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December 6, 2019

VIA EMAIL AND COURIER

Without Prejudice

City of Toronto
c/o Legal Department
Metro Hall
26th Floor, 55 John Street
Toronto ON M5V 3C6

Attention: Ray Kallio

Dear Sirs/Mesdames:

Re: LPAT Case No. PL 170866

We set out hereunder an offer to settle the appeal of our client, Minto Properties Inc., captioned above (the "Appeal"), in its entirety.

Please be advised that all aspects of this offer are interdependent, so while it touches upon several subject areas which are set out below independently, acceptance of each by the City is a fundamental term hereof. This does not derogate from the offer to settle built form only as delivered to you via letter dated November 6, 2019 with enclosures (the "Built Form Offer") except as specifically provided herein but clarifies that our client is not prepared to settle the balance of its appeal in the absence of a comprehensive settlement.

Minto hereby offers to settle the Appeal, conditional on the City accepting the "Built Form Offer" and conditional on certain further matters set out hereinunder, by entering into an agreement pursuant to Section 37 of the *Planning Act* ("Section 37 Agreement") with the City which secures the Owner's provision of affordable rental housing, streetscape improvements, improvements to Lithuania Park (or other area park), public art, publicly accessible open space, rental housing, and parkland on the terms and conditions respectively outlined hereunder.

Affordable Rental Housing

The owner proposes to provide the greater of 72 rental residential dwelling units or 10% of the number of units for which site plan approval is received at an effective rent to the tenant or proposed tenant thereof which does not exceed the latest average rent by unit type as defined and reported by CMHC prior to occupancy of such unit subject to the terms and conditions hereunder:

1. Subject to 4(d) hereunder 50% of the number of units subject to the rent restriction will be provided in the buildings existing on the site today (the "Existing Buildings"), and the balance of such units will be provided in the new apartment buildings, but not the new townhouses, to be constructed (the "New Buildings").
2. For such units in the Existing Buildings:
 - (a) The final unit mix by number of bedrooms will approximate the overall mix that is found in all Existing Buildings. The mix in the Existing Buildings is as follows:
 - (i) Studio – 40
 - (ii) 1 Bed Junior – 207
 - (iii) 1 Bed and Den – 97
 - (iv) 1 Bed Deluxe – 197
 - (v) 2 Bed – 209
 - (b) The location of such units within the Existing Buildings will be in the Owner's sole, unfettered discretion.
 - (c) For a period of ten years from the date of first occupancy of any such unit, the rent may be increased but such increase shall be limited to the provincial rent guideline increase referred to in Section 120 of the *Residential Tenancies Act* (or its successor). Following such ten year period, the Owner may increase the rent to market rent over three years in approximately equal annual increments (i.e. approximately 25% of the projected total increase each year). Market rent for this purpose shall be established with reference to the most recently rented unit with similar number of bedrooms and locational characteristics in the New Buildings. Therefore, after 13 years there will be no restrictions on rent.
 - (d) Such units will, where necessary, be improved with painting and/or repairs (including needed replacement of appliances or fixtures) to provide that the unit is in good working order in keeping with units at market rents in such Existing Building.
3. The timing of the provision of such units in the Existing Buildings shall be as follows:
 - (a) No units will be made available until a zoning by-law that would permit a building permit to be drawn for the development described in the Built Form Offer, subject to other applicable law, is in full force and effect and with no further opportunity for appeal or review.
 - (b) At least 75% of such units required to be provided within the Existing Buildings shall have been made available prior to the issuance of the first above-grade building permit for the New Buildings. The balance of such units in the Existing Buildings (the "Balance") shall be made available no later than such units being provided in the first New Building being occupied are required to be made available.

