

May 17, 2017

District Municipality of Muskoka
70 Pine Street,
Bracebridge, On
P1L 1N3

Attn: Planning and Economic Development Committee

Dear Committee Members:

RE: Muskoka Official Plan Review – Draft Policies re Resorts Development D6

The Muskoka Lakes Association (MLA) is an active participant in the District of Muskoka's ongoing Official Plan Review. We appreciate the opportunity to participate in this review and will continue to participate in these meeting and provide further comments on the draft policies.

Today, we wish to provide feedback on the issue of resort development, for your further consideration. We have met with other stakeholders to discuss resort development. We agree that it is one of the most complex issues to address.

The District planning staff and consultant are to be commended on tackling this difficult issue and we hope that over the next few months that the policies as currently proposed are refined and sharpened.

Resorts in the past

Muskoka's current land use plans and by-laws regarding commercial resort development were drafted in context of the traditional resort industry, which was dominated by seasonal family owned establishments that offered short-term accommodation to the travelling public. Such properties typically offered centralized accommodation in "lodges", with communal dining facilities, and guest activities that had low impact on the environment.

It is generally acknowledged that this business model is no longer viable.

PKF Consulting stated in 2013 that there has been an 84% decline in resort establishments over the past fifty years. In the past 10 years there have only been three new resorts built in Muskoka, all on previously zoned lands, the JW Marriott Resort and Spa in Minett, the Marriott Residence in Gravenhurst and the latest resort Villas of Muskoka on the old Tamwood Lodge property in Twp. of Muskoka Lakes. In 2005, Touchstone initiated a redevelopment of the old Aston Villa resort building on part of the existing structures and adding new residential style units. Seventeen years later, it is still not complete and the promised new septic system is just being installed.

As with the life-style depicted in the movie; Dirty Dancing, the traditional resort no longer exists.

Resorts today

Today, municipalities are receiving applications for developments that proponents characterize as “resorts” despite the fact that they bear little, if any resemblance to traditional resorts. They are asking municipalities to “adapt” their resort policies to accommodate such developments

Applications currently being considered typically include construction of self-contained residential housing units intended to be largely if not completely owned by individuals, and which may or may not be rented to third parties. These developments frequently include limited, if any, centralized facilities or amenities. In reality, such projects are not traditional resorts, but high density waterfront residential developments. The MLA fears that by masquerading as “resorts”, such projects will bring unanticipated and unwanted urbanization to the waterfront in an “end run” around the many by-laws and other protections that have been established over the past half century to preserve and protect the natural environment and visual appearance of the many lakes in Muskoka.

The MLA believes that existing restrictions on waterfront residential development are required to protect the environment and the high quality of life in Muskoka. We do not support sacrificing these principles in order to “bring back” resorts in such changed form.

Applications of the sort mentioned above include the aforementioned Villas of Muskoka, the proposed Lakeside Lodge redevelopment in Minett of 44 self-contained residential dwellings, and the redevelopment of Taboo “resort” to become an apartment building containing 109 one- and two- bedroom apartment units.

Such developments have far different community and environmental impacts than traditional resorts and these impacts extend far beyond the degradation of Muskoka’s visual landscape. Such projects put unexpected and unwanted demands on municipal services and the limited recreational carrying capacity of our lakes. It would be very poor planning to simply “adapt” existing policies designed to apply to traditional resorts to an entirely different and generally more intensive type of land use.

Economic loss of employment use

The District is rightfully concerned about the economic impact of the loss of 84% of its resorts. Traditional resorts provided both economic advantages in the form of commercial or business taxes to the municipalities and a source of employment. Resorts are or, at least were, an “employment use”. To allow resorts to become residential communities is not a good substitute for the monetary loss of tax dollars and the loss of employment opportunities for the local workforce.

Attributes of a resort

The definition of a resort as commercial establishments that provide roofed accommodation, provides access to significant tourism assets and leisure experiences is too limiting. Virtually all cottages provide the same - roofed accommodation, access to tourism assets and leisure experiences.

A Resort needs to have much more than a roof to be a Resort !

Any waterfront development that lacks, from day one, such amenities as:

- On- site, on- duty manager and staff
- Housekeeping services
- A restaurant and / or bar/cafe
- Waterfront activities (canoes, kayaks, swim area (supervised?), waterskiing, etc.
- Central greeting and lounging area

Is NOT a Resort.

We are also aware that “commercial” does not necessarily mean that dollars are exchanged or that the facility makes a profit. Commercial has a connotation of providing a service for compensation. There are also expectations of business practices and expectations of service associated with commercial establishments.

Does the District require a commercial license for example for resorts, together with standards of operation and annual inspections similar to that required for restaurants and bars?

Permission for high density residential uses in conjunction with resorts

The proposed policy D6.4 recommends that 50% of a “resort” could be in the form of residential accommodation for a permanent population. In our opinion it would be next to impossible to enforce this provision at a maximum of 50% residential. Commercial agreements can be scrutinized, but over time if an owner, a number of owners or a condominium corporation decides that its units are no longer available for rent, there is little that the municipal government can do to force people to rent their units.

