



To: Chair and Members
Muskoka District Council

From: Curtis Syvret
Manager of Planning

Lisa Marden
Director of Planning

Date: June 16, 2025

Subject: Muskoka Official Plan Amendment 60 (Muskoka Bay Condo II), Town of Gravenhurst

Report: 9(2025)-1

Recommendation

Option 1 (Recommended)

WHEREAS Report CPS-5-2025-1 was presented to the Community and Planning Services Committee on May 22, 2025, providing options for the Muskoka Official Plan Amendment 60 (Muskoka Bay Condo II) application in the Town of Gravenhurst;

AND WHEREAS Resolution R28/2025-CPS directed staff to consider additional requirements and timelines for entering into necessary agreement(s) and providing the related securities;

AND WHEREAS staff remain unable to recommend approval due to outstanding concerns, primarily associated with the environmental, financial, engineering and legal risks associated with the continued use of private communal servicing, where full municipal services are required;

NOW THEREFORE BE IT RESOLVED THAT that Official Plan Amendment 60 (Muskoka Bay Condo 11) **be denied**;

AND THAT no additional development be permitted until such time that full municipal services have been extended through the development of the applicant's adjacent lands.

Option 2 (not Recommended)

WHEREAS Report CPS-5-2025-1 was presented to the Community and Planning Services Committee on May 22, 2025, providing options for the Muskoka Official Plan Amendment 60 (Muskoka Bay Condo II) application in the Town of Gravenhurst;

AND WHEREAS Resolution R28/2025-CPS directed staff to consider additional requirements and timelines for entering into necessary agreement(s) and providing the related securities;

NOW THEREFORE BE IT RESOLVED THAT a by-law **be prepared** to approve Official Plan Amendment 60 (Muskoka Bay Condo 11) as outlined in Schedule "A" to Report 9(2025)-1.

Origin

A recommendation report for proposed Official Plan Amendment 60 was brought forward to the May 22, 2025, meeting ([Report CPS-5-2025-1](#)) of Community and Planning Services Committee. At this time, direction was given to staff through [Resolution R28/2025-CPS](#), to explore additional requirements and timelines for entering into necessary agreement(s) and related securities.

Executive Summary

The proposed amendment to the Muskoka Official Plan (MOP) proposes the continued use of private communal sewer services for an eighty-nine (89) unit mixed use development for a further period of a maximum of three (3) years. This raised a number of concerns, primarily associated with the environmental, financial, engineering and legal risks associated with the continued use of private communal servicing, where full municipal services are required. This report provides additional information on the legislative considerations.

From a policy perspective, staff remain unable to recommend approval of residential development on private communal services. However, should Council wish to consider approval of the amendment, Schedule "A" includes a modified Official Plan Amendment which would require that agreement(s) be registered on the title of the subject and adjacent lands, addressing the temporary nature of the private communal services and the responsibility of the condominium corporations for the operation and maintenance of the infrastructure, including the establishment of a reserve fund.

In addition, securities in the amount of 100% of the capital costs to install the municipal sanitary sewer infrastructure to the subject lands would be required to be provided to the District of Muskoka. While the provision of the agreement(s) and securities does alleviate the financial risk to the District for this particular development proposal, staff remain concerned with respect to policy and legislative requirements, precedent, and future phasing and growth management in Muskoka's urban centres.

Background

Legislative Context

The Muskoka Official Plan (MOP) considers private water or wastewater works to be communal, if they serve more than one legally conveyable lot, parcel or unit, regardless of land use. Private communal services are only permitted in the Muskoka Official Plan for resort commercial uses proceeding by way of condominium description.

The applicant has applied for temporary relief from this policy, by way of an Official Plan Amendment. While Official Plans are crucial land use planning documents, the intent of an Official Plan is to guide and direct future development, and the policies are not self-executing. They require implementation through other tools such as Zoning By-laws, Community Planning Permit Systems, Site Plan Control and various agreements under the Planning Act. Official Plan policies are therefore unable to require conditional approval, enforce requirements or apply penalties, as they are not the appropriate regulatory tool to do so.