4. For such units in the New Buildings
 - (a) The final unit mix by number of bedrooms will approximate the overall mix that is proposed for the New Buildings.
 - (b) Such units will have an average size which is similar to the size of the units contemplated for the New Buildings in the Built Form Offer.
 - (c) Subject to (d) below, the number of such units in the first New Building to be occupied will be no less than its proportional share of the overall number of units in the New Buildings collectively.
 - (d) Notwithstanding 3(b) hereinabove, the Balance may, in the discretion of the Owner, be provided in the first New Building to be occupied, in which case the number of units in such New Building will be no less than the number required in (c) above plus the units provided pursuant to this clause (d).
 - (e) The location of all such units being provided will be subject to the City's approval, provided that:
 - (i) the City will be deemed to waive its right to approval if it does not respond to a request from the Owner for such approval, which request includes a copy of building permit floor plans from floors 1 to 10, within 45 days of the receipt of such request;
 - (ii) the City does not purport to require the location of any such unit on the 11th floor or higher in the New Building.
5. All such units in the New Buildings will be made available no later than the date by which 70% of the units being leased at market rent in the same building are made available.
6. The Owner will notify the City prior to making any such units available. Further, the Owner will provide a status report on the units which have been made available in the Existing Buildings and any immediate proposals to make further units available prior to the issuance of a foundation permit for the first New Building.
7. No construction costs of the New Buildings and Townhouses will be passed through to the tenants in the Existing Buildings.
8. The Owner will provide for a commercially reasonable income verification protocol, in relation to housing affordability, applicable at the time any lease for such unit is first entered into as part of its lease application process.

Streetscape Improvements

9. a) The Owner will undertake enhanced above base streetscape improvements within the City right-of-way, adjacent to the site to the value of \$100,000.00 on the streetscapes abutting the lands which are the subject of the Appeal (the "Site") subject to the City providing access to the road allowance at no cost and subject to the details of the enhancements being identified and secured through the site plan approval process. The Owner shall retain a landscape architect at their own cost to provide public realm and landscape drawings with the final details of such improvements to be determined

through the Site Plan Approval process and in consultation with the Ward Councillor. The Owner shall commence the Streetscape Improvements in accordance with the approved site plan no later than six months after construction of the New Buildings and the Townhouses is substantially complete as that term is defined in the *Construction Act*. Notwithstanding the above, the Owner may, at its sole discretion, elect to make a cash payment to the City in the amount of \$100,000.00 to be used by the City for streetscape improvements in proximity to the Site and the Owner shall thereby be released of its obligations to construct the Streetscape Improvements as otherwise required and the security provided for these Streetscape Improvements shall be returned to the Owner.

b) The Owner will also provide a cash contribution in the amount of \$100,000.00 for streetscape improvements to be allocated at the discretion of the City.

Park Improvements

10. The Owner will provide for a cash contribution of \$700,000.00 prior to the first above-grade non-conditional building permit for the New Buildings to be allocated to improvements at public parks in the vicinity of the Site in accordance with standard City protocols.

Public Art

11. The Owner will provide for Public Art to the value of \$500,000.00 to be located on the Site and provided pursuant to the City's standard public art process as of the date of this offer.

Publicly Accessible Open Space

12. The Owner will provide for publicly accessible open space in the locations described on the drawing entitled "Parkland and POPs Diagram" and dated November 13, 2019, prepared by WZMH Architects, subject to reserving its rights to close the space or exclude the public on a time limited basis to permit the Owner to repair or maintain either the publicly accessible open space itself or the balance of the Site, and to exclude members of the public acting illegally or inconsistently with the intended use of such space. Such space will be opened to the public upon the later of the occupancy of both the New Buildings and the townhouses identified in the Built Form Offer (the "Townhouses") or the completion of both any works thereon and the above-base park improvements discussed below. Note that the specific size of the "POPS" depends on the amount of the parkland dedication, now established as 1419 square metres, the intent being to provide for a continuously publicly accessible open space whether public or private, and may include a publicly accessible Dog Off Leash Area, but with building access and services (if any) maintained on privately owned land. The Owner will provide an easement over the "Public Walkways" shown to secure their use for public pedestrian purposes.

Rental Housing

13. The Owner will maintain the Existing Buildings as rental buildings for 20 years from the date of execution of the Section 37 Agreement, and will not apply to convert them to any other use during that time period.

14. The Owner will maintain the New Buildings as rental housing for 25 years from the date of first occupancy thereof, and will not apply to convert them to any other use in this time period.

