



Meeting Date: February 25, 2026

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Report No: PLA-06-2026

Subject: Application for Zoning By-law Amendment (ZBA-02-2026), filed by SBM Limited (c/o Nick Dyjach) on behalf of 2797123 Ontario Inc.

Recommendation:

THAT Report PLA-06-2026 re: Application for Zoning By-law Amendment ZBA-02-2026 be received;

AND FURTHER THAT Zoning By-law Amendment application ZBA-02-2026, as amended, filed by SBM Limited (c/o Nick Dyjach) on behalf of 2797123 Ontario Inc., to rezone the subject land from the 'Agricultural - No Residences (A3)' zone to the 'Farm Industrial exception 7 (M3-7)' zone for the land legally described as Concession 4 Pt Lots 10 to 12 and RP 33R21685 Parts 4 to 10 (former Township of Lobo) and known as 10651 Gold Creek Drive, Municipality of Middlesex Centre, be APPROVED.

Purpose:

The purpose of this report is to provide Council with a recommendation regarding a Zoning By-law Amendment application for the property located at 10651 Gold Creek Drive which is located on the south-east side of Gold Creek Drive, and south of Egremont Drive (County Road 22) and south-west of the community of Lobo. The property is legally described as Concession 4 Pt Lots 10 to 12 and RP 33R21685 Parts 4 to 10 (former Township of Lobo).

A location map is included as Attachment 1.

Background:

The purpose of the Zoning By-law Amendment is to rezone 7.9 ha (19.5 ac) of land from 'Agricultural – No Residences (A3)' to a new site-specific 'Farm Industrial exception 7 (M-7)' Zone to permit dry industrial and general industrial uses, and set a minimum parking requirement of 50 parking spaces whereas 121 parking spaces are required. The effect of the application would facilitate a second location for Dairy Lane Systems to manufacture and transport dairy equipment. The remaining farmland will continue to be split-zoned 'Agricultural – No Residences (A3)' and 'Agricultural (A1)'.

The Applicant prepared a concept plan that shows the area to be rezoned and proposed use including the 125,000 ft² building for manufacturing and office space, open storage, parking, and a preliminary stormwater management area. The Applicant advises that the proposed use will be similar in nature to their current operations in Lobo. Access to the new use is proposed off Gold Creek Drive. The concept plan is subject to refinement and will be reviewed in greater detail during the Site Plan Approval process. The concept plan is appended to this report as Attachment 3.

The farmland is approximately 84 ha (207 ac) in area and a broken frontage of approximately 1,390 m (4, 560 ft) on Gold Creek Drive. The land contains a single detached dwelling and outbuildings, and farm buildings that are accessed from Gold Creek Drive and function separately from the subject land to be rezoned. The farmland contains regulated area and Significant Woodland which are both located away from the subject lands to be rezoned. The farmland is surrounding by agricultural uses and abuts commercial, light industrial and residential located within the community of Lobo.

IESO Energy Generation Proposal

Note that in fall 2025, a request was submitted to the Municipality for a Municipal Support Resolution in support of an application to the Independent Electricity System Operator (IESO) for a new gas-powered energy generation facility on the site as part of the [IESO LT-2 Procurement](#). The Municipal Support Resolution was granted on [November 19, 2025](#), and the applicant submitted their proposal to the IESO. The applicant has indicated that the power-generating facility is not being considered at this time. Should the applicant be interested in considering the energy generating facility on the site, this will need to be considered through a future application. [Note that a petition was received by Council on December 17, 2025](#) from neighbouring residents in opposition to the proposed gas generating facility.

Policy Regulation:

Provincial Planning Statement, 2024:

Section 3 of the Planning Act requires all decisions made under the Act “to be consistent with” the Provincial Planning Statement, 2024 (PPS). The following PPS policies are relevant to the proposed development and need to be considered when evaluating the subject applications.

Section 4.3 of the PPS speaks to prime agricultural areas and the long-term protection of these areas for agricultural use. Permitted uses within prime agricultural areas include: agricultural uses, agriculture-related uses, and on-farm diversified uses. Agriculture-related uses mean those farm related commercial and farm-related industrial uses that are directly related to farm operations in the area, support agriculture, benefit from being in close proximity to farm operations, and provide direct products and/or services to farm operations as a primary activity.

