

For immediate release — Township of Muskoka Lakes, October 12, 2018

Legacy Cottages sues Township of Muskoka Lakes for \$22 million in damages

Developers of the Legacy Cottages project in Minett have commenced a legal action against the Township of Muskoka Lakes for \$22 million in damages.

Court documents issued October 3rd allege the Township is in breach of contract, acted negligently and conspired against the developer to thwart development of the 43 unit resort property for which site plan approval was granted just over a year ago.

“As ratepayers and community members, we did not want to have to take such action. But having made a number of requests for township council to reconsider its hasty decision to pass an interim control bylaw on our property, we’ve had little choice but to take civil action to remedy the situation” says developer John Mehlenbacher.

Court documents indicate the interim control bylaw passed in May, 2018 specifically targeted the Legacy Cottages project. After signing the site plan agreement which authorized the development of 43 new resort units, developers demolished all 32 structures on what was the Lakeside Lodge property. “We have sunk millions of dollars into the property, relying on the agreement we made with the township council less than a year ago. Anyone with any sense of property rights should find this move by township council absolutely inflammatory” says Mehlenbacher.

The interim control bylaw was walked on to a council agenda in May by Councillors Phil Harding and Allen Edwards, advanced by the Muskoka Lakes Association. Town planning staff were not aware of the action, nor were they consulted.

“We are not aware of any other example within the Province of Ontario where a municipal council has passed such a bylaw for a project so far along in the development process” says Greg Knight, representative of Ken Fowler Enterprises, a minority partner in the project.

The interim control bylaw has broader implications for the Resort Village of Minett, including hundreds of acres of land owned by Ken Fowler Enterprises. “Bold moves like these are good for the headlines in an election year, but it creates an acrimonious relationship between developers and the township. Voters should think long and hard about who they vote for in the upcoming election. The so-called anti-development “protectors” the Muskoka Lakes Association support have a poor track record on getting the best deal for Muskoka. We want Minett to be something we can all be proud of. Right now, its feeling a lot more like a repeat of the Bala Falls...and we all know how that worked out” says Knight.

For now at least, construction has halted at the Legacy site. A Local Planning Appeal Tribunal on the matter will be heard later this month. An Ontario Court of Appeal hearing to set aside the interim control bylaw has not yet been scheduled, nor has the hearing for the civil lawsuit. One thing is for sure, however...the legal wrangling is certain to cost taxpayers a lot of money.

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