



Date: 2025-04-22

To: District Municipality of Muskoka Community and Planning Services Committee

via Charlene Hammond, Deputy Clerk

Cassie Ems, Senior Policy Planner

Lisa Marden, Director of Planning

Re: **OPA 62 (Resort Policy)**

The Lake of Bays Association (LOBA) represents 1,200 waterfront property owner families who support a balanced approach to development that protects the natural shoreline.

The draft Commercial Resort Development Policy ("Resort Policy") should be improved to avoid overdevelopment of Muskoka's waterfront.

LOBA is supportive of commercial resorts that provide accommodation to travellers and vacationers, and local employment. The policy should always make such developments possible, subject to compliance with the Official Plan, and the Official Plans and Zoning By-laws of the lower tier municipality.

At the same time, the Resort Policy needs to reflect current reality. There is a limited demand for new commercial resorts in Muskoka. They are no longer a key economic driver, as is demonstrated in the Altus Study of May 2020 which shows that visitors are seeking other forms of holiday accommodation including short-term rentals.

Yet, there continues to be an interest in building or redeveloping commercial resorts largely because some developers want to build residential condominiums in disguise. Inappropriate density and design on the waterfront can be very profitable.

The central challenge for the Resort Policy is to prevent residential condos in disguise. The policy needs to ensure that shoreline housing that is excessively dense, with designs that do not respect the natural environment, and not located on the municipal water and wastewater services, is not permitted.

The current Resort Policy is dated. Until changes are implemented, there is a risk that some developers will circumvent the spirit of the current rules governing commercial resorts. They will take advantage of looseness in wording to avoid transparency about their plans and to obtain approval for resorts in name only. An example on Lake of Bays is the unfortunate Trader's Crossing development where both the Township of Lake of Bays and District of Muskoka agreed owners should be required to rent their units to the travelling public for a minimum of 20 weeks per year, four of them in the summer months;

instead of the ten- and two-week minimums proposed by the developer. This was overturned at the Ontario Land Tribunal because of shortcomings in the current policy wording.

LOBA recognizes that, in balancing interests, the District may wish to approve some hybrid developments that have aspects of multiple ownership. Such developments need to be tightly regulated. LOBA supports the draft Resort Policy requirements in Section 6.2 Permitted Uses f) that limit unit use in commercial resorts with multiple ownerships to no more than 26 weeks per year and no more than four weeks in July and August. LOBA also supports the policy's water and sewage standards, and the other requirements in the Resort Policy that test the legitimacy of any claim for commercial resort status.

However, there are a number of places in Sections 6.1 Objectives, 6.2 Permitted Uses, and 6.3 Requirements, where the draft Resort Policy does not adequately address residential condos in disguise, whether new builds or redevelopments.

Here are several specifics, along with our recommendations for improvement:

- In Section F6.1 b), the word “flexible” should be removed. Such words bolster arguments that the Resort Policy does not really need to be followed.
- In Section F6.1 c), the wording should say “Ensure that existing and new commercial resorts are commercial in nature *at the outset and continue to operate as commercial uses in the future* so that travellers and vacationers” This will help avoid the conversion of resorts into residential condominiums.
- In Section F6.2 f), add “Further, units shall not contain a separately rentable subunit”. This restriction is intended to prevent designs like the one advertised for Trader’s Crossing on Lake of Bays, where five- bedroom units would have separate “lock-off” suites with private living room and kitchenette.
- In Section F6.3 e), change the wording to state that “All applications shall be supported by studies that address the anticipated impacts of the resort and its operation on ...”.

A particular concern for LOBA is the potential conversion of vacant or under-utilized resort properties into developments where people occupy their units almost full-time. As noted in Appendix ‘D’ to the Meridian report dated October 31, 2024, there are a range of resort properties in the District, some of which have not been operated for decades, that could be converted. A number of these properties are on Lake of Bays and could be vulnerable to attempts by the development community to convert them into residential condos in disguise.

This risk needs to be addressed directly by stronger wording in Section 6.5, Conversion of Existing Commercial Resorts. We recommend:

- A new Subsection b) stating a goal of this Plan is to prevent the conversion of existing commercial resorts into developments that do not meet the objectives of this plan and in

particular to prevent the use of commercial resort zoning to allow a residential condominium development.

- A new Subsection e) stating that, should conversion to residential uses be proposed, the development proposed shall be compatible with the density and scale of shoreline development prescribed by the Zoning Bylaw for the area, and not be reflective of the density afforded to resort commercial accommodations.

To facilitate the conversion of resort lands to compatible uses, appropriate rezoning could be contemplated. This should allow the lands to be put to uses other than as a resort. The lands would then be convertible to other appropriate commercial activity or residential development.

We believe it is important to clearly set out the basis upon which commercial resorts may be rezoned residential. The new Section 6.5 e) should state that such a conversion shall be considered as a new development and all relevant policies and requirements will apply on this basis.

Thank you for your attention to the amendment of the Resort Policy so that it effectively prevents overdevelopment of the District's shoreline .

Sincerely,

Tim Hadwen, Chair Planning, Development and Government Relations Committee

Copies: LOBA Planning Development and Government Relations Committee members
LOBA Board of Directors