Middlesex County’s Official Plan

The County of Middlesex Official Plan designates the subject property as Agricultural Area. The County Plan recognizes agriculture as the predominant land use and an

economic mainstay within the County. The Agricultural Areas policies are intended to protect agricultural lands from the intrusion of land uses that are not compatible with agricultural operations. Incompatible uses are frequently identified as non-farm related residential dwellings on small lots.

Section 3.3.5 acknowledges the importance of farm related commercial and industrial uses in Agricultural Areas. Examples include farm equipment repair shops, agri-tourism, feed mills, grain drying, abattoirs, and kennels, and shall be in accordance with Provincial guidelines. Farm related commercial and industrial uses should be considered in the Agricultural Area if the operation cannot reasonably be located in a Settlement Area and must be in proximity to farming activities, the use complies with the Minimum Distance Separation Formula, the use does not require or generate large volumes of water, and the operation is located to minimize potential adverse impacts on adjacent residential or other sensitive land uses. Operations are subject to the site plan policies and zoning by-law of the local municipality, and must provide minimum sight distances along County or local roads.

Middlesex Centre's Official Plan

As mentioned, the subject property is designated 'Agricultural' by Middlesex Centre's Official Plan. Agricultural and agriculture-related uses are permitted in Agricultural areas. This includes commercial and industrial uses that are directly related to agriculture as described in Section 2.4 of the Official Plan.

Agriculturally related commercial and industrial uses are those that are required in close proximity to farming operations. These are generally permitted within the Agriculture designation subject to the approval of a zone change and site plan control. These uses are generally encouraged to locate within settlement areas except where they are essential to the functioning of agriculture or would cause conflicts in settlement area. Uses that could potentially cause conflicts in settlement areas would include feed mills, livestock assembly yards, and slaughterhouses.

When considering the establishment of new agriculturally related commercial, industrial or tourism uses, or the expansion of existing uses of this type, Council will consider the following criteria:

- a) The loss of productive farmland in the accommodating of such uses, shall be discouraged. Uses will be encouraged to locate on lands of lower soil capability or lands proven to be unsuitable for farming due to lot size, shape or topography.
- b) The amount of land devoted to the use shall include only the minimum necessary to support the use and its servicing needs.
- c) The use must not require municipal sewer or water services. The method of servicing shall require approval by the appropriate regulatory bodies. Any industrial use shall be "dry" in nature.

- d) Access shall be available from a public road of reasonable construction and year-round maintenance. Development is encouraged on a hard-surface, dust-free road.

Access to Provincial Highways for agriculturally related commercial and industrial development uses will be subject to the review and approval of the Ministry of Transportation (MTO). An entrance permit from the MTO will be required for the change in use of the access. The entrance permit will identify the primary land use (i.e. farmstead) with a specific secondary land use for the agriculturally related commercial or industrial use.

In addition, the MTO would not support a future severance where a property owner wishes to separate the agriculturally related commercial and industrial use from the property where a new entrance from the highway for the new lot of record would be required.

- e) A site plan agreement shall be entered into with the Municipality. Such an agreement will require particulars relating to, at a minimum, access, traffic, drainage, and grading.
- f) Where a severance of land is necessary to accommodate such a use, the severance policies in Section 10.3 of this Plan will apply.
- g) Compliance with minimum distance separation shall be required where a proposed agriculturally related commercial or industrial use is in proximity to livestock and/or poultry operations. The Municipality may exercise discretion, through the consideration of Minor Variance applications, based on the proposed type of commercial or industrial use, and the extent of its sensitivity to agricultural activities. Input from the appropriate agencies with respect to Minor Variance request will be sought by the Municipality. This Plan recognizes that such agriculturally related commercial or industrial uses may also have negative impacts on adjacent agricultural operations. Minimum distance separation shall also be used to address impact of such uses on sensitive agricultural uses.
- h) Adequate separation distances and buffering shall be required where such uses are proposed adjacent to existing residential or other sensitive uses. Adequate visual buffering or landscaping will be required where such uses may generally impact the agricultural or rural character of the Municipality.

Middlesex Centre's Zoning By-law

The subject land is zoned 'Agricultural – No Residences (A3)' in Middlesex Centre's Zoning By-law. The current zoning permits agricultural uses including a single detached dwelling, limited agriculturally related uses including existing grain handling facilities and riding schools, and limited non-agricultural uses such as a dog kennel, bed and breakfast, wayside pit and portable asphalt plant.

