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September 8, 2016

Without Prejudice and Confidential

Our File No.: 142679

Via E-mail

Legal Services, City of Toronto Metro Hall, 55 John Street, 26th Floor Toronto, ON M5V 3C6

Attention: Sharon Haniford, City Solicitor

Dear Sirs/Mesdames:

Re: OMB Case No. PL160006 215-229 Church Street, 117 Dundas Street East

As you know, we are solicitors for Sentinel (Church) Holdings Inc., who are the owner of the lands known municipally as 215-229 Church Street and 117 Dundas Street East in the City of Toronto (the "Property"). We are writing on a without prejudice basis to propose a settlement of our client's appeal. This settlement offer is open until the conclusion of the City Council meeting scheduled to commence on October 5, 2016, after which it should considered as withdrawn. (We acknowledge that the timing of this offer likely means it would proceed directly to City Council.)

Without Prejudice Settlement Offer

The settlement offer is based on the attached without prejudice plans dated August 31, 2016. In particular, we note the following aspects of the revised without prejudice plan:

• The overall height of the 53-storey building (167.91 metres including mechanical penthouse) remains below the flight path for the Hospital for Sick Children, as established in the recent zoning order. This height is in keeping with recent approvals further east along Dundas Street East of 42 storeys, 47 storeys and 50 storeys. We acknowledge that confirmation is required from SickKids Hospital and our client is prepared to have this settlement offer conditional on receiving such confirmation. (Please note we have confirmed that the Property does not fall within the flight path for St. Michael's Hospital, as established in the recent zoning order.)

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- The tower setbacks are in accordance with the Tall Building Guidelines (3.015 metres from the north property line, 5.781 metres from the east property line and 12.5 metres from the centreline of the street, 12.65 metres from the south property line and 3.0 metres from the west property line).
- The tower floor plate resulting from the application of the tower setbacks in the Tall Building Guidelines has a gross floor area of between 766 and 784 square metres.
- The tower balconies have been redesigned, in response to comments from City staff, to minimize shadow impacts. We anticipate further discussions City staff to finalize balcony placement through the site plan approval process.
- Our client has reduced the height of the podium from 25.0 metres to 15.85 metres, in part to achieve the desired transition from the Property to the properties to the south.
- The east and west ground floors have been setback further to provide a wider pedestrian clearway on Church Street (now 6.0 metres, proposed at 4.6 metres) and Dalhousie Street (now 4.978 metres, proposed at 3.15 metres).
- Our client has revised the unit mix to include 47 3-bedroom units (or approximately 8% of the overall number of units.)
- Direct vehicle access is no longer proposed between Church Street and Dalhousie Street, All access for loading and parking will be provided only from Dalhousie Street, with decorative screening separating the driveway from Church Street. All garbage pick-up will occur inside a covered loading area, which will also be used for resident movingin/moving-out.
- The proposed bicycle parking, at 640 spaces, surpasses the City's minimum requirement.
- The proposed vehicle parking (178 spaces) is in five (5) underground levels and includes 11 auto share spaces and 167 residential parking spaces.

There is one other important aspect to our client's settlement offer. Our client is prepared to make a voluntary Section 37 contribution of \$2.2-million as part of a full settlement, which could be allocated to affordable housing and public realm/parkland improvements in the vicinity of the Property.

Our client is hopeful that this without prejudice proposal will be accepted by City Council. As noted above, however, if City Council does not accept this settlement offer at its meeting on October 5, 2016, this settlement offer should be considered as withdrawn.

Please let us know if any additional information is required.

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Yours truly,

Goodmans LLP

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David Bronskill DJB/ 6600809