

September 3, 2025

The Honourable Rob Flack, Minister of Municipal Affairs and Housing

Dear Minister Flack:

Re: Proposed redevelopment of the Muskoka Regional Centre property, Muskoka Bay, Lake Muskoka, Gravenhurst

The Muskoka Lakes Association (the “Association”) represents over 2,000 families (over 11,500 people) with properties located on the waterfront in the heart of Muskoka. The Association actively monitors development on the lakes and provides comments on behalf of its members.

Our understanding of the Muskoka Regional Centre redevelopment project (the “Proposal”) by Cliff Bay Muskoka Corp. (the “Proponent”) as presented at the Proponent’s public information session (the “Public Information Session”) held on July 16th, 2025 and as shown on the cliff-bay.ca website is as follows:

- A land area of 77 acres on the mainland (above the water’s edge)
- Mix of Resort Commercial buildings and Residential uses
- Resort Commercial uses consisting of Hotels which are 5 and 6 storeys in height
- Restaurants (including two over the water)
- Event/banquet facility
- Spa
- 33 units over the water
- Residential buildings consisting of up to 6 storey buildings
- Parking garages up to 4 storeys in height
- Some retained open space areas
- Total of up to 1,378 units and 2,272 car parking spaces
- 80 boat slips

The Muskoka Lakes Association does not object to redevelopment of the property, but not in its current form. It was indicated at the Public Information Session that the Proposal was following the requirements of the Town’s Official Plan and Comprehensive Zoning By-law, but as noted below, this is not the case and runs counter to many policies/regulations of each document. Significant amendments to the Proposal are required. In support of our position, we attach an opinion letter of our planner, Stephen Fahner of Northern Vision Planning Ltd. We also attach a redline of our detailed comments on the Proponent’s proposed draft Minister’s Zoning Order (“Draft MZO”), with suggested revised language and our comments in green.

The Association has concerns with the following matters:

A. Background Studies and Timing

At the Public Information Session, the Proponent’s planner, Mr. Bob List of List Planning Ltd. stated a Planning Report (the “Report”) would be completed following the meeting and public comments on the Proposal would be accepted up until August 6, 2025. This has effectively given

the Association no opportunity to review and comment on the Report in a meaningful way prior to its issuance.

Certain other background studies and reports have also not yet been made available. We were told at the Public Information Session that a Functional Servicing Report, Environmental Impact Study (the previous one is a number of years old), Construction Mitigation Plan, Stormwater Management Plan and Traffic Study are being completed, but we have not been provided with them, despite efforts to obtain them. The Proponent's website has not been updated with copies of the reports as of the writing of this letter.

B. Land Use

Clarification of the use of the property is necessary. The Proposal and materials found on the Proponent's website promote the development as a resort. However, it appears from comments made at the Public Information Session that the vast majority of the proposed use is Residential, although the proposed zoning in the Proponent's Draft MZO is largely mixed use. Residential density is used to substantiate the Proposal in terms of units per hectare, but the Proposal appears to be implemented by various Commercial zoning categories.

If developed as a Commercial Resort, the Urban Resort Commercial densities in the Official Plan should be used. In such a case, this would result in 930 units, far less than the proposed 1,378 units.

A certain amount of Commercial development will result in new jobs for the Community. The Proposal, however, appears to be more Residential in nature, which will not bear the same employment numbers. The Association's trepidation in this regard is further fueled by the substantiation of the project based on Residential densities.

A definition in the Draft MZO for Branded Residences would be helpful. Are they Commercial or Residential? On what basis did the Province select this project - resort commercial? And therefore what assumptions for jobs did the province agree to?

C. Development Locations

The current Gravenhurst Official Plan designates the property as Institutional. In reviewing the policies as it directly relates to the Muskoka Regional Centre property, it is apparent they are open for new development and that the Town would like to see the property redeveloped. Policy C9.3 contains specific policies that apply to the Muskoka Regional Centre lands. Policy C9.3.3, however, firmly states there will be preservation of the 30 m setback and the shoreline vegetation. The specific wording of the Policy is as follows:

"C9.3.3 Prior to redevelopment of these lands, open space to be protected will be appropriately delineated and supported by an Environmental study prepared by the owner in consultation with the Municipality and agencies that includes documentation of natural heritage features and

functions. The first 30.0 metres from the shoreline will be maintained as public open space and shall not count as part of the requirement for the 30 percent parkland dedication.”

This is clearly not adhered to by this Proposal. At the Public Information Session it was indicated the setbacks were 7.5 m. from the water’s edge for the Private Beach Villas and Hillside Villas, which is not sufficient to protect the shoreline and lake from disturbance from clearing and runoff. All other development will have a setback of 20 m. It was also stated by the Proponent that the “shoreline is to be kept pristine”. This is not possible with the extent of development proposed along the shoreline. New development needs to be setback 30 m to conform to the Gravenhurst Official Plan and to protect lake water quality and shoreline integrity, not to mention the “view from the canoe” that is so valued in Muskoka. There are hundreds of properties which look out at the property and will be impacted by the lack of tree preservation and structures proposed in the water and on the slopes.