The application proposes the following changes:

	Existing Zone ‘Agricultural (A1)’ Zone	Proposed Zone ‘Farm Industrial exception 7 (M3-7)’ Zone
Permitted Uses	<i>accessory use</i> <i>agricultural use</i> <i>bed and breakfast establishment</i> <i>conservation use</i> <i>converted dwelling</i> <i>dog kennel</i> <i>forestry use</i> <i>grain handling facility, existing legally on the date of the passing of this By-law</i> <i>home occupation</i> <i>riding school</i> <i>single detached dwelling</i> <i>portable asphalt plant</i> <i>wayside pit</i>	Industry, Dry Industrial Use, General
Minimum Parking Requirements	121 parking spaces -Office – 7 spaces -Industrial Use – 114 spaces	50 parking spaces

Consultation:

Notice of Complete Application and Public Meeting were circulated to agencies, as well as property owners in accordance with the *Planning Act* and Ontario Regulation 545/06.

At the time of writing this report, staff did not receive any correspondence from members of the public or neighbouring landowners. As discussed above, [a petition had been submitted](#) in opposition to the proposed energy generating facility, citing concerns with the proximity of industrial activities to homes, impacts of noise, vibrations, and lighting, impacts to property values. While the energy generation facility specifically has been removed from this application, staff understand that similar concerns may exist with respect to the facility currently being proposed.

Agency Comments:

The Municipality's Chief Building Official reviewed the application and has no objections to the requested rezoning.

The Public Works and Engineering Department reviewed the application and provided the following comments which will need to be addressed through site plan review:

- A private septic system may need approval by MECP depending on flows if greater than 10,000 L/day. The Applicant proposes 4,200 L/day.
- Water used for processing and manufacturing will need additional treatment if discharged to the septic system. The Applicant has advised that the facility is a dry facility and only domestic-type of flows are expected.
- Stormwater control will be required to the '100-year, 24 hour storm event' standard or greater depending on what is used for an outlet. The applicant will need to discuss the design with the Municipal Drainage Superintendent to confirm if a drainage petition for minor improvements is required. Additionally, a geotechnical report will need to be submitted.
- A private servicing assessment will need to be submitted to confirm underlying soil conditions, septic setbacks, and nitrate impact assessment. This can be a standalone document or part of the geotechnical report.
- A municipal drain report to extend or create a drain may be required. This may include downstream improvements.
- The Applicant will need to pave Gold Creek Drive from Egremont Drive to the westerly limits of the proposed rezoning to allow for appropriate access. All work will need to comply with municipal design standards. The applicant will need to have regard for the municipal drain crossing the property. Detailed comments regarding access location, and design will be made through the site plan process.

The Director of Emergency Services/Fire Chief reviewed the application and did not provide comments. Detailed comments will be provided through site plan approval.

The County Engineer reviewed the application and had no objections.

County Emergency Services reviewed the application and provided comments and direction related to the addressing and other considerations for first responders which will be addressed through site plan approval.

St. Clair Region Conservation Authority (SCRCA) reviewed the application and advised that a portion of the subject property is regulated by the SCRCA. The proposed development is outside of the regulated area. The Servicing Feasibility Study dated November 25, 2025, prepared by SBM notes that the site is tributary to the McKellar Drain and that the outlet will remain unchanged. It appears that there is a closed tile drain on the subject property. Any changes to the existing outlet, any new stormwater management outlet(s) to a regulated watercourse, or any future development and/or site

alteration within the regulated area will require written permission from the Conservation Authority under Ontario Regulation 41/24.

Analysis:

Planning Staff have reviewed the Zoning By-law Amendment application against all relevant planning policies and guidelines, and analysis is provided below.

OMAFRA's Guidelines on Permitted Uses (Publication 851) identifies industrial uses that support farms in the area can be considered as an agriculture-related use. PPS criteria for agriculture-related uses include: farm-related commercial use; shall be compatible with and shall not hinder surrounding agricultural operations; directly related to farm operations in the area; supports agriculture; provides direct products and/or services to farm operations as a primary activity; and benefits from being in close proximity to farm operations.

Planning Staff are of the opinion that the proposed use satisfies the PPS criteria of an agriculture-related use since the operations benefit from being within proximity to farm operations, the use doesn't hinder agricultural operations from continuing or establishing and provides direct products to the public and agricultural community.