Risk Management

Committee was concerned about the possibility that the applicant would not proceed with the necessary agreement(s) and posting of the securities and asked staff to investigate options to ensure that the development proceeded in a timely manner. In order to address these concerns, the site-specific Official Plan Amendment could be further modified to specify the requirement for the applicant to enter into an agreement with the District of Muskoka and the provision of the related securities within one (1) year of the force and effect date of the OPA, as well as a reduced timeframe for the extension of municipal sanitary sewer services to be completed and the private infrastructure be appropriately decommissioned. If Council is inclined to approve this modified OPA, staff recommend that the work be completed within two years (2) from the force and effect date of the OPA. Staff also recommend that the applicant/owner be required to notify any potential purchasers of the units that full municipal services are not available to the property and that the private communal connection is temporary and required to be decommissioned.

Should the required agreement and related securities not be provided, the applicant will need to apply for an additional amendment.

Options

Option 1 – Recommended

Staff continue to recommend that that OPA be denied and that full municipal services be extended through the development of the applicant's adjacent lands and that no additional development be permitted to connect to the existing private sanitary sewer infrastructure.

Option 2

Should Council wish to support the applicant's request for additional time, staff have prepared a modified site specific OPA that is intended to mitigate concerns regarding the timing of the development, as detailed in Schedule "A".

Financial Considerations

No impacts on the 2025-2026 Tax Supported Operating Budget and Capital Budget and Forecast are anticipated as a result of this report.

Climate Change Implications

The District assesses climate implications in all staff reports using the Clean Air Partnership's '[Municipal Climate Lens Tool](#)' to consider climate impacts or benefits associated with any project, program or initiative. The following is a summary of the results.

Municipal Climate Lens Tool	Results
Mitigation	Project does not result in GHG reduction, but more GHG intensive options exist
Temperature	There are no Temperature impacts associated with this report
Precipitation	Precipitation impacts has been considered and improved over base case

Climate Considerations Summary: The proposed development consists of a high-density mixed-use building with an increase in paved surfaces and would not appear to result in GHG or temperature reduction, although more intensive options do exist such as a less compact built form. The precipitation impact has also been considered and may be improved over base case with proposed stormwater management measures. Overall, the proposed development will contribute to the housing supply within the Town of Gravenhurst and meets the objectives of the PPS and MOP with regards to healthy communities and sustainable development. If the same development was proposed outside of an Urban Centre, the climate change impacts would be more intensive.

Communications

All reports are available through the District of Muskoka website as part of the Community and Planning Services agenda packages. A sign containing the Notice of Application and Notice of Public Meeting were posted on the subject lands and the District website. A Notice of Public Meeting was circulated to required agencies and all property owners within 120 metres (400 feet) of the subject lands in accordance with the

Planning Act, as amended. A public meeting was held on May 22, 2025, no written or oral comments were provided.

Strategic Plan

This report includes information or recommendations that impact or influence the following Strategic Plan Objectives:

- [Objective 1 Taking action together](#) – Preserve and protect our natural environment, take climate action and be more resilient to its impacts.

Respectfully submitted,

Curtis Syvret, Manager of Planning;
Lisa Marden, RPP, MCIP, Director of Planning; and
Arfona Zwiers, BSW, M Ed, Commissioner of Community and Planning Services

Schedule “A”