Typically, proposals such as this (where there is a significant increase in density on the property compared to surrounding development), the density of development is graded to lower densities and heights the closer one gets to the property boundaries. This is not the case in this Proposal. It is our view that this can be easily accomplished.

D. Over the Water and Shoreline Structures

Dwellings and Accommodation Units over the lake in two storey boathouse type structures are not permitted as of right in the Town of Gravenhurst Comprehensive Zoning By-law. This is contrary to the notion that the Proposal is following the requirements of the Comprehensive Zoning By-law. Further, the Provincial Planning Statement, 2024 prohibits development in the floodplain. In addition, the architect has indicated the structures will be located 30 ft. (9 m) apart. These structures create a number of issues, including the following:

- a. Such structures are not permitted over the water or at this density on the shoreline in any Residential or Commercial zone in the Comprehensive Zoning By-law.
- b. The visual and physical intrusion on the natural shoreline, and indeed the whole site, will be significant to provide servicing and access to the units. The concepts showing units nestled in the trees is a scenario 40 years into the future.
- c. Noise will travel across the water unmitigated, impacting properties across the bay. Overall, Muskoka Bay is narrow in this location.
- d. Floodproofing to elevation 226.9 m plus allowances for waves and a safety factor for structures over the water (including sewage and water lines) likely putting the floor elevations at least 5’ above normal lake level.

The over the water structures should be eliminated and the number of mainland shoreline structures must be reduced and moved back to attempt to meet the intent of the Gravenhurst

Official Plan. A significant reduction is needed, in our opinion. Unit size for units along the shoreline has also not been clarified.

E. Employment

The positive impact the Proposal will have on employment has not been adequately articulated. The Proponent has touted employment as an important component of the Proposal. Once again, clarification of the use of the property would be beneficial. The commercial component of the project will provide the greatest opportunity for future employment. It would also be helpful to clarify where employment will be drawn from. The proposal notes “staff accommodations” which suggests that the employees may not be local to Muskoka. If employment is to be local and benefit the local economy, it is less likely they would need on-site accommodations.

It must be ensured that the commercial component will be constructed, particularly early in the staging of the project. One of the hotels must be built in the first phase (the Proponent acknowledged and agreed to this at the Public Information Session) and future Residential should not be permitted until substantial completion of the first phase. Year round employment must be emphasized and required.

F. Phasing

How is the project intended to be phased? As noted previously, at least one hotel with a minimum number of units should be required within the first phase. There must also be a commitment in the first phase for the provision of certain amenities, such as a restaurant, retail space, an event/banquet facility and/or a spa. This must be further built out in future phases with the new phases contingent on completion of previous phases. It is also important as part of the phasing plan that the site not be cleared for site servicing in anticipation of future phases which could be delayed or not be completed.

G. Developer’s proposed draft Minister’s Zoning Order

Detailed comments on the Draft MZO are included with our redline attached. In summary there are some fundamental issues with the Draft MZO as currently proposed:

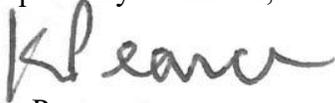
- Shoreline structures extending out into the lake (33 units and two restaurants), which are a prohibited use due to being in the floodplain.
- Setbacks from the shoreline (7.5 m vs. 30 m) are not consistent with the Gravenhurst Official Plan (51 Private Beach Villas and Hillside Villas). Setbacks are a key contributor to lake health in Muskoka.
- Including provisions, such as phasing, to ensure promised jobs materialize.
- More detailed provisions relating to use of the property, including the shoreline structures (such as square footage).

- The height of structures should be reduced and needs to be stepped down where it abuts existing Residential use.
- A number of additional definitions (including Resort commercial condominium accommodation unit, Dwelling and Branded Residence) would provide clarity.

H. Conclusion

In conclusion, there are a number of issues which need to be addressed through amendments to the Proposal and Draft MZO as currently proposed. They are not in conformity with the Town's Official Plan or Comprehensive Zoning By-law as purported by the Proponent. Significant amendments to the Proposal through the Minister's Zoning Order should be implemented.

Respectfully submitted,



Ken Pearce
President
Muskoka Lakes Association

- cc. The Honourable Doug Ford, Premier of Ontario
 The Honourable Kinga Surma, Minister of Infrastructure
 The Honourable Mike Harris, Minister of Natural Resources and Forestry
 The Honourable Graydon Smith, Associate Minister of Municipal Affairs and Housing and
 MPP for Parry Sound/Muskoka
 Patrick Sackville, Chief of Staff, Premier's Office
 Thomas Staples, Chief of Staff, Ministry of Infrastructure
 Robert Dodd, Chief of Staff, Ministry of Municipal Affairs and Housing
 Adam Bloskie, Chief of Staff, Ministry of Natural Resources and Forestry
 Kevin Lynch, Special Policy Advisor, Real Estate, Premier's Office
 Richard Sookraj, Ministry of Municipal Affairs and Housing
 Dan Powers, Special Advisor to MPP Graydon Smith
 Gravenhurst Mayor and Councillors
 Gravenhurst Planning Staff
 Scott Lucas, Chief Administrative Officer, Town of Gravenhurst
 Jeff Lehman, District Chair, District of Muskoka