When considering the establishment of new agriculture-related industrial use, or the expansion of existing uses of this type, consideration shall be given to the following criteria:

- a) The loss of productive farmland in the accommodating of such uses, shall be discouraged. Uses will be encouraged to locate on lands of lower soil capability or lands proven to be unsuitable for farming due to lot size, shape or topography.**

The proposed use is limited to 7.9 ha (19.5 ac) in area, inclusive of the stormwater management facility, and abuts an existing commercial, residential and light industrial uses within Lobo. The proposed use appears to lead to the loss of productive farmland.

Generally, lands within southwestern Ontario are considered prime agricultural land and suitable farming. Lower quality land may be constrained by natural heritage features, servicing operations, access, or topography. Opportunities to take advantage of lower quality land are not available in this scenario as the site was specifically chosen to cluster with their existing operation located within Lobo and be located in proximity to the County Road network. Additionally, the balance of the agricultural property is of a suitable size for a wide range of agricultural uses including cash crops.

- b) The amount of land devoted to the use shall include only the minimum necessary to support the use and its servicing needs.**

The applicant has advised that the rezoning will affect a minimum amount of land required for the proposed use, outdoor storage, and servicing, and to provide buffers from other land uses.

- c) The use must not require municipal sewer or water services. The method of servicing shall require approval by the appropriate regulatory bodies. Any industrial use shall be “dry” in nature.**

The proposed use will not depend on municipal water or sewer services, and any servicing will be subject to approval by the appropriate regulatory bodies as necessary. The applicant advises that the use will be ‘dry’ in nature.

- d) Access shall be available from a public road of reasonable construction and year-round maintenance. Development is encouraged on a hard-surface, dust-free road.**

Access to Provincial Highways for agriculturally related commercial and industrial development uses will be subject to the review and approval of the Ministry of Transportation (MTO). An entrance permit from the MTO will be required for the change in use of the access. The entrance permit will identify the primary land use (i.e. farmstead) with a specific secondary land use for the agriculturally related commercial or industrial use.

In addition, the MTO would not support a future severance where a property owner wishes to separate the agriculturally related commercial and industrial use from the property where a new entrance from the highway for the new lot of record would be required.

The subject land is not located within proximity to a Provincial Highway.

The subject land is located south-east of the intersection of Gold Creek Drive and Egremont Drive (County Road 22), and the development proposes access to Gold Creek Drive. Egremont Drive is a County road suitable for carrying higher levels of traffic and benefit from year-round maintenance. The applicant will be responsible to upgrade a portion of Gold Creek Drive as a result of the development proposal and this will be addressed through Site Plan Approval.

- e) A site plan agreement shall be entered into with the Municipality. Such an agreement will require particulars relating to, at a minimum, access, traffic, drainage, and grading.**

The applicant will be required to enter into a site plan agreement with the Municipality.

- f) Where a severance of land is necessary to accommodate such a use, the severance policies in Section 10.3 of this Plan will apply.**

A severance is not necessary to accommodate the land use and not proposed at this time. However, Applicant may request to sever the proposed use in the future to separate the ownership and proposed business from the agricultural parcel.

- g) Compliance with minimum distance separation shall be required where a proposed agriculturally related commercial or industrial use is in proximity to livestock and/or poultry operations. The Municipality may exercise discretion, through the consideration of Minor Variance applications, based on the proposed type of commercial or industrial use, and the extent of its sensitivity to agricultural activities. Input from the appropriate agencies with respect to Minor Variance request will be sought by the Municipality. This Plan recognizes that such agriculturally related commercial or industrial uses may also have negative impacts on adjacent agricultural operations. Minimum distance separation shall also be used to address impact of such uses on sensitive agricultural uses.**

MDS I setbacks from existing livestock facilities and anaerobic digesters will generally not be needed for land use planning applications which propose agriculture-related uses. However, some proposed agriculture-related uses may exhibit characteristics (i.e. high density of human occupancy) that could lead to potential conflicts with surrounding livestock facilities or anaerobic digesters. Staff reviewed available information and are not aware of any livestock facility within proximity to the subject land.

- h) Adequate separation distances and buffering shall be required where such uses are proposed adjacent to existing residential or other sensitive uses. Adequate visual buffering or landscaping will be required where such uses may generally impact the agricultural or rural character of the Municipality.**

Generally buffering between commercial or industrial operations and residential uses will require visual screening and noise mitigation buffers, and it is usually addressed through site plan review. The subject land immediately abuts a residential use located to the north. The concept plan proposes a stormwater management facility between the uses which provides a buffer.

