipalities are required to update their zoning by-laws to establish minimum densities and heights, among other development standards, required for accommodating growth and development.

- Housing policies have been amended so that planning authorities are required to provide an appropriate range and mix of housing options and densities by permitting and facilitating all types of residential intensification through various methods of development and redevelopment.
- Planning authorities were previously encouraged to establish and implement minimum intensification and redevelopment targets within built up areas based on local conditions where they are now required to do so.
- Policies for strategic growth areas and major transit station areas are now provided for in the PPS 2024.
- The definition of "employment area" was updated to reflect the scoped definition of "area of employment" in the *Planning Act* and provides policies for compatibility with employment areas.
- Large and fast-growing municipalities are identified in the PPS 2024 and those municipalities identified are encouraged to plan for a minimum density target of 50 residents and jobs per hectare. Large and fast-growing municipalities are also required to undertake watershed planning, and all other municipalities are encouraged to do so.

The existing Official Plan was prepared to be consistent with the Provincial Policy Statement, 2020. The Official Plan will be updated to be consistent with the PPS 2024.

2.2 MUNICIPAL FRAMEWORK

2.2.1 TOWN OF THESSALON OFFICIAL PLAN

Part A of the Official Plan provides a long-term vision for Thessalon that is based on a key guiding principle to provide for a good quality of life for those who live, work and vacation in Thessalon. The policies of the Official Plan aim to implement this guiding principle by providing a framework that encourages economic diversity, provides a variety of housing options with a focus on affordability, as well as open space and accessible shorelines to encourage an active lifestyle; all of which contribute to a good quality of life. As noted in the vision, it is the intent of the Official Plan to provide Council with the planning policies to consider and mitigate the impacts of change on the qualities that make the Town a desirable place to live.

Part A also outlines 14 goals that are aligned with the policies of the Official Plan, some of which include:

- Promoting a well-designed built form that encourages a sense of place and provides high quality, safe, accessible and attractive public spaces.
- Conserving the attributes of the natural physical environment and cultural heritage and archaeological resources.
- Sustaining active lifestyles and activities commensurate with a small-town atmosphere while still providing opportunities for community development.
- Managing growth while maintaining a healthy and livable urban environment.
- Sustaining a healthy economy and providing economic development opportunities.
- Keeping the public informed and involved in making land use decisions that affect their lives and the quality of the urban environment.

The policies of the Official Plan are aligned with an overall growth management framework that ensures population, housing and servicing are appropriately and adequately planned for.

Part B provides the general planning and development policies for the Town which includes policies related to sewage and water, storm water management and drainage, waste management, transportation, heritage, brownfield sites and contaminated lands, land use compatibility, crown land and land covered by water, and energy conservation and

reduction of light pollution. All these general policies must be accounted for when considering development applications. Part B also provides policies for technical studies and peer reviews that may be required when considering an application for development to ensure the matters listed, as set out in the Part B policies, are adequately considered and analyzed when proposing new development or the redevelopment of a site.

Part C provides the specific policies for each of the land use designations set out by the Official Plan. The land use designations provided in the existing Official Plan are summarized below:

RESIDENTIAL DESIGNATION

The purpose of the Residential designation is to encourage a variety and mix of housing types which are of a generally ground oriented housing form that accommodate the changing needs of the Town's population, and to ensure development is compact, energy efficient, and fully serviced, and compatible with surrounding land uses. Development permitted within the Residential designation includes a range of housing options, from single detached dwellings to apartments, parks, open space and natural areas, neighbourhood-servicing uses, limited commercial services and public service and institutional facilities appropriate for the surrounding neighbourhood, home based businesses and additional residential units. Policies are provided to ensure residential intensification is appropriate for the area where it is proposed and is well designed and compatible with the existing community and neighbourhood context.

The Residential designation policies also provide a framework for the development of additional residential units in the Town, establish targets for providing a balanced housing mix, measures for providing affordable housing, the provision of housing to accommodate special needs, and enabling Council to enact a by-law to permit the implementation of community benefits charges. Specific policies are also provided for uses such as home-based businesses and bed and breakfast establishments for lands within the Residential designation.

CENTRAL AREA DISTRICT DESIGNATION

The purpose of the Central Area District designation is to maintain the Central Area District as a major centre of business, employment and economic activity as well as being the social and visual heart of Thessalon. The intent is for the Central Area District to provide a mix of land uses including businesses, residential, retail, entertainment, cultural and leisure uses, and maintain its architectural heritage and building stock while preserving the natural amenities of the Thessalon River Corridor as an integral component of the Central Area District. Providing opportunities for increasing the supply of parking in the Central Area District is also a goal of the Plan. Permitted uses within the Central Area District designation include a variety of commercial uses, public service and institutional uses and residential uses. Policies are provided to ensure the land use pattern of the Central Area District generally conserves the existing built form with some opportunities for intensification, where appropriate. Streetscaping policies are provided to ensure the development of functional and safe streets and sidewalks and policies for cash-in-lieu parking to support the opportunity for increasing the supply of parking.

HIGHWAY COMMERCIAL DESIGNATION

The purpose of the Highway Commercial designation is to develop the Highway Commercial District as a major centre of employment and economic activity which compliments the economic role and function of the Central Area District. The permitted uses of the designation include a range of commercial uses that are largely automobile oriented and serves both the local and non-residential market, retail stores, factory outlets and business offices, highway oriented public service uses, ancillary uses excluding residential uses and existing industrial uses. Development and design criteria policies are provided to ensure commercial developments respect and reinforce the character of Thessalon and the visual and economic linkage between the Highway Commercial District and Central Area District is enhanced. The policies also aim to improve traffic patterns, safety and serviceability of the road network. Policies are provided to improve the visual image of the Highway 17 Corridor which includes a program of beautification and for the development of gateways to Thessalon as a means to uniquely define the edges of the community.

INSTITUTIONAL DESIGNATION

The purpose of the Institutional designation is to recognize institutional uses as important elements to well-being and a good quality of life and sustain public service and institutional services needed to support the residents of Thessalon and surrounding communities. The Official Plan recognizes the significance of working with other municipalities and agencies to provide these services to users beyond the municipal boundary. Co-location of community services and institutional facilities is encouraged. Permitted uses for lands within the Institutional designation include schools, hospitals and health care facilities, medical clinics, nursery and day care facilities, homes for the aged and long-term care facilities, government offices, police stations, fire halls, public libraries, museums, places of worship and cultural facilities. Policies are provided to ensure growth-related development applications evaluate the capacity of public service and institutional uses to serve the needs of the community and surrounding area and establish locational criteria for new public service and institutional uses.

