

March 27, 2015

**Appendix A - made public on
April 13, 2015**

Our File No.: 00-1716

Mayor and Members of Council
Toronto City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Attention: Ms. Marilyn Toft, Council Secretariat

Re: Settlement of Appeal of City Council's passage of By-law No. 277-2015 (the "Heritage By-law") with respect to the properties municipally known as 1, 9 & 11 BLOOR STREET WEST and 768, 770, 774, 774½, 776, 778, 780, 782 & 784 YONGE STREET in the City of Toronto (the "Site")

We are the solicitors for Mizrahi Development Group (The One) Inc., the owners of the properties municipally known as 1, 9 & 11 Bloor Street West and 770, 778, 780, 782 & 784 Yonge Street, the beneficial owners, pursuant to an Agreement of Purchase and Sale, of the properties municipally known as 774, 774½ & 776 Yonge Street and the agents on behalf of the owners of the property municipally known as 768 Yonge Street in the City of Toronto. The Site is an "L" shaped property located at the southwest corner of the intersection of Yonge Street and Bloor Street, with frontages of 47.7 m along Bloor Street and 59.2 m along Yonge Street and an overall area of 2,531.5 m². The Site is currently occupied by seven mixed-use buildings containing commercial, retail and residential uses ranging in height between 1 to 3-storeys, along with a private laneway, which Site includes a 3-storey building which has been partially demolished, all of which is accessed by a "C" shaped rear lane which connects from Balmuto Street to the southwest corner of the Site.

Site and Surrounding Context

The Site is located at one of, if not the, most important mixed-use intersections in the downtown area of the City of Toronto, with the immediate surrounding neighbourhood displaying a truly urban condition, mixing high-end retail, commercial, residential and office uses, all of which sit on top of the intersection of the two major subway lines in the City. Over the past decade, City Planning Staff and City Council have implemented the City's vision for the growth and development of this central transit-enriched area into a high density node with the approval of a number of significant development applications, including a 75-storey mixed use building at the southeast corner of Yonge Street and Bloor Street (1 Bloor Street East) which was originally approved by Council at 78-storeys, a two-tower mixed use development on Yonge Street between Bloor Street and Cumberland Street with heights of 36 and 47-storeys (2 Bloor Street West), a 71-storey tower on the north side of Bloor Street just west of Yonge Street (50 Bloor Street West), a

two-tower approval with heights of 40 and 62-storeys northwest of the Site between Yorkville Avenue and Cumberland Street (37 Yorkville Avenue), a two-tower residential and hotel development with heights of 52-storeys and 26-storeys further northwest of the Site (50 & 60 Yorkville Avenue), a 48-storey mixed use development immediately west of the Site (35 Balmuto Street) and a 34-storey development to the southwest (21 Balmuto Street).

Proposed Development

In recognizing the Site and surrounding area as one which carries a responsibility of achieving the highest level of design which delivers retail tenants worthy of the area's importance within the City of Toronto, our client retained a "world class" team of architects and consultants, who arrived at a design consisting of an 80-storey mixed-use building, stepping down to an 8-storey podium along the western portion of the Bloor Street frontage and the southern portion of the Yonge Street frontage. A total of 9 levels of retail space are proposed, inclusive of the first 8 floors of the base building plus one "concourse level" of below grade retail space on the P1 level, which will be connected below grade to the path system, linking the building to the subway station and retail spaces within the neighbouring buildings. The tower has been reverse-engineered with a unique "exoskeleton" design which serves to showcase the luxuriously-designed, "jewelry"-inspired structural components of the building on the exterior face of the tower, while leaving the interior retail and residential spaces "uncontaminated" by structural columns and components. The main pedestrian entrance to both the residential and retail components of the building is located mid-block along Bloor Street, with a large, beautifully landscaped open courtyard area accentuating the entrance.

Passage of the Heritage By-law

On February 11, 2015, City of Toronto Council, without any prior notice to our client, "walked on" the Heritage By-law, which in effect, prevented any development and/or construction even under the existing "as of right" zoning to proceed on Site. Our clients financing would be held up if the Heritage By-law is not amended and/or modified to delete our client's lands.

Settlement of Appeal at the March 31, 2015 Council Meeting

Over the past number of days, our client has attended meetings with various City officials in order to convey the seriousness of the issue at hand. Our client has also attempted to understand the nature of the City's heritage concerns in an effort to move forward with a cooperative resolution that allows the City's stated goals to be achieved, while at the same time, immediately addressing our client's concerns. In the spirit of cooperation, our client would agree to the following, on the condition that City Council, at its March 31, 2015 meeting, modifies/amends the boundary of the Heritage By-law to exclude the entirety of our client's Site:

1. Our client will not oppose the designation of the property municipally known as 774-776 Yonge Street (the listed property), with a view to working with the city to incorporate those heritage attributes the City believes ought to be incorporated in any development on the Site;

2. Our client will not act upon the issued demolition permit affecting the properties municipally known as 780 and 782 Yonge Street (which building is not currently listed and/or designated) until such time as it proceeds with the excavation of the Site and the City agrees that it will not list or designate 780 and 782 Yonge Street prior to such time as the excavation commences. Our client will be permitted to carry out the necessary works inside the building (that do not require demolition) so as to proceed with the on site below grade investigation.
3. Our client agrees to commemorate “His Majesty’s Theatre” and its importance as one of the first Canadian Ballet schools, which commemoration will be recognized within the public areas or walkways or path connections on the Site, the details of which will be determined as part of the overall planning process; and
4. It is our client’s respectful submission that based upon our client’s commitment set out in paragraphs 1, 2 and 3 above, the intent of the City’s passage of the Heritage By-law is addressed, and as such, the final condition of the settlement noted herein is City Council, at its meeting of March 31, 2015, amending/modifying the boundary of the Heritage By-law so that it no longer affects our client’s Site. Upon City Council’s modification/amendment of the Heritage By-law, our client will withdraw its appeal.

The within offer set out above will ensure that the potential irreparable financial harm to our client will be avoided, which again, can only be achieved by City Council’s immediate modification/amendment of the Heritage By-law at the March 31, 2015 Council Meeting so as to remove our client’s Site from the application thereof.

Should you have any questions or require any further clarification, please do not hesitate to contact the writer.

Yours very truly,



Adam J. Brown

Encls.

Cc: Councillor Kristyn Wong-Tam
 Mr. Sam Mizrahi (Mizrahi Development Group (The One) Inc., the Applicant)
 Mr. Chris Paliare / Mr. Richard Stephenson (Litigation Counsel to the Applicant)
 Mr. John Livey (Deputy City Manager)
 Ms. Sharon Haniford/ Ms. Amanda Hill (City of Toronto Legal Department)
 Ms. Jennifer Keesmat / Mr. Harold Madi / Mr. Gregg Lintern / Mr. Jamie McEwan / Mr. Oren Tamir (City Planning)
 Ms. Mary MacDonald / Ms. Tamara Anson-Cartwright (Toronto Heritage Preservation Services)