General

15. A letter of credit to secure the Owner's undertaking in the amount of \$100,000.00 referred to in paragraph 9 a) will be delivered to the City prior to the first above-grade non-conditional building permit for the first New Building.
16. All components of this offer are conditional on a mutually satisfactory Section 37 Agreement and it unwinds should a zoning by-law which provides for the timely development of the built form contemplated by the Built Form Offer on the terms and conditions set out herein not come into force with all appeals and reviews determined or lapsed.

Parkland

17. The Section 37 Agreement will also:
 - (a) Identify that the amount and location of the on-site parkland dedication, being 1419 square metres within the area identified on the attached drawing as "Parkland Dedication POPS Remaining" constitutes complete satisfaction of the City's parkland requirements pursuant to the *Planning Act*. For clarity, the lands so dedicated shall be physically unencumbered and with soil conditions suitable for parks in accordance with City standards.
 - (b) Provide that the Owner shall construct above-base park improvements to a value not to exceed the total of the Parks and Recreation component of the City's Development Charge By-law and shall receive a credit against the Development Charge otherwise payable in the amount of such construction value.
 - (c) Provide that the owner will not be required to commence the above-base park improvements until 6 months after construction of the New Buildings and the Townhouses is substantially complete as that term is defined in the *Construction Lien Act*.
 - (d) Provide that the parkland will not be conveyed to the City until the above-base parkland improvements are substantially complete, but that a restriction on title pursuant to Section 118 of the *Land Titles Act* may be required by the City in its discretion prior to the issuance of the first above-grade non-conditional building permit on the site. However, notwithstanding the foregoing, the City may require conveyance of the parkland at any time after the fourth anniversary of the date of the issuance of the first above grade non-conditional building permit.

Unencumbered Soil

18. The below grade parking garage will not be located materially closer to the adjacent public street than the closer to such street of the existing parking garage or 6 metres.

Daycare

19. The Owner will provide a cash payment of \$200,000.00 to be used at the discretion of the Chief Planner in consultation with the Ward Councillor, for capital facilities (which may include fixtures and/or equipment) for non-profit daycare purposes in the vicinity of the Site.

Bicycle Parking

20. Notwithstanding the statistics in the Built Form Offer, bicycle parking will be provided as follows:
- (a) Existing buildings- 260 spaces
 - (b) New Buildings- 0.9 space per unit long-term, 0.1 space per unit short-term

Conditions

The first condition is that the overall parking requirement for the Site is to be set at 0.5 parking spaces per unit (inclusive of visitor parking).

The second condition is procedural: the foregoing is premised upon both the City and Minto entering evidence and leading a case to the full extent required to achieve an approval for Minto's proposed development as described in the Built-Form Offer and herein. In this respect, Minto acknowledges that if the City has not yet finalized its review of:

- (a) the functional servicing and transportation reports to determine whether off-site improvements are necessary;
- (b) the hydrogeology/geotechnical reports;
- (c) the natural heritage impact study;
- (d) the pedestrian wind study;
- (e) the tree protection plan; and
- (f) the Toronto Green Standards checklist, based on Tier 1 as of the date of this letter

then the LPAT Order may be withheld pending the satisfactory resolution thereof, as well as pending submission of a mutually satisfactory zoning by-law and the advice of the City Solicitor that the Section 37 Agreement securing the foregoing has been entered into, on the basis that the LPAT may be spoken to if problems arise.


As a final matter, the offer herein is conditional on the matters proposed to be provided by the Owner herein either completely satisfying all of the requirements of a community benefit charges by-law as contemplated by the *More Homes, More Choice Act, 2019*, or by the Site being exempted from the application of any such by-law, with any and all steps necessary to implement this final matter being to the mutual satisfaction of the City and Minto Properties Inc.

We look forward to hearing from you.

Yours truly,

McCarthy Tétrault LLP

Per:

A handwritten signature in blue ink, appearing to read "John A.R. Dawson", with a long, sweeping horizontal flourish extending to the right.

John A.R. Dawson

JARD/sc