INDUSTRIAL DESIGNATION

The purpose of the Industrial designation is to encourage industrial development as a means of strengthening the economic base of Thessalon by encouraging more intensive use of existing industrial lands, providing lands that support local businesses and create employment opportunities and better utilizing lands designated for industrial use through servicing and access improvements. The policies of the Industrial designation ensure that industrial development will occur in an orderly and compatible manner, subject to development criteria, accommodate the needs of regional service industries and contractors and provide areas where entrepreneurs and skilled trades can grow and develop to serve the needs of Northwestern Ontario businesses. Permitted uses of the Industrial designation include manufacturing, assembly, processing and fabrication, storage and/or warehousing uses, contracting establishments, wholesaling, service commercial establishments and similar uses and accessory retail and office uses, subject to certain criteria.

PARKS AND OPEN SPACE DESIGNATION

The purpose of the Parks and Open Space designation is to ensure the use and development of open space land is consistent with environmental objectives set out in the Official Plan, that residents and tourists have access to a properly planned and accessible parkland system and to promote active transportation through safe and connected public spaces and shorelines. Permitted uses include active recreational areas for sports activities and community events, public playgrounds and beaches, passive areas for leisure and nature appreciation, open space linkages for recreational trails and pedestrian ways, natural areas and urban wilderness, cemeteries, campgrounds, the Town marina and accessory uses thereto. The policies of the Parks and Open Space designation set out a strategy for the types of parks and open space, and suitable uses for each type, to be provided for within the Town of Thessalon.

ENVIRONMENTAL PROTECTION DESIGNATION

The purpose of the Environmental Protection designation policies is to ensure that natural heritage features and areas that form the natural heritage system in Thessalon are conserved and protected. Policies are included for protecting and managing wetlands, fish habitat, significant wildlife habitat, areas of natural and scientific interest and habitat of endangered and threatened species.

RURAL DESIGNATION

The purpose of the Rural designation is to identify lands that are not connected to urban services and are not intended for urban development and ensure the scale of development is compatible with the role and function of the rural area. Rural land uses and associated activities are encouraged that will contribute to the economy of the Town. Some of the permitted uses include agricultural uses, agricultural related uses and on-farm diversified uses, single detached dwellings on existing lots and additional residential units, open space and recreational uses, small-scale public uses, cemeteries, forestry and resource management uses. Specific policies are provided for lot creation, minimum distance separation formulae for agricultural livestock facilities, and other types of rural development, to ensure development in the Rural designation is appropriate for the area, compatible with surrounding uses and can be supported by private services.

ISLAND DESIGNATION

The purpose of the Island designation is to identify islands proximate to the Thessalon shoreline and generally restrict development of the islands. Permitted uses are limited to lawfully existing uses. The intent of the Island designation in the Official Plan is to ensure that the islands remain in a natural state and any development will be subject to an amendment to the Official Plan and Zoning By-law.

HAZARD LANDS OVERLAY DESIGNATION

The purpose of the Hazard Lands Overlay designation is to identify lands which may pose a risk to people and property due to natural hazards and establish policies to restrict or guide development in such areas. Permitted uses include existing uses, open space uses and uses related to conservation or flood control. Development policies are provided to ensure that development is directed to areas outside of hazardous lands and sites.

Part D provides the implementation policies that describe how other policies within the Official Plan will be implemented through various tools authorized by the *Planning Act* such as Zoning By-laws, Temporary Use By-laws, Holding Provisions, Site Plan Control, Community Planning Permit Systems, Minor Variances, Community Improvement Plans, and the subdivision of land. It also sets out policies for non-conforming uses where an existing use does not conform to the policies of the Official Plan and policies for pre-consultation and complete application requirements. Lastly, Part E describes how the policies and land use designations of the Official Plan are to be interpreted.

Schedule 'A' Town of Thessalon Official Plan identifies the various land use designations for all lands within the municipal boundary as well as the location of lakes and rivers, sewage and landfill facilities and surface water treatment plants, dynamic beaches, provincial highways and town roads.

The existing Official Plan policies will be updated to align with recent Provincial legislative changes and be consistent with the new PPS 2024. The review of the existing Official Plan will also consider if policies need to be updated to better reflect changing community needs and priorities and if updates to land use designations are required to ensure development is directed appropriately within the Town. The next section of this Background Report provides an analysis of the existing Official Plan policies, identifies conflicts and gaps and assesses opportunities for updating the Official Plan.

3 POLICY GAPS AND OPPORTUNITIES ANALYSIS

A policy gaps and opportunities analysis was completed as part of the Background Review phase which identifies existing policy areas in the Official Plan that require updating to be consistent with updated provincial policies and address amendments to the *Planning Act*. The policy gaps and opportunities analysis will guide the next phase of work to assist with the preparation of clear policy directions to ensure the Official Plan is updated to be consistent with provincial policies while continuing to balance the priorities and needs of the community in the Town of Thessalon. The policy gaps and opportunities analysis was divided into key theme areas based on the existing structure of the Official Plan.

The key policy themes identified through this analysis are:

- Key Theme #1: Growth Management, Population and Housing
- Key Theme #2: Economic Development
- Key Theme #3: Infrastructure, Servicing and Transportation
- Key Theme #4: Energy Conservation and Climate Change
- Key Theme #5: Cultural Heritage
- Key Theme #6: Land Use
- Key Theme #7: Implementation and Interpretation

This section is divided into subsections for each of the key themes and summarizes the findings of the policy gaps and opportunities analysis.

3.1 KEY THEME #1: GROWTH MANAGEMENT, POPULATION AND HOUSING

CONSISTENCY WITH PROVINCIAL POLICY

Subsection 26 (1.1) of the *Planning Act* requires municipalities to revise their official plans no less frequently than 10 years after it comes into effect as a new official plan and every five years thereafter, unless the plan has been replaced by a new official plan. In accordance with subsection 26 (1.1), the *Planning Act* requires that official plans be revised to ensure they conform with provincial plans, or do not conflict with them, have regard to matters of provincial interest and are consistent with policy statements issued under the *Planning Act*. The current Official Plan was prepared for consistency with the Provincial Policy Statement, 2020 (PPS 2020) and the Northern Ontario Growth Plan 2011. The PPS 2024 came into effect October 20, 2024, and replaced the PPS 2020. No recent updates have been made to the Northern Ontario Growth Plan 2011.

Section A2 Goals of the Official Plan provides that it is a goal "to be consistent, where applicable, with the Provincial Policy Statement (2020) and the Northern Ontario Growth Plan. This will include the provision of housing options that are diverse and affordable and fulfils the Provincial Policy Statement definition of affordability as it relates to the Algoma market". The Official Plan will be updated for consistency with the PPS 2024. Policies consistent with the previous PPS 2020 definition of affordability will be updated as necessary for consistency with the PPS 2024. The Official Plan continues to conform with the Northern Ontario Growth Plan 2011.

