

August 11, 2020

Dear Mayor Harding and Councillors,

**Re: Official Plan Review of Resort Policies  
Council Agenda Item 8.k**

On behalf of our supporters and members, Friends of Muskoka (FOM) and the Muskoka Lakes Association (MLA) urge you to take all steps necessary to ensure that all of the Township's resort policies are revised during this term of Council.

FOM represents 4,000 supporters, and the MLA represents 2,500 families. A key 2018 election issue for our supporters and members -- which was on our election signs throughout the Township, and a core value of the aligned candidates we supported -- was the urgent need to 'stop residential subdivisions on our waterfront'. We are confident that each of you agrees with the need to stop these types of developments, given the comments made by you during and since the election.

The Township lost its three cases at the Local Planning Appeal Tribunal (LPAT) when it tried to prevent residential development on commercial resort properties, because LPAT stated that the Township's resort policies are too 'vague' and 'unclear'. For example, the policies do not set out what is meant by 'commercial' resort, how long units need to be in a rental pool, or what is meant by 'seasonal residence'.

As a result, Villas of Muskoka is entitled to replace one small resort with a line of approximately 28 units in a series of buildings along 800 feet of shoreline, Touchstone Resorts is entitled to add an additional 60 condominium units, and Legacy Cottages is entitled to replace one small resort with 43 cottages along 470 feet of shoreline. Owners are allowed to treat their units as seasonal residences, since they are allowed to occupy them all of July and August, and put them in a rental pool for only 8 to 10 weeks a year.

LPAT's decisions now allow developers to purchase any commercial waterfront property in the Township and build a subdivision of seasonal residences where purchasers may stay all of July and August. Developers and people who are involved in building, furnishing and buying/selling these residences are the only ones who will benefit through their short-term profits. Since these developments are not commercial resorts they will create limited employment (eg. housekeeping), and they will be a permanent, destructive scar on our beautiful Muskoka shoreline – as the tragic clearcutting and development at Legacy Cottages demonstrates.

You have the ability to prevent this by revising the resort policies as soon as possible.

Director Pink's Council Report on this issue dated August 12, 2020 acknowledges that 'Council could direct that a review of the resort policy framework be accommodated as part of the Official Plan Review.' His two additional Attachments released today in the Supplementary Agenda provide an additional policy direction which sets out a 26 week rental pool for commercial resort condominium units, with a maximum of four cumulative weeks during July and August. The Attachments also include a draft resolution.

We welcome and support adding this additional policy direction to the current Official Plan review. Establishing a 26 week rental pool policy will help address LPAT's criticism of the Township's resort policies. We note that LPAT never criticized a 26 week rental pool – LPAT merely stated that a 52 week rental pool was unreasonable, and that the policies were vague enough to permit an 8 – 10 week rental pool.

However, we disagree with the suggestion in the final paragraph of the draft resolution that the review of the remaining resort policies be delayed until they are able to be reviewed jointly with the District. The rental pool policies will have little meaning if there are no policies to enable the Township to enforce the rental pool, such as filing an annual report on owner usage, restricting usage by family members, requiring professional central management, and prohibiting owners from setting the rental rates, to name a few.

Director Pink's Appendix I raises some items for Council to consider in making its decision on when to review its resort policies, which we would like to address.

#### **Conformity – Will TML's Revised Resort Policies Conform with the District's Resort Policies?**

Appendix I describes the need for the Township's resort policies to conform with the District's resort policies.

i) District's resort policies are a broadly worded 'umbrella' over the specific lower tier policies  
 In a zoom conversation with Commissioner Hastings, District Counsel Chow, FOM President Laurie Thomson, MLA President Deborah Martin-Downs, and FOM and MLA Director Susan Eplett on July 31st, Commissioner Hastings explained that the District's resort policies are similar to an 'umbrella' – they are broadly worded so that they may apply to all six lower tier municipalities, which may have differing goals for resort development. For example, TML may want to restrict excessive resort development on its waterfront, whereas Huntsville and the other towns may want to encourage large condominium resorts. The only area where the District's policies are and will continue to be specific is in the area of servicing.

Commissioner Hastings also confirmed that lower tier municipalities are entitled to have more restrictive resort policies than the District.

ii) Revising the Township's resort policies to ensure resorts are commercial will conform with the District's resort policies.

The District's Official Plan currently recognizes the importance of resorts for tourism. As we explained to Director Pink, FOM and the MLA do not oppose resorts that are truly commercial. We welcome them ... for example, Shamrock Lodge and Sherwood Inn. We are urging you to

revise the Township's resort policies to ensure that tourist commercial resorts are actually commercial. This conforms with the District's current policy – and no doubt any future District policy -- of encouraging tourist resorts.

iii) Conformity is always a chicken or egg process and any additional conformity requirements can be addressed through an OP amendment, or in the next OP review.

### **Process – Will the Resort Policies dominate the OP Review?**

Appendix I raises concerns about the resort policies dominating the review of other important policies.

i) Resort policies were always intended to be part of this OP review and have not detracted from the focus on other important policies

The comments made at the community visioning session in July 2019 and in the online survey (summarized in Meridian's OP Community Vision Summary) demonstrate that the public is able to focus on many concerns for the Township other than resorts, including: climate change, protection of the lakes and natural environment, affordable housing, short-term rentals, and the local economy.

ii) FOM and the MLA strongly support a focused and deep review of all official plan policies  
 FOM and the MLA will continue to communicate with our supporters and members during the OP review, and will continue to focus - and encourage our supporters and members to focus -- on all policies, not just resorts.