In the initial time frame , we are concerned that proposals that the first phase of development include a 50% mix of units for transient turnover are unrealistic given the economic reality of the developers high initial costs for servicing ,which demands a return on investment from sale of units to individuals who may have no interest in renting out their unit.

Similarly proposals that the first phase of development “is expected” to contain key resort amenities will depend upon the developer’s package of amenities to enhance the sale of the units. In the MLA’s experience, swimming pools, e.g. Villas of Muskoka , or even upgrades to communal septic and water treatment facilities e.g. Touchstone Resort or construction of the resort hotel eg Lake Joseph Club are deferred to later phases of development, - if ever. The same is apparently true for the unbuilt resort hotel at Muskoka Bay Club in Gravenhurst and the second phase of redevelopment at Windermere House.

Reliance on promises associated with future development rarely are realized. We need a better outcome than a promissory note.

Local area municipalities expected to enforce

Implementation of the above policies will be difficult and yet, in many cases, it will be the local area municipalities that will be expected to implement the policies. The local municipalities have few tools and limited resources to enforce compliance. Again based on our experience, phased site plan applications will become common with the “amenities” promised for a later phase. Rental agreements will rarely be enforced.

Financial viability

It is unclear how proponents will satisfy the proposed policy D6.4h) “To ensure a continued contribution to the local and regional economy

proponents shall demonstrate an ability for the resort to demonstrate... a revenue stream... that it is viable". Resorts in Muskoka have often gone bankrupt, or been placed in receivership, and the municipality has no control over a business's internal finances.

Impact of high-density residential development on community services

The impact of high-density waterfront residential development has never been studied by the municipalities, and public input on the desirability of such developments has never been sought

The district and area municipalities need to consider what services will be necessary for this new permanent population, including police, fire, ambulance emergency response, hospitals and medical services, educational services and day care facilities, as well as enhanced garbage pickup and snow removal.

Many developers are watching the proposed revised Districts policy to permit residential development under the guise of a resort, knowing that it is easier to sell multi-unit residential dwellings in a condo plan than it is to develop and manage a resort.

The municipality owes it to both existing property owners and developers to carefully consider the subject of high density residential waterfront development and to develop policies specifically designed to address such developments before allowing them to proceed or allowing resorts to develop with 50 % of the units in residential use.

Servicing D6.5

In addition to the above , the MLA is concerned with the provision of private communal sewage services and private communal water services or private individual on site sewage services and private individual on site water services. We are worried about the [potential deleterious effects such services can have on water quality and Muskoka's natural environment .

If water quality is diminished, the economy is diminished, eroding the value of each person's property and compromising Muskoka's economic future. At the same time the MLA is aware that the cost of providing municipal and water services in Muskoka is among the highest costs of such services in all of Ontario.

Policies D6.5c) and d) attempt to address by ensuring that private services have an oversight through annual reporting by a qualified engineer. Although this oversight is only available for new resorts not those proposing to operate with old style certificates of approval being used which did not require annual reporting . Perhaps the district can require annual reporting as part of its approval process.

In addition, there should be an annual review of the financial securities and condominium reserve fund dedicated to the provision of communal services to ensure that as these facilities age, the financial securities are increased in line with expected higher costs for maintenance and repair/replacement.

D6.7 Retaining existing resorts

The MLA generally agrees with the policies in this section and strongly agrees that should conversion to residential uses be proposed, such uses will not try to leverage the density afforded to resort commercial accommodation **or the extent of docking and boating facilities provided on their waterfront as a commercial entity.**

D7 Other forms of accommodation and tourism supportive uses

The MLA agrees that other forms of accommodation such as hotels, motels, tent and trailer parks etc. differ from resorts, with different locational requirements. Missing in this category is staff housing. We are aware that Bala Bay Inn is no longer a hotel but has been acquired to provide staff housing. Rooming houses and staff housing are important components of other forms of accommodation supporting tourism. They do not need to be located on a resort property.

In summary

In summary, the MLA is concerned that resort policies as proposed with permissions for residential uses on the waterfront could result in developments that have impacts and consequences that neither the public, nor the local area municipalities, or even the developers themselves have considered.

The MLA hopes that the above comments provide a focus for discussing how Muskoka's resorts should continue to be a benefit to all.

The MLA welcomes the opportunity to provide input into the District's Official Plan review.

We request notice of all open houses, stakeholder meetings and Planning and Economic Development Committee meetings which discuss this endeavour. We also request Notice of the Statutory Public Meeting and Minutes of all Committee and Council meetings on this matter as well as a copy of Council's final Decision.

Respectfully submitted



Anne McCauley, MLA
Chair of the Political and Land Use Committee



Robert Ensor, MLA
President