GROWTH FORECASTS

At the time of every official plan update, sufficient land shall be made available to accommodate an appropriate mix of land uses to meet projected needs for a time horizon of at least 20 years. Policy 2.1.1 of the PPS 2024 provides that planning authorities shall base population and employment growth forecasts on Ontario Population Projections published by the Ministry of Finance or, in accordance with policy 2.1.2, may continue to forecast growth using population and employment forecasts previously issued by the Province for the purpose of land use planning.

The Official Plan currently contemplates growth over a 20-year time horizon. As noted in Section A3.1 Population of the Official Plan, it is anticipated that the population in the Town may decline over the next 20 years, however, policies in Section A3.2 Housing and A3.3 Infrastructure and Public Service Facilities continue to provide policy direction to ensure that an appropriate amount of land is designated to accommodate growth, should population demand warrant it, and ensure that servicing capacity is allocated.

Population and employment forecasts will be reviewed in the Official Plan with the projections forecasted by the Province. Policies will be updated for consistency with the PPS 2024 for planning for people and jobs to a minimum 20-year time horizon which will inform more detailed policies in the Official Plan for population, housing and planning for infrastructure and servicing.

ACCOMODATING RESIDENTIAL GROWTH

The PPS 2024 requires municipalities to maintain at all times, the ability to accommodate residential growth for a minimum of 15 years through lands which are designated and available for residential development and where new development is to occur, land with servicing capacity sufficient to provide at least a three-year supply of residential units available through lands suitably zoned.

The current Official Plan plans for a horizon of 20 years and identifies land designated and available for residential development for the next 15 years, in addition to other opportunities to redevelop and intensify underutilized residential and commercial lands. The current Official Plan is consistent with the requirements of the PPS 2024 for the purpose of this 5-year Official Plan Review, however, at the next update or full review of a new Official Plan, it may be necessary to reconsider the lands designated and available for residential development and servicing capacity.

APPROPRIATE RANGE AND MIX OF HOUSING OPTIONS

Section 2.2 of the PPS 2024 provides policies for housing and requires that municipalities provide for an appropriate range and mix of housing options and densities to meet projected needs of future and current residents which includes establishing and implementing minimum targets for the provision of affordable housing.

Affordable housing policies are provided in Section C1.5.1 of the Official Plan and were prepared in accordance with the definition of "affordability" in the PPS 2020. The PPS 2024 provides a similar provincial policy framework for affordable housing as the previous PPS 2020, however, the Official Plan will be reviewed and updated where necessary to ensure the policies regarding affordable housing are consistent with the provincial definition for "affordable" in the PPS 2024.

RESIDENTIAL INTENSIFICATION

The PPS 2024 also provides additional flexibility for sites and areas where residential intensification (development and redevelopment) is appropriate to provide a net increase in residential units.

The current Official Plan provides policies for new residential development, as well as redevelopment of underutilized residential and commercial buildings. Policies for residential intensification are provided as Section C1.3. The Official Plan also provides policies for additional residential units (Section C1.4), affordable housing (Policy C1.5.1), and housing to accommodate special needs (Policy C1.5.2). The Official Plan will be reviewed and updated where necessary to ensure that the policies for residential intensification, and as permitted through the various land use designations in the Plan, are appropriate and consistent with the updated policies in the PPS 2024. Policies such as affordable housing, housing to accommodate special needs, and additional residential units will be reviewed and updated where necessary to ensure the policies meet the intent of providing an adequate and appropriate range and mix of housing options in the Town.

ADDITIONAL RESIDENTIAL UNITS

Bill 23, the *More Homes Built Faster Act, 2022* amended the *Planning Act* to encourage gentle density by permitting up to three residential units per lot as-of-right on a parcel of urban residential land and prohibits official plans from containing policies that have the effect of prohibiting the use of those additional residential units permitted as-of-right.

The current Official Plan provides policies for additional residential units in Section C1.4, however, the Official Plan was approved prior to Bill 23 receiving royal assent and amending the Planning Act to permit up to three residential units per lot as-of-right on a parcel of

urban residential land. The additional residential unit policies in the Official Plan will be reviewed to ensure the policies incorporate the amendments to the *Planning Act* for permitting additional residential units and do not have the effect of prohibiting authorized additional residential units as-of-right.

SETTLEMENT AREAS

The PPS 2024 provides that settlement areas shall be the focus of growth and development and that land use patterns within settlement areas should be based on densities and a mix of land uses which efficiently use land and resources, optimize existing and planned infrastructure and public service facilities, support active transportation, are transit-supportive, as appropriate, and are freight-supportive. The policies for settlement areas in the PPS 2024 were expanded significantly from the PPS 2020. Identifying new settlement areas and new settlement area boundary expansions are no longer required to be identified through the time of a comprehensive review of an Official Plan. Planning authorities may only identify new settlement areas where it has been demonstrated that the infrastructure and public service facilities to support development are planned or available.

The PPS 2024 provides that planning authorities shall establish and implement minimum targets for intensification and redevelopment within built-up areas, based on local conditions. The current Official Plan refers to settlement areas in Section A3.1 Population as being those residential areas outside of the rural area, however, settlement area boundaries are not clearly identified or delineated in the Official Plan policies or on the Official Plan schedule.

There is an opportunity through this Official Plan update for the Town to identify settlement area boundaries in accordance with the PPS 2024, although not explicitly required. It may be more appropriate to identify new settlement areas as part of undertaking a new official plan under Section 17 of the *Planning Act* in the future. Targets for intensification and redevelopment within built-up areas of the Town, based on local conditions, will be explored as part of the Official Plan Review.

RURAL AREAS AND LANDS

There is a need for planning authorities to plan for growth appropriately where rural areas and rural lands are provided in a municipality. The PPS 2024 provides updated policies for rural areas and rural lands in municipalities from the previous PPS 2020. The PPS 2024 provides more flexibility for development on rural lands, especially as it pertains to residential development.

The current Official Plan designates most of the lands north of Highway 17 and to the west of River Street, within the municipal boundary, as Rural. A portion of the lands, which are located at the north east corner of Government Road and Highway 17 (the subject lands), were redesignated from Rural to Residential through Official Plan Amendment No. 1 to the current Official Plan. The subject lands were redesignated to align with the existing zoning of the property, for consistency with provincial policy direction to increase the supply of housing, and to allow for the wise use and management of the subject lands. There is an opportunity through the Official Plan Review to update Schedule 'A' of the Official Plan to accurately reflect the amended land use designation for the subject lands in accordance with Official Plan Amendment No. 1.

The Official Plan policies for the Rural designation will also be reviewed and updated where appropriate to ensure they are consistent with the provincial policy direction for growth and development on rural lands in accordance with the PPS 2024.