### **Premature – Is it too soon to review the Resort Policies?**

Appendix I raises the concern that it is premature for the Township to adopt its resort policies, before the District reviews its resort policies and the Minett OPA is drafted.

i) There is no restriction on the Township revising its resort policies before the District's resort policy review

In our July 31<sup>st</sup> zoom call, Commissioner Hastings confirmed that there is nothing stopping the Township (or any lower tier municipality) from reviewing its resort policies now .. that is, before the District reviews theirs. She stated that "It is up to the Township of Muskoka Lakes to decide when to review its resort policies."

ii) Council should not risk waiting until after the 2022 election to have updated resort policies  
 If Council decides to wait to review its resort policies until the District is ready to review theirs, Council is taking the risk that the Township will not have updated resort policies until well after the 2022 election. In fact, Commissioner Hastings stated that the District's resort policies may not be in place until at least 2024. Director Pink's Agenda Report also recognizes that "a joint review with the District involves all area municipalities, which largely removes Township control of timelines" (p.4). This is not a risk that our supporters and members are willing to take.

Commissioner Hastings confirmed that the District's resort policy review will depend on all six area municipalities committing the time and budget to the process, which could significantly impact the time it takes to both start and complete the policy review.

iii) Council should not give the District the control over when the Township will have updated resort policies

The Township should not put the timing of having updated resort policies in the hands of the District. Commissioner Hastings stated that, although resort policies are on Staff's list to accomplish, the District has other pressing priorities that will take precedence with Staff time and resources.

iv) The Township will benefit from having revised resort policies when it participates in the District's resort policy review

Commissioner Hastings stated that all six lower-tier municipalities will be involved with reviewing the District's proposed resort policies. By establishing its own resort policies first, the Township will be informed and in a position to guide the District's resort policy review in a way that ensures the Township's goals and objectives for resorts are addressed. On the flip side, by waiting to review its resort policies jointly with the District, the Township will lose control over its resort policy review.

v) Council should act now to fix the resort policies that LPAT found to be unclear and vague  
 LPAT's decisions stated that the Township's resort policies are vague and unclear. For example, the policies do not set out what is meant by 'commercial' resort, how long units need to be in a rental pool, or what is meant by 'seasonal residence'. Knowing this, we believe it is Council's responsibility to do everything possible to fix the resort policies as soon as possible.

vi) Delaying will mean paying twice for a consultant

The Township already committed to pay its Official Plan consultant to review the resort policies, since these policies were included in the Request for Proposal (RFP). To hire a consultant again for a review with the District will mean the Township is paying twice, and going through another RFP process for the same work, which is a waste of Staff's time and taxpayers' money.

vii) The Minett OPA process is far enough along to inform the resort policies

FOM and the MLA supported Council's decision in February 2020 to remove the resort policies from the OP review, on the basis that we did not yet have the final recommendations of the Minett Joint Policy Review Steering Committee (MJPRSC) or its final studies that would inform the resort policies.

Now that Council has these, there should be no further delay in reviewing the resort policies.

### **Impact – How important are the resort policies?**

Appendix I notes that there are many other important policies in the OP review, and only 1% of the Township's shoreline frontage will be subject to the updated resort policies.

i) Many other commercial properties are at risk of being developed in the same manner as Villas, Touchstone and Legacy

Director Pink's Council Report notes that there are an estimated 46 waterfront resort commercial properties in the Township, and 17 when deducting those that are not operating, have been recently re-developed, or are located in Minett. However, just one re-development can have immense negative impact, as the developments at Villas of Muskoka and Legacy Cottages strikingly (and painfully) demonstrate. One small resort building can be replaced by dozens of 3, 4 and 5 bedroom cottages, properties can be clear cut to make way for septic systems, driveways and parking lots to accommodate all these buildings, one large resort

property could be developed with hundreds of additional units, and multiple finger docks can be built to accommodate dozens of boats.

Although Muskoka's resorts occupy only 0.4% of the total waterfront shoreline, according to the Altus Group report, their impact is far greater.

There are numerous small commercial properties in the Township that could file an application at any time to become another Villas or Legacy. For example, Clear Lake Village Resort and Duff's Cottages on Lake Muskoka, and Baldwins Resort and Paquana Cottage Resort on Lake Rosseau.

There also are numerous large commercial resort properties in the Township that could file an application at any time to become another Touchstone. For example, Windemere House and the Lake Joseph Club.

#### Impact on Staff of proceeding with resort policy review

We are cognizant of the potential impact on Staff of proceeding with the resort policy review. We recognize and applaud Staff for their very hard work and ability to perform many responsibilities.

We also note that the resort policies were intended to be included in this OP review, and were only removed in February 2020 because the recommendations of the MJPRSC and its studies were not yet available.

We are hopeful that Staff will have additional time and resources once the Minett policies are presented to Council at the end of August.

We hope these comments will be helpful, and encourage you to proceed with a full resort policy review in a manner that ensures that updated resort policies are in place during this term of Council. The Township, through the OP review process, has the opportunity to truly define the kind of waterfront community it wants to be – resorts included. Waiting another 10 years is not an option.

Sincerely,

**Friends of Muskoka**



Don Lang, Chair

**Muskoka Lakes Association**



Deborah Martin-Downs, President

cc. Derek Hammond, Chief Administrative Officer  
David Pink, Director of Development Services and Environmental Sustainability