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Exhibit 3

## MEMORANDUM

**To: Lisa Marden - District of Muskoka**  
**From: Nick McDonald**  
**Date: June 22, 2022**  
**Re: Responses to Comments made by 2253100 Ontario Inc. (The Rosseau Resort Development or the JW Marriott) and TRG-KFH (Lakeside) Inc. (Legacy Resort - formerly Lakeside Lodge).**

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### **Purpose of Memorandum**

The purpose of this memorandum is to provide responses to the comments made by Mr. Leo Longo on behalf of the two landowners referenced above. In this regard, the comments made are reproduced below in *blue text*.

### **2253100 Ontario Inc. (The Rosseau Resort Development or the JW Marriott)**

#### **Comment 1**

*Policies related to the mandatory connection to the future municipal services and cost to construct these services.*

- It is unclear, nor has the District of Muskoka provided our client with an understanding how this policy requirement will be implemented and the financial obligations of our client.*

- *It is unclear if the existing legally binding Developer's Responsibility Agreement with the District of Muskoka will conflict with the proposed policy set.*
- *A discussion between the developers who will benefit from these services and staff from the District of Muskoka has been requested prior to adopting/approving both sets of policies.*

### **Comment 1 Response**

The subject lands are included within the Full Service Area on Appendix 1 to OPA 56 and on Schedule A to OPA 49. It is noted that there is no Responsibility Agreement entered into between the District and landowner at this time.

Section C1.4.6.2 of OPA 56 indicates the following: *"Given the scale of development proposed in the Minett Resort Village, all development requiring potable water and/or which generates effluent within the Full Service Area shown on Appendix 'A' shall be serviced by municipal sewage services and municipal water services to support protection of the environment and minimize risks to human health and safety. The full cost of installing municipal sewage services and municipal water services will be the responsibility of the major proponents (s) who will benefit from the installation of such services."*

Section C1.4.6.4 of OPA 56 then states the following: *"Development on existing private communal systems within the Resort Commercial Three (RC3) and (RC4) designations shown on Schedule B is required to be connected to municipal sewage services and municipal water services when they are available."*

The intent of the above policies is that over time, all of the lands within the Full Service Area will be serviced by municipally owned and maintained water and sewer systems. This means as well that the existing private communal systems will eventually be decommissioned.

Section C1.7 of OPA 56 contains extensive policies on implementation and it requires, amongst other things, the preparation of a Development Phasing Plan and the entering into of a Master Development Agreement. One of the items required to support the Master Development Agreement is a Master Servicing Plan that I anticipate will be informed by an Environmental Assessment (EA) under the

Environmental Assessment Act. Such an EA will involve the participation of the District, as it will be the District that will eventually assume the services. It will be through this process that details of proposed servicing will be developed, along with the timing of the connection of the subject lands to these services. Given that such a process has not been initiated, and the timing of its initiation is unknown, it is not possible to speculate on what the financial obligations will be. Given the need to establish appropriate development permissions on the lands, it would not be appropriate to delay the establishment of these permissions until some future process is concluded.

### **Comment 2**

*Proposed unit sizes vs total unit count.*

- *Clarification is needed to ensure the maximum unit size contained in the policy document does not apply to the current development rights, including any current planning applications for the subject lands. If new units are contemplated, how will the new unit size factor into the total unit count contained in the Amendment?*

### **Comment 3 Response:**

Section C1.4.3.7 of OPA 56 indicates that the maximum number of units permitted on the subject lands (RC3) is 265. It is my understanding that this number recognizes the approvals granted through By-laws 1997-173 and 2003-101 and then through By-law 2008-128 which dealt with docking.

Section C1.6.2.4 I) of OPA 56 indicates the following: *"The maximum equivalent unit size of all new Resort Commercial Accommodation Units on lands within the RC3 and RC4 designations shall be 79m<sup>2</sup> (850 square feet). This policy applies to any new development beyond what exists on the RC3 lands on the date this section comes into effect and to any new development beyond what exists or has been approved on the RC4 lands."*

The above section recognizes existing approvals on the RC3 lands, but would apply to any new approvals applied for on the RC3 lands. Given the desire for resort commercial developments to be designed to generate a turnover of occupants, it is my opinion that the unit size equivalent should remain since these are the rules

that apply to the balance of the lands in the Village Core and Resort Commercial designations. This does not prevent the landowner from developing larger units in future projects on the RC3 lands; however, that would have an impact on the number of units that can be permitted.

### **Comment 3**

*Proposed commercial use requirements.*

- *Our client would like clarification on the current and accepted commercial use provisions afforded to recent commercial condominium resorts within the Township and if such will apply to our client's existing development rights and current planning application.*

### **Comment 3 Response**

Section C1.6.2.4 a) states the following: *"All Resort Commercial Accommodation Units in the RC1, RC2, RC3 and RC4 designations are required to generate a turnover of occupants through mandatory rental programs, exchanges, timesharing, fractionalized ownerships or other similar means as stipulated in Section C1.9. The use of Resort Commercial Accommodation Units as a year-round or seasonal dwelling unit shall not be permitted."* Section C1.9 contains detailed requirements that govern occupancy.