3.2 KEY THEME #2: ECONOMIC DEVELOPMENT

SUPPORTING A MODERN ECONOMY

There is a need for planning authorities to promote economic development and competitiveness in accordance with the policies set out in Section 2.8.1 of the PPS 2024. Section 2.8.1 of the PPS 2024 provides that planning authorities shall promote economic development and competitiveness by providing for an appropriate mix and range of employment, institutional, and broader mixed uses to meet long-term needs; providing opportunities for a diversified economic base; identifying strategic sites for investment, monitoring the availability and suitability of employment sites, and seeking to address additional barriers to investment; encouraging intensification of employment uses and compatible, compact mixed-use development to support the achievement of complete communities; and addressing land use compatibility adjacent to employment areas by providing an appropriate transition to sensitive land uses.

Part A Vision of the Official Plan includes Section A4 Economic Development. As noted in Section A4, the Official Plan sets forth an economic development strategy to complement and reinforce the policies of the Plan for economic development. The Official Plan provides a range of land use designations that set out appropriate permitted uses for each of the designations and support economic development goals.

The Residential designation provides economic development opportunities by permitting neighbourhood-servicing uses, limited commercial services and public service and institutional facilities appropriate for the surrounding neighbourhood, and home-based businesses, in addition to residential uses. The intent of the Central Area District designation is to ensure the Central Area District is developed as a major centre of business, employment and economic activity in the Town and a variety of commercial uses, public service and institutional uses and residential uses are permitted. The purpose of the Highway Commercial designation is to develop the Highway Commercial District as a major centre of employment and economic activity which compliments the economic role and function of the Central Area District and permits a range of commercial uses that are largely automobile oriented and serves both the local and non-residential market, retail stores, factory outlets and business offices, highway oriented public service uses, ancillary uses excluding

residential uses and existing industrial uses. The Institutional designation recognizes institutional uses as important elements to well-being and a good quality of life and sustain public service and institutional services needed to support the residents of Thessalon and surrounding communities. The Industrial designation encourages industrial development as a means of strengthening the economic base of Thessalon by encouraging more intensive use of existing industrial lands, providing lands that support local businesses and create employment opportunities and better utilizing lands designated for industrial use through servicing and access improvements. While the Rural designation is not intended for urban development, Rural land uses and associated activities are encouraged that will contribute to the economy of the Town.

The Official Plan is generally consistent with the policies under Section 2.8.1 of the PPS 2024 for supporting a modern economy. A mix and range of land uses, including employment and institutional uses among a broader mix of uses is permitted under the various land use designations. The Central Area District and Highway Commercial District are the major centres identified for employment uses. The intensification of employment uses is encouraged in the Industrial designation where it is most appropriate, and it is a goal of the Plan to promote mixed-use development in the Centra Area District and Highway Commercial District specifically.

Land Use Compatibility policies are provided in Section B7 of the Official Plan, however, there is an opportunity through this Official Plan Review to review the lands that are adjacent to employment areas in each of the applicable land use designations to ensure compatibility with the employment areas by providing appropriate transition to sensitive land uses. The permitted uses in each of the land use designations will also be reviewed to ensure they meet the intent of the updated provincial definition for "employment area" and that lands within the Town are appropriately designated for employment uses.

3.3 KEY THEME #3: INFRASTRUCTURE, SERVICING AND TRANSPORTATION

There is a need for municipalities to plan infrastructure in a manner that is financially viable, coordinated with land use planning, and capable of supporting projected needs, as directed by Section 3.1 of the PPS 2024. The PPS emphasizes the importance of integrating infrastructure planning with land use and growth management to ensure that existing systems are optimized before new infrastructure is developed. It also promotes asset management planning over the full life cycle of infrastructure to support long-term financial sustainability and service delivery.

Section B3.3 of the Official Plan provides a technical overview of the Town's municipal servicing systems, including water, wastewater, stormwater, and roads. However, the policies primarily describe current servicing capacity and operational conditions rather than setting out a strategic policy framework for managing infrastructure over time.

The Official Plan policies for municipal infrastructure will be reviewed and updated, where appropriate, to reflect the PPS 2024 direction. This presents an opportunity to strengthen policy language that promotes the coordination of infrastructure and land use planning, prioritizes the optimization of existing servicing systems, and supports long-term financial planning through asset management strategies.

SERVICING AND WATERSHED-BASED PLANNING

Section 3.6 of the PPS 2024 requires that municipalities plan for and provide sewage, water, and stormwater services in a manner that supports projected growth, protects human health and water resources, and promotes long-term financial and environmental sustainability. The PPS 2024 also encourages the integration of land use planning at all stages of servicing and supports watershed-scale planning to address cumulative impacts.

The Official Plan includes a servicing hierarchy and promotes low-impact development, natural infiltration, and stormwater reuse through Sections B1 and B2. However, there is limited policy direction on how servicing is to be coordinated with land use, how unused servicing capacity may be reallocated to support growth, or how cumulative stormwater impacts are to be assessed and managed.

The servicing policies in the Official Plan will be reviewed and refined, where appropriate, to align with the PPS 2024. This includes the opportunity to introduce new policies that strengthen the integration between land use and servicing, support the reallocation of unused capacity to facilitate housing supply, and reinforce watershed-scale stormwater planning. Additional updates may include policies that promote water and energy conservation and support the long-term financial viability of municipal servicing systems.

INTEGRATED WASTE MANAGEMENT

Section 3.7 of the PPS 2024 directs municipalities to plan for and provide waste management systems that are appropriately sized, designed, and located to meet current and future needs. It promotes integrated waste management strategies that reduce waste generation, maximize reuse and recycling, and protect the environment, while ensuring that facilities meet all applicable environmental standards.

The current Official Plan includes reference to the Town's landfill partnership and the capacity of the local transfer station, but it does not provide broader direction for long-term waste management or system sustainability.

The waste management policies in the Official Plan will be reviewed and updated, where appropriate, to reflect the direction of the PPS 2024. This includes the opportunity to establish policies that support integrated waste management approaches, incorporate waste diversion targets, plan for long-term system capacity, and ensure adaptability of infrastructure to meet future needs.

PARKS, TRAILS, AND TRANSPORTATION

The PPS 2024, through Section 3.9, promotes the development of healthy, inclusive, and connected communities by requiring planning authorities to provide a full range of publicly accessible recreational opportunities. These include parks, trails, open spaces, and shoreline areas that support active transportation and are inclusive for all ages and abilities. The PPS 2024 also encourages minimizing negative impacts on provincial parks and conservation reserves, while improving access to natural assets.

The existing Official Plan provides some direction on recreational trails, primarily addressing trail safety, crossings near provincial highways, and recognition of third party operated

snowmobile trails. However, there is limited policy support for broader recreational planning, active transportation infrastructure, or inclusive and age-friendly design.