SECTION 5. THE AMENDMENT

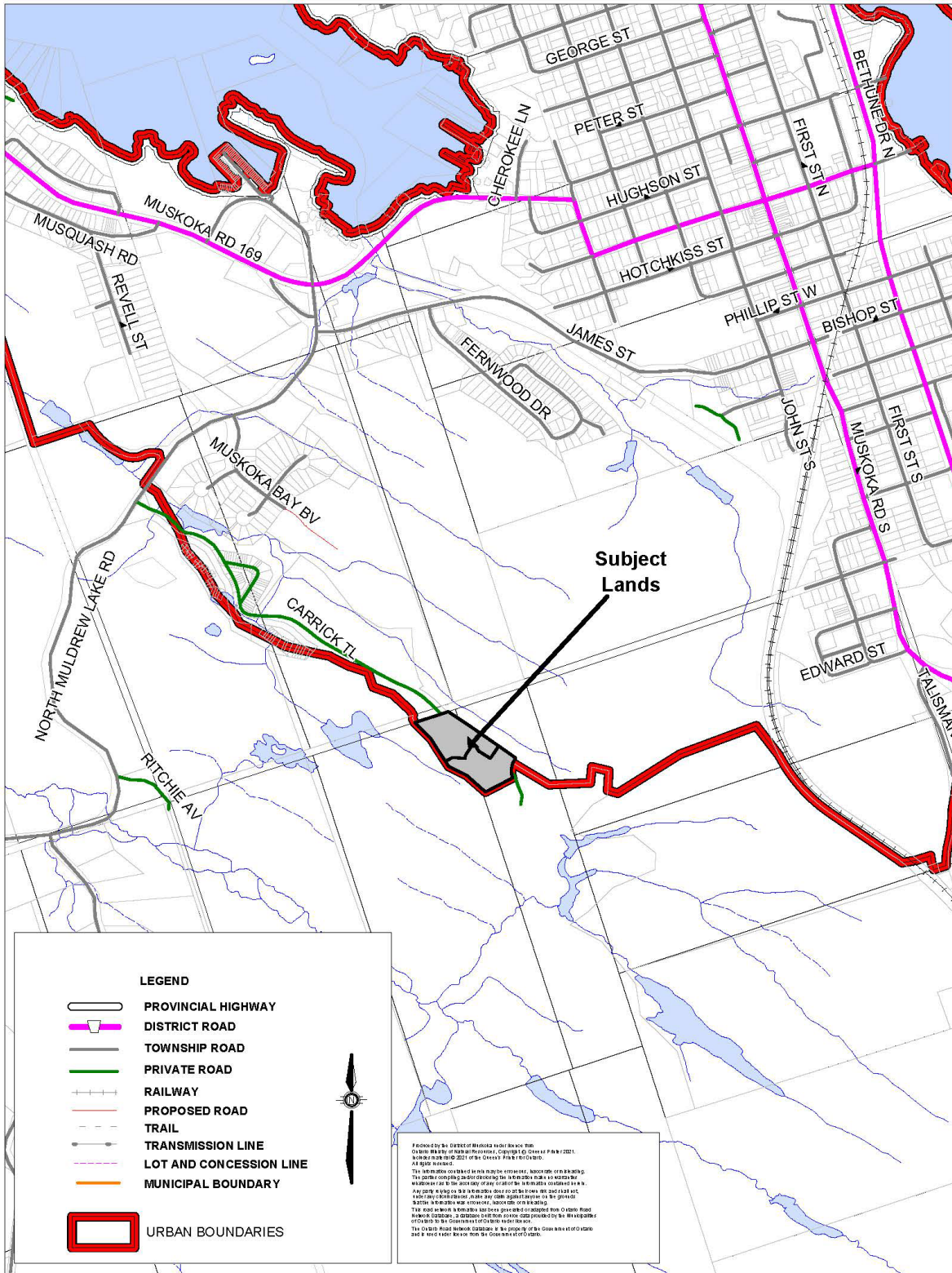
5.1 Section D15.6.1 of the Muskoka Official Plan, is hereby amended by the revision of Section D15.6.1.1, as follows:

D.15.6.1.1 SITE SPECIFIC POLICIES

D15.6.1.1 a) Notwithstanding Section D15.6.1 of this Plan, on lands shown on Schedule “A”, Map 1 to Amendment 60 , known as Muskoka Bay Resort Residences II Corp., legally described as Part of Lots 23 and 24, Concession 2, Muskoka Parts 9, 10, and 11 Plan 35R-26394 in the former Township of Muskoka, now in the Town of Gravenhurst, District of Muskoka, private communal sewage services will be permitted to temporarily service the development of a multiple residential mixed use condominium building containing a total of eighty-nine (89) residential units and one (1) commercial unit for a period not greater than two (2) years, commencing July 21, 2025 and ending on July 21, 2027:

- i. Where the owner enters into an agreement with the District Municipality of Muskoka and that agreement is registered on title of the subject lands by July 21, 2026, on terms satisfactory to the District of Muskoka that requires:
 1. that full municipal sanitary sewer services be extended to the subject lands by the developer by July 21, 2027; and
 2. that securities be provided, in a form acceptable to the District of Muskoka, in the amount of one hundred (100) percent of the capital installation of the required municipal sanitary sewer works, in addition to the decommissioning of the existing private communal sewage service (forcemain and pump station), plus the cost of inflation within a period not greater than two (2) years, commencing July 21, 2025.
- ii. Where property signage and/or agreement of purchase and sale is provided to the satisfaction of the District of Muskoka which advises prospective purchasers that full municipal services are not available and that the private communal sewer service is temporary and required to be decommissioned.

Appendix "I" – Location Map



Appendix "III" – Proposed Municipal Sanitary Sewer Extension