It is recognized that rules on occupancy have already been agreed to for the JW Marriot and it is not the intention of OPA 56 to change those rules. As a result, it is recommended that that a sentence be added at the end of Section C1.6.2.4 a) that states the following: *"Notwithstanding the above, while all Resort Commercial Accommodation Units in the RC3 and RC4 designations are required to generate a turnover of occupants in accordance with this policy, the current rules governing such turnover shall be in accordance with agreements that have been entered into between landowners and the Municipality as of the date this policy comes into effect."*

It is noted that the above 'notwithstanding' would not apply to any new approvals applying to the RC3 lands, meaning the new policies on turnover would apply to new developments.

#### **Comment 4**

*Protection of other existing "Red Leaves" site-specific OP policies/Ontario Land Tribunal Decisions.*

- *In an email dated June 9, 2022, Planscape Inc. provided specific wording for a policy to be included in OPA #56 that would protect our client's current development rights. The new policy would also ensure any previous Ontario Land Tribunal (former OMB/LPAT) decisions would be deemed not to conflict with the proposed new policies contained in these documents.*

#### **Comment 4 Response**

In the email references above, the provisions of By-laws 1997-173, 2003-101, 2004-94 and 2008-128 applying to the RC3 lands be recognized in OPA 56 (it is noted that By-law 2004-94 simply removed a holding provision). The permissions established by these zoning by-law remain in effect until they are changed, notwithstanding any policy changes made by OPA 56. As a result there is no need to modify OPA 56.

#### **TRG-KFH (Lakeside) Inc. (Legacy Resort - formerly Lakeside Lodge).**

#### **Comment 1**

*Policies related to the mandatory connection to the future municipal services and cost to construct these services.*

- *It is unclear, nor has the District of Muskoka provided our client with an understanding how this policy requirement will be implemented and the financial obligations of our client.*
- *It is unclear if the current legally binding Developer's Responsibility Agreement with the District of Muskoka will conflict with the proposed policy set.*
- *A discussion between the developers who will benefit from these services and staff from the District of Muskoka has been requested prior to adopting/approving both sets of policies.*

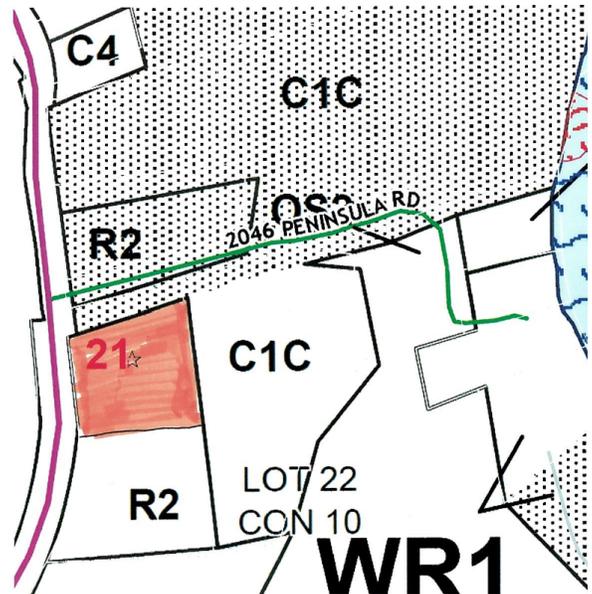
**Comment 1 Response**

See response to Comment 1 above.

**Comment 2**

*2026 Peninsula Road property.*

- *Our client is consolidating their land holdings, including a recently acquired property, located directly adjacent to their main land holdings. This property should be re-designated in both documents to a similar designation with the current resort. It is acknowledged that future public planning processes are required (e.g. zoning, revised site plan, etc.) to incorporate these lands to the current resort.*



**Comment 2 Response**

The lands in question are those lands shown in orange. No request was made through the extensive process carried out to date to designate these lands and it would be premature to do so.

**Comment 3**

*Protection of other existing Development Rights and Ontario Land Tribunal Decisions.*

- *In an email dated June 9, 2022, Planscape Inc. provided specific wording for a policy to be included in OPA #56 that would protect our client’s current development rights. The proposed policy would also ensure any previous Ontario Land Tribunal (former OMB/LPAT) decisions would be deemed not conflict with the proposed new policies contained in these documents.*

**Comment 3 Response**

The development that has occurred on the subject lands occurred in accordance with the zoning by-law that continues to apply. The permissions established by the zoning by-law remain in effect until they are changed, notwithstanding any policy changes made by OPA 56. As a result there is no need to modify OPA 56.