The recreational trail policies in the Official Plan will be reviewed and updated, where appropriate, to align with the PPS 2024. There is an opportunity to introduce policies that enhance accessibility, promote inclusive and connected public spaces, support broader active transportation networks, and strengthen linkages to parks, shoreline areas, and community gathering spaces.

3.4 KEY THEME #4: ENERGY CONSERVATION AND CLIMATE CHANGE

Section 2.9 of the PPS 2024 states planning authorities must adopt approaches that aim to reduce greenhouse gas (GHG) emissions and prepare for the impacts of a changing climate. The updated policy framework places greater emphasis on supporting compact, transit-supportive, and complete communities, promoting energy efficiency, and integrating green infrastructure and low impact development into land use planning. It also calls for proactive measures to support active transportation, mitigate stormwater impacts, and build community resilience to climate-related risks. These requirements reflect the Province's broader climate change objectives and reinforce the need for local planning documents to address both mitigation and adaptation imperatives in a comprehensive and coordinated manner.

The Town of Thessalon's current Official Plan provides limited direction on these matters. While Section B4.9 recognizes the potential impacts of climate change as they relate to natural hazards, and Section B10 promotes energy conservation through compact urban form and reduced lighting impacts, the policies fall short of addressing the full scope of provincial expectations. The Official Plan lacks direction on GHG emissions reduction, climate-adaptive infrastructure planning, integration of stormwater and land use decisions, and the promotion of active transportation, air quality improvement, and community-scale resilience.

Through this Official Plan Review, there is a clear opportunity to expand the Town's climate policy framework in alignment with PPS 2024. Updated policies should support a more integrated and future-focused approach to land use, servicing, infrastructure, and environmental planning that advances climate mitigation, enhances adaptation to risks, promotes low impact development, and supports healthier, more sustainable communities. Incorporating these considerations into the updated Official Plan will ensure alignment with provincial direction and contribute meaningfully to environmental sustainability, public health, and long-term community well-being.

3.5 KEY THEME #5: CULTURAL HERITAGE

CONSERVATION OF CULTURAL HERITAGE AND ARCHAEOLOGICAL RESOURCES AND LANDSCAPES

The PPS 2024 provides updated policies from the PPS 2020 for the conservation of cultural heritage and archaeological resources and landscapes. There is a need to ensure official plan policies conserve significant built heritage resources, significant cultural heritage landscapes, archaeological resources, areas of archaeological potential, and heritage attributes of protected heritage properties, in accordance with the definitions set out in the PPS 2024 as it relates to development and site alteration. Section B5 Heritage of the Official Plan provides heritage conservation policies. The policies are consistent with the provincial policy direction provided in the PPS 2024 but may require updating for consistency with provincial terminology to ease useability of the Plan.

AMENDMENTS TO THE ONTARIO HERITAGE ACT

Bill 23, the *More Homes Built Faster Act, 2022* amended the *Ontario Heritage Act* which provides that the council of a municipality may, by by-law, designate the municipality or any defined area or areas of it as a heritage conservation district if there is in effect in the municipality, an official plan that contains provisions relating to the establishment of heritage conservation districts, and, where criteria for determining whether a municipality or an area of a municipality is of cultural heritage value or interest has been prescribed, the municipality or any defined area or areas of the municipality meets the prescribed criteria.

Section B5.5.10 Heritage Resource Designation of the Official Plan provides policies that permit Council, by by-law, to designate heritage conservation districts. The policies related to designating heritage conservation districts will be reviewed in accordance with amendments to the *Ontario Heritage Act* to ensure all necessary provisions to be included in an official plan are provided in accordance with the *Ontario Heritage Act.*

3.6 KEY THEME #6: LAND USE

RESIDENTIAL DESIGNATION

The Residential designation in the current Official Plan is intended to support a variety and mix of housing types, primarily ground-oriented in form, that respond to the changing needs of the population. It promotes compact, energy-efficient, fully serviced development that is compatible with surrounding uses. The designation permits a range of residential forms, including single detached dwellings, apartments, additional residential units, home-based businesses, and limited commercial and public service uses. These policies generally align with the PPS 2024, particularly Section 2.1, which directs planning authorities to significantly increase the housing supply and support a range of housing options.

While the designation includes policies encouraging intensification and affordable housing, the PPS 2024 places increased emphasis on enabling a full mix of housing options and optimizing existing infrastructure to meet current and future housing needs. There is an opportunity through the Official Plan Review to strengthen residential land use policies by identifying areas suitable for intensification, supporting innovative housing forms such as co-housing or modular units, and integrating clearer direction for affordable and attainable housing delivery. Enhanced policies could better support flexible housing options and provide a more responsive framework to address the diverse housing needs of Thessalon's residents.

CENTRAL AREA DISTRICT DESIGNATION

The Central Area District designation in the Official Plan is intended to maintain Thessalon's downtown as a vibrant mixed-use core by encouraging a variety of commercial, institutional, and residential uses. It supports the integration of uses such as retail, restaurants, offices, public services, and upper-storey residential units. This aligns with the PPS 2024, particularly policies in Sections 2.2 and 2.4, which promote the development of complete communities, support intensification in strategic growth areas, and encourage the efficient use of land and infrastructure.

While the Central Area District designation policies recognize opportunities for business, residential, retail, entertainment, cultural and leisure uses in creating vitality and diversity, the PPS 2024 also emphasizes the importance of planning for accessible public spaces, recreational amenities, and active transportation infrastructure in core areas.

There is an opportunity through the Official Plan Review to enhance policies for the creation of a healthy, inclusive, and complete downtown environment.

HIGHWAY COMMERCIAL DESIGNATION

The Highway Commercial designation is intended to support the development of the Highway Commercial District as a major centre of employment and economic activity that compliments the role of the Central Area District. It permits a range of primarily automobile-oriented commercial and highway-serving public service uses, with an emphasis on businesses that require larger sites and benefit from high traffic volumes. Residential uses are not permitted.

The Official Plan includes policies to ensure that development reflects the character of Thessalon, enhances the visual and economic connection to the Central Area, improves traffic safety, and supports beautification along the Highway 17 corridor through landscaping improvements and gateway features.

While the designation aligns with the PPS 2024 objectives for economic development and land use compatibility, there is an opportunity through the Official Plan Review to strengthen policies that encourage active transportation, high-quality site design, and intensification of underutilized lands.

INSTITUTIONAL DESIGNATION

The Official Plan identifies institutional uses as vital components of community well-being and quality of life. Section C4.1 outlines the purpose of the Institutional designation, which includes recognizing the importance of public and institutional services to both local residents and surrounding rural communities. The policies emphasize sustaining existing services, coordinating delivery with other municipalities and agencies, and encouraging the co-location of facilities to improve accessibility and efficiency.