Additionally, the Applicant has provided analysis of the D-6 Series Guidelines for compatibility between industrial facilities and sensitive land uses (e.g. residences). The proposed use is considered a Class II use which requires a separation of at least 70 m from a sensitive land use which appears to be met. The D-6 Series guidelines setback will be implemented through the site plan approval process.

To reduce conflict between the proposed use and surrounding agricultural lands, Planning Staff recommend a buffer from open storage areas of at least 3.0 m to an interior side lot line or a rear lot line. The buffer will provide additional space between landscaping

Planning Staff reviewed the proposal and are supportive of permitting a variety of agricultural and agriculture-related uses that support existing agricultural businesses.

Planning Staff reviewed the requested permitted uses list with the “Farm Industrial (M3)” Zone and find them appropriate to support light industrial or a dry industrial use that is not dependent on full municipal servicing. Planning Staff recommend adding clarity that “if a public water supply system is not available, a general industrial use shall not be permitted in the Farm Industrial exception 7 (M3-7) Zone unless it is a dry industrial use”.

Additionally, to maintain consistency with the PPS and conformity with the County and local Official Plan, Planning Staff recommend that a general industrial use or dry industry use may only be permitted when the use is related to agricultural products or farm-related.

Regarding the minimum parking requirements for the proposed use, the suggested minimum rate is substantially lower than what is required by the Zoning By-law. Generally, the rate is based on a variety of industrial uses including manufacturing and production where a large workforce is required. The requested rate of 50 parking spaces (42 staff and 8 visitor parking spaces) is based on the Applicant’s current business operations and limited retail opportunities on-site. The concept plan shows the 50 parking spaces in front of the main building parallel to Gold Creek Drive. Should additional parking be required, there is room for expansion in front of the building or in the side and rear yards. The Applicant is aware that on-street parking on Gold Creek Drive and Egremont Drive will not be permitted by the Municipality and County.

In discussion with the Applicant, they advised that open storage and office space will be a component of the proposed use. As such, Planning Staff recommend that open storage and office uses be permitted within the site-specific zone as accessory uses.

To summarize, Planning Staff recommend the approval of the Zoning By-law Amendment as follows:

- Permitted Uses
 - dry industrial use, related to agricultural product or farm-related
 - general industrial use, related to agricultural products or farm-related
 - office, as an accessory use
 - open storage, as an accessory use

- Industrial Uses

Notwithstanding any other provisions of this Zoning By-law, if a public water supply system is not available, a general industrial use shall not be permitted in the ‘Farm Industrial exception 7 (M3-7)’ Zone unless it is a dry industrial use.

- Minimum Parking Space Requirement

Notwithstanding any other provisions of this Zoning By-law, a minimum of 50 parking spaces are required.

- Open Storage

Notwithstanding any other provisions of this Zoning By-law, no open storage shall be located closer than 3.0 m to an interior side lot line or rear lot line, or zone boundary of the 'Farm Industrial exception 7 (M3-7)' Zone.

Given the above, Planning Staff recommend approval of the Zoning By-law Amendment application, as amended by Planning Staff, to establish a new site-specific 'Farm Industrial exception 7 (M3-7)' Zone as the zone is appropriate for the development of the land for an agriculture-related use (dry and general industrial uses related to farming operations). Planning Staff determined that the applications are consistent with the Provincial Planning Statement, 2024, the County of Middlesex Official Plan, Middlesex Centre's Official Plan, and Middlesex Centre's Zoning By-law.

This opinion is provided without the benefit of a public meeting and receiving all comments from agencies or members of the public. Should new information arise regarding this proposal prior to or at the public meeting, Council is advised to take such information into account when considering the applications.

Financial Implications:

None.

Strategic Plan:

This matter aligns with the following strategic priorities:

- Vibrant Local Economy

Attachments:

Attachment 1 – Location Map ZBA-02-2026 10651 Gold Creek Drive

Attachment 2 – Planning Justification Report ZBA-02-2026 10651 Gold Creek Drive

Attachment 3 – Concept Plan ZBA-02-2026 10651 Gold Creek Drive

Attachment 4 – Public Comments ZBA-02-2026 10651 Gold Creek Drive