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TE34.16.1

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BY EMAIL
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August 11, 2014
File No.: 136696.1001

City Clerk's Office
City of Toronto, City Hall
100 Queen Street West, 13th floor
Toronto, ON M5H 2N2

Attention: Members of Toronto and East York Community Council

Dear Sirs/Mesdames:

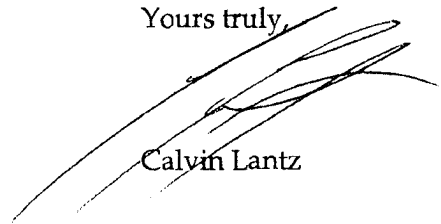
Re: Item TE34.16
Final Report - 57 Spadina Avenue, City of Toronto - Zoning Amendment
Application by Diamondcorp

We are counsel to Terracap Management Inc. ("Terracap"), the owner of the properties municipally known as 401, 407-409 and 415 King Street West, City of Toronto (the "Terracap Property"). The Terracap Property is immediately north of 57 Spadina Avenue, which is the subject of the zoning amendment application by Diamondcorp.

On behalf of Terracap, we submitted a letter of concern to Mr. Henry Tang, planner, on July 14, 2014 with respect to the proposed development by Diamondcorp on 57 Spadina Avenue. A copy of the letter is attached hereto. We respectfully ask that Community Council consider and respond to the concerns raised and the requests noted in our letter.

Additionally, please provide us with copies of all staff reports, notice of any public meeting and copies of all decisions of City Council or its committees with respect to this matter. Thank you for your attention.

Yours truly,



Calvin Lantz

CWL/ mc
Attachment

cc. Larry Krauss, *Terracap Management Inc.*
Jason McCauley, *Terracap Management Inc.*

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BY E-MAIL

July 14, 2014
File No.: 136696.1001

City Planning Division
City of Toronto, City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Attention: Henry Tang, Planner, Toronto and East York District

Dear Mr. Tang:

Re: 57 Spadina Avenue, City of Toronto - Diamondcorp

We are counsel to Terracap Management Inc. ("Terracap"), the owner of the properties municipally known as 401, 407-409 and 415 King Street West, City of Toronto (collectively, the "Terracap Property"). Terracap is proposing a mixed-use development on the Terracap Property for which a Zoning By-law Amendment application has been submitted (the "Terracap Proposal").

On behalf of Terracap, we are writing to express concern with respect to the development permissions being sought by Diamondcorp to permit a mixed-use project (the "Diamondcorp Proposal") on the property municipally known as 57 Spadina Avenue (the "Diamondcorp Property").

The Terracap Property is an important corner site at the intersection of King Street West and Spadina Avenue, which is well served by public transit and is in close proximity to the financial district, parkland, amenities, community facilities and social services. The redevelopment of the Terracap Property represents a timely opportunity for the City to support a landmark building on this prominent corner site as part of a desirable maturation process of the neighbourhood and will help anchor this significant intersection in the heart of the King-Spadina area.

The Terracap Proposal application was filed with the City on June 16, 2010, while the Diamondcorp Proposal application was filed almost 3 years later on May 16, 2013. Terracap has worked with Diamondcorp and the City over the past year to address concerns that have resulted from the Diamondcorp Proposal on the Terracap Proposal, namely: (i) the proximity of the two buildings and the resulting facing

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conditions; (ii) the increased east-west length of the proposed building on the Diamondcorp Property; and (iii) the height of the Diamondcorp Proposal.

Terracap has had extensive meetings with the Ward Councillor, and the Councillor has always emphasized the need for a comprehensive plan that at a minimum addresses both the Terracap Property and the Diamondcorp Property. Diamondcorp's preparation of such a comprehensive plan has not occurred. Without such a comprehensive plan, the potential impacts of the Diamondcorp Proposal cannot be completely understood and a thorough amelioration strategy devised.

Building Proximity and Facing Conditions

The proximity of the buildings proposed on the Terracap Property and the Diamondcorp Property and the resulting building facing conditions are challenging. The building on the Diamondcorp Property is proposed to be set back 8.625 metres from the centreline of the mutual public laneway between the DiamondCorp Property and the Terracap Property. The Diamondcorp Proposal will create additional light, view and privacy impacts on the Terracap Proposal.