Section C4.2 sets out a broad range of permitted uses, including schools, hospitals, long-term care facilities, daycares, libraries, government offices, places of worship, and cultural institutions.

The Official Plan supports continued engagement with service delivery agencies, particularly when reviewing development applications, to ensure adequate capacity is in place to accommodate growth. Locational guidance is provided for new institutional uses, prioritizing

sites that minimize traffic impacts and are accessible via major roads or service roads, in coordination with the Ministry of Transportation where applicable.

Overall, the Official Plan aligns with the PPS 2024 and takes a proactive approach to managing institutional land uses by balancing service sustainability with growth-related needs, supporting coordinated service planning, and reinforcing the community function of institutional facilities.

INDUSTRIAL DESIGNATION

The Industrial designation is intended to strengthen the local economic base by promoting more intensive use of industrial lands, supporting local businesses, and improving employment opportunities. Permitted uses include manufacturing, assembly, processing, fabrication, warehousing, storage, contracting establishments, service commercial uses, wholesaling, and accessory retail and office components. These policies align with the PPS 2024 direction to provide a range of employment opportunities, support economic competitiveness, and protect employment areas for long-term use. However, there are opportunities to enhance alignment by strengthening policies related to land use compatibility with sensitive uses, supporting the modernization and diversification of industrial sectors, and integrating infrastructure planning and asset management to guide long-term servicing needs. Including direction on sustainable site design and climate resilience would also better reflect current provincial policy priorities.

PARKS AND OPEN SPACE DESIGNATION

The policies for parks, trails, and open space align well with the PPS 2024. The Official Plan promotes healthy, active, and inclusive communities by ensuring public spaces are safe, accessible, and connected. It supports a broad range of recreational uses, including active parks, passive natural areas, and trails designed with accessibility in mind. The Official Plan provides for public access to shorelines and integrates environmental objectives by protecting natural areas and flood-prone lands. Mechanisms such as parkland dedication and cash-in-lieu provisions are included to maintain and enhance recreational facilities in response to community growth. The Official Plan reflects the emphasis on community well-being, active transportation, environmental stewardship, and equitable access to recreational and open space amenities provided for in the PPS 2024.

ENVIRONMENTAL PROTECTION DESIGNATION

Section C7 of the Official Plan details the Environmental Protection designation policies, which closely align with the natural heritage requirements in the PPS 2024. Both emphasize the long-term protection and conservation of significant natural heritage features, including wetlands, fish habitat, significant wildlife habitat, and Areas of Natural and Scientific Interest. The Official Plan contains comprehensive policies that restrict development and site alteration within significant wetlands, fish habitats, and habitats of endangered and threatened species, consistent with provincial and federal regulations.

The Official Plan also reflects the PPS 2024 directive to protect adjacent lands typically within 120 metres of key natural features by requiring impact assessments to ensure no adverse effects. This approach supports the maintenance of ecological functions, biodiversity, and connectivity within natural heritage systems. Furthermore, the Official Plan explicitly acknowledges the importance of conserving biodiversity and ecological linkages, consistent with PPS 2024 objectives.

Both the Official Plan and the PPS 2024 safeguard agricultural uses by ensuring that environmental policies do not unduly restrict ongoing farming activities. The Official Plan mandates evaluations for unevaluated wetlands and prohibits development in significant and coastal wetlands, in alignment with PPS 2024 protections. Fish habitat policies require thorough impact assessments and prohibit harmful alteration or disruption, supporting the PPS 2024 goal of achieving no net loss in fish habitat productivity. Provisions concerning significant wildlife habitat and habitats of endangered and threatened species include requirements for environmental impact studies and adherence to relevant legislation.

The Town of Thessalon's environmental protection policies establish a strong framework that reflects the commitment in the PPS 2024 to conserving natural heritage features and maintaining ecological integrity, while accommodating compatible land uses.

RURAL DESIGNATION

The permitted uses of the Rural designation generally align with the permitted uses provided for rural lands in the PPS 2024. However, Section 2.6 in the PPS 2024 also includes resource-based recreational uses (including recreational dwellings not intended as permanent residences) as a permitted use. The policies under Section C8.3 of the Town's Official Plan will be carefully reviewed and updated to ensure consistency with the PPS 2024. The Official Plan Review presents an opportunity to enhance policy clarity, incorporate all provincially identified rural uses, and better support sustainable rural development and economic diversification in the community through the updated Official Plan policies.

ISLAND DESIGNATION

The Island designation identifies lands proximate to the Town's shoreline and generally restricts development, limiting permitted uses to lawfully existing uses. The Official Plan anticipates that these islands remain largely in a natural state and requires comprehensive studies including natural heritage evaluations, impact assessments, flood hazard analyses, planning justification, and archaeological assessments before any amendments to permit development are considered. This approach aligns closely with provincial policy by emphasizing the protection of significant natural heritage features, minimizing development in sensitive areas, and ensuring that any site alteration does not negatively impact ecological functions. The requirement for evaluation before permitting development supports the PPS 2024 objectives for long-term environmental protection and hazard avoidance. Through the Official Plan Review there is an opportunity to integrate climate change adaptation measures such as shoreline resilience and dynamic hazard management to further align with the evolving provincial priorities for sustainable and resilient resource management.

HAZARD LANDS OVERLAY

The Hazard Lands Overlay designation is intended to identify areas that pose a risk to public safety and property due to natural hazards, including flooding, erosion, and unstable soils. The policies restrict and guide development within these areas to protect people, property, and the environment. Permitted uses within the Hazard Lands Overlay are limited to existing uses, open space and passive recreational uses, and uses related to conservation or flood control. These limitations are intended to prevent new development that could increase risk exposure and to ensure that land use remains compatible with the hazard context.

This policy approach aligns with Section 5.1 of the PPS 2024 which requires planning authorities to direct development away from areas where there is an unacceptable risk to public health and safety due to natural hazards. The PPS 2024 also encourages the use of best available information and science in identifying hazardous areas and emphasizes the importance of proactive planning to mitigate risks associated with a changing climate.

While the existing Official Plan policies provide a clear framework for limiting development in hazard-prone areas, there is an opportunity through the Official Plan Review to incorporate updated language and hazard definitions consistent with the PPS 2024. This may include the integration of more detailed risk assessment criteria, refined mapping of hazard areas, and policies that reflect emerging challenges related to climate resilience. Strengthening these policies will support more effective land use decisions, ensure public safety, and improve the Town's capacity to adapt to evolving environmental conditions.