Approving the reduced setback to the mutual laneway as part of the Diamondcorp Proposal requires Terracap to explore alternative building design to ameliorate the facing distance conditions and/or requires the Terracap Proposal to have a greater setback from the centreline of the public laneway. In order to respond to the constraints imposed by the Diamondcorp Proposal, Terracap requires flexibility to explore creative solutions involving alternative tower configurations and increased building height.

Increased East-West Building Length

The Diamondcorp Proposal has also been revised after presenting it to the Design Review Panel meeting such that the east and west setbacks of the building's tower component have been further reduced to 11.5 metres and 16.8 metres, respectively, resulting in a wider building footprint. The former notch at the northeast corner of the building on the Diamondcorp Property has also been eliminated.

A tall building on the Diamondcorp Property will obscure direct southern views from the Terracap Property. The increased Diamondcorp tower floorplate and without the northeast corner building notch, however, also represents a significant impairment of light and views to and from the Terracap Property to the southeast and southwest.

Building Height

The Official Plan sets out policies to ensure that new development will be massed to fit harmoniously into its existing and/or planned context by creating appropriate transitions in scale and the King-Spadina Secondary Plan further sets the

context in proximity to King Street and Clarence Square. This idea of transition is implemented in existing zoning that contemplates the stepping down of heights from King Street, to the north, to Clarence Square, to the south, with a permitted maximum height of 39 metres for the western portion and 30 metres for the eastern portion of the Terracap Property and a permitted maximum height of 18 metres on the Diamondcorp Property. If the Diamondcorp Proposal, as a mid-block development, is approved at an absolute height of 123.25 metres, then in order to preserve the principle of the height transition as established in the as-of-right zoning, the Terracap Proposal building height should be greater than that of the Diamondcorp Proposal.

Comprehensive Review

In a meeting with City staff, our client was advised that the Terracap Proposal and Diamondcorp Proposal would be reviewed comprehensively. It is for this reason our client and team of consultants are surprised to learn that the Diamondcorp Proposal is being advanced to Council by City staff with a Final Report in the absence of a comprehensive review. As you will know from our meetings with City staff on May 30 and July 2, 2014, Terracap has prepared a revised design of its proposal and is presently working on up-dating its reports for the revised development scheme. We anticipate being able to make a complete resubmission of the application to the City in 6-8 weeks which will allow the City then to undertake a comprehensive review of the proposals.

The Request

We believe it is very important that the City recognizes that, in allowing the Diamond site to proceed as it is planned today, it creates difficult design challenges that have adverse effects on our client's property. In order to overcome these issues, we have been challenged to create an enhanced design solution that not only overcomes these concerns, but has resulted in a great architectural solution. In overcoming these difficulties we ask that City staff allow our client the flexibility in form and sculptural height to achieve a creative solution to turn adversity into opportunity, recognizing that a creative design is more expensive to build and less efficient than the basic rectangular shape of the Diamond Proposal. It should also be noted that our client is bringing to the community a much needed two levels of retail shopping experience, each level designed at over 6 metres in height to allow for a potential food store tenant while maintaining the King Street heritage façade. These are all additional community benefits that we can deliver over the Diamond Proposal, but which represent enhanced cost to the Terracap project. Credit must be given to Terracap for these important benefits and for the additional costs associated with attempting to accommodate the revised Diamondcorp Proposal.

We ask that City staff complete the comprehensive review of the Terracap Proposal and Diamondcorp Proposal as originally intended prior to the approval of the Diamondcorp Proposal. As part of this comprehensive review, we ask that staff consider: (i) a reduction in the length of the Diamondcorp building and the reintroduction of the northeast building notch; and (ii) an increase in the setback

distance of the Diamondcorp Proposal from the centreline of the mutual public laneway so as to improve the facing distance conditions between the Terracap Proposal and the Diamondcorp Proposal. We also ask that the City provide flexibility to help Terracap respond to the issues raised by the Diamondcorp Proposal, particularly with respect to: (i) Terracap exploring alternative design that ameliorates facing distance conditions through the use of angled building faces; and (ii) increased height on the Terracap Property to maintain the principles of a transition in height from King Street to Clarence Square as required by the Official Plan and as provided for as-of-right in existing zoning.

For these reasons and any others that we reserve the right to bring forward, we hope that staff will respond appropriately to the concerns raised by Terracap with the Diamondcorp Proposal. We look forward to working with staff and the community on the forthcoming revised Terracap Proposal. Please contact the undersigned if you have any questions or wish to discuss further.

CWL/mc

cc. Gregg Lintern, *City of Toronto*
Larry Krauss, *Terracap Management Inc.*