3.7 KEY THEME #7: IMPLEMENTATION AND INTERPRETATION

SITE PLAN CONTROL

Bill 23, the *More Homes Built Faster Act, 2022* made significant amendments to the Planning Act with respect to the Site Plan Control process, including exempting residential development up to 10 residential units from the Site Plan Control process and removing the ability for a municipality to regulate matters of exterior design.

Section D1.4 Site Plan Control of the Official Plan designates all areas of the Town as proposed Site Plan Control areas and provides a list of matters that may be regulated under a site plan agreement. Section D1.4 does not explicitly exempt residential development up to 10 residential units from the Site Plan Control process and lists matters of exterior design as matters that may be regulated. Additionally, policy D1.4.1 is specific only to road widenings whereas the *Planning Act* provides a more extensive list of conditions that may be required for the approval of plans/drawings required for Site Plan Control. The Official Plan will be updated to align with the legislative requirements provided through recent amendments to the *Planning Act* regarding Site Plan Control. The list of conditions that may be required for the approval of plans/drawings for Site Plan Control will be reviewed and if deemed necessary and/or appropriate, the Official Plan will be updated to ensure all necessary provisions are provided in the policies for Site Plan Control.

PRE-CONSULTATION REQUIREMENTS

Bill 185, the *Cutting Red Tape to Build More Homes Act, 2024* amended the *Planning Act* by removing municipalities' authority to impose mandatory pre-consultation meeting requirements.

Section D3 Pre-Consultation and Complete Applications of the Official Plan provides policies for pre-consultation and complete applications and provides that Council may, by by-law, require a proponent to attend a pre-consultation meeting with staff prior to the submission of a planning application. The Official Plan will be updated to remove the requirement for pre-consultation meetings and reflect the language of the *Planning Act* which requires municipalities to permit the proponent to consult with the municipality prior to making an

application, if desired.

COMPLETE APPLICATION REQUIREMENTS

Bill 17, the *Protect Ontario by Building Faster and Smarter Act, 2025*, amended the *Planning Act* to require Minister's approval before making amendments to an official plan as it relates to complete application requirements. Additionally, the Minister has the authority to pass regulations regarding the information or material that may be required in support of a complete application for an Official Plan Amendment, Zoning By-law Amendment, Site Plan Application, Draft Plan of Subdivision Approval or Consent. This will take effect on a future date once the Minister files a regulation under the *Planning Act.*

Section D3 Pre-Consultation and Complete Applications of the Official Plan provides a list of requirements that shall be required at a minimum as part of a complete application, as well as supporting information that may be required. There is an opportunity through this Official Plan Review to ensure the list of complete application requirements satisfies the Town's needs for adequately assessing development applications as the updated Official Plan will be approved by the Minister.

CONSENT

Section 53 of the *Planning Act* provides provisions for Consent. The Official Plan provides some policies for Consent embedded throughout the Official Plan but does not provide a section for Consent under Implementation. There is an opportunity to further clarify Consent policies by providing a new section for Consent under the Implementation section, in accordance with the legislative requirements under the *Planning Act*.

PARKLAND DEDICATION

Bill 23, the *More Homes Built Faster Act, 2022* made amendments to the *Planning Act* with respect to parkland dedication rates and incentivizing affordable and attainable housing by capping the required parkland dedication for affordable and attainable housing developments.

Section C6 Parks and Open Space Designation of the Official Plan provides policies related to cash-in-lieu and parkland dedication. The Official Plan policies will need to be updated to reflect the amendments to the *Planning Act*. There is an opportunity to restructure these policies by providing them in the Implementation section rather than a land use designation section to ease the usability of the Plan and include them in a section that refers to all other matters with prescribed provisions/processes under the *Planning Act*.

4 PUBLIC ENGAGEMENT

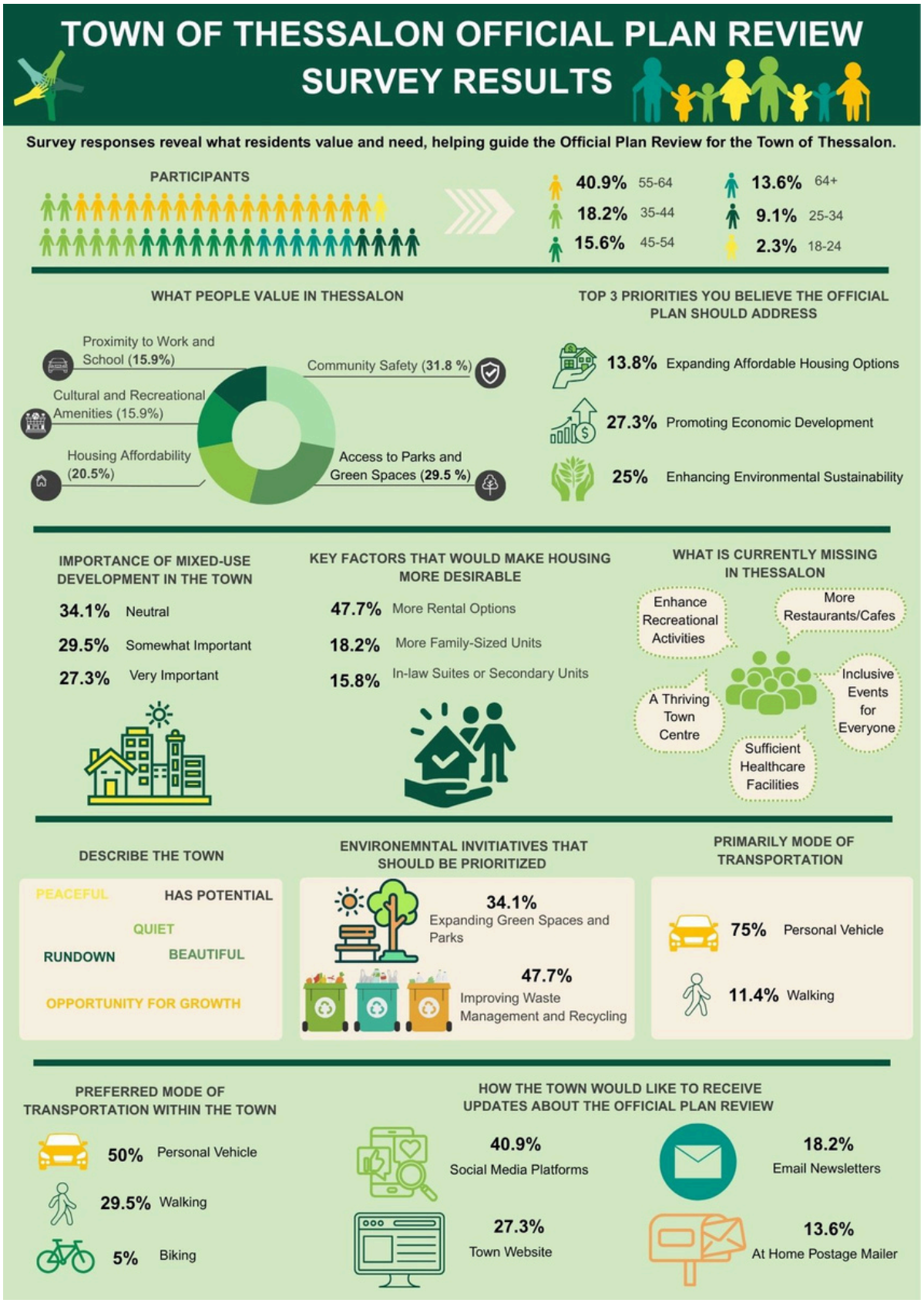
As a key component of Phase 1 of the Official Plan Review, a comprehensive public engagement strategy was prepared and implemented to raise community awareness, provide education, and collect meaningful input to guide the update of the Official Plan.

A dedicated project webpage was launched on the Town of Thessalon's official website, serving as a centralized resource for information and engagement opportunities. The webpage outlines the Official Plan Review process and provides an explanation of what an Official Plan is and its critical role in directing long-term land use planning and decision-making. It also emphasizes the importance of reviewing and updating the Official Plan, while highlighting ways for the community to actively participate throughout the process.

To encourage early community involvement, an online public survey titled "Town of Thessalon Official Plan Review Public Survey" was made available via the Town of Thessalon's webpage and through on site Notices/Posters around the Town. The survey consisted of 11 questions designed to gather comprehensive input from residents, seasonal property owners, local businesses, and other community collaborators. These questions addressed key topics related to Thessalon's current conditions, community values, priorities, and future aspirations.

The responses from the survey were carefully analyzed to identify common themes and emerging needs. This valuable feedback provides a foundation to inform and guide the development of updated policy directions within the Town's Official Plan, ensuring they reflect the community's vision for the future of Thessalon. The primary objective of this engagement opportunity was to ensure that the community's thoughts, concerns and comments are heard and reflected through future project work.

FIGURE 2. SURVEY RESULTS



The survey reflects input from residents across all age groups, and provides important insight into the community's values, priorities, and future aspirations. Respondents identified community safety, access to parks and green spaces, housing affordability, cultural and recreational amenities, and proximity to work and school as the most valued aspects of living in the Town. When asked to identify priorities for the Official Plan, the expansion of affordable housing options was identified as the foremost concern, followed by the promotion of economic development, enhancement of environmental sustainability, and preservation of cultural heritage resources. Moderate support was also expressed for the inclusion of mixed-use developments within the Town.

In relation to housing desirability, respondents indicated a need for increased rental options, family-sized units, and secondary suites. The survey results also highlighted existing gaps in the Town perceived by community members which include community services and amenities, healthcare facilities, inclusive local events, a vibrant town centre, improved transportation options, and expanded recreational facilities. The expansion of green spaces and improvements to waste management and recycling programs was emphasized as environmental initiatives that should be prioritized.

The survey collected information about the community's current and preferred modes of transportation to help identify gaps for the preparation of policies to guide future infrastructure improvements. Personal vehicles and walking were identified as the primary modes of transportation, while cycling emerged as a preferred alternative that many community members would like a greater opportunity to use.

The survey asks respondents to describe the town. Descriptors commonly used to characterize the Town included, "beautiful," "peaceful," and "safe," reflecting an overall appreciation for Thessalon's natural environment and safety. Nevertheless, some responses described the Town as a place with "potential" and "opportunity for growth", indicating that there are areas for improvement.

This community feedback offers critical guidance for updating the Official Plan to ensure the policy framework supports sustainable development, maintaining the Town's distinct identity, and enhancing the quality of life. This initial community engagement opportunity served as a critical component for capturing resident perspectives and priorities. The insights gathered will help guide topics of discussion for an upcoming Public Open House scheduled in August 2025.

The Public Open House represents a key component of the engagement process for the Official Plan Review. Its purpose is to demonstrate that community input gathered through earlier phases, such as the public survey, have been meaningfully analyzed and integrated into the Official Plan Review process. The event will present the key themes and priorities identified to date, share preliminary policy directions and land use considerations, and provide a forum to deepen the discussion on major planning topics, including housing, infrastructure, environmental protection, and growth management.

Importantly, the Public Open House provides an opportunity to collect further feedback from the public on emerging directions and to refine planning priorities based on local input. This engagement step is critical to ensuring that the updated Official Plan reflects the needs, values, and long-term vision of the Thessalon community.

FIGURE 3. PUBLIC OPEN HOUSE NOTICE

5 NEXT STEPS

This Background Report concludes Phase 1: Background Review. Phase 2: Public Engagement remains ongoing. Next steps in the Official Plan Review process include:

Public Open Houses

Two in-person Public Open House sessions led by Powell Planning and Associates, scheduled on August 18, 2025 from 2 p.m. to 4 p.m. and 5 p.m. to 7 p.m.

Public Engagement Summary Report

The preparation and delivery of Public Engagement Summary Report #1 to summarize the public engagement opportunities held to-date and the feedback received through the Official Plan Review process thus far.

Phase 3: Policy Directions

Commencing Phase 3: Policy Directions which will include the preparation of a Policy Directions Report.

Additionally, more public engagements opportunities will be announced.

6 CONCLUSION

This Background Report provides an overview of the current policy framework and forms the foundation for identifying key issues, gaps, opportunities, and areas for potential policy updates to the existing Official Plan. The report also summarizes the feedback received through the launch of public engagement opportunities thus far. This Background Report will be used to inform recommendations of policy directions in Phase 3: Policy Directions of the Official Plan Review process. The survey results, and other feedback received through public engagement opportunities such as the Public Open House, are critical components to determining the vision, goals, and refinement of policies in preparation of the updated Official Plan to ensure it reflects the evolving needs and priorities of the Town of Thessalon.

To learn more about the Town of Thessalon Official Plan Review and stay informed about ways to get involved, please visit the Town's website at: **https://thessalon.ca/town-services/planning-and-development/**.

To sign-up for the project email mailing list for project updates or provide feedback throughout the Official Plan Review process, please email: **officialplanreview@thessalon.ca**.

ACKNOWLEDGEMENTS

We thank you for your continued interest and participation in the Town of Thessalon Official Plan Review.

Powell Planning & Associates is leading the Official Plan Review process for the Town of Thessalon. This Background Report was prepared by:

Carly Murphy, M.Pl.
Planner, Powell Planning & Associates

Bilan Mohamud, B.URPl.
Planner, Powell Planning & Associates

Aimee Powell, B.URPl., MPA, MCIP, RPP
Chief Planning Officer, Powell Planning & Associates